

Board of Education Business Meeting

Tuesday, October 28, 2025 6:00 PM

D300 Central Office - Anne B Miller Boardroom, 2550 Harnish Drive, Algonquin, IL 60102

1. Call to Order

1.1. Roll Call

2. Closed Session, 6:00pm

2.1. Motion to go into closed session for the purpose of discussing: 1. The appointment, employment, compensation, discipline, performance, or dismissal of specific employees of the public body 2(c) (1); 2. Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees 2(c) (2); 3. Litigation 2(c) (11); and 4. Security procedures, school building safety and security, and the use of personnel to respond to an actual, a threatened or a reasonably potential danger to the safety of employees, students, staff, the public or public property 2(c) (8).

2.2. Motion to Suspend Closed Session

3. Reconvene in Open Session (no later than 6:30pm)

3.1. Roll Call

4. Pledge of Allegiance, Dundee Highlands Elementary School

5. Approval of the Agenda

6. Recognition

7. **Public Participation: Members of the public, especially residents of District 300, are welcome to contribute during public participation. To do so, you must sign up electronically via a computer located in the Central Office lobby between 6:00-6:30pm, or the start of the open meeting; be 18 years old or older or have a parent/legal guardian present with you, give your full name and respectfully state your comments, and you are not permitted to mention the names of specific staff members or students. The Board will not respond in this forum but will thoughtfully consider your statements.**

8. Board Discussion

8.1. Board Committee Reports

8.2. Board Discussion

9. Items for Discussion

9.1. Out of District Student Travel

10. Consent Items <\$35k

10.1. Approval of Board Meeting Minutes for September 23, 2025, October 2, 2025, and October 14, 2025

10.2. Approval of Disposal Report

10.3. Approval of Bills Payable

10.4. Approval of Donation Report

10.5. Approval of Treasurer's Report

10.6. Approval of Human Resources Report

10.7. Approval of Parent Group Recognition

10.8. Approval of Budget Calendar/Designee Resolution

10.9. Approval of Open Enrollment Service (Renewal)

10.10. Approval of Board Policy Review and Revisions

10.11. Approval of Freedom of Information Act Report

11. Consent Items >\$35K

11.1. Approval of Parkview Addition Bid (Asphalt Paving)

11.2. Approval of Rooftop Units Bid (JHS & HMS)

11.3. Approval of Elevator Maintenance Contract

11.4. Approval of Graduation Venue Contract (Renewal)

11.5. Approval of Leadership Development Services Contract

11.6. Approval of Technology Related Service Contract Addendum

11.7. Approval of Telecommunication Services Contract

11.8. Approval of Mutual Separation Agreement of Hampshire High School Choir Teacher

12. Roll Call Action Items

12.1. Approval of Out of District Student Travel

13. Closed Session

13.1. Motion to go into closed session for the purpose of discussing: 1. The appointment,

employment, compensation, discipline, performance, or dismissal of specific employees of the public body 2(c) (1); 2. Collective negotiating matters between the public body and its employees or their representatives, or deliberations concerning salary schedules for one or more classes of employees 2(c) (2); 3. Litigation 2(c) (11); and 4. Security procedures, school building safety and security, and the use of personnel to respond to an actual, a threatened or a reasonably potential danger to the safety of employees, students, staff, the public or public property 2(c) (8).

13.2. Motion to Adjourn Closed Session and return to open session

14. Reconvene in Open Session

14.1. Roll Call

15. Adjournment



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD of EDUCATION MEMO

DATE: October 28, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Dr. Niki Burkey,
Assistant Superintendent

SUBJECT: Out of District Student Travel

Presented at the following Board Meetings	Date
Board Operations Committee	
BOE 1 st Reading	10/28/2025
BOE 2 nd Reading	10/28/2025

Background

Per Board Policy 6:240, all field trips must have the Superintendent or designee’s prior approval, except that field trips beyond a 200-mile radius of the school or extending overnight must have the prior approval of the School Board. Each trip authorization shall be based on the written rationale of the travel’s educational value and the safety and welfare of the students involved.

Administrative Recommendation

The administration recommends approval of the request as presented for student travel as follows:

- Algonquin Middle School, Washington D.C. trip, April 9-11, 2026
- Carpentersville Middle School, Washington D.C. trip, June 4 -6, 2026
- Dundee Middle School - Washington D.C. trip, March 19-21, 2026
- Hampshire Middle School - Washington D.C. trip, April 15-17, 2026
- Westfield Middle School - Washington D.C. trip, April 16-18, 2026

**Community Unit School District 300 Monthly
Fixed Asset Disposals
10/01/2025**

Date Submitted	Location	Type	Manufacturer / Publisher	Model/Title	Serial #	Tag	Reason for Disposal	Method of Disposal
9/3/2025	LES	radio	Motorola	CP200d	N/A	118054	Broken	Tech Recycle
9/9/2025	GES	Bookshelves and file cabinets	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/11/2025	LWS	metal foldable chairs	N/A	N/A	N/A	0017517	Broken	Metal Recycle
9/11/2025	PVES	Chairs- 14 metal classroom chairs, large plastic chairs	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/11/2025	PVES	Small teacher desk	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/11/2025	PVES	2 exercise bikes	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/11/2025	PVES	2-8ft wooden metal tables/2-4foot tables	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/11/2025	PVES	3 plastic dividers	N/A	N/A	N/A	N/A	Obsolete	Refuse
9/11/2025	PVES	2 trampolines	Little tykes	N/A	N/A	N/A	Obsolete	Refuse
9/11/2025	DMS	bench	N/A	N/A	N/A	N/A	Broken	Refuse
9/12/2025	WCS	Extractor	Chariot	CE26-10061670	N/A	N/A	Obsolete	Metal Recycle
9/12/2025	WCS	Pressure Washer	Kaivac	21002150-1123	N/A	N/A	Broken	Metal Recycle
9/12/2025	WCS	Carpet Pile Lifter	N/A	N/A	110107-00	102290	Obsolete	Metal Recycle
9/12/2025	WCS	Hallway Sweeper	Chariot	N/A	1012 5650000552	106594	Obsolete	Metal Recycle
9/12/2025	WCS	small carpet extractor	Advance	N/A	1000032647	N/A	Obsolete	Metal Recycle
9/12/2025	WCS	two blue metal teacher desks	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/12/2025	WCS	31 student desks	N/A	N/A	N/A	N/A	Obsolete	Metal Recycle
9/12/2025	WCS	19 folding tables	N/A	N/A	N/A	N/A	Broken	Refuse
9/12/2025	WCS	Blue filing cabinet and black filing cabinet	N/A	N/A	N/A	5370	Obsolete	Metal Recycle
9/15/2025	JHS	48 various aged library books	various	various	N/A	Multiple	Obsolete	Recycle
9/15/2025	DCHS	2413 Library & Guided Reading	see attached	see attached	see attached	Multiple	Obsolete	Recycle
9/22/2025	NES	Principal's office storage shelving unit	The HON company	N/A	8DRXKC	N/A	Broken	Refuse
9/22/2025	NES	Principal's Computer desk	The HON company	N/A	N/A	N/A	Broken	Refuse
9/24/2025	BTES	Radios	Motorola	CP200d	752TYKP756	119425	Broken	Tech Recycle
9/24/2025	JHS	Classical Guitar	Yamaha	CG122MCH	HPH290139	N/A	Broken	Refuse
9/24/2025	JHS	Classical Guitar	Cordoba	C3M	62123773	123312	Broken	Refuse
9/29/2025	AMS	Covid Barriers	Wenger	N/A	N/A	N/A	Obsolete	Refuse
9/29/2025	AMS	Gym mats/wrestling	N/A	N/A	N/A	N/A	Obsolete	Refuse
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP756	119425	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TKK834	119435	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKS351	119413	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP804	119427	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKU833	119625	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP895	119421	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP876	119422	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TKYS813	119442	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP756	119425	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TKK834	119435	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKS351	119413	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP804	119427	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKU833	119625	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP895	119421	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TYKP876	119422	Broken	Tech Recycle
09/23/2025	BTES	Radios	Motorola	CP200d	752TKYS813	119442	Broken	Tech Recycle
9/26/2025	JHS	Monitor	Lenovo	Thinkvision	N/A	T116970	Broken	Tech Recycle
9/4/2025	DCHS	Laptop	Lenovo	L14 Gen2	1s20X2S6BU00PF3WR2ET	T166276	Broken	Tech Recycle
9/4/2025	DCHS	Lithium Ion Battery	Lenovo	5B10W13897	8SSB10T83140C5KS13F01GN	N/A	Broken	Tech Recycle
9/10/2025	DCHS	Keyboard	Lenovo	L14NBL-84US	N/A	N/A	Broken	Tech Recycle
9/10/2025	DCHS	Lithium Ion Battery	Lenovo	5B10W13896	8SSB10T83139X5XP24E04L6	N/A	Broken	Tech Recycle
9/10/2025	DCHS	Laptop	Lenovo	L14 Gen2	PF3TX3WZ	T165280	Broken	Tech Recycle
9/10/2025	DCHS	Document Camera	Aver	U50	4.01022E+12	T60581	Broken	Tech Recycle
9/10/2025	DCHS	Document Camera	Aver	U50	4.01022E+12	T60521	Broken	Tech Recycle
9/11/2025	DCHS	Document Camera	Aver	U50	4.01022E+12	T60538	Broken	Tech Recycle
9/11/2025	DCHS	Document Camera	Aver	U50	4.01022E+12	24041	Broken	Tech Recycle

9/11/2025	DCHS	Phone	Mitel	5212 IP Phone	AVAFJ0204	N/A	Broken	Tech Recycle
9/11/2025	DCHS	Webcam	Sabrent	SBT-WCCK	N/A	T61684	Broken	Tech Recycle
9/11/2025	DCHS	Webcam	Sabrent	SBT-WCCK	N/A	T61465	Broken	Tech Recycle
9/11/2025	DCHS	Webcam	Sabrent	SBT-WCCK	N/A	T61504	Broken	Tech Recycle
9/11/2025	DCHS	Webcam	Sabrent	SBT-WCCK	N/A	T61479	Broken	Tech Recycle
9/11/2025	DCHS	Webcam	Sabrent	SBT-WCCK	N/A	T61589	Broken	Tech Recycle
9/15/2025	DCHS	Mouse	Logitech	M100	1616HS03ZB38	N/A	Broken	Tech Recycle
9/16/2025	DCHS	SMART Slate	SMART Technologies	WS200	10CP004255	N/A	Obsolete	Tech Recycle
9/16/2025	DCHS	SMART Slate	SMART Technologies	WS200	10CP004207	N/A	Obsolete	Tech Recycle
9/16/2025	DCHS	SMART Slate	SMART Technologies	WS200	10CP004206	N/A	Obsolete	Tech Recycle
9/16/2025	DCHS	Chromebook parts (2 boxes)	HP	N/A	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Docking Station	Lenovo	ThinkPad Workstation Dock	1S40A5M2D06T6B	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Portable Hard Drive	Smartdisk	FireLite FWFL100-N	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Portable Hard Drive	Smartdisk	FireLite FWFL100-N	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Portable Hard Drive	Smartdisk	FireLite FWFL100-N	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/16/2025	DCHS	Keyboard	Lenovo	SIL20-W15	N/A	N/A	Broken	Tech Recycle
9/18/2025	DCHS	Laptop	Lenovo	T480s	1S20L7002KUSPC0XMTH2	T79795	Obsolete	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	PF3NQLSL	T116074	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	1s20U2S97100PF2ZJOBK	T110997	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	PF3WEV1Q	T165103	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	PF2ZSPEX	T115323	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	PF3WT8Z3	T166193	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	PF3V38HW	T165625	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	1s20X2S6BU00PF3TT8CW	T165450	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	1s20U2S97100PF2ZSJQP	T115339	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	1S20X2S6BU00PF3WTMNF	T166392	Broken	Tech Recycle
9/19/2025	DCHS	Laptop	Lenovo	L14	1s20X2S6BU00PF3WTHVS	T166248	Broken	Tech Recycle
09/08/2025	CO	Thinkpad basic docking station	Lenovo	40AG	M3G01A2N	N/A	Broken	Tech Recycle
09/16/2025	CO	Hotspot	T-Mobile	T9 Franklin	N/A	T163772	Broken	Tech Recycle
09/16/2025	CO	Hotspot	T-Mobile	T9 Franklin	N/A	T163705	Broken	Tech Recycle
09/22/2025	CO	Lenovo docking station	Lenovo	LDC-G2	ZKT0QSDY	N/A	Obsolete	Tech Recycle

Diane C. White

Diane C. White, Director of Purchasing

10/1/2025

Date

*Supporting documentation available in the Purchasing Department.

Community Unit School District 300
A/P Board Bill Listing for October 28 , 2025
For Invoices Processed from October 2, 2025 through October 15, 2025

<u>Fund</u>	<u>Amount</u>
Educational	\$ 2,774,989.60
Health Insurance Fund	\$ -
Grant Fund	\$ 45,179.15
COVID 19 Fund	
Operations & Maintenance	\$ 859,071.52
Bond & Interest	\$ 1,253.50
Transportation	\$ 2,757,568.12
Site & Construction	\$ 121,503.98
Impact Fees	
Tort Immunity Fund	
	<hr/>
Total All Funds	<u><u>\$ 6,559,565.87</u></u>

Approved at a meeting of the Board of Education, Community Unit School District No. 300

Date: _____

Signed: _____
President

Secretary

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	0411	Wire Transfer	AMALGAMATED BANK OF CHICAGO	1,253.50
10/28/2025	0412	Wire Transfer	COMCAST	7,500.00
10/28/2025	0413	Wire Transfer	CSG FORTE PAYMENTS INC	10,489.84
10/28/2025	0414	Wire Transfer	FLEETMATICS USA LLC	1,308.58
10/28/2025	8303	Check	5-STAR STUDENTS	2,250.00
10/28/2025	8304	Check	630OUTLAWS INC	1,575.00
10/28/2025	8305	Check	A DISCOUNT T	1,163.75
10/28/2025	8306	Check	ADLAI STEVENSON HIGH SCHOOL	250.00
10/28/2025	8307	Check	AFFILIATED SERVICE LLC	1,567.50
10/28/2025	8308	Check	AL WARREN OIL COMPANY INC	146,239.75
10/28/2025	8309	Check	ALGONQUIN/LITH ROTARY CLUB	100.00
10/28/2025	8310	Check	ALLENDALE ASSOCIATION	15,330.00
10/28/2025	8311	Check	AMERICAN TAXI DISPATCH INC	46,546.00
10/28/2025	8312	Check	AMERICAN UNITED LIFE	20,533.31
10/28/2025	8313	Check	ANDREW HIGH SCHOOL	450.00
10/28/2025	8314	Check	ATI HOLDINGS LLC	45,360.00
10/28/2025	8315	Check	AWARDS INTERNATIONAL	19.75
10/28/2025	8316	Check	B AND H PHOTO-VIDEO	2,453.75
10/28/2025	8317	Check	BARAK BUSINESS SERVICE	181.51
10/28/2025	8318	Check	BARNES AND NOBLE BOOKSELLERS	2,970.75
10/28/2025	8319	Check	BARRINGTON HIGH SCHOOL	375.00
10/28/2025	8320	Check	BARTLETT HIGH SCHOOL	325.00
10/28/2025	8321	Check	BATTERIES PLUS 1028	251.88
10/28/2025	8322	Check	BAYCOM INC	29,321.08
10/28/2025	8323	Check	BEECH, SUSAN E	259.00
10/28/2025	8324	Check	BERINGER, ROBERT J	166.60
10/28/2025	8325	Check	BOYLAN CENTRAL CATHOLIC HS	320.00
10/28/2025	8326	Check	BR BLEACHERS	7,162.00
10/28/2025	8327	Check	BREEZE, JENNIFER L	229.47
10/28/2025	8328	Check	BRIGHTMONT ACADEMY	18,924.62
10/28/2025	8329	Check	BSN SPORTS LLC	1,296.00
10/28/2025	8330	Check	BUCHER HYDRAULICS INC	125.00
10/28/2025	8331	Check	BUFFALO GROVE HIGH SCHOOL	330.00

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8332	Check	BUREAU OF EDUCATION RESEARCH	295.00
10/28/2025	8333	Check	BURLINGTON CENTRAL HIGH SCHOOL	1,130.00
10/28/2025	8334	Check	BUTCHER ON THE BLOCK	2,464.09
10/28/2025	8335	Check	CANDOR HEALTH EDUCATION	3,180.00
10/28/2025	8336	Check	CARY GROVE HIGH SCHOOL	400.00
10/28/2025	8337	Check	CENTRAL TREE & LANDSCAPE MULCH	2,550.00
10/28/2025	8338	Check	CERAMIC SUPPLY CHICAGO	695.00
10/28/2025	8339	Check	CINTAS CORPORATION	18,792.55
10/28/2025	8340	Check	CITICARE SERVICES LLC	16,517.60
10/28/2025	8341	Check	CLASSROOM CONNECTION DAY SCHOO	10,384.56
10/28/2025	8342	Check	CLIENTFIRST CONSULTING GROUP L	195.00
10/28/2025	8343	Check	COMBS, ANGELA	154.00
10/28/2025	8344	Check	COMMUNITY SCHOOL DISTRICT 200	250.00
10/28/2025	8345	Check	COMMUNITY SCHOOL DISTRICT 200	500.00
10/28/2025	8346	Check	CONRAD, GARY W	344.00
10/28/2025	8347	Check	CONSERV FS	616.00
10/28/2025	8348	Check	CONSOLIDATED HIGH SCHOOL DISTRICT 230	500.00
10/28/2025	8349	Check	CONTECH MSI CO	9,654.00
10/28/2025	8350	Check	CORDANCE OPERATIONS LLC	9,845.00
10/28/2025	8351	Check	CRAIG R ELLIOTT	135.00
10/28/2025	8352	Check	CRYSTAL LAKE CENTRAL HIGH SCHO	1,065.00
10/28/2025	8353	Check	CUBICLEKEYS.COM	42.90
10/28/2025	8354	Check	CURRICULUM ASSOCIATES INC	108.47
10/28/2025	8355	Check	DEMCO INC	368.73
10/28/2025	8356	Check	DISTRICT MANAGEMENT GROUP LLC	60,000.00
10/28/2025	8357	Check	DON RAFAS INC	800.00
10/28/2025	8358	Check	DUNDEE CROWN BOOSTER CLUB	1,900.00
10/28/2025	8359	Check	DUNDEE TOWNSHIP ROTARY CLUB	200.00
10/28/2025	8360	Check	EAST AURORA HIGH SCHOOL	300.00
10/28/2025	8361	Check	EDS RENTAL AND SALES INC	585.00
10/28/2025	8362	Check	EDUCATIONAL PRODUCTS INC	3,752.50
10/28/2025	8363	Check	ESPECIAL NEEDS LLC	296.95
10/28/2025	8364	Check	FAMILY SERVICE ASSOCIATION OF GREATER ELGIN AREA	41,608.26

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8365	Check	FERNEY RAMIREZ	400.00
10/28/2025	8366	Check	FREEMPORT HIGH SCHOOL	75.00
10/28/2025	8367	Check	FUN AND FUNCTION	888.13
10/28/2025	8368	Check	GENEVA HIGH SCHOOL ATHLETICS	300.00
10/28/2025	8369	Check	GLENBARD TOWNSHIP HS DISTRICT	300.00
10/28/2025	8370	Check	GOLF CLUB OF ILLINOIS	5,151.00
10/28/2025	8371	Check	GOODEN, JENNIFER L	73.50
10/28/2025	8372	Check	GORDON FOOD SERVICE INC	1,878.33
10/28/2025	8373	Check	GRANDZIEL, VICTORIA L	46.83
10/28/2025	8374	Check	GRAYSLAKE NORTH HIGH SCHOOL	700.00
10/28/2025	8375	Check	GREG BRUNS	1,149.50
10/28/2025	8376	Check	GUSTAVE A LARSON COMPANY	5,266.78
10/28/2025	8377	Check	GUTIERREZ, INEABELLE	62.86
10/28/2025	8378	Check	H R STEWART INC	2,100.00
10/28/2025	8379	Check	HAASE, TONYA M	190.96
10/28/2025	8380	Check	HAL LEONARD CO DBA SHEET MUSIC	76.71
10/28/2025	8381	Check	HERITAGE CRYSTAL CLEAN LLC	2,000.00
10/28/2025	8382	Check	HERSEY HIGH SCHOOL	275.00
10/28/2025	8383	Check	HOPE LEARNING ACADEMY	22,439.76
10/28/2025	8384	Check	HOWARD CUSTOM TRANSFERS INC	650.00
10/28/2025	8385	Check	HOWARD, JEANNE L	56.56
10/28/2025	8386	Check	HUNTLEY COMM SCHOOL DIST 158	2,075.00
10/28/2025	8387	Check	HUNTLEY COMM SCHOOL DIST 158	945.00
10/28/2025	8388	Check	ILLINOIS SCIENCE OLYMPIAD	650.00
10/28/2025	8389	Check	IMPACT APPLICATIONS INC	1,600.00
10/28/2025	8390	Check	IMPERIAL DADE	278.07
10/28/2025	8391	Check	INCCRRA	300.00
10/28/2025	8392	Check	INFINITY TRANSPORTATION MANAGEMENT LLC	3,980.03
10/28/2025	8393	Check	JAMF SOFTWARE LLC	7.22
10/28/2025	8394	Check	JOHNSON CONTROLS	26,228.60
10/28/2025	8395	Check	JOHNSON CONTROLS FIRE PROTECTI	6,796.65
10/28/2025	8396	Check	KANE COUNTY REGIONAL OFFICE ED	1,055.00
10/28/2025	8397	Check	KANELAND CUSD 302	250.00

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8398	Check	KELLY SERVICES INC	342.58
10/28/2025	8399	Check	KOLAKOWSKI, BARBARA MARY	130.20
10/28/2025	8400	Check	KYLLOE, JUSTINE M	122.01
10/28/2025	8401	Check	LAKE FOREST HIGH SCHOOL	150.00
10/28/2025	8402	Check	LAKE PARK HIGH SCHOOL	525.00
10/28/2025	8403	Check	LAKESHORE LEARNING MATERIALS	5,922.21
10/28/2025	8404	Check	LAKEWOOD ELEM ACTIVITY ACCT	2,500.00
10/28/2025	8405	Check	LA-RFMBG LINCOLNSHIRE LLC	1,696.00
10/28/2025	8406	Check	LEARNWELL	35,048.16
10/28/2025	8407	Check	LED RITE LLC	648.00
10/28/2025	8408	Check	LINCOLN-WAY HIGH SCHOOL	500.00
10/28/2025	8409	Check	LIPPERER, JESSICA L	26.94
10/28/2025	8410	Check	LOUIS, SHARON	49.00
10/28/2025	8411	Check	M AND A PRECISION TRUCK REPAIR	226.00
10/28/2025	8412	Check	MAGSAMEN, TRACI A	11.20
10/28/2025	8413	Check	MARCIA BRENNER ASSOCIATES LLC	745.00
10/28/2025	8414	Check	MARTEN PORTABLE BUILDINGS LLC	23,803.86
10/28/2025	8415	Check	MCCLOYN, DEBRA R	51.80
10/28/2025	8416	Check	MF ATHLETIC CO INC	590.00
10/28/2025	8417	Check	MITCHELL, KATHLEEN M	19.53
10/28/2025	8418	Check	MITCHELL, STACEY L	17.64
10/28/2025	8419	Check	MODULARHOSE.COM	146.39
10/28/2025	8420	Check	MORENO, ALYSSA M	122.99
10/28/2025	8421	Check	NAPERVILLE NORTH HIGH SCHOOL	650.00
10/28/2025	8422	Check	NEW CONNECTIONS ACADEMY	11,494.18
10/28/2025	8423	Check	NEW LEADER ACADEMY	12,771.99
10/28/2025	8424	Check	NILES WEST HIGH SCHOOL	400.00
10/28/2025	8425	Check	NORTH AMERICAN CORPORATION	55,015.92
10/28/2025	8426	Check	NORTHERN KANE COUNTY CHAMBER	175.00
10/28/2025	8427	Check	NORTHWEST HERALD	625.00
10/28/2025	8428	Check	NORTHWESTERN ILLINOIS ASSOCIAT	2,876.25
10/28/2025	8429	Check	OCONOMOWOC DEVELOPMENTAL TRAIN	8,376.06
10/28/2025	8430	Check	OLVERA, MANDY M	7.00

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8431	Check	ON TARGET SALES	1,800.00
10/28/2025	8432	Check	PADDOCK PUBLICATIONS	165.60
10/28/2025	8433	Check	PALATINE HIGH SCHOOL	1,450.00
10/28/2025	8434	Check	PARKLAND PREPARATORY ACADEMY SOUTH INC	14,983.04
10/28/2025	8435	Check	PAUL DURAND	374.24
10/28/2025	8436	Check	PAZ, ANDREW	255.85
10/28/2025	8437	Check	PEARSON ASSESSMENTS	120.00
10/28/2025	8438	Check	PEERLESS NETWORK	14,759.42
10/28/2025	8439	Check	PEORIA HIGH SCHOOL	275.00
10/28/2025	8440	Check	PERRY WEATHER INC	9,000.00
10/28/2025	8441	Check	PETERSEN FUELS INC.	384.76
10/28/2025	8442	Check	PETERSEN FUELS INC.	96.70
10/28/2025	8443	Check	PIONEER RANDUSTRIAL	10,552.47
10/28/2025	8444	Check	POSITIVE PROMOTIONS	586.35
10/28/2025	8445	Check	POSTAL SOURCE	7.00
10/28/2025	8446	Check	POWER DISTRIBUTORS LLC	145.59
10/28/2025	8447	Check	PRAIRIE RIDGE HIGH SCHOOL	880.00
10/28/2025	8448	Check	PRINCETON TOWNSHIP HIGH SCHOOL DISTRICT #500	275.00
10/28/2025	8449	Check	PRO TUFF DECALS	187.00
10/28/2025	8450	Check	PRO-ED	156.20
10/28/2025	8451	Check	PROJECT LEAD THE WAY INC	5,334.70
10/28/2025	8452	Check	QMI HOLDING INC	1,581.40
10/28/2025	8453	Check	QUINLAN AND FABISH MUSIC CO	3,022.39
10/28/2025	8454	Check	RED WING BUSINESS ADVANTAGE AC	548.96
10/28/2025	8455	Check	REPROGRAPHICS	728.24
10/28/2025	8456	Check	RICOH USA INC	5,571.45
10/28/2025	8457	Check	ROCKFORD AUBURN HIGH SCHOOL	600.00
10/28/2025	8458	Check	ROCKFORD EAST HIGH SCHOOL	275.00
10/28/2025	8459	Check	ROCKFORD JEFFERSON HIGH SCHOOL	375.00
10/28/2025	8460	Check	ROLLING MEADOWS HIGH SCHOOL	300.00
10/28/2025	8461	Check	ROMAN, HILDA E	16.80
10/28/2025	8462	Check	ROSECRANCE INC	33,034.00
10/28/2025	8463	Check	ROUND LAKE AREASCHOOLS CUSD116	150.00

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8464	Check	SARGENTS EQUIPMENT AND REPAIR	1,456.68
10/28/2025	8465	Check	SCHAUMBURG COMMUNITY CONSOLIDATED SCHOOL DISTRICT 54	804.75
10/28/2025	8466	Check	SCHOOL HEALTH CORPORATION	2,500.13
10/28/2025	8467	Check	SCHOOLBELLS LTD	1,098.00
10/28/2025	8468	Check	SCHOOLYTICS INC	140,000.00
10/28/2025	8469	Check	SEAL OF ILLINOIS	143,501.44
10/28/2025	8470	Check	SECOND CHANCE CARDIAC SOLUTION	3,487.50
10/28/2025	8471	Check	SEVEN HILLS NEW HAMPSHIRE INC	39,654.83
10/28/2025	8472	Check	SIFUENTES, VINCE G, JR	290.99
10/28/2025	8473	Check	SMITHEREEN COMPANY	5,255.00
10/28/2025	8474	Check	SOUNDTRAP US INC	1,169.00
10/28/2025	8475	Check	SOUTH ELGIN HIGH SCHOOL	200.00
10/28/2025	8476	Check	SOUTHEASTERN EQUIPMENT AND SUP	1,079.79
10/28/2025	8477	Check	SPECIAL EDUCATION SERVICES	15,674.40
10/28/2025	8478	Check	SPECIAL EDUCATION SYSTEMS	10,017.42
10/28/2025	8479	Check	SPECIAL EDUCATION SYSTEMS	21,523.34
10/28/2025	8480	Check	SPECIALIZED EDUCATION OF ILLINOIS INC	10,220.43
10/28/2025	8481	Check	STA-KLEEN INC	140.00
10/28/2025	8482	Check	STAPLES	706.21
10/28/2025	8483	Check	STAR AUTISM HOLDINGS LLC	2,950.00
10/28/2025	8484	Check	STATE INDUSTRIAL PRODUCTS	2,747.06
10/28/2025	8485	Check	STEGGE, KIMBERLY D	131.74
10/28/2025	8486	Check	STREAMWOOD BEHAVIORAL HEALTH	11,494.56
10/28/2025	8487	Check	SUMMIT SCHOOL INC	37,678.68
10/28/2025	8488	Check	SUNRISE SOUTHWEST LLC	1,608.20
10/28/2025	8489	Check	SYCAMORE HIGH SCHOOL	860.00
10/28/2025	8490	Check	SYSCO FOOD SERVICE OF CHICAGO	781.08
10/28/2025	8491	Check	T S LIVINGSTON INC	975.00
10/28/2025	8492	Check	THE EDGE SPORTS APPAREL	3,535.76
10/28/2025	8493	Check	THE INSTRUMENT BARN	5,822.58
10/28/2025	8494	Check	THE MIDWEST CLINIC	230.00
10/28/2025	8495	Check	THE STEPPING STONES GROUP	72,806.50
10/28/2025	8496	Check	THERMOSYSTEMS, INC.	867.91

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	8497	Check	TIBBOTT, GRACE G	78.05
10/28/2025	8498	Check	TOWNSHIP HIGH SCHOOL DIST 214	400.00
10/28/2025	8499	Check	TRANE COMPANY	150,532.21
10/28/2025	8500	Check	TROPHIES BY GEORGE	1,000.80
10/28/2025	8501	Check	TYSKI, PATRICK N	183.82
10/28/2025	8502	Check	ULINE SHIPPING SUPPLY	6,343.56
10/28/2025	8503	Check	UNIVERSITY OF OREGON	400.00
10/28/2025	8504	Check	URBAN ATHLETICS INC	78.00
10/28/2025	8505	Check	VARSITY SPIRIT FASHIONS	7,674.60
10/28/2025	8506	Check	VILLAGE OF HAMPSHIRE	2,000.00
10/28/2025	8507	Check	VILLAGE OF SLEEPY HOLLOW	487.70
10/28/2025	8508	Check	VISUAL IMAGE PHOTOGRAPHY INC	5,115.00
10/28/2025	8509	Check	WAGNER, CINDY R	26.60
10/28/2025	8510	Check	WAREHOUSE DIRECT INC	6,604.21
10/28/2025	8511	Check	WARNEKE, ROBERT J	137.27
10/28/2025	8512	Check	WAUCONDA SCHOOL DISTRICT 118	300.00
10/28/2025	8513	Check	WEATHERGUARD ROOFING COMPANY	2,664.55
10/28/2025	8514	Check	WEST A THOMSON REUTERS BUSINES	1,303.85
10/28/2025	8515	Check	WEST SIDE ELECTRIC SUPPLY INC.	15,146.89
10/28/2025	8516	Check	WHEELING HIGH SCHOOL	600.00
10/28/2025	8517	Check	WILLIAM FREMD HIGH SCHOOL	900.00
10/28/2025	8518	Check	WOODSTOCK HIGH SCHOOL	800.00
10/28/2025	8519	Check	WOODSTOCK NORTH HIGH SCHOOL	1,025.00
10/28/2025	9000000996	ACH	ADVANTAGE NETWORK	671.65
10/28/2025	9000000997	ACH	AGC EDUCATION INC	326.60
10/28/2025	9000000998	ACH	AIRGAS USA, LLC	420.00
10/28/2025	9000000999	ACH	AMAZON CAPITAL SERVICES INC	11,999.26
10/28/2025	9000001000	ACH	ANDERSON LOCK COMPANY LTD	3,239.18
10/28/2025	9000001001	ACH	APEX3 SYSTEMS LLC	18,451.00
10/28/2025	9000001002	ACH	APPLE COMPUTER INC	1,645.00
10/28/2025	9000001003	ACH	B&B NETWORKS INC	425.00
10/28/2025	9000001004	ACH	BLICK ART MATERIALS LLC	1,752.00
10/28/2025	9000001005	ACH	CASSANDRA STRINGS	3,412.60

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	9000001006	ACH	CDW-G	75,074.09
10/28/2025	9000001007	ACH	CONSTELLATION NEW ENERGY	339,277.14
10/28/2025	9000001008	ACH	CREATIVE PROMOTIONAL APPAREL	4,969.90
10/28/2025	9000001009	ACH	DIAMOND GRAPHICS OF ALGONQUIN	676.00
10/28/2025	9000001010	ACH	DIRK, ALICIA NOHE	400.00
10/28/2025	9000001011	ACH	DURHAM SCHOOL SERVICES	2,485,912.05
10/28/2025	9000001012	ACH	EDUSTAFF LLC	308,071.60
10/28/2025	9000001013	ACH	ELARA ENERGY SERVICES INC	117,000.00
10/28/2025	9000001014	ACH	ENTERPRISE FM TRUST	46,246.91
10/28/2025	9000001015	ACH	EXELON CORPORATION	49,264.90
10/28/2025	9000001016	ACH	FASTSIGNS OF CARPENTERSVILLE	3,377.18
10/28/2025	9000001017	ACH	FELICITY SCHOOLS	5,910.00
10/28/2025	9000001018	ACH	FERGUSON ENTERPRISES INC	8,469.52
10/28/2025	9000001019	ACH	FRANCZEK PC	1,724.00
10/28/2025	9000001020	ACH	GRAINGER	9,971.80
10/28/2025	9000001021	ACH	GRANITE TELECOMMUNICATIONS LLC	6,729.51
10/28/2025	9000001022	ACH	HEARTSPRING INC	27,565.11
10/28/2025	9000001023	ACH	INTERSTATE ROOF SYSTEMS CONSUL	4,250.00
10/28/2025	9000001024	ACH	JDK SERVICES	9,790.00
10/28/2025	9000001025	ACH	KLEIN THORPE & JENKINS LTD	6,091.90
10/28/2025	9000001026	ACH	LINDE GAS & EQUIPMENT INC	229.08
10/28/2025	9000001027	ACH	MANPOWER	4,758.75
10/28/2025	9000001028	ACH	ORGANIC LIFE LLC	1,111,618.10
10/28/2025	9000001029	ACH	PARKLAND PREPARATORY ACADEMY	130,802.99
10/28/2025	9000001030	ACH	ROSALES, ENRIQUE R	150.92
10/28/2025	9000001031	ACH	SCHOOL SPECIALTY, LLC	13,892.74
10/28/2025	9000001032	ACH	SUPERIOR OVERHEAD DOOR	101.24
10/28/2025	9000001033	ACH	THE WINSTON KNOLLS SCHOOL	60,475.80

AP Check Register

AP Run: 20251028 AP — Post Date: 2025-10-28 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/28/2025	9000001034	ACH	WEST MUSIC COMPANY	22.95
Total:				6,538,520.37

20251028 AP Summary

Type	Count	Amount
Regular Checks:	217	1,642,801.98
ACH Checks:	39	4,875,166.47
Wire Transfers:	4	20,551.92
Epayables:	0	0.00
Total:	260	6,538,520.37

AP Check Register

COMMUNITY UNIT SCHOOL DIST 300

Fund	Total
10 - EDUCATION FUND	2,773,959.60
14 - GRANT FUND	45,179.15
20 - OPERATIONS & MAINTENANCE FUND	839,056.02
30 - BOND & INTEREST FUND	1,253.50
40 - TRANSPORTATION FUND	2,757,568.12
60 - SITE & CONSTRUCTION FUND	121,503.98
	6,538,520.37

AP Check Register

AP Run: 20251016 OFFCYCLE — Post Date: 2025-10-16 — AP Run Type: R

COMMUNITY UNIT SCHOOL DIST 300

Check Date	Check Number	Payment Type	Name	Check Amount
10/16/2025	8277	Check	GROOT INC	18,901.76
10/16/2025	8278	Check	ILLINOIS CONGRESSIONAL DEBATE	80.00
10/16/2025	8279	Check	LITH SANITARY DISTRICT	648.00
10/16/2025	8280	Check	MATT WILHELM INC	950.00
10/16/2025	8281	Check	VILLAGE OF LAKE IN THE HILLS	465.74
Total:				21,045.50

20251016 OFFCYCLE Summary

Type	Count	Amount
Regular Checks:	5	21,045.50
ACH Checks:	0	0.00
Wire Transfers:	0	0.00
Epayables:	0	0.00
Total:	5	21,045.50

AP Check Register

COMMUNITY UNIT SCHOOL DIST 300

Fund	Total
10 - EDUCATION FUND	1,030.00
20 - OPERATIONS & MAINTENANCE FUND	20,015.50
	21,045.50



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Jeffrey Ehardt,
Director of Finance

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Donation Report - October 2025

Background

Per Board Policy 8:80/8:90, the Donation Report is attached for your review and approval.

Donations Received October 2025

- Community Member has donated the following items to Dundee Crown High School's Athletic Department:
 - Check - \$855.36
- Community Member has donated the following items to Dundee Crown High School's Athletic Department:
 - Check - \$2,500.00
- Burlington Stores has donated the following items to Lake in the Hills and Lincoln Prairie Elementary Schools:
 - A \$2,500.00 credit for **each** school through their individual AdoptAClassroom.org accounts.

Recommendation

The administration recommends approving the donations as presented.

Fiscal Impact

None

Your board package includes the August 2025 Unaudited Treasurer and Financial Report. Report highlights are as follows:

Treasurer Report

As of August 31, 2025, the District had \$196,154,553.53 of cash on hand. The cash balance by fund was:

Operating Fund	\$ 128,715,262.62
Bond & Interest Fund	\$ 13,678,873.31
Site & Construction Fund	\$ 53,760,417.60
Total	\$196,154,553.53

Financial Report Analysis-All Funds

Expenditures- If the District were to spend their dollars evenly each month, costs through August should be 17% of total spending. Listed below is a summary of cash expenditures as a percentage of total spending by fund.

Fund	% of Budget	Comment
Education	10.29%	This fund is on trend. Teacher and para salaries start in late August, as the previous year's wages were accrued in June 2025.
Operations & Maintenance	13.23%	This fund is on trend.
Bond & Interest	13.37%	The bond & interest fund is used to pay our debt payments made in December and June.
Transportation	4.41%	This fund is on trend.
IMRF/Social Security	9.85%	This fund is on trend. Teacher and para salaries start in late August, as the previous year's wages were accrued in June 2025.
Capital Projects	0.00%	This fund is used to pay for our capital projects.
Tort	68.29%	The tort fund is used to pay our insurance premiums. These premiums are paid in July. The remaining budget will be used towards implementing a risk management plan.

Revenues- The district has received 7.34% of its budgeted revenue compared to 7.76% prior YTD.

Financial Reporting Analysis- Operating Funds

Operating Fund Revenue Summary by Source- 7.18% compared to 7.66% prior YTD.

- Local Revenues are on-trend at 5.22%;
- State Revenues are on-trend at 7.87%;
- Federal Revenues are on-trend at 30.79% and are in line with federal grant expenditures.

Operating Fund Expenditure Summary by Object- 10.70% compared to 8.02% prior YTD.

- Salaries are at 6.69%;
- Benefits are at 11.05%;
- Purchase Services are at 19.86%;
- Supplies/Materials are at 12.08%;
- Capital Outlay is at 19.18%;
- Other/Tuition are at 2.03%;
- Non-capitalized equipment is at 46.62%.

Monthly Notes:

- Short-term interest rates have decreased slightly from 4.208% in July to 4.200%. Total interest for the year is \$974,198 or 14.2% of the budget.
- Financials are presented on an unaudited cash basis and do not represent the District's final financial statements.

TREASURER'S REPORT FOR THE MONTH OF August 2025

INVESTMENTS AT COST: \$196,154,553.53

(See attached schedule for investment detail)

MONTHLY PAYROLL:

Educational Fund	\$ 7,858,759.31	
O&M Fund	\$ 764,896.54	
Transportation Fund	<u>\$ 13,799.35</u>	\$ 8,637,455.20

PAYROLL RELATED EXPENDITURES:

(Not reflected in A/P Bill Listing)

Educational and Transportation Funds;

Teachers, Retirement System	<u>\$ 765,047.56</u>	
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Total Teachers, Retirement System		\$ 765,047.56
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Illinois Municipal Retirement Fund

IMRF	\$ 124,332.28	
FICA	\$ 115,268.27	
Medicare	<u>\$ 122,202.34</u>	

Total IMRF/FICA/Medicare Fund		\$ 361,802.89
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Total Payroll and Related Expenditures		<u><u>\$ 9,764,305.65</u></u>
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COMMUNITY UNIT SCHOOL DISTRICT #300

Financial Report 2

August 31, 2025

By Fund, By Object

	FY26	FY26	FY26	% of FY26
All Funds	Budget	August Actual	YTD Actual	YTD Budget
Local	282,438,964	10,403,384	16,149,936	5.72%
State	105,246,319	7,620,061	8,126,097	7.72%
Federal	17,848,347	1,047,407	5,495,963	30.79%
Other Source	-	-	-	
Total Revenues	405,533,630	19,070,852	29,771,996	7.34%
Salaries	188,618,799	8,637,455	12,614,929	6.69%
Benefits	63,481,237	5,569,926	7,016,566	11.05%
Purchased Services	70,152,950	9,227,530	13,918,750	19.84%
Supplies/Materials	16,475,986	1,372,608	1,989,901	12.08%
Capital Outlay	32,366,010	493,423	530,429	1.64%
Other	41,686,194	243,143	3,983,327	9.56%
Non-Capitalized Equipment	4,698,624	212,732	2,190,661	46.62%
Total Expenditures	417,479,800	25,756,817	42,244,564	10.12%
Revenues Over Disbursements	(11,946,170)	(6,685,965)	(12,472,568)	
Other Financing Sources/Uses	(10,400,000)	-	-	
Fund Balance Transfer	10,400,000	-	-	
Net Change to Fund Balance	(11,946,170)	(6,685,965)	(12,472,568)	
	FY26	FY26	FY26	% of FY26
Operating Funds	Budget	August Actual	YTD Actual	YTD Budget
Local	252,319,569	8,461,037	13,181,829	5.22%
State	103,246,319	7,620,061	8,126,097	7.87%
Federal	17,848,347	1,047,407	5,495,963	30.79%
Other Sources	-	-	-	
Total Revenues	373,414,235	17,128,504	26,803,889	7.18%
Salaries	188,618,799	8,637,455	12,614,929	6.69%
Benefits	63,481,237	5,569,926	7,016,566	11.05%
Purchased Services	70,092,950	9,226,100	13,917,319	19.86%
Supplies/Materials	16,475,986	1,372,608	1,989,901	12.08%
Capital Outlay	2,766,010	523,153	530,648	19.18%
Other/Tuition	14,009,655	243,143	284,127	2.03%
Non-Capitalized Equipment	4,698,624	212,732	2,190,661	46.62%
Total Expenditures	360,143,261	25,785,117	38,544,151	10.70%
Revenues Over Disbursements	13,270,974	(8,656,613)	(11,740,263)	
Other Financing Sources/Uses	(10,400,000)	-	-	
Fund Balance Transfer	-	-	-	
Net Change to Fund Balance	2,870,974	(8,656,613)	(11,740,263)	

COMMUNITY UNIT SCHOOL DISTRICT #300

Financial Report 2

August 31, 2025

By Fund, By Object

	FY26	FY26	FY26	% of FY26
Fund 1-Educational	Budget	August Actual	YTD Actual	YTD Budget
Local	185,617,783	6,030,434	9,179,258	4.95%
State	90,317,415	7,620,061	8,126,097	9.00%
Federal	17,848,347	1,047,407	5,495,963	30.79%
Other Sources	-	-	-	
Total Revenues	293,783,545	14,697,902	22,801,318	7.76%
Salaries	178,849,641	7,858,759	11,108,930	6.21%
Benefits	53,676,957	5,067,274	5,967,060	11.12%
Purchased Services	38,509,335	7,628,721	9,625,550	25.00%
Supplies/Materials	8,729,622	603,947	886,883	10.16%
Capital Outlay	175,933	476,607	484,102	275.16%
Other/Tuition	12,608,655	241,643	282,627	2.24%
Non-Capitalized Equipment	4,323,236	203,835	2,178,814	50.40%
Total Expenditures	296,873,379	22,080,786	30,533,965	10.29%
Revenues Over Disbursements	48,558	(7,382,885)	(7,732,647)	
Other Financing Sources/Uses	-	-	-	
Fund Balance Transfer	-	-	-	
Net Change to Fund Balance	48,558	(7,382,885)	(7,732,647)	
Fund 2-Operations & Maintenance				
Local	40,910,705	1,509,882	2,462,092	6.02%
State	-	-	-	
Other Sources	-	-	-	
Total Revenues	40,910,705	1,509,882	2,462,092	6.02%
Salaries	9,509,755	764,897	1,478,517	15.55%
Benefits	1,951,760	137,915	275,963	14.14%
Purchased Services	6,478,505	805,906	838,107	12.94%
Supplies/Materials	6,338,424	681,314	1,015,672	16.02%
Capital Outlay	1,682,576	46,546	46,546	2.77%
Other	1,401,000	1,500	1,500	0.11%
Non-Capitalized Equipment	371,677	8,897	11,847	3.19%
Total Expenditures	27,733,697	2,446,974	3,668,152	13.23%
Revenues Over Disbursements	13,177,008	(937,092)	(1,206,059)	
Other Financing Sources/Uses	(10,400,000)	-	-	
Net Change to Fund Balance	2,777,008	(937,092)	(1,206,059)	

COMMUNITY UNIT SCHOOL DISTRICT #300

Financial Report 2

August 31, 2025

By Fund, By Object

	FY26	FY26	FY26	% of FY26
	Budget	August Actual	YTD Actual	YTD Budget
Fund 3-Bond & Interest				
Local	25,837,061	795,703	1,246,503	4.82%
Other Sources	-	-	-	0.00%
Total Revenues	<u>25,837,061</u>	<u>795,703</u>	<u>1,246,503</u>	<u>4.82%</u>
Purchased Services	10,000	1,430	1,430	14.30%
Other	27,676,539	-	3,699,201	13.37%
Total Expenditures	<u>27,686,539</u>	<u>1,430</u>	<u>3,700,631</u>	<u>13.37%</u>
Revenues Over Disbursements	(1,849,478)	794,272	(2,454,128)	
Other Financing Sources/Uses	2,500,000	-	-	
Net Change to Fund Balance	<u>650,522</u>	<u>794,272</u>	<u>(2,454,128)</u>	
Fund 4-Transportation				
Local	14,409,943	514,208	862,718	5.99%
State	12,928,904	-	-	0.00%
Other Sources	-	-	-	
Total Revenues	<u>25,662,476</u>	<u>514,208</u>	<u>862,718</u>	<u>3.36%</u>
Salaries	259,403	13,799	27,483	10.59%
Benefits	56,063	2,935	5,890	10.51%
Purchased Services	21,423,337	763,964	939,380	4.38%
Supplies/Materials	1,407,940	87,346	87,346	6.20%
Capital Outlay	907,501	-	-	0.00%
Other	-	-	-	0.00%
Non-Capitalized Equipment	3,711	-	-	0.00%
Total Expenditures	<u>24,057,955</u>	<u>868,045</u>	<u>1,060,100</u>	<u>4.41%</u>
Revenues Over Disbursements	1,604,521	(353,836)	(197,382)	
Other Financing Sources/Uses	-	-	-	
Net Change to Fund Balance	<u>1,604,521</u>	<u>(353,836)</u>	<u>(197,382)</u>	
Fund 5-IMRF/Social Security				
Local	6,168,754	297,599	412,042	6.68%
Total Revenues	<u>6,168,754</u>	<u>297,599</u>	<u>412,042</u>	<u>6.68%</u>
Benefits	7,796,457	361,803	767,653	9.85%
Total Expenditures	<u>7,796,457</u>	<u>361,803</u>	<u>767,653</u>	<u>9.85%</u>
Revenues Over Disbursements	(1,627,703)	(64,204)	(355,611)	
Other Financing Sources/Uses	-	-	-	
Net Change to Fund Balance	<u>(1,627,703)</u>	<u>(64,204)</u>	<u>(355,611)</u>	

COMMUNITY UNIT SCHOOL DISTRICT #300

Financial Report 2

August 31, 2025

By Fund, By Object

	FY26 Budget	FY26 August Actual	FY26 YTD Actual	% of FY26 YTD Budget
Fund 6-Capital Projects				
Local	4,282,334	1,146,645	1,721,604	40.20%
State	2,000,000	-	-	0.00%
Federal	-	-	-	0.00%
Total Revenues	<u>6,282,334</u>	<u>1,146,645</u>	<u>1,721,604</u>	<u>27.40%</u>
Salaries	-	-	-	
Benefits	-	-	-	
Purchased Services	50,000	-	-	0.00%
Supplies/Materials	-	-	-	
Capital Outlay	29,600,000	(29,730)	(219)	0.00%
Other	-	-	-	
Total Expenditures	<u>29,650,000</u>	<u>(29,730)</u>	<u>(219)</u>	<u>0.00%</u>
Revenues Over Disbursements	(11,974,356)	1,176,375	1,721,823	
Other Financing Sources/Uses	-	-	-	
Fund Balance Transfer	7,900,000	-	-	
Net Change to Fund Balance	<u>(4,074,356)</u>	<u>1,176,375</u>	<u>1,721,823</u>	
Fund 7-Working Cash				
Local	2,296,099	19,870	126,598	5.51%
Total Revenues	<u>2,296,099</u>	<u>19,870</u>	<u>126,598</u>	<u>5.51%</u>
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>0.00%</u>
Revenues Over Disbursements	2,296,099	19,870	126,598	
Other Financing Sources/Uses	-	-	-	
Net Change to Fund Balance	<u>2,296,099</u>	<u>19,870</u>	<u>126,598</u>	
Fund 8-Tort				
Local	2,916,285	89,043	139,121	4.77%
Total Revenues	<u>2,916,285</u>	<u>89,043</u>	<u>139,121</u>	<u>4.77%</u>
Purchase Services	3,681,773	27,509	2,514,282	68.29%
Total Expenditures	<u>3,681,773</u>	<u>27,509</u>	<u>2,514,282</u>	<u>68.29%</u>
Revenues Over Disbursements	(765,488)	61,534	(2,375,161)	
Other Financing Sources/Uses	-	-	-	
Net Change to Fund Balance	<u>(765,488)</u>	<u>61,534</u>	<u>(2,375,161)</u>	

COMMUNITY UNIT SCHOOL DISTRICT #300

Summary of Fiscal Year Investment Activity-All Funds

Depository or Instrument	Type	Bank #	Bank Year	Date Purchased	Date of Maturity	Term (Days)	Rate (%)	Par/Face	Principal Invested	Earnings to Maturity	Principal Invested @ 08/31/25
OPERATING FUND INVESTMENTS											
PONCE BANK	SDA				8/31/2025		4.230%	446	446	-	446
NEXBANK, SSB-ICS	SDA				8/31/2025		4.230%	7,326,651	7,326,651	-	7,326,651
Bank of China 1285997-1	SDA				8/31/2025		4.350%	15,213,072	15,213,072	-	15,213,072
Bank of China 1285906-1	SDA				8/31/2025		4.350%	40,947	40,947	-	40,947
Congressional Bank	SDA				8/31/2025		4.230%	526	526	-	526
Western Alliance Bank, CA	CD	365		3/5/2025	8/5/2025	153	4.120%	5,086,351	5,000,000	-	0.00
First National Bank, ME	CD	365		8/19/2024	8/19/2025	365	4.544%	249,859	239,000	-	0.00
Preferred Bank, NY	CD	365		8/19/2024	8/19/2025	365	4.636%	249,871	238,800	-	0.00
TREASURY BILL, 912797QM2	SEC	365		5/29/2025	9/2/2025	96	4.171%	7,582,000	7,499,710		7,499,710.03
OMB Bank, MO	DCD	365		5/27/2025	9/4/2025	100	4.200%	249,943	247,100		247,100.00
ISDLAF TERM SERIES	TS	365		6/20/2025	9/18/2025	90	4.250%	15,864,527	15,700,000		15,700,000.00
ISDLAF TERM SERIES	TS	365		6/20/2025	10/14/2025	116	4.250%	21,888,661	21,600,000		21,600,000.00
ISDLAF TERM SERIES	TS	365		8/21/2025	11/19/2025	90	4.080%	4,040,242	4,000,000		4,000,000.00
Western Alliance Bank, CA	CD	365		12/6/2024	12/5/2025	364	4.282%	1,064,912	1,021,300	43,612.25	1,021,300.00
ServisFirst Bank, FL	CD	365		12/6/2024	12/8/2025	367	4.393%	249,870	239,300	10,570.05	239,300.00
First State Bank of DeQueen, AR	CD	365		12/6/2024	12/8/2025	367	4.345%	249,840	239,400	10,440.14	239,400.00
US TREASURY N/B, 9128286A3	SEC	365		8/19/2025	1/31/2026	165	4.030%	4,019,000	3,994,038		3,994,038.24
ISDLAF TERM SERIES	TS	365		6/20/2025	2/17/2026	242	4.100%	14,996,897	14,600,000		14,600,000.00
WASHINGTON FEDERAL, 938828HJ2	DTC	365		6/26/2025	3/26/2026	273	4.119%	242,000	242,318		242,317.76
BANK OF AMERICA NA, 06051XXQ0	DTC	365		6/27/2025	3/27/2026	273	4.169%	242,000	242,318		242,317.60
MERRICK BANK, 59013LBJ2	DTC	365		6/30/2025	3/30/2026	273	4.168%	249,000	249,333		249,333.00
ISDLAF TERM SERIES	TS	365		6/13/2025	4/1/2026	292	4.060%	7,227,360	7,000,000		7,000,000.00
CAPITAL COMMUNITY BANK, 14005LBV0	DTC	365		6/13/2025	4/13/2026	304	4.042%	249,000	249,220		249,219.89
ISDLAF TERM SERIES	TS	365		6/20/2025	4/14/2026	298	4.050%	11,570,336	11,200,000		11,200,000.00
CedarStone Bank, TN	CD	365		6/20/2025	4/15/2026	299	4.163%	249,943	241,700	8,243.21	241,700.00
Customers Bank, NY	CD	365		5/21/2025	4/21/2026	335	4.010%	5,184,019	5,000,000	184,019.00	5,000,000.00
CUMBERLAND FED BANK FSB, 23062KKH4	DTC	365		6/23/2025	4/23/2026	304	4.040%	241,000	241,311		241,310.70
Western Alliance Bank, CA	CD	365		6/9/2025	4/29/2026	324	4.050%	249,871	241,200	8,671.31	241,200.00
Winchester Savings Bank, MA	CD	365		6/9/2025	4/29/2026	324	4.040%	249,850	241,200	8,649.90	241,200.00
Schertz Bank & Trust, TX	CD	365		6/9/2025	4/29/2026	324	4.040%	249,850	241,200	8,649.90	241,200.00
Customers Bank, NY	CD	365		6/9/2025	4/29/2026	324	4.050%	249,871	241,200	8,671.31	241,200.00
Dundee Bank, NE	CD	365		6/9/2025	4/29/2026	324	4.040%	249,850	241,200	8,649.90	241,200.00
FirstBank Puerto Rico, PR	CD	365		5/5/2025	5/5/2026	365	3.870%	249,911	240,600	9,311.22	240,600.00
State Bank of Texas, TX	CD	365		5/5/2025	5/5/2026	365	3.943%	249,774	240,300	9,473.83	240,300.00

Sentry Bank, CO	CD	365	5/5/2025	5/5/2026	365	3.923%	249,830	240,400	9,429.67	240,400.00
Solera National Bank, CO	CD	365	5/5/2025	5/5/2026	365	3.987%	249,777	240,200	9,576.77	240,200.00
Gbank, NV	CD	365	5/5/2025	5/5/2026	365	3.917%	249,816	240,400	9,416.47	240,400.00
Priority Bank, AR	CD	365	5/5/2025	5/5/2026	365	3.865%	249,899	240,600	9,299.19	240,600.00
Premier Bank, IA	CD	365	5/5/2025	5/5/2026	365	3.871%	249,912	240,600	9,312.42	240,600.00
First State Bank and Trust Company, Inc., MO	CD	365	5/5/2025	5/5/2026	365	3.893%	249,758	240,400	9,357.57	240,400.00
KS StateBank, KS	CD	365	5/5/2025	5/5/2026	365	4.000%	249,912	240,300	9,612.00	240,300.00
NorthEast Community Bank, NY	CD	365	5/27/2025	5/27/2026	365	3.969%	249,734	240,200	9,533.54	240,200.00
UNITY BANK, 91330AHR1	DTC	365	6/13/2025	5/13/2026	334	4.040%	240,000	240,339		240,338.86
COMMUNITY STATE BANK, 20405KBB9	DTC	365	6/17/2025	5/15/2026	332	4.040%	249,000	249,244		249,244.21
Consumers Credit Union, IL	CD	365	5/27/2025	5/27/2026	365	4.081%	249,897	240,100	9,797.27	240,100.00
KeySavings Bank, WI	CD	365	5/27/2025	5/27/2026	365	4.038%	249,898	240,200	9,698.47	240,200.00
RiverBank, AR	CD	365	5/27/2025	5/27/2026	365	4.036%	249,894	240,200	9,694.47	240,200.00
First Bank, NJ	CD	365	5/27/2025	5/27/2026	365	4.030%	249,881	240,200	9,680.79	240,200.00
First Federal Savings and Loan Assoc, MS	CD	365	6/9/2025	5/27/2026	352	4.043%	249,876	240,500	9,376.43	240,500.00
NexBank, TX	CD	365	6/9/2025	5/27/2026	352	4.143%	249,796	240,200	9,595.89	240,200.00
The First State Bank of Healy, KS	CD	365	6/9/2025	5/27/2026	352	4.043%	249,772	240,400	9,372.04	240,400.00
Cornerstone Bank, NE	CD	365	6/9/2025	5/27/2026	352	4.041%	249,769	240,400	9,368.57	240,400.00
Home Savings Bank, UT	CD	365	6/9/2025	5/27/2026	352	4.043%	249,876	240,500	9,375.94	240,500.00
Crystal Lake Bank and Trust Company, National As	CD	365	6/17/2025	5/27/2026	344	4.030%	13,234,262	12,750,000	484,262.47	12,750,000.00
Bank Hapoalim B.M., NY	CD	365	12/6/2024	5/29/2026	539	4.160%	249,861	235,400	14,460.91	235,400.00
PCSB Bank, 69324MBG9	DTC	365	12/11/2024	6/11/2026	547	4.154%	249,000	249,166		249,166.14
OPTUM BANK INC, 68405VCT4	DTC	365	12/11/2024	6/11/2026	547	4.120%	244,000	244,281		244,280.89
UNITED REPUBLIC BK OMAHA, 909242BX6	DTC	365	12/13/2024	6/15/2026	549	4.111%	249,000	249,323		249,322.70
First Priority Bank, OK	CD	365	1/9/2025	7/1/2026	538	4.248%	249,901	235,100	14,800.67	235,100.00
First Internet Bank of Indiana, IN	CD	365	1/9/2025	7/1/2026	538	4.003%	249,907	235,900	14,006.51	235,900.00
First Capital Bank, SC	CD	365	1/9/2025	7/1/2026	538	4.143%	249,879	235,500	14,379.47	235,500.00
US TREASURY N/B, 912828Y95	SEC	365	7/15/2021	7/31/2026	1842	0.700%	1,874,000	1,982,926		1,982,926.25
US TREASURY N/B, 91282CCP4	SEC	365	2/5/2025	7/31/2026	541	4.070%	2,103,000	1,999,739		1,999,739.41
American Commercial Bank & Trust, Nat Assoc	CD	365	3/5/2025	8/27/2025	175	4.093%	249,759	235,500	-	0.00
Affinity Bank, Nat Assoc, GA	CD	365	3/5/2025	8/27/2025	175	3.961%	249,724	235,900	-	0.00
Enterprise Bank, NE	CD	365	3/5/2025	8/27/2025	175	3.853%	249,768	236,300	-	0.00
US TREASURY N/B, 91282CDG3	SEC	365	2/5/2025	10/31/2026	633	4.070%	2,095,000	1,992,951		1,992,950.59
COLUMBIA BK/FAIR LAWN NJ, 19724FAE1	DTC	365	5/30/2025	11/30/2026	549	3.930%	249,000	249,436		249,435.71
FIRST BUSINESS BANK, 31938Q3W3	DTC	365	6/6/2025	12/7/2026	549	3.954%	244,000	244,515		244,515.28
FRONTIER BANK, SD 35909FBA1	DTC	365	6/11/2025	12/11/2026	548	3.903%	249,000	249,532		249,532.08
CIBM Bank, WI	CD	365	5/5/2025	5/5/2027	730	3.681%	249,939	232,800	17,139.07	232,800.00
Cross River Bank, NJ	CD	365	5/5/2025	5/5/2027	730	3.670%	249,888	232,800	17,087.52	232,800.00
Financial Federal Bank, TN	CD	365	5/5/2025	5/5/2027	730	3.670%	249,888	232,800	17,087.52	232,800.00
Truxton Trust Company, TN	CD	365	5/5/2025	5/5/2027	730	3.726%	249,610	232,300	17,310.42	232,300.00
TOYOTA FINANCIAL SGS BK, 89235MRY9	DTC	365	5/8/2025	5/10/2027	732	3.855%	245,000	245,679		245,679.34
GARRETT STATE BANK, 366526BM2	DTC	365	5/8/2025	5/10/2027	732	3.704%	249,000	249,702		249,702.11

BMW BANK NORTH AMERICA, 05612LEU2	DTC	365	5/9/2025	5/10/2027	731	3.805%	245,000	245,679		245,678.85	
VERSABANK USA NA, 92512KAF0	DTC	365	5/12/2025	5/12/2027	730	3.755%	245,000	245,678		245,678.10	
TAB BANK INC, 89388CKC1	DTC	365	5/12/2025	5/12/2027	730	3.804%	249,000	249,698		249,697.71	
CELTIC BANK, 15118RW37	DTC	365	5/20/2025	5/20/2027	730	3.754%	249,000	249,698		249,698.33	
Baxter Credit Union, IL	CD	365	5/27/2025	5/27/2027	730	3.844%	249,944	232,100	17,843.90	232,100.00	
Luana Savings Bank, IA	CD	365	5/27/2025	5/27/2027	730	3.900%	249,880	231,800	18,080.40	231,800.00	
1ST FINANCIAL BANK USA, 32022RZM2	DTC	365	6/6/2025	6/7/2027	731	3.840%	249,000	249,767		249,766.80	
STRYV BNK/WICHITA, KS, 86368LAU2	DTC	365	6/20/2025	6/17/2027	727	3.905%	249,000	249,691		249,690.80	
PMA/ISDLAF Liquid #10254-101	Short term trust deposit	365		as needed	n/a	4.200%		422,351	-	422,351.24	
PMA/ISDLAF Max #10254-101	Short term trust deposit	365		as needed	n/a	4.214%		9,505,309	-	9,505,309.30	
PMA/ISDLAF LTD #10254-101	LTD Account	365	1/19/2021	8/31/2025				28,230,000	-	28,230,000.00	
PMA/ISDLAF Liquid #10254-104	Short term trust deposit	365		as needed	n/a	4.200%		8,107,730	-	8,107,729.99	
PMA/ISDLAF Max #10254-104	Short term trust deposit	365		as needed	n/a	4.214%		4		4.37	
Total Operating Investments with PMA										194,158,029	
										Outstanding Items	(8,107,993)
										Bond & Interest Fund Transfers	(3,574,356)
										Capital Fund Cash Balance	-
TOTAL OPERATING FUNDS AS OF				31-Aug-25						182,475,680	
TOTAL BOND AND INTEREST FUND INVESTMENTS AS OF (see page 5 for details):				31-Aug-25						13,678,873	
TOTAL CAPITAL FUND INVESTMENTS AS OF				31-Aug-25							
TOTAL FUNDS INVESTED (Including Bond & Interest Fund)				31-Aug-25						\$ 196,154,554	

August 31, 2025

COMMUNITY UNIT SCHOOL DISTRICT #300

Summary of Fiscal Year Investment Activity-Bond and Interest Fund

Depository or Instrument	Type	Bank #	Bank Year	Date Purchased	Date of Maturity	Term (Days)	Rate (%)	Par/Face	Principal Invested	Earnings to Maturity	Principal Invested @ 08/31/25
BOND AND INTEREST FUND INVESTMENTS											
NEXBANK, SSB-ICS, TX	SDA	365		7/31/2025			4.230%	137,689	137,689	-	137,689
PMA 1994 Escrow Fund; #10254-103-Liquid	Short term trust deposit	365			as needed	n/a	4.200%		0	-	0
PMA 1994 Escrow Fund; #10254-103-Max	Short term trust deposit	365			as needed	n/a	4.214%		9,966,829	-	9,966,829
Total B&I Investments with PMA									10,104,518		10,104,518
TOTAL BOND AND INTEREST FUNDS INVESTMENTS AS OF:					31-Aug-25				10,104,518		10,104,518
										Outstanding Items	
										Operating Fund Transfers	
										Cash Balance Per General Ledger	
										<u>3,574,356</u>	
										<u>13,678,873</u>	

BMO - Mastercard, Statement Period 08/06/2025 to 09/05/2025

Tran Date	Supplier	Amount USD	Purpose
7/28/2025	Dominicks Pizzeria Il	337.7	Staff
7/30/2025	Taylor Street Pizza Of	53.48	Staff
8/4/2025	American Technical Pub	375	Staff
8/4/2025	Menards Carpentersvill	131.51	B&G
8/4/2025	Menards Carpentersvill	80.38	B&G
8/4/2025	Menards Carpentersvill	49.94	B&G
8/4/2025	Menards Carpentersvill	4.98	B&G
8/4/2025	Natl Ccl Teachers Of M	157	Staff
8/4/2025	The Home Depot #1940	169.99	B&G
8/4/2025	The Home Depot #1940	145.51	B&G
8/4/2025	The Home Depot #1940	11.98	B&G
8/4/2025	The Home Depot #1948	185.33	B&G
8/4/2025	The Home Depot #1948	25.96	B&G
8/4/2025	Trane Supply-112420	262.93	B&G
8/4/2025	Walmart.Com 8009256278	153.59	Staff
8/5/2025	Einstein Bros Bagels24	295.51	Staff
8/5/2025	Gustave A Larson Compa	162.91	B&G
8/5/2025	Gustave A Larson Compa	75.45	B&G
8/5/2025	Gustave A Larson Compa	-137.91	B&G
8/5/2025	Hobby-Lobby #520	13.93	Staff
8/5/2025	Jewel Osco 1256	32.95	Staff
8/5/2025	Menards Carpentersvill	33.69	B&G
8/5/2025	Michaels #9490	44.7	Staff
8/5/2025	Michaels #9490	-12.78	Staff
8/5/2025	Michaels Stores 4802	-10.38	Student
8/5/2025	Panera Bread #203291 O	514.61	Staff
8/5/2025	Panera Bread #203291 O	78.16	Staff
8/5/2025	Parts Town, Llc	625.27	B&G
8/5/2025	Ralph Helm Inc	282.11	B&G
8/5/2025	Randall Roadhouse	3,386.28	Staff
8/5/2025	Rosatis Pizza Hampshir	231.57	Staff
8/5/2025	Sams Club #4942	171.12	Staff
8/5/2025	Samsclub #4942	114.36	Staff
8/5/2025	Samsclub #6339	245.96	Staff
8/5/2025	Samsclub #6339	155.44	Staff
8/5/2025	The Home Depot #1940	97.43	B&G
8/5/2025	The Home Depot #1940	86.79	B&G
8/5/2025	The Home Depot #1940	47.16	B&G
8/5/2025	The Home Depot #1940	26.94	B&G
8/5/2025	The Home Depot #1948	185.93	B&G
8/5/2025	The Home Depot #1948	72.19	B&G

8/5/2025	The Home Depot #1948	43.72	B&G
8/5/2025	The Home Depot #1948	27.04	B&G
8/5/2025	The Home Depot #1948	-18.44	B&G
8/5/2025	The Ups Store 0806	18.22	Staff
8/5/2025	Trane Supply-112420	169.2	B&G
8/5/2025	Tst Masis Pizza	68.6	Staff
8/5/2025	Wal-Mart #1377	44.32	Staff
8/5/2025	Wal-Mart #1531	92.16	Staff
8/5/2025	Wal-Mart #1531	43.7	Staff
8/5/2025	Wal-Mart #1531	20.61	Staff
8/5/2025	Wal-Mart #1531	13.71	Staff
8/5/2025	Wal-Mart #5060	65.88	Staff
8/5/2025	Wal-Mart #5060	28.1	Staff
8/5/2025	Wal-Mart #5060	11.92	Staff
8/5/2025	Ziegler-Carpentersvill	1.44	B&G
8/6/2025	Do-Rite Donuts & Chick	456.25	Staff
8/6/2025	Einstein Bros-Online C	1,127.24	Staff
8/6/2025	Homedepot.Com	-5.48	B&G
8/6/2025	Jewel #3198	10.77	Staff
8/6/2025	Jewel Osco 1306	149.87	Staff
8/6/2025	Jewel Osco 1306	66.27	Staff
8/6/2025	Jewel Osco 2310	281.12	Staff
8/6/2025	Meijer # 183	57.71	Staff
8/6/2025	Menards Carpentersvill	65.97	B&G
8/6/2025	Menards Carpentersvill	6.08	B&G
8/6/2025	Nsrf / Harmony School	25	Staff
8/6/2025	Sams Club #4942	73.94	Staff
8/6/2025	Samsclub #6339	159.34	Staff
8/6/2025	Siteone Landscape Supp	87.78	B&G
8/6/2025	Taylor Street Pizza Of	172.39	Staff
8/6/2025	The Home Depot #1940	199	B&G
8/6/2025	The Home Depot #1940	134.97	B&G
8/6/2025	The Home Depot #1940	97.87	B&G
8/6/2025	The Home Depot #1940	56.88	B&G
8/6/2025	The Home Depot #1948	126.83	B&G
8/6/2025	The Home Depot #1948	90.42	B&G
8/6/2025	The Home Depot #1948	51.42	B&G
8/6/2025	Trane Supply-112420	359.45	B&G
8/6/2025	Tst Beneddicts Eggs An	420	Staff
8/6/2025	Tst Fire Bar & Grill	22.98	Staff
8/6/2025	Tst Fire Bar & Grill	17.48	Staff
8/6/2025	Tst Lou Malnatis - L	123.36	Staff
8/6/2025	Uline Ship Supplies	1,338.13	Staff
8/6/2025	Usa Clean By Jon-Don	2,465.16	Staff

8/6/2025 Walgreens #4258	53.94 Staff
8/6/2025 Wal-Mart #1531	507.61 Staff
8/6/2025 Wal-Mart #1531	259.61 Staff
8/6/2025 Wal-Mart #1531	226.08 Staff
8/6/2025 Wal-Mart #1531	213.47 Staff
8/6/2025 Wal-Mart #1531	107.23 Staff
8/6/2025 Wal-Mart #1531	78.36 Staff
8/6/2025 Wal-Mart #1531	35 Staff
8/6/2025 Wm Supercenter #1897	111.55 Staff
8/6/2025 Wm Supercenter #4641	300.73 Staff
8/6/2025 Wm Supercenter #4641	272.25 Staff
8/6/2025 Wm Supercenter #5060	62.87 Staff
8/6/2025 Wm Supercenter #5060	58.72 Staff
8/7/2025 Countrydonuts	254.52 Staff
8/7/2025 Dd/Br #337637 Q35	77.97 Staff
8/7/2025 Dunkin #345659 Q35	51.98 Staff
8/7/2025 Dunkin #350035 Q35	921.28 Staff
8/7/2025 Dunkin #353718 Q35	68.97 Staff
8/7/2025 Dunkin #353718 Q35	49.77 Staff
8/7/2025 Einstein Bros Bagels24	164.37 Staff
8/7/2025 Ezcater El Fuego Tacos	495 Staff
8/7/2025 Ezcater Jimmy Johns	345.82 Staff
8/7/2025 Ferguson Ent #1123	153.67 B&G
8/7/2025 Hvac Wholesale Direct	175.81 B&G
8/7/2025 Jewel Osco 2310	6.09 Staff
8/7/2025 Maciano S Pizza Elgin	269.99 Staff
8/7/2025 Menards Carpentersvill	87.99 B&G
8/7/2025 Menards Carpentersvill	56.95 B&G
8/7/2025 Original Country Donut	239.8 Staff
8/7/2025 Parts Town, Llc	764.37 B&G
8/7/2025 Parts Town, Llc	745.21 B&G
8/7/2025 Paypal Poshmark	17.78 Staff
8/7/2025 Rosatis Pizza - Algonq	450 Staff
8/7/2025 Rosatis Pizza - Algonq	118.5 Staff
8/7/2025 Samsclub #6339	229.16 Staff
8/7/2025 Sheraton Grand Chicago	362.33 Staff
8/7/2025 Siteone Landscape Supp	370 B&G
8/7/2025 Sq Diamond Graphics	60 Staff
8/7/2025 Sullivans Foods Mar	135.92 Staff
8/7/2025 Taylor Street Pizza Of	133.43 Staff
8/7/2025 The Home Depot #1920	20.94 B&G
8/7/2025 The Home Depot #1940	688 B&G
8/7/2025 The Home Depot #1940	173.93 B&G
8/7/2025 The Home Depot #1940	33.42 B&G

8/7/2025	The Home Depot #1948	251.87	B&G
8/7/2025	The Home Depot #1948	125.22	B&G
8/7/2025	Tobinson Hdwe	54.96	B&G
8/7/2025	Tropical Smoothie Cafe	225	Staff
8/7/2025	Tst Buttered Toast	409.7	Staff
8/7/2025	Tst Coreys Nyc Bagel D	300	Staff
8/7/2025	Tst Garibaldis Hoffman	149.11	Staff
8/7/2025	Wal-Mart #1531	72.54	Staff
8/7/2025	Wal-Mart #1531	40.16	Staff
8/7/2025	Wal-Mart #5060	71.42	Staff
8/7/2025	West Side Electric Sup	282.18	B&G
8/7/2025	Wm Supercenter #4641	100.89	Staff
8/7/2025	Ziegler-Carpentersvill	9.75	B&G
8/8/2025	Atixa	659	Staff
8/8/2025	Dunkin #353988 Q35	95.73	Staff
8/8/2025	Eb Healing Together M	250	Staff
8/8/2025	Fastsigns 100801	385	Staff
8/8/2025	Jewel Osco 1306	145.92	Staff
8/8/2025	Jewel Osco 2310	71.93	Staff
8/8/2025	Jimmy Johns - 0466 - E	54.6	Staff
8/8/2025	McAlisters 101109	1,521.54	Staff
8/8/2025	McAlisters 101109	1,240.72	Staff
8/8/2025	Michaels Stores 4802	17.99	Student
8/8/2025	Olive Garden 0021156	170.73	Staff
8/8/2025	Panera Bread #204022 O	196.55	Staff
8/8/2025	Panera Bread #204091 O	471.88	Staff
8/8/2025	Panera Bread #204091 O	57.58	Staff
8/8/2025	Parts Town, Llc	627.38	B&G
8/8/2025	Potbelly #174	1,475.87	Staff
8/8/2025	Red Robin No 343	1,057.78	Staff
8/8/2025	Red Robin No 343	949.24	Staff
8/8/2025	Red Robin No 343	315.3	Staff
8/8/2025	Samsclub.Com	408.32	Staff
8/8/2025	Sp Nbi National Busi	1,428.00	Staff
8/8/2025	Taylor Street Pizza Of	226.68	Staff
8/8/2025	The Home Depot #1940	366.59	B&G
8/8/2025	The Home Depot #1948	199.7	B&G
8/8/2025	Trane Supply-112420	116.77	B&G
8/8/2025	Trane Supply-112420	76.91	B&G
8/8/2025	Tst Buttered Toast	89.92	Staff
8/8/2025	Uline Ship Supplies	3,186.38	Staff
8/8/2025	Vmo Vimeo.Com	720	Staff
8/8/2025	Zieglers Ace Hdwe	35.04	B&G
8/9/2025	Lukes Beef Inc	55.05	Staff

8/9/2025	Menards Carpentersvill	124.89	B&G
8/9/2025	Olive Garden 0021156	888.13	Staff
8/9/2025	Olive Garden 0021156	492.02	Staff
8/9/2025	Openai Chatgpt Subscr	20	Staff
8/9/2025	The Home Depot #6923	27.85	B&G
8/9/2025	Uline Ship Supplies	2,872.16	Staff
8/9/2025	Uline Ship Supplies	1,258.96	Staff
8/9/2025	Wm Supercenter #4641	11.54	Staff
8/10/2025	Adobe Inc	29.99	Staff
8/10/2025	La Alcancia	83.69	Staff
8/10/2025	Michaels Stores 4802	64.76	Student
8/10/2025	Original Country Donut	143.88	Staff
8/10/2025	Paypal Starbucksse	5.14	Staff
8/10/2025	Samsclub #6339	416.01	Staff
8/10/2025	The Home Depot #1940	67.96	B&G
8/10/2025	Wal-Mart #4641	19.88	Staff
8/10/2025	Wm Supercenter #1413	43.29	Staff
8/10/2025	Wm Supercenter #1814	22.98	Staff
8/11/2025	Anderson Lock Co1	440.79	B&G
8/11/2025	Dollar Tree	45	Staff
8/11/2025	Elgin Key & Lock Co	479.56	B&G
8/11/2025	Elgin Key & Lock Co	99.12	B&G
8/11/2025	Gustave A Larson Compa	155.06	B&G
8/11/2025	Gustave A Larson Compa	28.11	B&G
8/11/2025	Lou Malnatis Pizzeria	324	Staff
8/11/2025	Menards Carpentersvill	65.66	B&G
8/11/2025	Menards Carpentersvill	61.15	B&G
8/11/2025	Menards Carpentersvill	49.16	B&G
8/11/2025	Menards Carpentersvill	21.94	B&G
8/11/2025	Michaels Stores 4802	22.93	Student
8/11/2025	National School Boards	540	Staff
8/11/2025	Sal S Pizza - Algonqui	925.8	Staff
8/11/2025	Sams Club #6339	176.22	Staff
8/11/2025	Sq Churros Tinoco Inc	114	Staff
8/11/2025	Sq Wds Desserts / Bel	546	Staff
8/11/2025	Textmagic.Com	100	Staff
8/11/2025	The Home Depot #1940	175.7	B&G
8/11/2025	The Home Depot #1948	254.97	B&G
8/11/2025	The Home Depot #1948	155.77	B&G
8/11/2025	The Home Depot #1948	72.91	B&G
8/11/2025	The Home Depot #1948	33.35	B&G
8/11/2025	The Home Depot #6923	6.86	B&G
8/11/2025	Trane Supply-112420	187.14	B&G
8/11/2025	Trane Supply-112420	81.82	B&G

8/11/2025 Wal-Mart #1413	6.94 Staff
8/11/2025 Wal-Mart #1531	153.99 Staff
8/11/2025 Wal-Mart #1531	18.31 Staff
8/11/2025 Wm Supercenter #5060	133.38 Staff
8/11/2025 Wm Supercenter #5060	14.64 Staff
8/12/2025 Anderson Lock Co1	146.57 B&G
8/12/2025 Buona Algonquin #20 M	688.98 Staff
8/12/2025 Dunkin #353718 Q35	17.98 Staff
8/12/2025 Ecc Foundation	300 Staff
8/12/2025 Elgin Key & Lock Co	14.42 B&G
8/12/2025 Harbor Freight Tools 4	79.93 B&G
8/12/2025 Interstate Batteries	2,666.65 B&G
8/12/2025 Jimmy Johns - 0466	254.37 Staff
8/12/2025 Menards Carpentersvill	53.4 B&G
8/12/2025 Panera Bread #204017 O	400.35 Staff
8/12/2025 Panera Bread #204017 O	324.26 Staff
8/12/2025 Rosati Carpentersville	499.95 Staff
8/12/2025 Russo Power Equipment	70.99 B&G
8/12/2025 Sargents Equipment & R	1,167.92 B&G
8/12/2025 The Home Depot #1940	310.91 B&G
8/12/2025 The Home Depot #1940	5.65 B&G
8/12/2025 The Home Depot #1948	199.9 B&G
8/12/2025 The Home Depot #1948	152.35 B&G
8/12/2025 The Home Depot #1948	149.95 B&G
8/12/2025 The Home Depot #1948	94.98 B&G
8/12/2025 The Home Depot #1948	79.97 B&G
8/12/2025 The Home Depot #1948	74.97 B&G
8/12/2025 The Home Depot #1948	18.96 B&G
8/12/2025 Town & Country Gardens	122.06 Staff
8/12/2025 Wal-Mart #1531	127.22 Staff
8/12/2025 Walmart.Com	107.34 Staff
8/13/2025 Baker Hill Pancake Hou	690 Staff
8/13/2025 Elgin Key & Lock Co	155.15 B&G
8/13/2025 Government Finance Off	350 Staff
8/13/2025 Meijer # 206	55.84 Staff
8/13/2025 Red Robin No 343	103.78 Staff
8/13/2025 The Home Depot #1940	485.43 B&G
8/13/2025 The Home Depot #1940	251.7 B&G
8/13/2025 The Home Depot #1940	138.55 B&G
8/13/2025 The Home Depot #1948	89.76 B&G
8/13/2025 The Home Depot #1948	84.38 B&G
8/13/2025 Wal-Mart #1531	21.36 Staff
8/13/2025 Wal-Mart #5060	144.5 Staff
8/13/2025 Wal-Mart #5060	101.38 Staff

8/13/2025	Walmart.Com	52.3	Staff
8/14/2025	Card My Yard	-12.95	Staff
8/14/2025	Dd/Br #347245 Q35	142.47	Staff
8/14/2025	Fedex39770815	303.8	Staff
8/14/2025	Glass America	258.28	B&G
8/14/2025	Jc Licht 1250-Algonqui	48.75	B&G
8/14/2025	McAlisters 101345	77.51	Staff
8/14/2025	Meijer Store #206	95.14	Staff
8/14/2025	Menards Carpentersvill	31.22	B&G
8/14/2025	Nametagcountry.Com	27.85	Staff
8/14/2025	Parts Town, Llc	487.53	B&G
8/14/2025	The Home Depot #1940	109.8	B&G
8/14/2025	The Home Depot #1940	18.68	B&G
8/14/2025	The Home Depot #1940	11.76	B&G
8/14/2025	The Home Depot #1948	104.4	B&G
8/14/2025	The Home Depot #1948	4.99	B&G
8/14/2025	Wal-Mart #1531	76.09	Staff
8/14/2025	Wal-Mart #5060	113.06	Staff
8/15/2025	Cke The Texan Bbq Algo	133.24	Staff
8/15/2025	Dd/Br #347245 Q35	143.91	Staff
8/15/2025	Dd/Br #347245 Q35	-142.47	Staff
8/15/2025	Dunkin #351536 Q35	87.54	Staff
8/15/2025	Humblefax	10	Staff
8/15/2025	McAlisters 101345	40.06	Staff
8/15/2025	McAlisters 101345	10.19	Staff
8/15/2025	Menards Carpentersvill	65.79	B&G
8/15/2025	Michaels Stores 4802	59.97	Student
8/15/2025	Sq Mm Marketing	374.5	Staff
8/15/2025	Wal-Mart #1531	25.8	Staff
8/15/2025	Wal-Mart #1531	23.74	Staff
8/15/2025	Wm Supercenter #5060	55.26	Staff
8/15/2025	Wm Supercenter #5060	27.16	Staff
8/15/2025	Wm Supercenter #5060	6.34	Staff
8/16/2025	Customink Llc	742.5	Staff
8/16/2025	La Alcancia	37.38	Staff
8/16/2025	Parts Town, Llc	525.61	B&G
8/16/2025	Spi Directv Service	157.97	B&G
8/16/2025	The Home Depot #1948	85.84	B&G
8/17/2025	The Home Depot #1940	433.91	B&G
8/17/2025	Wal-Mart #2815	9.36	Staff
8/17/2025	Wal-Mart #5060	36.69	Staff
8/18/2025	Batteries+bulbs #1028	209.72	Staff
8/18/2025	Filter King	55.52	B&G
8/18/2025	Jewel Osco 3394	41.93	Staff

8/18/2025	Jimmy Johns - 1826 - M	2,211.90	Staff
8/18/2025	Jimmy Johns - 1826 - M	663.57	Staff
8/18/2025	Menards Carpentersvill	136.6	B&G
8/18/2025	Menards Carpentersvill	100.83	B&G
8/18/2025	Nespresso Usa, Inc.	169.99	Staff
8/18/2025	Papa Saverios - Huntle	63.5	Staff
8/18/2025	Ralph Helm Inc	1,329.70	B&G
8/18/2025	Randall Roadhouse	383.5	Staff
8/18/2025	Rocksolid	215	B&G
8/18/2025	The Home Depot #1940	5.75	B&G
8/18/2025	The Home Depot #1948	78.26	B&G
8/18/2025	Trane Supply-112420	14.02	B&G
8/18/2025	Wal-Mart #1531	75.2	Staff
8/18/2025	Wal-Mart #4641	75.82	Staff
8/18/2025	Wal-Mart #5060	44.87	Staff
8/18/2025	Wal-Mart #5060	15.64	Staff
8/18/2025	Wood-Mizer Llc	124.64	B&G
8/19/2025	Aldi 40029	18.58	Staff
8/19/2025	Anderson Lock Co1	208.69	B&G
8/19/2025	Culvers Of St Charles	166.61	Staff
8/19/2025	Dunkin #353718 Q35	127.33	Staff
8/19/2025	Julius Ai - Data Ast	7.7	Staff
8/19/2025	Meijer # 206	157.25	Staff
8/19/2025	Meijer # 206	78	Staff
8/19/2025	Meijer Store #206	57.16	Staff
8/19/2025	Menards Carpentersvill	49.53	B&G
8/19/2025	Sargents Equipment & R	3,074.63	B&G
8/19/2025	The Home Depot #1940	199	B&G
8/19/2025	The Home Depot #1940	135.2	B&G
8/19/2025	The Home Depot #1940	42.46	B&G
8/19/2025	The Home Depot #1940	5.75	B&G
8/19/2025	The Home Depot #1948	96.92	B&G
8/19/2025	The Home Depot #1948	66.65	B&G
8/19/2025	The Home Depot #1948	64.91	B&G
8/19/2025	The Home Depot #1948	37.94	B&G
8/19/2025	The Home Depot #1948	19.48	B&G
8/19/2025	Tst Garibaldis Hoffman	253.73	Staff
8/19/2025	Wal-Mart #1531	84.96	Staff
8/19/2025	Wal-Mart #1531	64.96	Staff
8/19/2025	Wal-Mart #4641	66.98	Staff
8/19/2025	Wal-Mart #5060	178.53	Staff
8/19/2025	Wal-Mart #5060	50.92	Staff
8/19/2025	Walmart.Com 8009256278	239.03	Staff
8/19/2025	Wm Supercenter #5060	54.64	Staff

8/19/2025 Wm Supercenter #5060	52.4 Staff
8/19/2025 Wm Supercenter #5060	26.88 Staff
8/19/2025 Wm Supercenter #5060	19.94 Staff
8/19/2025 Zieglers Ace Hdwe	18.04 B&G
8/20/2025 Batteries+bulbs #1028	91.8 Staff
8/20/2025 Cassidy Tire And Servi	172.72 B&G
8/20/2025 Comfort Suites Il258	783.71 Staff
8/20/2025 Ferguson Ent #1123	158.17 B&G
8/20/2025 Jimmy Johns - 0466 - E	39.67 Staff
8/20/2025 Larkin Floral	76.21 Staff
8/20/2025 Menards Carpentersvill	151.64 B&G
8/20/2025 Menards Carpentersvill	121.26 B&G
8/20/2025 Menards Carpentersvill	110.86 B&G
8/20/2025 Officemax/Depot 6370	32.68 Staff
8/20/2025 Portillos Algonquin #8	78.52 Staff
8/20/2025 Sams Club #6339	106.6 Staff
8/20/2025 Sargents Equipment & R	336 B&G
8/20/2025 The Home Depot #1948	86.1 B&G
8/20/2025 Tst Fire Bar & Grill	27.97 Staff
8/20/2025 Tst Fire Bar & Grill	21 Staff
8/20/2025 Uline Ship Supplies	240.92 Staff
8/20/2025 Village Fresh Market	209.96 Staff
8/20/2025 Wal-Mart #5060	20.96 Staff
8/20/2025 Wm Supercenter #5060	26.4 Staff
8/20/2025 Ziegler-Carpentersvill	33.96 B&G
8/21/2025 Cassidy Tire And Servi	616.84 B&G
8/21/2025 Displays2go	2,241.95 Staff
8/21/2025 Dominos 2990	435.49 Staff
8/21/2025 Dominos 2990	435.49 Staff
8/21/2025 Elgin Key & Lock Co	38.35 B&G
8/21/2025 Fedex39982698	33.22 Staff
8/21/2025 Flowers By Legacy	147.23 Staff
8/21/2025 lasb	90 Staff
8/21/2025 Jersey Mikes 27108	100.58 Staff
8/21/2025 Meijer # 206	174.78 Staff
8/21/2025 Meijer Store #206	194.81 Staff
8/21/2025 Menards Carpentersvill	58.75 B&G
8/21/2025 Menards Carpentersvill	5.28 B&G
8/21/2025 Rocksolid	-215 B&G
8/21/2025 Sams Club #6339	56.32 Staff
8/21/2025 Samsclub #6339	465.57 Staff
8/21/2025 Samsclub.Com	38.31 Staff
8/21/2025 Student-Centered Coach	240 Student
8/21/2025 The Home Depot #1940	9.98 B&G

8/21/2025	The Home Depot #1948	64.8	B&G
8/21/2025	The Home Depot #1948	12.37	B&G
8/21/2025	Wal-Mart #1814	33.71	Staff
8/21/2025	Wal-Mart #5060	84.34	Staff
8/21/2025	Walmart.Com	120.39	Staff
8/22/2025	Burrito Parrilla Mexic	58.96	Staff
8/22/2025	Dd/Br #347245 Q35	143.91	Staff
8/22/2025	Ecc Foundation	100	Staff
8/22/2025	Ferguson Ent #1123	142.56	B&G
8/22/2025	Gustave A Larson Compa	12.93	B&G
8/22/2025	Homedepot.Com	53.07	B&G
8/22/2025	Jimmy Johns - 0466 - E	43.36	Staff
8/22/2025	Lowes #01739	17	B&G
8/22/2025	Meijer Store #206	50.45	Staff
8/22/2025	Menards Carpentersvill	40.74	B&G
8/22/2025	Menards Carpentersvill	15.17	B&G
8/22/2025	Portillos Algonquin #8	54.12	Staff
8/22/2025	Sq Trophykits.Com	44.21	Student
8/22/2025	The Home Depot #1940	189.81	B&G
8/22/2025	The Home Depot #1940	137.66	B&G
8/22/2025	The Home Depot #1940	95.55	B&G
8/22/2025	The Home Depot #1940	67.39	B&G
8/22/2025	The Home Depot #1940	43.22	B&G
8/22/2025	The Home Depot #1940	39.9	B&G
8/22/2025	The Home Depot #1948	218	B&G
8/22/2025	The Home Depot #1948	50.88	B&G
8/22/2025	Tst Beef Shack - Hunt	77.79	Staff
8/22/2025	Village Fresh Market	26.6	Staff
8/22/2025	Village Fresh Market	15.96	Staff
8/22/2025	Wal-Mart #1531	95.27	Staff
8/22/2025	Wal-Mart #1531	55.18	Staff
8/22/2025	Wal-Mart #1531	45.44	Staff
8/22/2025	Wal-Mart #1814	15.79	Staff
8/22/2025	Wal-Mart #5060	23.41	Staff
8/22/2025	Zieglers Ace Hdwe	10.76	B&G
8/23/2025	Menards Carpentersvill	3.25	B&G
8/23/2025	The Home Depot #1940	101.6	B&G
8/23/2025	Wal-Mart #1531	104.04	Staff
8/23/2025	Windy City Wire Cable	694.4	B&G
8/23/2025	Wm Supercenter #1413	15.09	Staff
8/23/2025	Wm Supercenter #5060	69.79	Staff
8/24/2025	Michaels Stores 4802	19.99	Student
8/24/2025	Wm Supercenter #1413	34.83	Staff
8/24/2025	Wm Supercenter #5060	118.48	Staff

8/25/2025	Countrydonuts	113.96	Staff
8/25/2025	Culvers Of Sycamore	58.6	Staff
8/25/2025	Farm & Fleet Of Elgin	299.99	Staff
8/25/2025	Jewel Osco 2310	130.6	Staff
8/25/2025	Meijer # 206	9.98	Staff
8/25/2025	Menards Carpentersvill	50.44	B&G
8/25/2025	Panda Express #2895	164.9	Staff
8/25/2025	Ralph Helm Inc	327.32	B&G
8/25/2025	Ralph Helm Inc	49.03	B&G
8/25/2025	Taylor Street Pizza Of	333.59	Staff
8/25/2025	The Home Depot #1940	591.58	B&G
8/25/2025	The Home Depot #1940	531.11	B&G
8/25/2025	The Home Depot #1940	73.85	B&G
8/25/2025	Wal-Mart #1531	220.71	Staff
8/25/2025	Wal-Mart #1531	85.68	Staff
8/25/2025	Wal-Mart #4641	264.94	Staff
8/25/2025	Wal-Mart #5060	107.28	Staff
8/25/2025	Walmart.Com	56.38	Staff
8/26/2025	Ed S Rental And Sales	74.08	Student
8/26/2025	Gustave A Larson Compa	142.05	B&G
8/26/2025	Jc Licht 1250-Algonqui	139.18	B&G
8/26/2025	Jewel Osco 2310	26.97	Staff
8/26/2025	Menards Carpentersvill	7.14	B&G
8/26/2025	Panera Bread #204098 P	207.8	Staff
8/26/2025	Sp Central Tree	31.2	Staff
8/26/2025	Taylor St Pizza Algonq	121.51	Staff
8/26/2025	The Home Depot #1940	86.97	B&G
8/26/2025	The Home Depot #1940	69.91	B&G
8/26/2025	The Home Depot #1940	51.92	B&G
8/26/2025	The Home Depot #1940	29.03	B&G
8/26/2025	Wal-Mart #1531	400	Staff
8/26/2025	Wal-Mart #1531	251.99	Staff
8/26/2025	Wal-Mart #4641	79.76	Staff
8/26/2025	Wal-Mart #5060	17.46	Staff
8/26/2025	Wal-Mart #5060	16.67	Staff
8/26/2025	Windy City Wire Cable	166.52	B&G
8/26/2025	Ziegler-Carpentersvill	9.99	B&G
8/27/2025	Batteries+bulbs #1028	67.95	Staff
8/27/2025	Batteries+bulbs #1028	-9	Staff
8/27/2025	Chipotle 0999	182.7	Staff
8/27/2025	Chipotle Online	291.27	Staff
8/27/2025	Jewel Osco 2310	71.7	Staff
8/27/2025	Meijer Store #206	222.15	Staff
8/27/2025	Meijer Store #206	34.93	Staff

8/27/2025	Pesi	149.99	Staff
8/27/2025	Sp European Sports	25.2	Staff
8/27/2025	Tmobile Postpaid Web	6,279.67	Board Approved
8/27/2025	Tmobile Postpaid Web	4,237.20	Board Approved
8/27/2025	Wal-Mart #1531	43.22	Staff
8/27/2025	Wal-Mart #1531	20.78	Staff
8/27/2025	Wal-Mart #4641	31.54	Staff
8/27/2025	Wal-Mart #5060	57.95	Staff
8/27/2025	Wal-Mart #5060	36.03	Staff
8/28/2025	All Seasons	50	Staff
8/28/2025	Batteries+bulbs #1028	122.44	Staff
8/28/2025	Comcast Business	7,500.00	Board Approved
8/28/2025	Culvers Of Belvidere	174.11	Staff
8/28/2025	Ezcater Panera Bread	261.75	Staff
8/28/2025	Gustave A Larson Compa	221.78	B&G
8/28/2025	Jimmy Johns - 0466 - E	80.48	Staff
8/28/2025	Marianos #506	101.4	Staff
8/28/2025	Meijer Store #206	24.43	Staff
8/28/2025	Menards Carpentersvill	37.83	B&G
8/28/2025	Menards Carpentersvill	29.98	B&G
8/28/2025	Menards Carpentersvill	26.96	B&G
8/28/2025	Menards Carpentersvill	26.72	B&G
8/28/2025	Morettis Restaurante	26.17	Staff
8/28/2025	Morettis Restaurante	25.37	Staff
8/28/2025	Morettis Restaurante	20.05	Staff
8/28/2025	Portillos Algonquin #8	45.09	Staff
8/28/2025	The Home Depot #1934	21.98	B&G
8/28/2025	The Home Depot #1940	47	B&G
8/28/2025	The Home Depot #1948	27.05	B&G
8/28/2025	Trane Supply-112420	100.46	B&G
8/28/2025	United 01623269808871	247.97	Staff
8/28/2025	United 01623269879070	226.96	Staff
8/28/2025	United 01623269924076	226.96	Staff
8/28/2025	United 01623269933364	67.41	Staff
8/28/2025	United 01623269956545	226.96	Staff
8/28/2025	United 01623269961143	156.96	Staff
8/28/2025	United 01623270015953	156.96	Staff
8/28/2025	United 01623271496442	156.96	Staff
8/28/2025	United 01643258016411	22.56	Staff
8/28/2025	United 01643258016422	22.56	Staff
8/28/2025	United 01643258094380	22.56	Staff
8/28/2025	United 01643258094391	22.56	Staff
8/28/2025	United 01643258156562	49.44	Staff
8/28/2025	United 01643258156573	49.44	Staff

8/28/2025	United 01643258178461	22.56 Staff
8/28/2025	United 01643258178472	22.56 Staff
8/28/2025	United 01643258180981	35 Staff
8/28/2025	United 01643258180992	35 Staff
8/28/2025	United 01643258186172	49.44 Staff
8/28/2025	United 01643258186183	49.44 Staff
8/28/2025	United 01643258238436	49.44 Staff
8/28/2025	United 01643258238440	49.44 Staff
8/28/2025	Wal-Mart #1531	55.97 Staff
8/28/2025	Wal-Mart #5060	156.86 Staff
8/28/2025	Wal-Mart #5060	15.07 Staff
8/28/2025	Walmart.Com 8009256278	66.46 Staff
8/28/2025	Wm Supercenter #4641	7.68 Staff
8/28/2025	Ziegler-Carpentersvill	79.96 B&G
8/28/2025	Ziegler-Carpentersvill	47.88 B&G
8/28/2025	Ziegler-Carpentersvill	19.99 B&G
8/28/2025	Ziegler-Carpentersvill	15.96 B&G
8/28/2025	Ziegler-Carpentersvill	14.58 B&G
8/28/2025	Zonatherm Products Inc	209.66 B&G
8/29/2025	Buona Algonquin #20	36.05 Staff
8/29/2025	Chilis Algonquin #179	92.84 Staff
8/29/2025	Dickssportinggoods.Com	305.12 Student
8/29/2025	Dunkin #353718 Q35	47.36 Staff
8/29/2025	Epilog Laser	461.16 Staff
8/29/2025	Ezcater Cafe Zupas	135.14 Staff
8/29/2025	Ezcater Panera Bread	65.63 Staff
8/29/2025	Homedepot.Com	359.99 B&G
8/29/2025	Jc Licht 1250-Algonqui	46.7 B&G
8/29/2025	Jimmy Johns - 1826	234.26 Staff
8/29/2025	Little Caesars #1713	121.8 Staff
8/29/2025	Napa Store 3018051	69.89 B&G
8/29/2025	Openai Chatgpt Subscr	20 Staff
8/29/2025	Portillos Algonquin #8	-5.82 Staff
8/29/2025	Sq Andersens Engravi	300 B&G
8/29/2025	Sq Andersens Engravi	262.5 B&G
8/29/2025	Sq Beegiggles Enterta	855.75 Student
8/29/2025	Sq Wds Desserts / Bel	618 Staff
8/29/2025	The Home Depot #1940	49.98 B&G
8/29/2025	The Home Depot #1940	35.94 B&G
8/29/2025	The Home Depot #1940	6.3 B&G
8/29/2025	The Home Depot #1948	258.4 B&G
8/29/2025	The Home Depot #1948	135.94 B&G
8/29/2025	Trane Supply-112420	113.45 B&G
8/29/2025	Usps Po 1600960102	9.85 Staff

8/29/2025 Wal-Mart #1531	59.78 Staff
8/29/2025 Wal-Mart #1531	10.76 Staff
8/29/2025 Wal-Mart #5060	100.55 Staff
8/29/2025 Wal-Mart #5060	59.52 Staff
8/29/2025 Ziegler-Carpentersvill	43.89 B&G
8/29/2025 Ziegler-Carpentersvill	37.98 B&G
8/29/2025 Ziegler-Carpentersvill	17.94 B&G
8/30/2025 Batteries+bulbs #1028	235.22 Staff
8/30/2025 Dd/Br #347245 Q35	19.98 Staff
8/30/2025 Jewel Osco 1256	63.96 Staff
8/30/2025 Panera Bread #203291 O	282.14 Staff
8/30/2025 Tst Harts Garage - 2	107.47 B&G
8/30/2025 Wm Supercenter #5060	143.53 Staff
8/31/2025 Harbor Freight Tools 4	38.97 B&G
8/31/2025 Meijer Store #313	5.72 Staff
8/31/2025 Menards Carpentersvill	14.94 B&G
8/31/2025 Wal-Mart #5060	16.96 Staff
8/31/2025 Wm Supercenter #4641	45.47 Staff
9/1/2025 Google Cloud Qxmbzr	33.06 Staff
9/1/2025 Pga Tour Superstore 07	119.97 Student
9/1/2025 Remarkable Ops Llc	29 Staff
9/1/2025 Sams Club #6339	101.54 Staff
9/1/2025 Samsclub #6339	36.46 Staff
9/1/2025 Wal-Mart #5276	572.46 Staff
9/1/2025 Wal-Mart #5276	160.47 Staff
9/1/2025 Wm Supercenter #5060	131.81 Staff
9/1/2025 Wm Supercenter #5060	41.45 Staff
9/2/2025 Dickssportinggoods.Com	265.21 Student
9/2/2025 Dunkin #355830	92.41 Staff
9/2/2025 Elgin Key & Lock Co	14.42 B&G
9/2/2025 Hobby-Lobby #520	13.52 Staff
9/2/2025 Lowes #01739	106.46 B&G
9/2/2025 McDonalds F13651	276.98 Staff
9/2/2025 Menards Carpentersvill	77.95 B&G
9/2/2025 Sp All Seasons Orcha	50 Staff
9/2/2025 Steiner Elec Elk Grove	369.61 B&G
9/2/2025 Target 00018010	189.97 Staff
9/2/2025 The Home Depot #1940	158.17 B&G
9/2/2025 The Home Depot #1940	112.14 B&G
9/2/2025 The Home Depot #1940	35.97 B&G
9/2/2025 The Home Depot #1948	94.27 B&G
9/2/2025 Trane Supply-112411	26.09 B&G
9/2/2025 Trane Supply-112420	96.52 B&G
9/2/2025 Wal-Mart #1531	683.4 Staff

9/2/2025 Wal-Mart #1531	30.16 Staff
9/2/2025 Wal-Mart #1531	25.01 Staff
9/2/2025 Wal-Mart #4641	121.91 Staff
9/2/2025 Wal-Mart #4641	26.74 Staff
9/2/2025 Wm Supercenter #4641	180.96 Staff
9/2/2025 Wm Supercenter #4641	173.06 Staff
9/2/2025 Wm Supercenter #4641	44.15 Staff
9/2/2025 Wm Supercenter #5060	14.4 Staff
9/2/2025 Zonatherm Products Inc	285.46 B&G
9/3/2025 Butcher On The Block	281.39 Staff
9/3/2025 Culvers Of Carpentersv	133.48 Staff
9/3/2025 Dickssportinggoods.Com	113.66 Student
9/3/2025 Dickssportinggoods.Com	37.89 Student
9/3/2025 Dollar Tree	7.5 Staff
9/3/2025 Dunkin #353718 Q35	172.89 Staff
9/3/2025 Homedepot.Com	129 B&G
9/3/2025 Jangs Mongolian Grill	129.55 Staff
9/3/2025 Jimmy Johns - 836	127.98 Staff
9/3/2025 Meijer Store #206	48.36 Staff
9/3/2025 Menards Carpentersvill	449.99 B&G
9/3/2025 Menards Carpentersvill	185.12 B&G
9/3/2025 Menards Carpentersvill	105.86 B&G
9/3/2025 Menards Carpentersvill	79.85 B&G
9/3/2025 Menards Carpentersvill	74.07 B&G
9/3/2025 Menards Carpentersvill	24.85 B&G
9/3/2025 Michaels #9490	127.96 Staff
9/3/2025 Nametagcountry.Com	114.1 Staff
9/3/2025 Remarkable	2.99 Staff
9/3/2025 Sams Club #6339	187.76 Staff
9/3/2025 Signarama Carpentersvi	83.47 Staff
9/3/2025 Sq Exeudir@stcharless	315 Staff
9/3/2025 Target 00018010	137.23 Staff
9/3/2025 The Home Depot #1948	156.94 B&G
9/3/2025 The Home Depot #1948	29.94 B&G
9/3/2025 Trane Supply-112420	21.77 B&G
9/3/2025 Tst Beef Shack - Elgi	62.26 Staff
9/3/2025 Tst Fire Bar & Grill	23.98 Staff
9/3/2025 Tst Fire Bar & Grill	21.48 Staff
9/3/2025 Tst Fire Bar & Grill	14.74 Staff
9/3/2025 Wal-Mart #1531	14.91 Staff
9/3/2025 Wal-Mart #4641	129.32 Staff
9/3/2025 Wm Supercenter #5060	17.12 Staff
9/4/2025 Adobe	9.99 Staff
9/4/2025 Chipotle Online	-25.27 Staff

9/4/2025 Dickssportinggoods.Com	568.31	Student
9/4/2025 Dickssportinggoods.Com	189.44	Student
9/4/2025 Dickssportinggoods.Com	37.89	Student
9/4/2025 In Color Blaze Supply	1,485.12	Staff
9/4/2025 Jc Licht 1250-Algonqui	69.59	B&G
9/4/2025 Panera Bread #203291 O	74	Staff
9/4/2025 Walmart.Com	26.43	Staff
9/4/2025 Wm Supercenter #1413	124.58	Staff
9/4/2025 Wm Supercenter #4641	64.74	Staff
9/4/2025 Ziegler-Carpentersvill	5.1	B&G

Debit Total	7,627.49	143,988.20
Credit Total	-40.65	-595.5
Total	7,586.84	143,392.70

ACTIVITY ACCOUNT SUMMARY
FOR MONTH OF: August 31, 2025

	Month to Date			Year To Date			
	Month End Receipts	Month End Disbursements	Month End Activity	July 1, 2025 Beginning Book Balance	Year to Date Receipts	Year to Date Disbursements	Year to Date Book Balance
School							
Algonquin Lakes	\$ 62.75	\$ 149.00	\$ (86.25)	\$ 12,594	\$ 126	\$ 149	\$ 12,571
Algonquin M.S.	\$ 298.02	\$ 1,186.16	\$ (888.14)	\$ 16,150	\$ 359	\$ 1,186	\$ 15,323
Big Timber Elementary	\$ 51.17	\$ -	\$ 51.17	\$ 13,665	\$ 845	\$ 631	\$ 13,879
Carpentersville M.S.	\$ 138.83	\$ -	\$ 138.83	\$ 38,753	\$ 278	\$ -	\$ 39,031
DeLacey	\$ 14.88	\$ -	\$ 14.88	\$ 4,160	\$ 30	\$ -	\$ 4,190
Dundee-Crown H.S.	\$ 12,659.27	\$ 25,141.85	\$ (12,482.58)	\$ 346,339	\$ 25,868	\$ 157,286	\$ 214,921
Dundee Highlands	\$ 14.93	\$ -	\$ 14.93	\$ 4,194	\$ 30	\$ -	\$ 4,224
Dundee M.S.	\$ 3,077.17	\$ 5,478.01	\$ (2,400.84)	\$ 162,018	\$ 4,299	\$ 7,935	\$ 158,382
Eastview	\$ 9.42	\$ -	\$ 9.42	\$ 2,569	\$ 20	\$ -	\$ 2,589
Gary D Wright	\$ 28.32	\$ -	\$ 28.32	\$ 8,282	\$ 58	\$ 1,497	\$ 6,843
Gilberts	\$ 27.60	\$ -	\$ 27.60	\$ 5,971	\$ 56	\$ -	\$ 6,027
Golfview	\$ 1,512.09	\$ -	\$ 1,512.09	\$ 3,372	\$ 1,524	\$ -	\$ 4,896
Hampshire Elem	\$ 16.44	\$ -	\$ 16.44	\$ 3,533	\$ 582	\$ -	\$ 4,115
Hampshire H.S.	\$ 37,872.76	\$ 7,423.66	\$ 30,449.10	\$ 376,043	\$ 53,415	\$ 7,424	\$ 422,034
Hampshire M.S.	\$ 958.49	\$ 1,345.41	\$ (386.92)	\$ 82,672	\$ 1,300	\$ 1,810	\$ 82,162
H.D. Jacobs H.S.	\$ 21,574.36	\$ 42,635.77	\$ (21,061.41)	\$ 315,640	\$ 42,243	\$ 42,636	\$ 315,247
Lake In The Hills	\$ 27.27	\$ -	\$ 27.27	\$ 7,605	\$ 56	\$ -	\$ 7,661
Lakewood	\$ 59.74	\$ -	\$ 59.74	\$ 17,198	\$ 121	\$ 555	\$ 16,764
Liberty	\$ 31.59	\$ 275.05	\$ (243.46)	\$ 9,004	\$ 64	\$ 275	\$ 8,793
Lincoln Prairie	\$ 3,821.85	\$ -	\$ 3,821.85	\$ 11,280	\$ 3,864	\$ -	\$ 15,144
Meadowdale	\$ 1,507.83	\$ 42.72	\$ 1,465.11	\$ 2,031	\$ 1,519	\$ 43	\$ 3,507
Neubert	\$ 15.50	\$ -	\$ 15.50	\$ 4,096	\$ 31	\$ -	\$ 4,127
Parkview	\$ 2,531.39	\$ -	\$ 2,531.39	\$ 8,524	\$ 2,562	\$ -	\$ 11,086
Perry	\$ 1,636.63	\$ -	\$ 1,636.63	\$ 9,362	\$ 1,670	\$ -	\$ 11,032
Sleepy Hollow	\$ 12.71	\$ -	\$ 12.71	\$ 3,540	\$ 27	\$ -	\$ 3,567
Westfield	\$ 644.41	\$ 2,100.49	\$ (1,456.08)	\$ 56,574	\$ 1,606	\$ 2,100	\$ 56,080
Total	\$ 88,605	\$ 85,778	\$ 2,827	\$ 1,525,169	\$ 142,553	\$ 223,528	\$ 1,444,194

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	12,657.73	62.75	149.00		12,571.48
Total Cash Accounts	12,657.73	62.75	149.00	0.00	12,571.48
Other Accounts					
200M-00-00 Special Ed	153.25				153.25
2029-00-00 Class of 2029	39.55				39.55
2030-00-00 Class of 2030	137.56				137.56
2032-00-00 Class of 2032	515.92				515.92
2033-00-00 Class of 2033	81.12				81.12
2034-00-00 Class of 2034	735.24				735.24
2035-00-00 Class of 2035	52.93				52.93
2036-00-00 Class of 2036	0.44				0.44
2090-10-00 Acting Club	51.46				51.46
2410-00-00 Culinary Kids 2/3	80.57				80.57
2415-10-00 Science Club	10.31				10.31
2420-10-00 Board Game Club	464.00				464.00
2590-10-00 Lady Lions Running Club	3,187.08				3,187.08
2590-20-00 Boys Running Club	1,871.08				1,871.08
4100-10-10 Fitness Club	130.05				130.05
4200-10-00 Birthday Books	545.00				545.00
4200-20-00 Book Fair	(39.64)				(39.64)
4210-00-00 Holiday Creations	135.85				135.85
4300-00-00 Yearbook	863.51		149.00		714.51
5100-00-00 General Fund	289.70				289.70
5500-10-00 ALES Grant Awards	18.19				18.19
5700-00-00 Social Committee	245.00				245.00
6000-00-00 Interest Income	2,153.87	62.75			2,216.62
6000-30-00 Field Trip Reserve	935.69				935.69
Total Other Accounts	12,657.73	62.75	149.00	0.00	12,571.48

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	16,211.58	298.02	1,186.16		15,323.44
Total Cash Accounts	16,211.58	298.02	1,186.16	0.00	15,323.44
Other Accounts					
2000-10-00 Student Council	1,708.18				1,708.18
2030-00-00 Class of 2030	667.58				667.58
2031-00-00 Class of 2031	34.86				34.86
2110-10-00 Band	468.32		47.56		420.76
2140-10-00 Chorus	720.03				720.03
2150-30-00 Musical	6,987.26				6,987.26
2151-10-00 Music Club	197.06				197.06
2220-10-00 Art Club	363.89				363.89
2230-10-00 Beta Club	551.76				551.76
2240-00-00 Baking Club	0.16				0.16
2250-00-00 Chess Club	0.10				0.10
2391-10-00 AVID	423.62	200.00	130.60		493.02
2430-10-00 Special Ed Community Trips	5.50				5.50
2590-40-00 Read-a-Thon	373.79				373.79
3020-00-00 Wrestling	396.89				396.89
3100-20-00 Volleyball	15.15	40.00	497.00		(441.85)
3110-10-00 Cross Country	106.25		511.00		(404.75)
3210-00-00 Boys Basketball	154.51				154.51
3210-10-00 Girls Basketball	123.14				123.14
3230-10-00 Track and Field	114.16				114.16
3250-20-10 Poms/Dance	87.48				87.48
3350-20-10 Cheerleading	34.18				34.18
4100-10-00 PBIS	36.96				36.96
4100-30-00 General	17.91				17.91
4300-30-00 Staff Account	19.11				19.11
5110-10-00 D300 Honors Band Concert	102.20				102.20
5110-20-00 MB Jazz Ensembles	814.00				814.00
5200-00-00 Physical Education Fund	477.21				477.21
6000-20-00 Field Trip Reserve	650.00				650.00
6000-30-00 Interest Income	560.32	58.02			618.34
Total Other Accounts	16,211.58	298.02	1,186.16	0.00	15,323.44

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 BMOHarris Checking Account	13,828.62	51.17			13,879.79
Total Cash Accounts	13,828.62	51.17	0.00	0.00	13,879.79
Other Accounts					
2036-00-00 Class of 2036	313.31				313.31
3010-00-00 Yearbook	1,157.00				1,157.00
3100-20-00 Math and Reading Night	1,236.00				1,236.00
3200-10-00 Running Club	554.05				554.05
4100-30-00 General	180.04				180.04
4200-10-00 Field Trip Donaton	3,679.52				3,679.52
5100-10-00 PBIS	390.00				390.00
5100-10-10 Staff Sunshine Account	642.43				642.43
6000-00-00 Interest Income	819.27	51.17			870.44
6000-30-00 Field Trip Reserve	4,857.00				4,857.00
Total Other Accounts	13,828.62	51.17	0.00	0.00	13,879.79

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	38,891.95	138.83			39,030.78
Total Cash Accounts	38,891.95	138.83	0.00	0.00	39,030.78
Other Accounts					
2000-10-00 Student Council	3,028.69				3,028.69
2031-00-00 Class of 2031	913.06				913.06
2032-00-00 Class of 2032	1,089.68				1,089.68
2105-00-00 Man in Demand/Dare to be Rare	447.56				447.56
2110-10-00 Music	739.12				739.12
2110-20-00 MB Jazz	420.00				420.00
2120-10-00 Drama	1,992.17				1,992.17
2140-10-00 Chorus	846.04				846.04
2221-10-00 Art Club	10.00				10.00
2230-10-00 Beta Club	522.68				522.68
2235-10-00 Chess Club	72.30				72.30
2481-10-00 Yearbook	2,335.56				2,335.56
2590-40-00 Relay for Life	2.00				2.00
2670-20-00 Book Fair	13.14				13.14
3250-20-10 Poms	2,868.85				2,868.85
3350-20-10 Cheerleading	3,966.89				3,966.89
4101-30-00 AVID	9,620.47				9,620.47
4210-20-00 General	514.82				514.82
4300-30-00 Sunshine	1,032.14				1,032.14
6000-00-00 Interest	4,956.78	138.83			5,095.61
6000-30-00 Field Trip Reserve	3,500.00				3,500.00
Total Other Accounts	38,891.95	138.83	0.00	0.00	39,030.78

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris Cash Account	4,174.95	14.88			4,189.83
Total Cash Accounts	4,174.95	14.88	0.00	0.00	4,189.83
Other Accounts					
4100-00-00 Student Memorial Fundraiser	85.80				85.80
4700-00-00 Pyramid Model Committee	1,616.29				1,616.29
5100-00-00 General Student Activities	109.19				109.19
5200-00-00 PBIS	1,791.25				1,791.25
6000-00-00 Interest Income	572.42	14.88			587.30
Total Other Accounts	4,174.95	14.88	0.00	0.00	4,189.83

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	227,403.30	12,659.27	25,141.85		214,920.72
Total Cash Accounts	227,403.30	12,659.27	25,141.85	0.00	214,920.72
Other Accounts					
1000-10-10 Banking Corrections	(204.00)				(204.00)
2000-10-00 Student Council	14,178.63	222.50	144.43		14,256.70
2095-10-00 Animation Club	98.78				98.78
2110-10-00 Instrumental Music	2,738.01				2,738.01
2120-10-00 Drama Club	5,450.53				5,450.53
2120-20-00 Musical Account	5,909.20		3,770.14		2,139.06
2120-30-00 Fall Play	12,831.20				12,831.20
2140-10-00 Choral Music	(181.18)				(181.18)
2145-50-00 Orchestra	33,025.94	1,845.00			34,870.94
2223-20-00 Charger Pride-Staff	2,311.81				2,311.81
2230-10-00 Beta Club	1,750.68				1,750.68
2235-10-00 SAFE	2,218.42				2,218.42
2240-10-00 Black Youth Alliance	145.30				145.30
2260-10-00 Industrial Ed Club	353.86				353.86
2263-10-00 Rotary Interact	1,491.14				1,491.14
2280-20-00 Environmental Club	1,688.98				1,688.98
2282-10-00 GirlUp	1,362.34				1,362.34
2310-10-00 World Language (French) Club	3,061.89				3,061.89
2340-10-00 Science Olympiad	(67.79)	189.29			121.50
2370-10-00 FACS Club	1,157.00				1,157.00
2375-10-00 Literary Arts Magazine	2,317.05				2,317.05
2385-10-00 Poetry Club-Souls Spill Ink	1,088.58				1,088.58
2390-10-00 National Honor Society	1,867.92				1,867.92
2390-20-00 Illinois Music Honors Society	238.63				238.63
2391-10-00 AVID	2,629.09				2,629.09
2392-00-00 PSI Alpha	301.32				301.32
2408-10-00 GSA/LGBT Support Group	949.70				949.70
2439-10-00 Peer Mentors	298.30				298.30
2450-10-00 Debate Team	212.32				212.32
2480-10-00 Yearbook-INACTIVE	(29.92)				(29.92)
2590-40-00 Relay for Life	688.95				688.95
2591-10-00 Fight the Stigma	756.25				756.25
2592-10-00 Minority Leadership	804.52				804.52
2595-10-00 HOSA	221.22				221.22
2618-10-10 Operation Click	2,530.98	150.00			2,680.98
2700-10-20 Work Program/Buttons/Store	950.33				950.33
3100-20-20 Baseball	12,855.50				12,855.50
3150-20-10 Softball	3,228.11				3,228.11
3200-20-10 Girls Basketball	3,551.20		19.50		3,531.70
3200-20-20 Boys Basketball	6,929.51	2,325.00	2,325.00		6,929.51
3210-20-10 Girls Bowling	(233.68)				(233.68)
3250-00-00 Dance Team (Poms)	5,282.72	1,128.85			6,411.57
3300-20-10 Girls Soccer	2,976.31		202.29		2,774.02
3300-20-20 Boys Soccer	7,529.33	2,560.00	2,842.18		7,247.15
3350-20-10 Cheerleading	19,179.37		14,553.41		4,625.96
3400-20-10 Girls Tennis	1,295.78		275.94		1,019.84
3400-20-20 Boys Tennis	1,107.32				1,107.32
3450-20-10 Girls Swimming	581.91	270.00	414.80		437.11
3500-20-10 Girls Track	4,777.19				4,777.19

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
3500-20-20 Boys Track	911.78		245.88		665.90
3600-20-10 Girls Golf	1,450.10				1,450.10
3600-20-20 Boys Golf	3,707.25				3,707.25
3650-20-10 Boys Lacrosse	2,299.60				2,299.60
3700-20-10 Football	705.69	3,159.75	244.28		3,621.16
3750-20-10 Flag Football	1,482.20				1,482.20
3800-20-00 Cross Country	(153.21)				(153.21)
3850-20-00 Wrestling	2,474.17				2,474.17
3900-20-00 Volleyball	2,410.14		104.00		2,306.14
4000-10-00 Sr. Class Gift	5,242.96				5,242.96
4100-30-00 General	3,666.44				3,666.44
4300-20-00 Sunshine Club/Staff Pride	1,073.07				1,073.07
4700-30-00 Scholarships	2,185.67				2,185.67
4750-10-00 Testing Prep	1,318.00				1,318.00
6000-00-00 Interest Income	18,136.66	808.88			18,945.54
6000-30-00 Field Trip Reserve	6,286.23				6,286.23
Total Other Accounts	227,403.30	12,659.27	25,141.85	0.00	214,920.72

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	4,208.41	14.93			4,223.34
Total Cash Accounts	4,208.41	14.93	0.00	0.00	4,223.34
Other Accounts					
2033-10-00 Class of 2033 Field Trips	178.31				178.31
2034-10-00 Class of 2034 Field Trips	196.12				196.12
2035-10-00 Class of 2035 Field Trips	127.25				127.25
2036-00-00 Class of 2036	15.80				15.80
2037-10-00 Class of 2037 Field Trips	35.10				35.10
4100-30-00 General Fund	672.37				672.37
4200-10-00 Service Club	733.87				733.87
6000-00-00 Interest Income	251.59	14.93			266.52
6000-30-00 Field Trip Reserve	1,998.00				1,998.00
Total Other Accounts	4,208.41	14.93	0.00	0.00	4,223.34

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	160,782.67	3,077.17	5,478.01		158,381.83
Total Cash Accounts	160,782.67	3,077.17	5,478.01	0.00	158,381.83
Other Accounts					
2000-10-00 Cardunal Council (Student)	4,394.42	86.72	200.00		4,281.14
2030-10-00 Class of 2030-A	867.31				867.31
2030-20-00 Class of 2030-B	867.32				867.32
2031-10-00 Class of 2031-A	169.58				169.58
2031-20-00 Class of 2031-B	169.58				169.58
2032-00-00 Class of 2032	232.71				232.71
20TG-00-00 Universal Team (PBIS)	2,470.00		47.28		2,422.72
20TY-00-00 Secondary Team	363.97				363.97
2110-10-00 Band	14,318.58		638.92		13,679.66
2130-10-00 Music Department	7,371.73		60.63		7,311.10
2140-10-00 Chorus/Vocal	7,796.48		1,100.76		6,695.72
2150-30-00 Musical/Ensembles	21,663.14				21,663.14
2155-10-00 Orchestra	16,613.30		638.92		15,974.38
2220-10-00 Art Club	5,478.15				5,478.15
2230-10-00 Beta Club	3,392.84				3,392.84
2380-10-00 Targeted Intervention Team	13.53				13.53
2391-10-00 AVID	3,898.67				3,898.67
2425-10-00 Exploratory/Spanish	446.34				446.34
2431-10-00 Life Program (SPED)	47.52				47.52
2432-10-00 Snack (skills) Program	(48.08)				(48.08)
2435-10-00 S.O.A.R.	481.55		230.00		251.55
2436-10-00 SWANS	23.22				23.22
2481-10-00 Yearbook Club	(1,610.88)	1,776.00			165.12
2530-10-00 Chess Club	326.91				326.91
2560-30-00 Book Club	6.15				6.15
2565-00-00 Bracelet Club	370.00				370.00
2566-10-00 Garden Club	226.04				226.04
2570-30-00 IMC	630.17				630.17
2590-10-00 Lions	16.11				16.11
2615-10-00 Midnight Mile	19,193.77		1,427.73		17,766.04
2619-10-00 Cardunal Care	3,301.59				3,301.59
2620-10-00 Scrapbook	102.00				102.00
2625-10-00 Schoolpalooza	921.91				921.91
2630-10-00 Ski Club	3,362.35				3,362.35
2631-10-00 Washington D.C. Trip	3.77	139.50			143.27
2635-10-00 Snowflake	1,331.31				1,331.31
2655-10-00 Battle of the Books	5.30				5.30
2665-10-00 Spelling Bee	21.34				21.34
2670-10-00 Robotics	1,356.65				1,356.65
2675-00-00 STEM	65.35				65.35
3000-20-00 Athletics (DEL:2yr 15/16)	135.00				135.00
3010-00-00 Ultimate Club	352.24				352.24
3207-20-10 Girls Basketball - 7th	83.51				83.51
3207-20-20 Boys Basketball - 7th	0.62				0.62
3208-20-20 Boy's Basketball - 8th	183.47				183.47
3250-20-10 Poms	0.40				0.40
3253-20-10 Intramural Basketball	82.06				82.06
3254-20-00 Intramural Poms	121.95				121.95
3255-20-10 Intramural Wrestling	48.00				48.00

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
3350-20-10 Cheerleading	31.80				31.80
3400-10-00 Color Guard	212.49				212.49
3500-20-10 Track Team	96.18				96.18
3600-10-00 Flag Football	542.22				542.22
3800-20-00 Cross Country	215.53				215.53
3800-20-10 Marathon Club - 6th Gr.CC Only	16.00				16.00
3840-10-00 Wiffle Ball	315.54				315.54
3850-20-00 Wrestling	844.08				844.08
3900-20-00 Volleyball	137.55				137.55
4100-30-00 General	1,591.44		137.95		1,453.49
4110-10-00 Outdoor Club	1,865.24	27.45			1,892.69
4210-00-00 Fall Play	11,867.39		995.82		10,871.57
4220-00-00 Street Ensemble	143.19				143.19
4230-00-00 Buddy Club	114.14				114.14
4300-30-00 Faculty (Social) Fund	136.00				136.00
4400-30-00 Fitness Club (PE)	4,162.76				4,162.76
4500-30-00 Flower Fund	65.58	470.00			535.58
6000-00-00 Interest Income	17,298.59	577.50			17,876.09
6000-30-00 Field Trip Reserve	(542.00)				(542.00)
Total Other Accounts	160,782.67	3,077.17	5,478.01	0.00	158,381.83

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	2,578.86	9.42			2,588.28
Total Cash Accounts	2,578.86	9.42	0.00	0.00	2,588.28
Other Accounts					
2029-00-00 Class of 2029	59.55				59.55
2032-00-00 Class of 2032	64.09				64.09
2034-00-00 Class of 2034	(66.04)				(66.04)
2035-00-00 Class of 2035	(506.00)				(506.00)
2036-00-00 Class of 2036	649.31				649.31
2100-10-10 Julie Voss Class-Inactive	0.10				0.10
2100-20-10 LEAP Program	15.00				15.00
4100-30-00 General	555.03				555.03
5010-00-00 Library Books (Birthday Club)	232.59				232.59
6000-00-00 Interest Income	430.23	9.42			439.65
6000-30-00 Field Trip Reserve	1,145.00				1,145.00
Total Other Accounts	2,578.86	9.42	0.00	0.00	2,588.28

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	6,814.68	28.32			6,843.00
Total Cash Accounts	6,814.68	28.32	0.00	0.00	6,843.00
Other Accounts					
2033-00-00 Class of 2033	(247.47)				(247.47)
2034-00-00 Class of 2034	1,742.01				1,742.01
2035-00-00 Class of 2035	511.88				511.88
2036-00-00 Class of 2036	822.39				822.39
2037-00-00 Class of 2037	388.34				388.34
2140-10-10 Chorus	788.82				788.82
2215-10-10 Yearbook - Elem	726.00				726.00
2499-20-00 Apparel Store	0.11				0.11
2590-30-00 Girls on the Run	5.00				5.00
4100-30-00 General	63.48				63.48
4300-20-00 Staff Wear	75.00				75.00
5010-10-00 PBIS	1,343.65				1,343.65
6000-00-00 Interest Income	177.47	28.32			205.79
6000-30-00 Field Trip Reserve	418.00				418.00
Total Other Accounts	6,814.68	28.32	0.00	0.00	6,843.00

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	6,000.23	27.60			6,027.83
Total Cash Accounts	6,000.23	27.60	0.00	0.00	6,027.83
Other Accounts					
2000-20-00 LIFE Program	2,708.87				2,708.87
2032-00-00 Class of 2032	(378.75)				(378.75)
2033-00-00 Class of 2033	(841.95)				(841.95)
2034-00-00 Class of 2034	(36.75)				(36.75)
2035-00-00 Class of 2035	(105.07)				(105.07)
2036-00-00 Class of 2036	(118.60)				(118.60)
2037-00-00 Class of 2037	(384.90)				(384.90)
2276-10-00 Field Trips	27.02				27.02
2277-10-00 Field Days	595.68				595.68
2590-40-00 Relay for Life	700.81				700.81
4100-30-00 General	514.10				514.10
5000-10-00 Staff Social Account	(38.30)				(38.30)
6000-00-00 Interest Income	858.07	27.60			885.67
6000-30-00 Field Trip Reserve	2,500.00				2,500.00
Total Other Accounts	6,000.23	27.60	0.00	0.00	6,027.83

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	3,384.08	1,512.09			4,896.17
Total Cash Accounts	3,384.08	1,512.09	0.00	0.00	4,896.17
Other Accounts					
2151-10-20 Summer Music Camp	268.29				268.29
2590-40-00 Relay for Life	144.00				144.00
4100-30-00 General	343.49				343.49
4210-00-00 Scholastic Book Fair-Fall	3.59				3.59
4220-00-00 Scholastic Book Fair-Spring	427.62				427.62
4270-00-00 PBIS	202.10				202.10
4600-10-00 Change Drawer	231.00				231.00
5000-10-10 Staff Spirit Wear	154.33				154.33
6000-00-00 Interest Income	271.66	12.09			283.75
6000-30-00 Field Trip Reserve	1,338.00	1,500.00			2,838.00
Total Other Accounts	3,384.08	1,512.09	0.00	0.00	4,896.17

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris Bank Checking	4,098.48	16.44			4,114.92
Total Cash Accounts	4,098.48	16.44	0.00	0.00	4,114.92
Other Accounts					
2034-00-00 Class of 2034	436.30				436.30
2035-00-00 Class of 2035	87.66				87.66
2036-00-00 Class of 2036	858.00				858.00
2140-20-00 Chorus	47.50				47.50
2270-10-00 Environmental Science	329.61				329.61
2618-40-00 Donations	548.10				548.10
4100-30-00 General	117.51				117.51
5100-00-00 Scholastic Book Fair	436.65				436.65
5110-00-00 Yearbook	292.00				292.00
5200-00-00 Sunshine Staff Account	466.53				466.53
6000-00-00 Interest Income	250.62	16.44			267.06
6000-30-00 Field Trip Reserve	228.00				228.00
Total Other Accounts	4,098.48	16.44	0.00	0.00	4,114.92

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	391,585.42	37,872.76	7,423.66		422,034.52
Total Cash Accounts	391,585.42	37,872.76	7,423.66	0.00	422,034.52
Other Accounts					
2000-10-00 Student Council	2,554.94				2,554.94
2014-10-00 Homecoming	40,501.50				40,501.50
2015-10-10 Class of 2015 Statue Maintenanc	69.26				69.26
2025-00-00 Class of 2025	3,350.54				3,350.54
2026-00-00 Class of 2026	6,473.71		435.81		6,037.90
2027-00-00 Class of 2027	10,324.47				10,324.47
2028-00-00 Class of 2028	2,025.96				2,025.96
2029-00-00 Class of 2029	3,629.54	107.84			3,737.38
2110-10-00 Band	492.56				492.56
2112-00-00 Tri M (Modern Music Masters)	2,168.37				2,168.37
2140-10-00 Chorus	1,076.99				1,076.99
2150-30-00 Musical	9,788.69		935.74		8,852.95
2151-10-00 Music Student Tour Account	3,019.84				3,019.84
2155-10-00 Orchestra	454.38				454.38
2156-10-00 Prom - Junior Class	28,341.47				28,341.47
2220-10-00 Art Club	1,243.30				1,243.30
2222-10-00 ABC Business Club	1,475.92				1,475.92
2223-00-00 ASL Club	498.45				498.45
2225-10-00 Black Student Alliance	4,400.45	28.47			4,428.92
2225-20-00 Hispanic Youth Alliance	542.80				542.80
2230-10-00 Debate Team	1,197.06		281.32		915.74
2240-10-00 Drama Club	2,674.17		26.50		2,647.67
2250-10-10 GSA Club	96.25				96.25
2260-10-00 Industrial Arts	2,591.92				2,591.92
2265-10-00 Environmental Club/Med Careers	1,168.82				1,168.82
2276-10-00 Field Trips	52.46				52.46
2280-10-00 Fishing Club	522.19				522.19
2310-10-00 AAPI Club	741.72				741.72
2320-10-00 German Club	206.94				206.94
2330-10-00 Foreign Language	180.71				180.71
2330-20-00 French Club	412.00				412.00
2340-10-00 Spanish Club	240.07				240.07
2350-10-00 Language Arts Field Trips	808.00				808.00
2370-10-00 Peer Mentoring	84.70				84.70
2390-10-00 National Honor Society	7,776.12		19.94		7,756.18
2390-20-00 Robotics	100.91				100.91
2391-10-00 AVID	14,484.06	10.00			14,494.06
2393-10-00 PBIS	1,487.06				1,487.06
2410-00-00 Math Team	461.00				461.00
2480-10-00 Yearbook	98.16				98.16
2499-30-00 School Store	823.97				823.97
2618-10-10 Operation Click	1,064.80				1,064.80
2620-00-00 Female Empowerment	454.44				454.44
2644-10-00 Co-Op	4,910.41				4,910.41
2647-10-00 FACS	294.94				294.94
2655-00-00 Literary Magazine	551.73				551.73
2670-10-00 Scholastic Bowl	234.09				234.09
2671-00-00 Science	1,780.38				1,780.38
2671-10-00 Science-Six Flags GreatAmerica	0.01				0.01

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
2680-10-00 Marketing Class	181.65				181.65
2685-00-00 Target Edu	211.77				211.77
2686-00-00 Woodshop	140.00				140.00
2690-00-00 WHIPS TV	58.00				58.00
2710-10-00 Activity Directors	583.22				583.22
3100-10-00 Athletic Development	1,321.54				1,321.54
3100-20-20 Baseball	14,832.63	150.00	154.62		14,828.01
3150-20-10 Softball	6,989.06		87.00		6,902.06
3200-20-10 Girls Basketball	2,810.40		625.14		2,185.26
3200-20-20 Boys Basketball	2,941.50		2,708.73		232.77
3250-20-10 Poms	10,669.20	21,700.00			32,369.20
3300-20-10 Girls Soccer	9,272.99		934.00		8,338.99
3300-20-20 Boys Soccer	1,372.25				1,372.25
3350-20-10 Cheerleading	16,240.44	13,595.00	690.00		29,145.44
3400-20-10 Girls Tennis	5,276.33				5,276.33
3400-20-20 Boys Tennis	4,885.87				4,885.87
3500-20-10 Girls Track & Field	8,014.71				8,014.71
3500-20-20 Boys Track	7,364.09				7,364.09
3600-20-10 Boys Golf	5,613.85				5,613.85
3600-20-20 Girls Golf	3,670.56	750.00	501.88		3,918.68
3610-10-00 Boys Lacrosse	2,792.88				2,792.88
3610-20-00 Girls LaCrosse	3,556.31				3,556.31
3700-20-10 Football	2,717.93				2,717.93
3700-30-10 Powder Puff	3,528.25				3,528.25
3700-40-10 Flag Football	2,274.90		22.98		2,251.92
3800-10-00 Whip Squad	193.00				193.00
3800-20-00 Boys and Girls Cross Country	1,076.51	110.00			1,186.51
3850-20-00 Wrestling	6,155.80				6,155.80
3900-20-00 Volleyball	235.41				235.41
3900-20-10 Volleyball Club	118.00				118.00
3990-10-00 Gatorade Fundraiser	642.87				642.87
4000-30-00 General	7,584.80				7,584.80
4100-00-00 FVC Leadership	981.48				981.48
4150-00-00 Teacher Grants	22.50				22.50
4210-10-00 Rachel's Challenge	20.00				20.00
4220-00-00 D300 Speaks	219.52				219.52
4300-20-00 Sunshine	92.70				92.70
4300-30-00 Spiritwear	3.03				3.03
4300-40-00 PE-Active	1.00				1.00
4700-10-00 2017 Gene Haas Scholarship	531.79				531.79
4700-10-10 2018 Gene Haas Scholarship	1,558.50				1,558.50
4700-10-20 2019 Gene Haas Scholarship	7,021.00				7,021.00
4700-10-30 2020 Gene Haas Scholarship	12,000.00				12,000.00
4700-10-50 2024 GENE HAAS SCHOLARSHIP	20,000.00				20,000.00
4700-30-00 Scholarship & Blood Drive	1,290.00				1,290.00
4700-40-00 Drama Club Scholarship	0.50				0.50
4800-00-00 Guidance	642.52				642.52
6000-00-00 Interest	42,527.93	1,421.45			43,949.38
6000-30-00 Field Trip Reserve	3,414.00				3,414.00
Total Other Accounts	391,585.42	37,872.76	7,423.66	0.00	422,034.52

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	82,548.18	958.49	1,345.41		82,161.26
Total Cash Accounts	82,548.18	958.49	1,345.41	0.00	82,161.26
Other Accounts					
1000-10-00 Banking Corrections	59.78				59.78
2001-10-00 Student Council - MS	665.53				665.53
2030-00-00 Class of 2030	3,309.55				3,309.55
2031-00-00 Class of 2031	357.28				357.28
2032-00-00 Class of 2032	852.37	114.24			966.61
2111-00-00 Music Field Trip Account	4,149.17				4,149.17
2114-10-00 Band - MS	625.14	546.12	23.38		1,147.88
2120-10-00 Drama Club	18,117.36				18,117.36
2140-10-00 Chorus	2,911.68				2,911.68
2155-10-00 MS Orchestra	1,140.79				1,140.79
2210-00-00 Cafe 10A	541.78				541.78
2225-10-00 Arts & Craft Club	62.80				62.80
2230-10-00 Beta Club	4,294.55				4,294.55
2391-10-00 AVID	14,610.92				14,610.92
2400-00-00 PBIS	1,771.42				1,771.42
2560-20-00 Book Fair	702.37		610.67		91.70
2631-10-29 Washington DC 8th Grade	5,226.87		669.45		4,557.42
2631-10-30 Washington DC 7th Grade	397.40				397.40
2667-00-00 MS Sports	1,227.12				1,227.12
2669-00-00 MS Yearbook	1,548.00				1,548.00
4100-30-00 General	6,720.43				6,720.43
4200-10-10 MS PE	255.00		41.91		213.09
4250-30-00 Student Activity	1,972.29				1,972.29
6000-00-00 Interest	8,936.58	298.13			9,234.71
6000-30-00 Field Trip Reserve	2,092.00				2,092.00
Total Other Accounts	82,548.18	958.49	1,345.41	0.00	82,161.26

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	336,309.12	21,574.36	42,635.77		315,247.71
Total Cash Accounts	336,309.12	21,574.36	42,635.77	0.00	315,247.71
Other Accounts					
1000-10-10 Banking Corrections	(26.50)				(26.50)
2000-10-00 Student Council	28,077.02				28,077.02
2022-00-00 Class of 2022	64.85				64.85
2023-00-00 Class of 2023	8,771.03				8,771.03
2024-00-00 Class of 2024	6,843.48				6,843.48
2025-00-00 Class of 2025	8,198.12		2,795.00		5,403.12
2026-00-00 Class of 2026	5,391.67	648.08			6,039.75
2027-00-00 Class of 2027	1,461.91				1,461.91
2028-00-00 Class of 2028	601.47				601.47
2110-00-10 Prom	32,239.32				32,239.32
2110-10-00 Band	9,011.56				9,011.56
2120-10-00 Drama Club	2,614.25				2,614.25
2140-10-00 Choral	3,562.05				3,562.05
2150-30-00 Musical	8,570.21				8,570.21
2151-10-00 Tri-M	659.00				659.00
2151-10-10 Music Industry Club- MIC	822.65				822.65
2152-10-00 24hr Musical	2,234.42				2,234.42
2155-10-00 Orchestra	1,504.27				1,504.27
2210-10-00 Activist Club	85.88				85.88
2220-10-00 Art Club	1,731.11				1,731.11
2230-00-00 Black Allegiance Club	(22.66)				(22.66)
2245-10-00 Women's Empowerment Club	572.89				572.89
2253-10-00 Conservation	495.04				495.04
2258-10-00 Engineering Club	161.85				161.85
2259-10-00 Film Production	236.85				236.85
2263-10-00 Interact Club	5,179.24				5,179.24
2276-10-00 Field Trips	534.59				534.59
2281-10-00 Gold Rush	428.48				428.48
2310-10-00 French Club	200.36				200.36
2320-10-00 German Club	282.64				282.64
2330-10-00 Spanish Club	138.05				138.05
2330-20-00 World Language Department	287.37				287.37
2340-10-10 Key Club	3,351.23				3,351.23
2370-10-00 FCCLA	79.42				79.42
2390-10-00 National Honor Society	4,508.60		537.00		3,971.60
2391-10-00 AVID	5,841.54				5,841.54
2393-10-00 PBIS	884.95				884.95
2400-10-00 Peer Mediation/SADD	102.95				102.95
2405-10-00 Debate Team	3,570.59		40.00		3,530.59
2406-10-00 DJ (Entertainment) Club	392.06				392.06
2408-10-00 GSA (Gay Straight Alliannce)	547.86				547.86
2409-10-00 Hispanic Youth Alliance	276.97				276.97
2409-20-00 AAPIA-Asian Amer Pac Islander	43.52				43.52
2409-30-00 South Asian Student Alliance	203.50				203.50
2410-10-00 Knitting Club	20.00				20.00
2415-10-00 Science Club	446.89				446.89
2420-10-00 Science Olympiad	755.94				755.94
2425-10-00 Girls Into Stem	100.00				100.00
2430-10-00 Academic Challenge	50.00				50.00

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
2590-40-00 Relay for Life	122.51				122.51
2618-30-00 Green Eagles	2,916.70				2,916.70
2618-30-10 High School Against Cancer	25.35				25.35
3000-10-00 Special Olympics	4,081.36				4,081.36
3001-00-00 Student Act/Ath Council	55.00	865.90			920.90
3100-20-20 Baseball	17,672.10		1,597.68		16,074.42
3150-20-10 Softball	3,903.47				3,903.47
3200-20-10 Girls Basketball	1,157.29				1,157.29
3200-20-20 Boys Basketball	6,599.18				6,599.18
3210-20-10 Bowling	337.05				337.05
3250-20-10 Dance Team	10,510.11				10,510.11
3275-00-00 Math Team	798.27				798.27
3300-20-10 Girls Soccer	6,308.29				6,308.29
3300-20-20 Boys Soccer	6,381.07		1,540.00		4,841.07
3350-20-10 Cheerleaders	23,092.24	313.32	21,262.02		2,143.54
3400-20-10 Girls Tennis	0.81				0.81
3400-20-20 Boys Tennis	4,936.08				4,936.08
3450-20-10 Girls Swimming	50.00				50.00
3450-20-20 Boys Swimming	1,244.98				1,244.98
3500-20-10 Girls Track & Field	6,526.41		804.61		5,721.80
3500-20-20 Boys Track	7,169.68			518.00	7,687.68
3600-20-10 Girls Golf	1,495.18				1,495.18
3600-20-20 Boys Golf	1,296.78				1,296.78
3650-20-10 Boys Lacrosse	8,457.81	1,375.00	1,000.00		8,832.81
3700-20-10 Football	15,471.80	17,018.34	12,002.71		20,487.43
3750-20-10 Flag Football	4,737.26				4,737.26
3800-20-00 Cross Country	1,408.73	150.00	674.00	(518.00)	366.73
3850-20-00 Wrestling	8,546.07				8,546.07
3900-20-00 Volleyball	6,547.95		175.00		6,372.95
4100-30-00 General	251.18				251.18
4110-10-00 Eagle Minds Matter	1,081.00				1,081.00
4200-10-00 Eagle's Wings Food Pantry	7,264.94				7,264.94
4300-30-10 Eagle Pride Advisory Committee	578.24				578.24
6000-00-00 Interest	19,680.74	1,203.72	207.75		20,676.71
6000-30-00 Field Trip Reserve	3,515.00				3,515.00
Total Other Accounts	336,309.12	21,574.36	42,635.77	0.00	315,247.71

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	7,633.72	27.27			7,660.99
Total Cash Accounts	7,633.72	27.27	0.00	0.00	7,660.99
Other Accounts					
2034-00-00 Class of 2034	248.77				248.77
2631-10-00 Field Trip Grant Funds	94.47				94.47
3020-10-00 Leopards Chorus Club	1,897.67				1,897.67
3030-20-00 ILMEA	80.00				80.00
4100-30-00 Principal Discretionary Fund	1,509.14				1,509.14
5010-00-10 Jump Rope for Heart	50.00				50.00
5020-00-00 Ned Show / Yo-yo	1,184.00				1,184.00
5100-00-00 Leopards Holiday Giving	71.36				71.36
5900-00-00 General	1,017.36				1,017.36
6000-00-00 Interest Income	1,346.05	27.27			1,373.32
6000-30-00 Field Trip Reserve	134.90				134.90
Total Other Accounts	7,633.72	27.27	0.00	0.00	7,660.99

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	16,704.50	59.74			16,764.24
Total Cash Accounts	16,704.50	59.74	0.00	0.00	16,764.24
Other Accounts					
2001-10-10 PBIS (Student Council)	4,210.81				4,210.81
2033-00-00 Class of 2033	849.76				849.76
2034-00-00 Class of 2034	763.40				763.40
2035-00-00 Class of 2035	811.32				811.32
2036-00-00 Class of 2036	456.98				456.98
2037-00-00 Class of 2037	333.40				333.40
2110-10-00 Band	16.70				16.70
2120-00-00 Book Fair	2,421.76				2,421.76
2151-10-00 Music Club	551.19				551.19
2230-10-00 Beta Club	42.46				42.46
2540-20-00 Cultural Committee	285.60				285.60
2618-30-00 Families in Need	104.41				104.41
2657-00-00 Family Night-Math Night	1,349.95				1,349.95
2657-10-00 Family Night-Reading Night	1,986.98				1,986.98
4100-30-00 Miscellaneous/General	783.54				783.54
4300-30-00 Sunshine Fund	0.66				0.66
6000-00-00 Interest Income	1,360.50	59.74			1,420.24
6000-30-00 Field Trip Reserve	375.08				375.08
Total Other Accounts	16,704.50	59.74	0.00	0.00	16,764.24

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	9,037.07	31.59	275.05		8,793.61
Total Cash Accounts	9,037.07	31.59	275.05	0.00	8,793.61
Other Accounts					
2030-00-00 Class of 2030	282.29				282.29
2034-00-00 Class of 2034	426.00				426.00
2036-00-00 Class of 2036	375.00				375.00
2100-10-00 Dual Language Activities	80.00				80.00
2276-10-00 Field Trips	100.97				100.97
2410-00-00 Bookfair	11.18				11.18
2482-10-00 Yearbook	279.98				279.98
2590-40-00 Relay for Life	65.50				65.50
4100-30-00 General	75.20				75.20
4200-00-00 Liberty Chorus	1,855.70				1,855.70
4300-20-00 Kids Heart Challenge	1,200.00				1,200.00
4400-00-00 Reach for the Stars	946.48				946.48
5000-10-00 Student Assistance Account	725.98				725.98
6000-00-00 Interest Income	964.01	31.59			995.60
6000-30-00 Field Trip Reserve	1,648.78		275.05		1,373.73
Total Other Accounts	9,037.07	31.59	275.05	0.00	8,793.61

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	11,322.25	3,821.85			15,144.10
Total Cash Accounts	11,322.25	3,821.85	0.00	0.00	15,144.10
Other Accounts					
2033-00-00 Class of 2033	2,332.01				2,332.01
2034-00-00 Class of 2034	570.34				570.34
2035-00-00 Class of 2035	55.66				55.66
2036-00-00 Class of 2036	67.36				67.36
2037-00-00 Class of 2037	12.54				12.54
2210-00-00 Animal Shelter Fundraiser	0.50				0.50
2510-00-00 Scholastic Book Fair/Follett	90.02				90.02
3100-00-00 Yearbook	3,734.36				3,734.36
4100-00-00 Artworks Program	1,262.50				1,262.50
4100-30-00 General	258.78				258.78
4300-10-00 Staff Spiritwear	1,314.71				1,314.71
4300-20-00 Sunshine	286.14	1,280.00			1,566.14
6000-00-00 Interest Income	1,401.75	41.85			1,443.60
6000-30-00 Field Trip Reserve	(64.42)	2,500.00			2,435.58
Total Other Accounts	11,322.25	3,821.85	0.00	0.00	15,144.10

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	2,041.85	1,507.83	42.72		3,506.96
Total Cash Accounts	2,041.85	1,507.83	42.72	0.00	3,506.96
Other Accounts					
2590-30-00 Girls on the Run	69.01				69.01
4100-30-00 General	97.18				97.18
4250-30-00 Staff Spirit Wear	6.48				6.48
4300-30-00 Social Fund	108.45		42.72		65.73
4400-10-00 Scholastic Book Fair	106.20				106.20
5000-10-00 Yearbook	179.47				179.47
6000-00-00 Interest Income	377.06	7.83			384.89
6000-30-00 Field Trip Reserve	1,098.00	1,500.00			2,598.00
Total Other Accounts	2,041.85	1,507.83	42.72	0.00	3,506.96

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	4,111.42	15.50			4,126.92
Total Cash Accounts	4,111.42	15.50	0.00	0.00	4,126.92
Other Accounts					
2032-00-00 Class of 2032	192.00				192.00
2033-00-00 Class of 2033	106.16				106.16
2034-00-00 Class of 2034	165.36				165.36
2035-00-00 Class of 2035	14.19				14.19
4100-30-00 General	1,025.31				1,025.31
6000-00-00 Interest Income	486.90	15.50			502.40
6000-30-00 Field Trip Reserve	2,121.50				2,121.50
Total Other Accounts	4,111.42	15.50	0.00	0.00	4,126.92

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	8,554.90	2,531.39			11,086.29
Total Cash Accounts	8,554.90	2,531.39	0.00	0.00	11,086.29
Other Accounts					
2030-00-00 Class of 2030	117.00				117.00
2035-00-00 Class of 2035	16.00				16.00
2590-40-00 Relay for Life	1,248.02				1,248.02
4100-00-00 PBIS	2,068.62				2,068.62
4150-00-00 Math Night	108.00				108.00
4300-00-00 General Fund	2,297.26				2,297.26
5010-00-00 School Fundraisers	1,342.34				1,342.34
5030-10-00 School Store-Inactive	269.06				269.06
5500-00-00 Staff Social Account-Inactive	1.36				1.36
6000-00-00 Interest Income	1,066.24	31.39			1,097.63
6000-30-00 Field Trip Reserve	21.00	2,500.00			2,521.00
Total Other Accounts	8,554.90	2,531.39	0.00	0.00	11,086.29

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	9,395.67	1,636.63			11,032.30
Total Cash Accounts	9,395.67	1,636.63	0.00	0.00	11,032.30
Other Accounts					
2014-10-00 Kindergarten Grade Level Funds	614.07				614.07
2014-10-01 1st Grade Level Funds	190.01				190.01
2014-10-02 2nd Grade Level Funds	2.32				2.32
2014-10-03 3rd Grade Level Funds	224.36				224.36
2014-10-04 4th Grade Level Funds	764.03				764.03
2014-10-05 5th Grade Level Funds	146.76				146.76
2029-00-00 Class of 2029	0.45				0.45
2030-00-00 Class of 2030	20.00				20.00
2031-00-00 Class of 2031	111.00				111.00
2032-00-00 Class of 2032	88.00				88.00
2035-00-00 Class of 2035	(341.25)				(341.25)
3200-00-00 Media Center	96.42				96.42
3300-10-00 Student Council	568.09				568.09
3300-20-00 Perry Fundraising	3,040.82				3,040.82
3350-00-00 Kane County Cougars Grant	391.87				391.87
3500-10-00 Donations	0.00	1,600.00			1,600.00
4100-30-00 General	381.71				381.71
4200-00-00 Perry Teacher Social Account	226.32				226.32
6000-00-00 Interest Income	1,361.69	36.63			1,398.32
6000-30-00 Field Trip Reserve	1,509.00				1,509.00
Total Other Accounts	9,395.67	1,636.63	0.00	0.00	11,032.30

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	3,553.58	12.71			3,566.29
Total Cash Accounts	3,553.58	12.71	0.00	0.00	3,566.29
Other Accounts					
2031-00-00 Class of 2031	133.81				133.81
2032-00-00 Class of 2032	132.68				132.68
2033-00-00 Class of 2033	381.96				381.96
2034-00-00 Class of 2034	299.91				299.91
2035-00-00 Class of 2035	99.97				99.97
2560-30-00 Library - Birthday Books	0.08				0.08
4100-30-00 General	15.97				15.97
6000-00-00 Interest Income	554.20	12.71			566.91
6000-10-00 Bank Corrections	5.00				5.00
6000-30-00 Field Trip Reserve	1,930.00				1,930.00
Total Other Accounts	3,553.58	12.71	0.00	0.00	3,566.29

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Cash Accounts					
1000-00-10 Harris - Checking	57,535.75	644.41	2,100.49		56,079.67
Total Cash Accounts	57,535.75	644.41	2,100.49	0.00	56,079.67
Other Accounts					
2000-10-00 Student Council	1,693.37		400.00		1,293.37
2028-00-00 Class of 2028-A	21.23				21.23
2029-00-00 Class of 2029-A	407.87				407.87
2029-10-00 Class of 2029-B	407.88				407.88
2030-00-00 Class of 2030-A	224.22				224.22
2030-10-00 Class of 2030-B	224.20				224.20
2031-10-00 Class of 2031-A	563.33				563.33
2031-20-00 Class of 2031-B	563.32				563.32
2032-00-00 Class of 2032	2,176.61		558.94		1,617.67
2033-00-00 Class of 2033	83.34				83.34
2034-00-00 Class of 2034	359.98				359.98
2035-00-00 Class of 2035	43.04				43.04
2112-00-00 Band - Middle School	1,205.26				1,205.26
2115-00-00 Music - Elementary	1,770.07				1,770.07
2150-30-00 Musicals	3,150.21				3,150.21
2151-10-00 Music Dept.	441.70				441.70
2220-10-00 Art Club	85.79				85.79
2230-10-00 Beta Club	5,680.62		392.05		5,288.57
2340-10-00 Spelling Bee	46.03				46.03
2391-10-00 AVID	8,283.05		549.50		7,733.55
2392-10-00 HANDS Club	0.06				0.06
2392-20-00 Pawsitivity Pack	722.21				722.21
2393-10-00 PBIS Middle School	84.61				84.61
2393-20-00 PBIS Elementary	810.34				810.34
2395-10-00 Family Engagement Nights	173.00				173.00
2481-10-00 Yearbook - MS	6,800.42	434.00	200.00		7,034.42
2482-10-00 Yearbook - ELE	1,367.28				1,367.28
2560-30-00 Birthday Book Club	3.74				3.74
2560-40-00 Library-Book Fair	6,577.09				6,577.09
2590-10-00 Boys Basketball Lions Club	0.66				0.66
2590-20-00 Girls Basketball Lions Club	36.92				36.92
2640-30-00 Science Fair	164.46				164.46
2660-00-00 Math Club	24.86				24.86
2668-00-00 Track	10.68				10.68
3250-20-10 Poms	465.42				465.42
3350-20-10 Cheerleading	960.44				960.44
3830-00-00 Basketball - Girls	0.04				0.04
3840-00-00 Basketball - Boys	0.04				0.04
3850-20-00 Wrestling	142.55				142.55
3860-20-00 Cross Country	78.20				78.20
3900-20-00 Volleyball	0.50				0.50
4100-30-00 General	495.91				495.91
4105-30-00 Student Assistance Account	1,403.37				1,403.37
4400-30-00 PE - MS	74.52				74.52
4401-30-00 PE - Elementary	243.09				243.09
4480-30-00 Barb Dubow Wal-Mart	5.82				5.82
5500-10-00 Bank Correction	150.00				150.00
6000-00-00 Interest Income	7,417.40	210.41			7,627.81
6000-30-00 Field Trip Reserve	1,891.00				1,891.00

ACCOUNT ANALYSIS REPORT - SUMMARY

Date Range: 8/1/2025 through 8/31/2025

Account Range: ALL

ACCOUNT # AND DESCRIPTION	BEG BALANCE	INCOME	EXPENSE	TRANSFERS	BALANCE
Total Other Accounts	57,535.75	644.41	2,100.49	0.00	56,079.67

COMMUNITY UNIT SCHOOL DISTRICT 300

HUMAN RESOURCES REPORT

October 28, 2025
Page 1

ADMINISTRATORS

None

RESIGNATION - ADMINISTRATORS

None

RETIREMENT – ADMINISTRATORS

1. Recommend approval of the following request to retire:

Name	Position	Location	Effective
White, Diane	Purchasing Director	Central Office	June 30, 2026

CERTIFIED PERSONNEL

None

OTHER EMPLOYMENT – CERTIFIED PERSONNEL

None

RESIGNATION – CERTIFIED PERSONNEL

1. Recommend approval of the following letter of resignation:

Name	Position	Location	Effective
Berkland, Suzanne	Autism	Neubert Elementary School	October 17, 2025

OTHER RESIGNATION – CERTIFIED PERSONNEL

None

RETIREMENT – CERTIFIED PERSONNEL

None

SUPERVISOR/MANAGER – EDUCATIONAL SUPPORT PERSONNEL

None

Leave of absence requests are attached separately for Board of Education approval.

COMMUNITY UNIT SCHOOL DISTRICT 300

HUMAN RESOURCES REPORT

October 28, 2025

Page 2

RESIGNATION – SUPERVISOR/MANAGER EDUCATIONAL SUPPORT PERSONNEL

None

RETIREMENT – SUPERVISOR/MANAGER EDUCATIONAL SUPPORT PERSONNEL

None

EDUCATIONAL SUPPORT PERSONNEL

1. Recommend employment of the following educational support personnel:

Name	Position	Location	Hourly Rate	Type
Garcia Sepeda, Guadalupe	Night Custodian	Hampshire High School	\$19.51	Replacement
Krist, Shiba	Paraeducator	Gilberts Elementary School	\$19.87	Additional
Rodriguez Altamirano, Jasmine	Nurse (Non-Certified)	Dundee-Crown High School	\$31.80	Replacement
Villanueva, Nancy	Certified Nursing Assistant	deLacey Family Education Center	\$19.78	Replacement

RESIGNATION – EDUCATIONAL SUPPORT PERSONNEL

1. Recommend approval of the following letters of resignation:

Name	Position	Location	Effective
Jones, Nanatte	Paraeducator	Dundee Middle School	October 9, 2025
Rico Gonzalez, Fabiola	Night Custodian	Gilberts Elementary School	October 8, 2025
Sanchez, Maria	Paraeducator	deLacey Family Education Center	February 28, 2025

DISMISSAL – EDUCATIONAL SUPPORT PERSONNEL

None

RETIREMENT – EDUCATIONAL SUPPORT PERSONNEL

None

Leave of absence requests are attached separately for Board of Education approval.

COMMUNITY UNIT SCHOOL DISTRICT 300

HUMAN RESOURCES REPORT

October 28, 2025

Page 3

COACHING/VOLUNTEER – EDUCATIONAL SUPPORT PERSONNEL

1. Recommend approval of the following support personnel:

Name	Position	Location
Rotunno, Sydni	Color Guard Coach	Hampshire High School

Leave of absence requests are attached separately for Board of Education approval.

COMMUNITY UNIT SCHOOL DISTRICT 300

HUMAN RESOURCES REPORT

October 28, 2025

Page 4

DISTRICT POSITION TRANSFERS

1. Recommend position transfer of the following personnel:

Current Class	Name	Current Position	Current Location	New Class	New Position	CBA/ Handbook	Lane- Step	New Location	Effective Date
DESPA	Vander Meulen, Peter	Night Custodian	HHS	Same	Head Custodian	DESPA	C, 3	CMS	October 20, 2025

Leave of absence requests are attached separately for Board of Education approval.



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Dr. Frank Williams,
Chief Financial Officer

SUBJECT: Parent Group Recognition

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

Background

Each year, the District formally recognizes the efforts of its PTO organizations and Athletic and Band Booster Clubs (collectively referred to as *Affiliated Groups*). This recognition underscores their vital role as valued partners in supporting and enhancing the educational experience for our students.

The District’s insurance carrier permits Affiliated Groups to be covered under the District’s General Liability policy. By granting an organization Affiliated Group status, it becomes eligible to request a Certificate of Insurance under the District’s policy and is afforded coverage under both the General Liability and School Board Legal Liability policies. (Please note that the District’s Crime policy does not extend to PTO/PTA organizations or Booster Clubs.)

In accordance with District guidelines, and to qualify for coverage under the District’s insurance, each Affiliated Group must annually submit an update to the Business Office and the building Principal. This update must include the organization’s revenue information and a summary of planned fundraising activities for the upcoming school year. Communication requesting this information is distributed to all potential Group leadership in early fall. The attached document lists the Groups that have provided the required documentation for the current year.

PTO/PTA organizations and Booster Clubs manage their own finances independently while maintaining alignment with District policies and procedures.

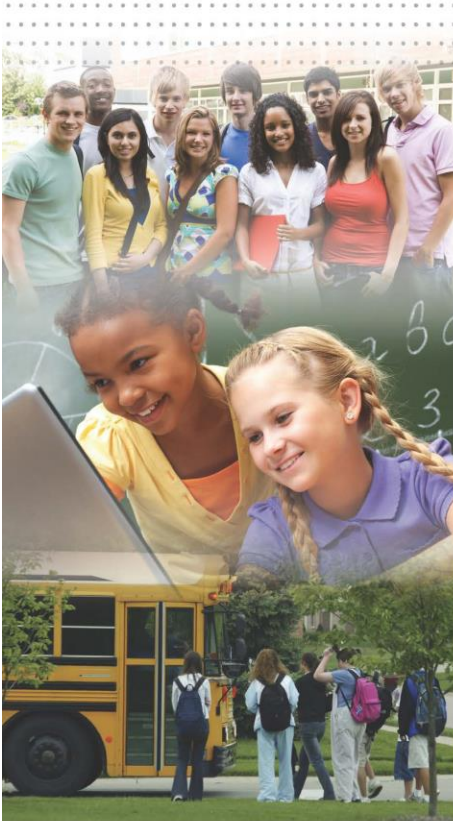
Recommendation

The administration recommends that the Board recognize the efforts of these Affiliated Groups.

Fiscal Impact

No fiscal impact on the district.

In association with



Collective Liability Insurance Cooperative Recommendations for dealing with School-Affiliated and Outside Groups

As a public school district, both school affiliated and outside groups are constantly seeking access to district-owned facilities. This handout is meant to serve as a guide for handling this risk exposure.

Examples of Affiliated Groups

- » PTOs
- » Athletic boosters
- » Student foundations
- » Post graduation events
- » Parents as volunteers

Examples of Outside Groups

- » Men's basketball leagues
- » 4-H clubs
- » Church groups
- » Scout groups
- » YMCAs or other outside agencies
- » Contractors/Vendors

Affiliated Groups are covered by the CLIC Program for:

- » General Liability

Affiliated Groups are NOT covered by the CLIC Program for:

- » Crime if their organization's monies do not flow through the school's business office and is not part of the district audit.

These coverages can be purchased by the individual groups on an as-needed basis.

» Education foundations specifically need their own Directors and Officers Liability coverage

Outside Groups are NOT covered by the CLIC Program. It is suggested that one of the following forms of Contractual Risk Transfer methods be used before allowing these types of groups on your campus:

- » Certificates of Insurance (see below for hazard categories)
- » Indemnity agreements
- » Hold harmless agreements
- » Waivers and release forms
- » Facility use agreements

When requesting Certificates of Insurance, the below categories can be used to help you determine the appropriate coverage amounts outside groups should carry. In all cases, it is always recommended that the certificate **name the school district as an "additional insured on a primary/noncontributory basis."**

PLEASE NOTE: These are merely suggested insurance limits. Each project is different and if you are in doubt, **you should contact the CLIC Team for advice.**

HAZARD	JOB CONTRACT	TYPES OF GROUPS	SUGGESTED INSURANCE LIMITS
Low	\$0-\$25,000	Basketball leagues, 4-H clubs, churches, scouting, snow plowing, landscaping, artisan contractor repair work	General Liability: \$1,000,000 per Occurrence \$2,000,000 Aggregate Automobile: \$1,000,000 per Occurrence Workers Comp: \$1,000,000/\$1,000,000/\$1,000,000 Umbrella: 1,000,000
Medium	\$25,000 - \$1,000,000	General contracting, project work (roof/windows), service provider (cleaning)	General Liability: \$1,000,000 per Occurrence \$2,000,000 Aggregate Automobile: \$1,000,000 per Occurrence Workers Comp: \$1,000,000/\$1,000,000/\$1,000,000 Umbrella: \$2,000,000
High	\$1,000,000+	Building construction, excavation, renovation, environmental-related work	General Liability: \$1,000,000 per Occurrence \$2,000,000 Aggregate Automobile: \$1,000,000 per Occurrence Workers Comp: \$1,000,000/\$1,000,000v/\$1,000,000 Umbrella: \$5,000,000 +

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Parent Organization/Group Fund Raising 2025 Report

Building	Organization/Group Name
Algonquin Middle School	PTO
Dundee-Crown High School	Athletic Boosters
Dundee Highlands Elementary School	PTO
Eastview Elementary School	PTO
Gary D Wright Elementary School	PTO
Hampshire Elementary School	PTO
Hampshire High School	Music Parents
Hampshire Middle School	PTO
Jacobs High School	Athletic Boosters
Liberty Elementary School	PTO
Lincoln Prairie Elementary School	PTO
Neubert Elementary School	PTO
Sleepy Hollow Elementary School	PTO



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Dr. Frank Williams,
Chief Financial Officer

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: FY2026-2027 Budget Calendar and Designee Resolution

Background

The Illinois School Code requires the Board of Education to designate "some person or persons" to prepare the budget in the tentative form (105 ILCS 5/17-1). Designating this person in January is recommended before starting the budget development process. Typically, this has been the responsibility of the business officials in our District. To comply with the Illinois School Code, the District has developed a resolution to designate the preparer of the tentative budget. In addition, the District has developed a proposed budget calendar that will be followed for the FY2026-27 budget development process.

Recommendation

Based on the information above and as required by State law, the administration recommends that the Board adopt the resolution to designate Dr. Frank Williams to begin the FY2026-27 budget development process, prepare the budget in tentative form, and adopt the FY2026-27 Budget Calendar.

COMMUNITY UNIT SCHOOL DISTRICT 300
RESOLUTION REGARDING
DESIGNEE TO PREPARE TENTATIVE BUDGET

BE IT RESOLVED by the Board of Education of Community Unit School District No. 300, Counties of Kane, McHenry, Cook, and DeKalb, State of Illinois, that Dr. Frank Williams, Chief Financial Officer, is hereby appointed to prepare a tentative budget for said School District for the fiscal year beginning July 1, 2026, and ending June 30, 2027, which tentative budget shall be filed with the Secretary of this Board.

ADOPTED this 28th day of October 2025.

AYES:

NAYS:

ABSENT:

Board of Education
Community Unit School District 300
Algonquin
Counties of Kane, McHenry, Cook, and
DeKalb, Illinois

BY:

President, Board of Education

ATTEST:

Secretary, Board of Education

Date

**COMMUNITY UNIT SCHOOL DISTRICT 300
FY 2026-2027 BUDGET CALENDAR**

Date	Task	Who?
October 2025	Designate preparer of the budget Adopt proposed budget calendar Review enrollment projections & capacity Develop 2025 Tax Levy	Board of Education Board of Education Administration CFO
November 2025	Begin staffing plan/budget process Review 2025 Tentative Levy Vote on 2025 Tentative Levy Publish 2025 Levy Hearing Legal Notice	Administration Operations Committee Board of Education CFO
December 2025	Review 2025 Tax Levy Conduct Tax Levy Hearing & Adoption of Tax Levy Preparation to begin Capital Maintenance Project list for Summer 2027	CFO CFO D300 Staff
January 2026	Staffing discussions	Administration
February 2026	Plan Strategic Priority Tasks for School Year 2026-2027	Supt/Deputy Supt
March 2026	Staffing Plan Provide Department Heads and School Administration with Budget Request Template	Board of Education CFO
April 2026	Review & analyze budget requests Present 5 Year Projection	CFO Operations Committee
June 2026	Review Draft Budget & Capital Plan	Operations Committee
August 2026	Review 2026-2027 Tentative Educational & Capital Plan Tentative Budget placed on display Tentative Budget Approval	Operations Committee CFO Board of Education
September 2026	Review 2026-2027 Final Educational & Capital Plan Hold Public Hearing on 2026-2027 Budget Adoption of 2026-2027 Budget	Operations Committee Board of Education Board of Education



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Eberto Mora
Assistant Superintendent of
Human Resources

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Insurance Open Enrollment Software Service Renewal

Background

As a district, employee insurance represents 10% of our overall budget. Due to the complexities of employee insurance and the limited D300 Benefits staff, employees may not always receive the appropriate education during open enrollment to make the best choice for themselves.

Since 2020, the district has partnered with American Fidelity to support CUSD 300 employees in completing active open enrollment as part of compliance with the Affordable Care Act.

Administrative Recommendation

The Administration recommends approving and renewing the contract as presented for the 2025-2026 fiscal year. This contract is being presented for board approval late in the Fall after additional SkyWard implementation steps have been reviewed.

Fiscal Impact

There is no cost to the district for these services. However, the provider will provide an overview of additional insurance options that employees can purchase at their own expense.



Community Unit School District 300
2605 BUNKER HILL DRIVE
ALGONQUIN, IL 60102
Diane C. White, Director of Purchasing
PHONE: 847-551-8460 s FAX 847-551-8463

September 29th 2025

Mr. Stephania Williams
American Fidelity Assurance Company
Illinois Branch
333 Salem Place Suite
Fairview Heights, IL 62208

Via Email: Stephania.Williams@americanfidelity.com

RFP - Open Enrollment Services – Offer Letter

Dear Ms. Williams,

District 300 would like to offer American Fidelity Assurance a one-year contract extension. American Fidelity Assurance Company to provide Open Enrollment-Online Benefits services from August 1, 2025 to July 31, 2026. These services shall be provided at no cost to the district. The Board of Education will review this extension at the regular meeting on Tuesday, October 14, 2025.

This signed letter along with the attached documents – original RFP specifications, addenda, and your final response combined serve as the contract for this project.

Please sign this letter via Contract Works by prior to 4:30pm on Friday October 3, 2025.

Please submit your Certificate of Insurance naming the District, the Board of Education and its members individually, and its employees and agents as additional named insured if not done so already.

Diane White 2025-10-01
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks
ADMINISTRATOR (Signature)

Stephania Williams 2025-09-30
FC552D29880EE2501A23B3E92B568244 contractworks
CONTRACTOR (Signature)

Diane C White, Director of Purchasing

Stephania Williams VP, Marketing Director
(Printed name and title)

If you have any further questions regarding this contract, please feel free to contact me at (847) 551-8460.

Sincerely,

Diane White
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks
Diane C White, Director of Purchasing



DISTRICT 300

Community Unit School District 300

2605 BUNKER HILL DRIVE

ALGONQUIN, IL 60102

Diane C. White, Director of Purchasing

PHONE: 847-551-8460 · FAX 847-551-8463

October 28, 2024

Mr. Jason Pledger
American Fidelity Assurance
Company
Illinois Branch
333 Salem Place Suite

Via Email: Jason.pledger@americanfidelity.com

RFP - Open Enrollment Services - Award Letter

Dear Mr. Pledger,

Congratulations! District 300 has awarded American Fidelity Assurance Company the contract extension to provide Open Enrollment-Online Benefits services from August 1, 2024 to July 31, 2025. These services shall be provided at no cost to the district. The Board of Education approved this award at their regular meeting on Tuesday, October 22, 2024.

This signed letter along with the attached documents – original RFP specifications, addenda, and your final response combined serve as the contract for this project.

Please sign this letter via Contract Works by November 1, 2024.

Please submit your Certificate of Insurance naming the District, the Board of Education and its members individually, and its employees and agents as additional named insured if not done so already.

Sincerely,

Diane White

2024-10-28

8375D43E716D9AC09E2DBCBD5C76FBD7 contractworks
Diane C White, Director of Purchasing

Acceptance to hold submitted pricing:

Jason Pledger

2025-03-07

9209E02E1AB8BE6933F06D251723044B contractworks

Service Provider



Community Unit School District 300
2605 BUNKER HILL DRIVE
ALGONQUIN, IL 60102
Diane C. White, Director of Purchasing
PHONE: 847-551-8460 FAX: 847-551-8463

September 27, 2024

Mr. Jason Pledger
American Fidelity Assurance
Company
Illinois Branch
333 Salem Place Suite
Fairview Heights, IL 62208

Via Email: Jason.pledger@americanfidelity.com

RFP- Open Enrollment Services - Contract Extension

Dear Mr. Pledger,

The Community Unit School District 300 Board of Education originally approved a contract for Open Enrollment-Online Benefits Services on August 24,2020. District 300 would like to renew our existing contract based on your July 9, 2020 response submittal. The new extension will run from August 1, 2024 to July 31, 2025.

This signed letter along with the attached documents – original Bid specifications, addenda, and your final response combined serve as the contract for this project.

If your firm agrees to continue to provide services at no cost to the district, The administration will recommend this contract extension to the Board of Education for review on Tuesday, October 8, 2024 and approval on Tuesday, October 22, 2024.

Please review and sign this letter by October 1, 2024. If you have any questions please call 847-551-8460.

This Agreement is entered into as of October 22, 2024.

Diane White 2024-09-27
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks.
OWNER (Signature)

Jason Pledger 2024-10-01
9209E02E1AB8BE6933F06D251723044B contractworks.

CONTRACTOR (Signature)
Jason Pledger SVP, Chief Experience Officer
(Printed name and title)

Diane C. White, Director of Purchasing

If you have any further questions regarding this contract, please feel free to contact me at (847) 551-8460.

Sincerely,

Diane White
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks.
Diane C. White, Director of Purchasing



DISTRICT 300

Community Unit School District 300

2605 BUNKER HILL DRIVE

ALGONQUIN, IL 60102

Diane C. White, Director of Purchasing

PHONE: 847-551-8460 · 847-551-8463

May 3, 2023

Mr. Jason Pledger
American Fidelity Assurance
Company
Illinois Branch
333 Salem Place Suite 130
Fairview Heights, IL 62208

Via Email: Jason.pledger@americanfidelity.com

RFP – Open Enrollment Services – Contract Extension

Dear Mr. Pledger,

The Community Unit School District 300 Board of Education originally approved a contract with American Fidelity for Open Enrollment-Online Benefits Services on August 24, 2020. The following year, this contract was extended through July 31, 2023. District 300 would like to renew our existing contract.

Both the original contract and extensions are attached.

If your firm agrees to continue to provide services at no cost to the District, The Administration will recommend this contract extension to the Board of Education for review on Tuesday, June 13, 2023 and approval on Tuesday, June 27, 2023.

District 300 kindly requests your return of acceptance by Tuesday, May 16, 2023. If you have any questions, please call 847-551-8460.

Sincerely,

Diane White

8375D43E716D90C09E2DBCBD5C76FBD7 contractworks. 2023-05-03

Diane C White, Director of Purchasing

Acceptance:

Jason Pledger

9209E02E1AB8BE6933F06D251723044B contractworks. 2023-05-04

American Fidelity Assurance Company

Jason Pledger

VP Chief Experience Officer



Community Unit School District 300
2605 BUNKER HILL DRIVE
ALGONQUIN, IL 60102
Diane C. White, Director of Purchasing
PHONE: 847-551-8460 • FAX: 847-551-8463

June 23, 2021

Mr. Jason Pledger
American Fidelity Assurance Company
Illinois Branch
333 Salem Place Suite 130
Fairview Heights, IL 62208

Via email: jason.pledger@americanfidelity.com

RFP – Open Enrollment Services

Dear Mr. Pledger,

Congratulations! District 300 has awarded American Fidelity Assurance Company the contract extension to provide Open Enrollment-Online Benefits Services from August 1, 2021 to July 31, 2023. These services shall be provided at no cost to the District. The Board of Education approved this award at their regular meeting on Tuesday, June 22, 2021.

This signed letter along with the attached documents and original RFP specifications, addenda, and your final response combined serve as the contract for this project.

Please sign your award letter by Wednesday, June 30, 2021. Please submit your Certificate of Insurance naming District 300 as additional insured by Friday, July 30, 2021 to: bids.purchasing@d300.org

This Agreement is entered into as of Wednesday, June 23, 2021.

Diane White
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks 06/28/2021
ADMINISTRATOR (Signature)

Diane C White, Director of Purchasing

Jason Pledger
9209E02E1AB8BE6933F06D251723044B contractworks 06/28/2021
CONTRACTOR (Signature)

Jason Pledger **VP Director of Marketing**
(Printed name and title)

Please will receive an executed contract through Contract Works.

If you have any further questions regarding this contract, please feel free to contact me at (847) 551-8460.

Sincerely,

Diane C. White

Diane C White, Director of Purchasing



June 1, 2021

Ms. Whitney Dyson
American Fidelity
Illinois Branch
333 Salem Place Suite 130
Fairview Heights, IL 62208

RFP – Open Enrollment-Online Benefits Services

Dear Ms. Dyson:

On August 24, 2020, The Board of Education originally approved a contract with American Fidelity for Open Enrollment-Online Benefits Services. The contract included the possibility of two (2) one (1) year extensions. District 300 would like to extend our current contract based your July 9, 2020 response submittal. The contract extension dates would be August 1, 2021 to July 31, 2023.

If your firm agrees to provide services at no cost to the District, the Administration will recommend your contract extension to the Board of Education for review by the finance committee on Tuesday, June 8, 2021 and award by the Board of Education on Tuesday, June 22, 2021.

If you have any questions about this offer letter, please contact me directly at 847-551-8460.

Sincerely,

Diane White

8375D43E716D90C09E2DBCBD5C76FBD7 contractworks 06/01/2021

Diane C White, Director of Purchasing

Acceptance to hold submitted proposal and terms:

Jason Pledger

9209E02E1AB8BE6933F06D251723044B contractworks

Service Provider

Jason Pledger

VP, Director of Marketing

06/04/2021

Date Signed



Community Unit School District 300
2605 BUNKER HILL DRIVE
ALGONQUIN, IL 60102
Diane C. White, Director of Purchasing
PHONE: 847-551-8460 • FAX: 847-551-8463

August 31, 2020

Ms. Kaitlin Economon
American Fidelity Assurance
Company
Illinois Branch
9000 Cameron Parkway
Oklahoma City, OK 73114

RFP – Open Enrollment Services

Dear Ms. Economon,

Congratulations! District 300 has awarded American Fidelity Assurance Company the contract to provide Open Enrollment Services for year one beginning, Tuesday, September 1, 2020 through August 301, 2021, with the possibility of two, one year extensions. The Board of Education approved this award at their regular meeting on Tuesday, August 25, 2020.

This signed letter along with the attached documents – original Bid specifications, addenda, and your final response combined serve as the contract for this project.

Please sign your award letter by Friday, September 4, 2020. Please submit your Certificate of Insurance naming District 300 as additional insured by Friday, September 11, 2020 to: bids.purchasing@d300.org

This Agreement is entered into as of Wednesday, September 1, 2020.

Diane C. White

8375D23E716940C9E2DBCB5C76FBD7 contractworks
ADMINISTRATOR (Signature)

Jason Pledger

9209E02E1AB8BE6933E06D251723044B contractworks
CONTRACTOR (Signature)

Diane C White, Director of Purchasing

Jason Pledger VP, Marketing
(Printed name and title)

Please will receive an executed contract through Contract Works.

If you have any further questions regarding this contract, please feel free to contact me at (847) 551-8460.

Sincerely,

Diane C. White

Diane C White, Director of Purchasing

**Community Unit School District # 300
Purchasing Department
2505 Bunker Hill Drive
Algonquin, IL 60102
847-551-8460 - PHONE
847-551- 8463- FAX**

June 22, 2020

Dear Vendor:

The Board of Education of Community Unit School District No. 300 (the "District") invites you to submit a sealed **Request for Proposal** for:

RFP – Open Enrollment Services

The enclosed proposal form(s) **must** be used in submitting your proposal. Proposals must be addressed as follows:

**Community Unit School District No. 300
Purchasing Department –
Open Enrollment Services
2605 Bunker Hill Drive
Algonquin, IL 60102**

Electronic proposals will be received until **-3:00PM CT, Thursday, July 9, 2020** at which time they will be opened and read.

The required Contractor's Certification forms must be completed and returned with your proposal.

It is the intention of the Board of Education to award the proposal at the **Tuesday, August 25, 2020 regular meeting**. The Board of Education may make such investigations as deemed necessary to determine the ability of the bidder to perform the work, and the bidder shall furnish to the District all such information for this purpose as the District may request. The District reserves the right to reject any or all proposals if the evidence submitted by, or investigation of, such bidder(s) fails to satisfy the District that such bidder(s) is properly qualified to carry out the obligations of the contract and to complete work contemplated therein. District further reserves the right to waive any minor irregularities or minor defects in the proposals, which do not affect the price nor constitute some type of substitution for a designated item, and to accept the proposal, which is in the best interest of the District. Conditional proposals will not be accepted. Strikeouts or addition of conditions or provisions or insertion of substitutes shall be reason for rejecting a proposal without any specification of reason for the rejection. Any request for information shall be made to **Diane C. White, Director of Purchasing**, but the response may not be used as a condition to any proposal being submitted.

Sincerely,

Diane C. White
Director of Purchasing

PUBLIC NOTICE

NOTICE TO BIDDERS

The Board of Education of Community Unit School District 300 is
accepting
Electronic proposals for –

RFP – Open Enrollment Services

Electronic proposals will be received until
3:00PM CT, Thursday, July 9, 2020 at the D300 Purchasing
Department, at which time they will be publicly opened and read.

**Community Unit School District #300
Purchasing Office
2605 Bunker Hill Drive
Algonquin, IL 60102**

A Non-Mandatory Pre-RFP Meeting is scheduled for
9:30 AM CT, Wednesday, June 24, 2020. At that time,
prospective bidders are invited to review bid documents via virtual meeting.
Please contact the D300 Purchasing Department for access to this meeting.

Any questions regarding this proposal must be directed to:

**Community Unit School District #300
Diane C. White
2605 Bunker Hill Drive
Algonquin, IL 60102
847-551-8460
Bids.purchasing@d300.org**

Proposal specifications will be available on Friday, June 19, 2020 after 3:00PM.
To obtain specifications, please contact the District 300 Purchasing Office
at 847-551-8460 or bids.purchasing@d300.org.

RFP - Open Enrollment Services			
ACTION	DATE	TIME	LOCATION
Timeline Established	6/15/2020		Purchasing Office
Specifications Finalized	6/17/2020		
Legal Ad Published	6/18/2020	3:00 PM	Daily Herald
Specifications Released to Vendors	6/18/2020		
Pre-RFP Meeting	6/24/2020	9:30 AM	Electronic - Google Meet
Q&A Deadline – via email	7/2/2020	4:30 PM	bids.purchasing@d300.org
RFP Opening - Electronic Submittal	7/9/2020	3:00 PM	bids.purchasing@d300.org
Evaluation Period	7/9/2020 - 7/23/2020		Eberto Mora, Executive Director of Human Resources
CFO Packet	7/31/2020		Susan Harkin, COO
Board Finance Committee	8/10/2020		Administration Building
BOE Workshop	8/11/2020		Administration Building
BOE Approval	8/25/2020		Administration Building

Instructions to Bidders

1. GENERAL

- a. Proposals shall be signed and submitted in an envelope properly marked with the title of the proposal, and date and time of opening. Unsigned proposals will be rejected.
- b. Seal and deliver proposal to the purchasing office on or before the time scheduled for the opening. Late proposals will not be opened nor considered.
- c. All proposals shall be made on this form.
- d. The District is not subject to Federal Excise Tax or Illinois Sales or Retailers Occupational Tax. Proposals should not include sales or excise tax.
- e. Prices quoted shall include all charges for packing, transportation and delivery to the locations designated on the proposal specification and installation, if called for, in the proposal specifications.
- f. Correspondence shall be addressed to the Purchasing Director.
- g. Proposals are available for inspection in the purchasing office by appointment for 10 days after the date of the award of an order.
- h. Oral, telephonic, telegraphic, facsimile or electronically transmitted proposals will not be accepted.

2. ERRORS AND OMISSIONS

All proposals shall be submitted with each space properly completed. The special attention of bidders is directed to the policy that no claim for relief because of errors or omissions in the bidding will be considered, and bidders will be held strictly to the proposals as submitted. Should a bidder find any claimed discrepancies in, or omissions from, any of the documents, or be in doubt as to their meanings, bidder shall advise the purchasing official first orally, followed by written (FAX or letter) with specification of the claimed problems which must be received during regular working hours at least 10 days before the date set for proposal opening so that a written notification can be prepared by any purchasing official, who will issue the necessary clarifications to all prospective bidders by means of addenda.

3. FIRM PROPOSAL

All proposals will be considered to be firm for a period of sixty (60) days from the date established for the opening of proposals.

4. WITHDRAWAL OF PROPOSALS

Proposals may be withdrawn by letter, or telegram, or fax received by the district or in person prior to the time and date established for the opening of proposals.

5. INVESTIGATION OF BIDDERS

- a. The purchasing official will make such investigation as is necessary to determine the ability of the bidder to fulfill proposal requirements. The bidder shall furnish such information as may be requested and shall be prepared to show completed installations of equipment, types of service or supplies similar to those included in the proposal.
- b. The Board of Education reserves the right to reject any proposal if it is determined that the bidder is not properly qualified to carry out the obligations of the contract. The Board of Education reserves the right to reject any or all proposals, to waive irregularities and to accept that proposal which is considered to be in the best interest of the District. Any such decision shall be considered final. All items proposed shall be new unless otherwise specified in the requirements.

6. VENDOR APPLICATION AND W-9 FORM

The District requires that a current Vendor Application and W-9 form be included with your sealed proposal. These forms can be found on the District website – www.d300.org. Go to Departments-Finance-Purchasing to download the vendor application and W-9 form.

7. Compliance with the Illinois Prevailing Wage Act

It shall be mandatory upon the bidder and upon any subcontractor thereof to pay all laborers, workmen, and mechanics employed by them not less than the general prevailing rate of wages as found by the District or Department of Labor for each craft or type of worker or mechanic needed to execute the contract and the general prevailing rate for legal holiday and overtime work as ascertained by the Illinois Department of Labor. The prevailing wage rates are revised by the Department of Labor periodically and are available on its website. The bidder shall comply with all provisions of the Illinois Prevailing Wage Act, 820 ILCS 130/0.01 *et seq.*, applicable to the work. Payment of any bidder shall not be processed without receipt of certified employee records required by 820 ILCS 130/5.

8. SIGNATURE CONSTITUTES ACCEPTANCE

The signing of these proposal forms shall be construed as acceptance of all provisions contained herein.

9. CONTRACTS

The successful bidder will be required to enter into a contract incorporating the terms and conditions of this proposal.

10. EQUAL EMPLOYMENT OPPORTUNITY

During the performance of this Contract (whether or not federal funds are involved) the bidder agrees as follows:

- a. The bidder will not unlawfully discriminate against any employee or applicant for employment because of age, race, creed, color, sex, religion, ancestry, marital status, handicap, military status, unfavorable discharge from military service or national origin, as those terms are contained in the Illinois Human Rights Act (775ILCS 5/1-10 et. seq., hereinafter "unlawful discrimination"). The bidder will take affirmative action to ensure the applicants are employed, and that employees are treated equally during employment, without unlawful discrimination. Such action shall include but not be limited to the following: employment, upgrading, demotion or transfer; recruitment or recruitment advertising; layoff or termination; rates of pay or other forms of compensation; and selection for training, including apprenticeship. The bidder agrees to post in conspicuous places, available to employees and applicants for employment, notices to be provided setting forth the provisions of this nondiscrimination clause.
- b. The contractor will, in all solicitations or advertisements for employees placed by or on behalf of the bidder, state that all qualified applicants will receive consideration for employment without unlawful discrimination.

11. COMPLETION DELIVERY TIME

If delivery time will exceed thirty (30) days after receipt of a purchase order, bidders state the delivery time by each respective item. All prices must be quoted FOB. Destination. Shipments shall become property of consignee after delivery and acceptance. Regardless of statements to the contrary, payment terms will begin no sooner than the date of delivery of goods.

12. EVALUATIONS

The District reserves the right to reject any and all proposals, to waive any technicalities in the bidding and to award each item to a different bidder or all items to a single bidder unless otherwise noted on proposal request, and to determine whether in the opinion of the District: (1) an early delivery date is entitled to more consideration than price, (2) an earlier delivery date is to be disregarded because of the reputation of the bidder for not meeting delivery dates, (3) a bidder is not a responsible bidder and should be disregarded. The District will authorize the release of purchase orders upon acceptance of proposals. In the event of pricing errors, the unit count(s) listed will prevail and be considered accurate.

13. EXAMINATION OF DOCUMENTS AND SITE

Before submitting a proposal for work on any project, each bidder shall carefully examine the project site and the contract documents, fully inform itself of existing conditions and limitations of the project sites, rely entirely upon their own judgment in making the proposal, and include in its own proposal all sums sufficient to provide all work required by the contract documents. After opening of proposals, no additional allowance will be made for changes in project scope and/or price due to work, which would have been apparent, by examination of the documents and sites. By submitting a proposal, each bidder shall be held to represent that bidder has made the examination in complete detail and has determined beyond doubt that the documents and existing conditions are sufficient, adequate and satisfactory for completion of the work.

14. PERFORMANCE: LABOR AND MATERIAL PAYMENT BONDS (IS NOT REQUIRED OF THIS PROJECT)

Within ten days after the date of the Notice of Award, the successful contractor shall enter into a formal contract with the District and shall provide a Performance Bond and a Labor and Material Payment Bond, each in the full amount of the contract. Each bond shall be in accordance with AIA. Document A31 1. The contractor shall pay the cost of premiums for said bonds. The bonds shall be signed and sealed by an authorized representative of the bonding company and authorized officer or representative of the contractor, and a certificate of the authority of those signing the bonds, if not officers, shall be attached thereto.

The Performance Bond and the Labor and Material Payment Bond shall guarantee the performance of the duties placed on the contractor by the Prevailing Wage Act, as well as all other duties undertaken pursuant to the contract with the District, and shall indemnify the District from any liability or loss resulting to the District from any failure of the contractor fully to perform each or all of said duties.

The Performance Bond and the Labor and Material Payment Bond herein provided shall be placed with a Surety company or companies having a policy holder's rating not lower than "A" and a financial rating not lower than "AAA" in Best's Insurance Guide (current edition).

15. BID SECURITY (IS NOT REQUIRED OF THIS PROJECT)

A Bid Bond or certified check made payable to the District in the amount of ten percent (10%) of the proposal shall accompany each proposal as a guarantee that the bidder, if awarded the contract, will furnish the required Performance Bond and Labor and Material Payment bonds, execute the contract and proceed with the work. Upon failure to do so, the bidder shall forfeit the check or the district shall be entitled to the principal amount of bid bonds as liquidated damages. No mistakes or errors on the part of the bidder shall excuse the bidder or entitle bidder to a return of the check or bid bond. No bidder may withdraw a proposal for a period of 60 days after the date of opening thereof.

The bid bonds or checks will, with the exception of those of the three lowest bidders, be returned within seven days after the opening of proposals and the remaining checks or bid bonds will be returned when the contract is executed and all required bonds have been provided.

16. SERVICE POINTS

Building Name	Address
Administration Center	2550 Harnish Drive Algonquin, IL 60102
Algonquin Lakes Elementary	1401 Compton Drive Algonquin, IL 60102
deLacey Family Educ. Center	50 Cleveland Avenue Carpentersville, IL 60110
Dundee Highlands Elementary	407 South Fifth Street West Dundee, IL 60118-2899
Eastview Elementary	540 Longwood Drive Algonquin, IL 60102
Gilberts Elementary	729 Paperbark Lane Gilberts, IL 60136
Golfview Elementary	124 Golfview Lane Carpentersville, IL 60110-2399
Hampshire Elementary	321 Terwilliger Avenue Hampshire, IL 60140-9604
Lake in the Hills Elementary	519 Willow Street Lake in the Hills, IL 60156-
Lakewood	1651 Ravine Lane Carpentersville, IL 60110-2130
Liberty Elementary	6500 Miller Road Carpentersville, IL 60110
Lincoln Prairie Elementary	500 Harvest Gate Road Lake in the Hills, IL 60156
Meadowdale Elementary	14 Ash Street Carpentersville, IL 60110-1694
Neubert Elementary School	1100 Huntington Drive Algonquin, IL 60102-1999
Parkview Elementary	122 Carpenter Blvd. Carpentersville, IL 60110-1918
Perry Elementary	251 Amarillo Drive Carpentersville, IL 60110-1199
Sleepy Hollow Elementary	898 Glen Oak Drive Sleepy Hollow, IL 60118-2698
Westfield Community School	2100 Sleepy Hollow Road Algonquin, IL 60102-2698
Wright Elementary	1500 Ketchum Road Hampshire, IL 60140
Algonquin Middle School	520 Longwood Drive Algonquin, IL 60102-3099
Carpentersville Middle School	100 Cleveland Avenue Carpentersville, IL 60110-1960
Dundee Middle School	37W450 Route 72 West Dundee, IL 60118-9590
Hampshire Middle	560 South State Street Hampshire, IL 60140-9606
Dundee-Crown High School	1 Charger Country Drive Carpentersville, IL 60110-1474
Hampshire High School	1600 East Big Timber Road Hampshire, IL 60140
Jacobs High School	2601 Bunker Hill Drive Algonquin, IL 60102-9734

Oak Ridge School	300 Cleveland Ave Carpentersville, IL 60110
Buildings and Grounds	2605 Bunker Hill Drive Algonquin, IL 60102

Project Manager:

Eberto Mora, Executive Director of Human Resources

Office: 847-551-8300

Email: Eberto.mora@d300.org

17. WARRANTY

The bidder shall warrant the work services, and/or products to be free of defects in material and workmanship for a period of 3 years. This warranty shall obligate the contractor to repair or replace the products at no additional charge to the District.

18. INSURANCE (REQUIRED)

The contractor shall provide and maintain insurance in the amounts outlined below with companies acceptable to the District:

MINIMUM INSURANCE REQUIREMENTS

General Liability	General Aggregate	\$2,000,000
	Products-Comp/OP Agg	2,000,000
	Personal Injury	1,000,000
	Each Occurrence	1,000,000
	Fire Damage (Any one fire)	50,000
	Medical Exp. (Any one person)	5,000
Excess Liability	Each Occurrence	2,000,000
	Aggregate	2,000,000
Automobile Liability	Bodily Injury (each occ)	1,000,000
	Property Damage (each occ)	1,000,000
Worker's Compensation	Statutory Limits	
	Each Accident	500,000
	Disease-Policy Limit	500,000
	Disease-Each employee	500,000

All such insurance shall not be cancelable without thirty (30) days prior written notice being given to the District.

With respect to the insurance required herein, the contractor shall provide such insurance naming the District, the Board of Education and its members individually, and its employees and agents as **additional named**

insured. The contractor shall also purchase and maintain such insurance as will protect the District from and against all claims, damages, loss and expenses, including attorney's fees arising out of or resulting from the performance of the work, provided that any such claim, damage, loss or expense, (1) is attributable to bodily injury to or destruction of tangible property (other than the work itself), including the loss of use resulting therefrom, and (2) is caused in whole or in part by a negligent act or omission of the contractor, subcontractor, anyone directly or indirectly employed by any of them or anyone for whose acts they may be liable, regardless of whether or not it is caused in part by a party to whom insurance is afforded pursuant to this paragraph.

It is MANDATORY within ten (10) days after the proposal award, that the Certificate(s) of Insurance shall be submitted to the insurance agent for the District.

19. TOTAL PRICE FOR ALL ITEMS BID

A total proposal dollar amount, regardless of whether or not the bidder is bidding all items, must be entered in the appropriate section of the proposal form before signing and submitting the proposal.

20. HOLD HARMLESS AND INDEMNIFICATION

The contractor shall assume all liability for, and shall protect, defend, indemnify and hold harmless, the Board of Education, its members individually, officers, employees, servants and agents, from and against all claims, actions suits, judgments, costs, losses, expenses and liabilities of whatsoever kind or nature including reasonable legal fees incurred by owner arising out of:

- A. Any infringement (actual or claimed) of any patents, copyrights or trade names by reason of any work performed or to be performed by the contractor under this contract or by reason of anything to be supplied by the contractor pursuant to this contract.
- B. Bodily injury, including death, to any person or persons (including contractor's officers, employees, agents and servants) or damage to or destruction of any property, including the loss of use thereof:

-Caused in whole or in part by an act, error or omissions by the contractor or any subcontractor or anyone directly or indirectly employed by any of them regardless of whether or not it is caused in part by a party to be indemnified hereunder.

-Arising directly or indirectly out of the presence of any person in or about any part of the project site or the streets, sidewalks and property adjacent thereto.

-Arising directly or indirectly out of the use, misuse or failure of any machinery or equipment used directly or indirectly in the performance of this contract.

21. DAMAGE TO PROPERTY

In the event the bidder damages the District's property, the bidder shall, at the bidder's sole cost, restore the property or any surrounding area. Such restoration shall be to a condition at least equivalent to the condition of the affected area immediately before the destruction or damage. If the bidder does not repair such damage within 14 days after receiving written notice from the District, or such lesser time if the District determines the damage creates an emergency situation, the District may repair the damage and the bidder shall reimburse the District for the costs the District incurs within 14 days after the District provides a written invoice to the bidder.

22. LATE PROPOSALS

Proposals received after the time specified in the Request for Proposals will not be opened or considered. The method of transmittal of the proposal is at the bidder's risk of untimely receipt by the Board of Education. The use of Board of Education equipment for transmission of proposals is prohibited.

23. RECYCLED PRODUCTS

The District supports national and local efforts for recycling. Bidders are encouraged to offer recycled supplies and materials as proposal alternatives. Notations are to be included as to the percentage of recycled products in each item.

24. PAYMENT

Payment to be made within 45 days after the project completion.

Does your company accept ACH payments?
Does your company accept credit cards?
Does your company allow discounts for early payments?

Discounts examples –
2% 10 days net 30
1% 20 days net 30

25. MANUALS

The successful bidder shall supply, at no cost to the District, a detailed service manual, parts list, and list of service locations.

26. CONTRACT TERM -

The work is to commence on **August 27, 2020 to prepare for open enrollment starting in October 2020. Term of the contract is for 1 year with the option of two (2) one year extensions with favorable recommendation from the Executive Director of Human Resources.**

27. PERSONNEL

If any person employed on the work site were, in the opinion of the District project manager, intemperate, disorderly, incompetent, willfully negligent or dishonest on the performance of his/her duties, he or she shall be directed by the contractor to cease work and vacate the job site immediately.

28. SEXUAL HARASSMENT

775 ILCS 5/2-105, Human Rights Act Requirement – Written Sexual Harassment Policies contained as follows: Bidder shall have written sexual harassment policies that shall include, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) the vendor's internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department and the Commission; (vi) directions on how to contact the Department and Commission; and (vii) protection against retaliation as provided by Section 6-101 of this Act. A copy of the policies shall be provided to the Department upon request.

29. QUALIFICATIONS

Vendor must be an authorized dealer and installer of products vendor is bidding on. Vendor must supply a list of references of like products and installations. Reference sheet is attached.

30. FINANCIAL STABILITY. The District may require, upon request, evidence as to the financial stability of the contractor. Upon request, the contractor shall provide the following information to the District within 48 hours:

- a. The name of any owner or co-owner, equity of each co-owner or corporate offices of the entity submitting the proposal, and the name, address, and business telephone number of each such person.
- b. The last financial statement and balance sheet of the bidder, including a specification in detail of all loans outstanding, or a copy of the last certified annual audit.

31. COMPLIANCE WITH LAWS.

Successful bidder shall at all times observe and comply with all laws, ordinances, regulations and codes of the federal, state, county and other local government agencies, which may in any manner affect the performance of the contract and in particular any such laws pertaining to safety.

32. GOVERNING LAW

The terms of this quote shall be governed and construed in accordance with the laws of the State of Illinois. If any provision hereof shall be held to contravene any applicable law, such provision shall be deemed reformed to the extent of conforming to said law, and in all other respects the terms hereof shall remain in full force and effect.

33. PROPOSAL

The signing of the submittal form shall be construed as acceptance of all provisions contained herein. All proposals shall be submitted with each space properly completed. Any explanation or statement which the bidder wishes to make must be placed in the same envelope with the bid. Unless the bidder so indicates, it is understood that the bidder has submitted the proposal in strict accordance with the specification requirements. The Bidder acknowledges that any variation from the specifications will be grounds for the District to reject the quote, although the District may accept the quote with the verification if, in its sole discretion, it determines that such proposal is in the District's best interest. All quotes shall be deemed final, conclusive and irrevocable. No claim for relief because of errors or omissions in the bidding will be considered, and bidders will be held strictly to the proposals as submitted. Should a bidder find any discrepancies in, or omissions from any of the documents, or be in doubt as to their meanings, the bidder shall submit questions as provided in this document. Bidders must satisfy themselves upon examination of these specifications, as to the intent of the specifications. After the submission of the proposal, no complaint or claim that there was any misunderstanding in regard to items listed for bidding will be entertained from a bidder.

34. BIDDER'S AGREEMENT

The bidder hereby declares understanding, agreement, and certification of compliance to provide the services, work, and/or products to the District, at the prices quoted, in accordance with all terms and conditions, requirements, and specifications contained in these documents, and any issued amendments. The contractor further agrees that the language of this document shall govern in the event of a conflict with (1) the bidder's bid or

(2) any subsequent purchase order between the bidder and the District. The bidder should, as a matter of clarity and assurance, also sign and submit all amendment(s) issued by the District related to this work. The bidder further agrees that upon receipt of an authorized purchase order or when an authorized official of the District countersigns this document, a binding contract shall exist between the bidder and the District. This document combined with amendments, the bidder's proposal, the required submittals, and the purchase order, if any, shall comprise the binding contract.

35. CANCELLATION – The District reserves the right to cancel this contract at any time for reasons of unsatisfactory services.

36. ADDITIONAL INFORMATION

Contact Diane C. White, Director of Purchasing, (847) 551-8460, between the hours of 8:00AM and 4:30PM, or by email – diane.white@d300.org

REFERENCES

LIST BELOW THE LAST FOUR (4) BUSINESSES OR OTHER ORGANIZATIONS FOR WHICH YOU HAVE PROVIDED COMPARABLE SERVICES PERFORMED ON EDUCATIONAL, LIBRAIRIES, OR OTHER MUNICIPALITIES IN THE LAST (5) YEARS..

1. ORGANIZATION:

ADDRESS:

CITY, STATE, and ZIP CODE:

TELEPHONE NUMBER:

CONTACT PERSON:

DATE OF SERVICES:

DOLLAR AMOUNT OF THE JOB:

2. ORGANIZATION:

ADDRESS:

CITY, STATE, and ZIP CODE:

TELEPHONE NUMBER:

CONTACT PERSON:

DATE OF SERVICES:

DOLLAR AMOUNT OF THE JOB:

REFERENCES (CONT.)

3. ORGANIZATION:

ADDRESS:

CITY, STATE, and ZIP CODE:

TELEPHONE NUMBER

CONTACT PERSON:

DATE OF SERVICES:

DOLLAR AMOUNT OF THE JOB:

4. ORGANIZATION:

ADDRESS:

CITY, STATE, and ZIP CODE:

TELEPHONE NUMBER

CONTACT PERSON:

DATE OF SERVICES:

DOLLAR AMOUNT OF THE JOB:

OFFEROR'S NAME: _____

SIGNATURE: _____ DATE - _____

CERTIFICATE OF BIDDER ELIGIBILITY

720 ILCS 5/33E-11 requires that all contractors bidding for public agencies in the State of Illinois certify that they are not barred from bidding on public contracts for bid rigging or bid rotation.

The following certification must be signed and submitted with bidder's bid Quote.
FAILURE TO DO SO MAY RESULT IN DISQUALIFICATION OF THE BIDDER.

_____, as part of its bid for the _____ work for Community Unit School District #300, Algonquin, Illinois, of Cook, DeKalb, Kane, and McHenry Counties, Illinois certifies that said contractor is not barred from bidding on the aforementioned contract as a result of a violation of either 720 ILCS 5/33E-3 or 720 ILCS 5/33-E4.

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

**CERTIFICATE OF COMPLIANCE WITH
ILLINOIS DRUG-FREE WORKPLACE ACT**

_____, having 25 or more employees, does hereby certify pursuant to section 3 of the *Illinois Drug-Free Workplace Act* (30 ILCS 580/3) that it shall provide a drug-free workplace for all employees engaged in the performance of work under the contract by complying with the requirements of the *Illinois Drug-Free Workplace Act* and, further certifies that it is not ineligible for award of this contract by reason of debarment for a violation of the *Illinois Drug-Free Workplace Act*.

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

**CERTIFICATE REGARDING
SEXUAL HARASSMENT POLICY**

_____, does hereby certify pursuant to Section 2-105 of the *Illinois Human Rights Act* (775 ILCS 5/2-105) that it has a written sexual harassment policy that includes, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) an internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and Human Rights Commission; (vi) directions on how to contact the Department of Human Rights and Human Rights Commission; and (vii) protection against retaliation.

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

**CERTIFICATE REGARDING
EQUAL EMPLOYMENT OPPORTUNITY**

_____, does hereby certify pursuant to Section 2-105 of the *Illinois Human Rights Act* (775 ILCS 5/2-105) that it has a written equal employment opportunity policy that is in compliance with all terms and conditions of the Equal Employment Opportunity provisions of the Illinois Human Rights Act.

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

CERTIFICATE REGARDING

EMPLOYMENT OF ILLINOIS WORKERS ON PUBLIC WORKS

_____ agrees if at the time the Agreement is executed, or if during the term of the Agreement, there is excessive unemployment in Illinois as defined in the Employment of Illinois Workers on Public Works Act, 30 ILCS 570/0/01 et seq., as two consecutive months of unemployment exceeding 5%, then _____ agrees to employ Illinois laborers in accordance with the Employment of Illinois Workers on Public Works Act. An "Illinois laborer" is defined as any person who has resided in Illinois for at least thirty (30) days and intends to become or remain an Illinois resident.

Firm:

By:

(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

NON-COLLUSION AFFIDAVIT

AFFIDAVIT: "I (we) hereby certify and affirm that my (our) Quote was prepared independently for this project and that it contains no fees or amounts other than that for the legitimate execution of this work as specified and that it includes no understanding or agreements in restraint of trade."

The following affidavit must be signed and submitted with bidder's bid Quote.
FAILURE TO DO SO MAY RESULT IN DISQUALIFICATION OF THE BIDDER.

_____, as part of its bid for the _____ work for Community Unit School District #300, Algonquin, Illinois certifies that said Contractor is not barred from bidding on the aforementioned contract as a result of a violation of the above Non-Collusion Affidavit.

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

CERTIFICATE REGARDING
COMMUNITY UNIT SCHOOL DISTRICT 300
VENDOR/CONTRACTOR CONFLICT OF INTEREST

_____, does hereby certify that they have read and fully understand the Vendor/Contractor Conflict of Interest Board Policy as stated below:

Vendor/Contractor Conflict of Interest

Any vendor or contractor doing \$5,000 - \$25,000 in business with the District within a fiscal year shall not contribute to any political campaign that directly affects the District while doing business for the District or for a period of two years after completion of business with the District. Further, the District will not enter into significant business with a vendor or contractor that has contributed to a political campaign that directly affects the District within two years prior to commencing business. Any vendor or contractor that participates and is awarded a contract through the competitive bidding process is exempt from this policy.

LEGAL REF.: 105 ILCS 5/10-20.19c, 5/10-20.21, 510-22.34c, and 5/19b-1 et seq.
820 ILCS 130/0.01 et seq.

CROSS REF: 2:100 (Board Member Conflict of Interest), 4:70 (Resource Conservation) 4:150 (Facility Management and Building Programs)

ADOPTED: February 10, 2003

Firm: _____

By: _____
(Signature)

(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

CRIMINAL BACKGROUND INVESTIGATIONS

Contractor hereby represents, warrants, and certifies that no officer or director thereof has any knowledge that any employee thereof has been convicted of committing or attempting to commit "Criminal Code of 1961," 720 ILCS, Sections 5/11-6 (Indecent solicitation of a child), 5/11-9 (Public indecency), 5/11-14 (Prostitution), 5/11-15 (Soliciting for a prostitute), 5/11-15.1 (Soliciting for a juvenile prostitute), 5/11-19 (Pimping), 5/11-19.1 (Juvenile pimping), 5/11-19.2 (Exploitation of a child), 5/11-20 (Obscenity), 5/11-20.1 (Sexual assault), 5/12-14 (Aggravated criminal sexual assault), 5/12-15 (Criminal sexual abuse), and 5/12-16 (Aggravated criminal sexual abuse), and/or those offenses defined in the "Cannabis Control Act," 720 ILCS, 550/1 et seq. (except the "Illinois Controlled Substances Act," 720 ILCS 570/100 et seq., any of the offenses that would subject a certificated employee to suspension or revocation pursuant to Section 21-23a of the School Code or anyone found to be the perpetrator of sexual or physical abuse of any minor under 18 years of age pursuant to proceedings under Article II of the Juvenile Court Act of 1987 and/or any offense committed or attempted in any other state or against the laws of the United States, which if committed or attempted in this State, would have been punishable as one or more of the foregoing offenses.

Contractor further agrees that it shall not employ any person who has or may have direct, daily contact with the pupils of any school in the district, and for whom a criminal background investigation has not been conducted pursuant hereto, and further represents and agrees that all applicants for any such employment shall furnish with their applications the attached written "Authorization for Criminal Background Information" form authorizing the District to request a criminal background investigation of said applicant pursuant to Section 5/10-21.9 of the School Code of Illinois and to receive criminal history record information pursuant thereto to determine if the applicant has been convicted of committing or attempting to commit any of the criminal or drug offenses enumerated above. Contractor further agrees to submit with said authorization payment for any costs and expenses associated with the criminal background investigation.

Contractor further represents, warrants, and certifies that no applicant for employment with respect to whom the criminal investigation reveals any conviction for committing and/or attempting to commit any of the above enumerated offenses, shall be employed thereby in any position that involves or may involve contact with the students of the school district.

This certification is executed on the date hereinafter indicated by the designated contractor by its duly authorized officer.

By: _____

Its: _____

Dated: _____

SUBSCRIBED and SWORN TO before me

This _____ day of _____, 2020

NOTARY PUBLIC

AUTHORIZATION FOR CRIMINAL BACKGROUND INVESTIGATION

The undersigned hereby authorizes the Board of Education of Community Unit School District 300, Algonquin, Illinois to request a criminal background investigation from the Illinois State Police, pursuant to Section 5/10-21.9 of the School Code of Illinois, 105 ILCS 5/10-21.9 and to receive criminal history record information pursuant thereto.

(Printed or Typed Name of Applicant Employee)

Signature of Applicant or Employee

Dated: _____



Community Unit School District
COMMUNITY UNIT SCHOOL DISTRICT 300
PURCHASING DEPARTMENT
 2605 Bunker Hill Drive
 Algonquin, IL 60102
 847-551-8300
 Fax: 847-551-8463

VENDOR APPLICATION FORM (SUBJECT TO LOCAL LAWS)	APPLICATION DATE
Fill in all spaces. Insert "NA" in blocks not applicable. Type all entries	REVISION DATE

DATE: 7/1/2020

COMPANY American Fidelity Assurance Company	HOW LONG IN PRESENT BUSINESS? 60 years
---	--

ADDRESS 9000 Cameron Parkway	CITY	STATE	ZIP
--	-------------	--------------	------------

CONTACT PERSON/REPRESENTATIVE	FAX NUMBER ()	PHONE AND EXTENSION ()
--------------------------------------	--------------------------	-----------------------------------

TYPE OF ORGANIZATION (Check Applicable) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION	IF INCORPORATED INDICATE IN WHICH STATE Oklahoma
---	--

YEARS ESTABLISHED: 60 years	DO YOU ACCEPT PURCHASE ORDERS? YES <input type="checkbox"/> NO <input type="checkbox"/>
	DO YOU ACCEPT CREDIT CARDS? YES <input type="checkbox"/> NO <input type="checkbox"/>

CATEGORY (Check below the category which applies to the applicant)					
<input type="checkbox"/> (A) MANUFACTURER OR PRODUCER	<input type="checkbox"/> (C) RETAILER	<input type="checkbox"/> (E) DISTRIBUTOR			
<input type="checkbox"/> (B) WHOLESALER	<input type="checkbox"/> (D) MANUFACTURER'S AGENT	<input type="checkbox"/> (F) SERVICE ESTABLISHMENT			

NAMES OF OFFICERS, MEMBERS OR OWNERS OF CONCERN, PARTNERSHIP, ETC.	
(A) PRESIDENT Jeanette Rice	(B) VICE PRESIDENT Keith Johnson
(C) SECRETARY Lisa Knatvold	(D) TREASURER Lucy Fritts
(E) OWNERS, PARTNERS, OR STOCKHOLDERS Bill Cameron	

TAXPAYER'S I.D. NO. FEIN <u>73-0714500</u> or S.S. No. _____	INSURANCE INFORMATION (Check Applicable) LIABILITY INSURANCE: \$2,000,000 <input type="checkbox"/> \$2,500,000 <input type="checkbox"/> \$5,000,000 <input type="checkbox"/> OTHER <input type="checkbox"/> Workers' Compensation : State Minimum <input type="checkbox"/> Greater than Minimum <input type="checkbox"/> Required that CUSD be named as an Additional Insured <input type="checkbox"/> INSURANCE CO. _____
--	--

BONDING INFORMATION (Check each area in which you have been bonded and the latest date of bonding)			
Perf. Bond _____ / _____ <input type="checkbox"/>	Payment Bond (Labor and Materials) _____ / _____ <input type="checkbox"/>	Builder's Risk _____ / _____ <input type="checkbox"/>	
Mo.	Year	Mo.	Year

PERSONS AUTHORIZED TO SIGN QUOTES, PROPOSALS, BIDS AND CONTRACTS:	
NAME	OFFICIAL CAPACITY
Jason Pledger	VP of Marketing and Customer Experience

Average number of employees (including affiliates) for four preceding calendar quarters. 1,800	Average annual sales for preceding three fiscal years: \$1,000,000,000	Floor Space (Square Feet)	
		Manufacturing	Warehouse

MINORITY/WOMEN BUSINESS ENTERPRISE (Check One) See Definitions Below <input type="checkbox"/> MBE <input type="checkbox"/> MBE/WBE <input type="checkbox"/> WBE <input type="checkbox"/> PBE	FOR USE BY CONTRACT COMPLIANCE ONLY: BY: _____ DATE _____ <input type="checkbox"/> C <input type="checkbox"/> NC
MINORITY GROUP MEMBERSHIP (Check One) See Definitions Below NOTE: DO NOT COMPLETE THIS SECTION UNLESS YOU HAVE CHECKED ONE OF THE BOXES IN THE MINORITY/WOMEN BUSINESS ENTERPRISE SECTION ABOVE. <input type="checkbox"/> AFRICAN AMERICAN OR BLACK <input type="checkbox"/> HISPANIC AMERICAN <input type="checkbox"/> NATIVE AMERICAN <input type="checkbox"/> ASIAN-PACIFIC AMERICAN	
CERTIFICATION DATE ISSUED: _____ EXPIRATION: _____	

MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE DEFINITIONS

MINORITY BUSINESS ENTERPRISE ("MBE") means a certified participating business at least 51 percent (51%) of which is owned and controlled by one or more members or one or more minority groups, or in the case of a publicly held corporation, 51 percent (51%) of the stock is owned by one or more members of one or more minority groups and whose daily business operations are controlled by one or more such individuals.

WOMEN'S BUSINESS ENTERPRISE ("WBE") means a certified participating business at least 51 percent (51%) of which is owned by one or more women, or in the case of a publicly held corporation, 51 percent (51%) of the stock of which is owned by one or more women and whose daily operations are controlled by one or more such individuals. Determination of whether a business is at least 51 percent (51%) owned by a woman or women shall be made without regard to community property laws.

BUSINESS OWNED AND OPERATED BY A PERSON WITH A DISABILITY ("PBE") means a business concern of which at least 51 percent (51%) is owned by one or more persons with a disability, or in the case of the corporation, one in which at least 51 per centum of the stock is owned by one or more persons with a disability or by a not for profit agency for the disabled organized pursuant to Section 501 of the Internal Revenue Code 1954; and the management and daily business operations of which are controlled by one or more of the persons with a disability who own it.

MINORITY GROUP MEMBER is an individual who is one of the following:

AFRICAN AMERICAN OR BLACK (persons with origins in any of the Black racial groups of Africa):

HISPANIC AMERICAN (persons of Spanish culture with origins in Puerto Rico, Mexico, Cuba, South or Central America, Spain, Portugal or the Caribbean Islands regardless of race).

NATIVE AMERICAN (American Indian)

ASIAN-PACIFIC AMERICAN (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, or the Indian subcontinent).

IF YOU HAVE EVER DONE BUSINESS WITH THE SCHOOL DISTRICT UNDER ANOTHER NAME, PLEASE INDICATE NAME OR NAMES.

N/A

Give names, complete addresses, buyer's names and phone numbers of four of your customers. (Please include Federal, State or City Governments).

ORGANIZATION	ADDRESS, STATE, ZIP	BUYER	PHONE NUMBER
1. Northwest R-1	4290 Gravois Rd, House Springs, MO 63051	Michelle Adams	636-677-3473
2. Jacksonville SD #117	211 West State St, Jacksonville, IL 62650	Tami Stice	217-243-9411
3. Champaign Community ISD #4	502 W Windsor Rd, Champaign, IL 61820	Deedra Miskimins	217-351-3822
4. Quincy SD 172	1416 Maine St, Quincy, IL 62301	Teresa Kemp	217-223-8700

Bank References

NAME OF BANK	ADDRESS, STATE, ZIP	CONTACT PERSON	PHONE NUMBER
First Fidelity Bank	P.O. Box 32282, Oklahoma City, OK 73123-0482	Lee Symcox	405-416-2222

I certify that the information supplied herein (including all pages attached) is correct and that neither the applicant nor any person (or concern) in any connection with the applicant as a principal or officer, so far as is known, is not debarred or otherwise declared ineligible by any public agency from furnishing materials, supplies or services to any agency thereof.

SIGNATURE OF PERSON AUTHORIZED TO SIGN THIS APPLICATION
Jason Pledger, VP of Marketing & Customer Experience
NAME AND TITLE OF PERSON SIGNING (Please type or print)

PERSONS OR BUSINESSES INTERESTED IN BEING ADDED TO THE BIDDER'S LIST MUST FILE THIS APPLICATION WITH THE PURCHASING DEPARTMENT.

AFTER PLACEMENT ON THE BIDDERS' LIST, A VENDOR'S FAILURE TO RESPOND TO INVITATIONS FOR BIDS WILL BE UNDERSTOOD BY THE SCHOOL DISTRICT TO INDICATE LACK OF INTEREST AND SHALL RESULT IN THE REMOVAL OF THE VENDOR'S NAME FROM THE BIDDERS' LIST FOR THE ITEMS CONCERNED.

NOTE: ANY CHANGES TO INFORMATION SUBMITTED (ADDRESSES, AUTHORIZED PERSONNEL, ETC..) WILL REQUIRE A REVISED COPY OF THIS FORM. ADDITIONAL FORMS MAY BE OBTAINED BY CONTACTING THE PURCHASING DEPARTMENT AT THE ADDRESS SHOWN ON THE FRONT OF THIS FORM.

USE BY COMMUNITY UNIT SCHOOL DISTRICT 300 ONLY

VENDOR I.D. NUMBER	APPROVED BY	DATE	W9	COMM LIST
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Request for Taxpayer Identification Number and Certification

**Give Form to the
 requester. Do not
 send to the IRS.**

▶ Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type.
 See Specific Instructions on page 3.

1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank.
2 Business name/disregarded entity name, if different from above
3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ▶ _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ▶ _____
4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) _____ Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>
5 Address (number, street, and apt. or suite no.) See instructions.
6 City, state, and ZIP code
7 List account number(s) here (optional)

Requester's name and address (optional)
**COMMUNITY UNIT SCHOOL DISTRICT 300
 2550 HARNISH DRIVE
 ALGONQUIN, IL 60102**

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number										
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or										
Employer identification number										
<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> <td style="border: 1px solid black; width: 25px; height: 25px;"></td> </tr> </table>										

Part II Certification

Under penalties of perjury, I certify that:

1. The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
2. I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
3. I am a U.S. citizen or other U.S. person (defined below); and
4. The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here

Signature of U.S. person ▶

Date ▶

General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-INT (interest earned or paid)

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

By signing the filled-out form, you:

1. Certify that the TIN you are giving is correct (or you are waiting for a number to be issued),
2. Certify that you are not subject to backup withholding, or
3. Claim exemption from backup withholding if you are a U.S. exempt payee. If applicable, you are also certifying that as a U.S. person, your allocable share of any partnership income from a U.S. trade or business is not subject to the withholding tax on foreign partners' share of effectively connected income, and
4. Certify that FATCA code(s) entered on this form (if any) indicating that you are exempt from the FATCA reporting, is correct. See *What is FATCA reporting*, later, for further information.

Note: If you are a U.S. person and a requester gives you a form other than Form W-9 to request your TIN, you must use the requester's form if it is substantially similar to this Form W-9.

Definition of a U.S. person. For federal tax purposes, you are considered a U.S. person if you are:

- An individual who is a U.S. citizen or U.S. resident alien;
- A partnership, corporation, company, or association created or organized in the United States or under the laws of the United States;
- An estate (other than a foreign estate); or
- A domestic trust (as defined in Regulations section 301.7701-7).

Special rules for partnerships. Partnerships that conduct a trade or business in the United States are generally required to pay a withholding tax under section 1446 on any foreign partners' share of effectively connected taxable income from such business. Further, in certain cases where a Form W-9 has not been received, the rules under section 1446 require a partnership to presume that a partner is a foreign person, and pay the section 1446 withholding tax. Therefore, if you are a U.S. person that is a partner in a partnership conducting a trade or business in the United States, provide Form W-9 to the partnership to establish your U.S. status and avoid section 1446 withholding on your share of partnership income.

In the cases below, the following person must give Form W-9 to the partnership for purposes of establishing its U.S. status and avoiding withholding on its allocable share of net income from the partnership conducting a trade or business in the United States.

- In the case of a disregarded entity with a U.S. owner, the U.S. owner of the disregarded entity and not the entity;
- In the case of a grantor trust with a U.S. grantor or other U.S. owner, generally, the U.S. grantor or other U.S. owner of the grantor trust and not the trust; and
- In the case of a U.S. trust (other than a grantor trust), the U.S. trust (other than a grantor trust) and not the beneficiaries of the trust.

Foreign person. If you are a foreign person or the U.S. branch of a foreign bank that has elected to be treated as a U.S. person, do not use Form W-9. Instead, use the appropriate Form W-8 or Form 8233 (see Pub. 515, *Withholding of Tax on Nonresident Aliens and Foreign Entities*).

Nonresident alien who becomes a resident alien. Generally, only a nonresident alien individual may use the terms of a tax treaty to reduce or eliminate U.S. tax on certain types of income. However, most tax treaties contain a provision known as a "saving clause." Exceptions specified in the saving clause may permit an exemption from tax to continue for certain types of income even after the payee has otherwise become a U.S. resident alien for tax purposes.

If you are a U.S. resident alien who is relying on an exception contained in the saving clause of a tax treaty to claim an exemption from U.S. tax on certain types of income, you must attach a statement to Form W-9 that specifies the following five items.

1. The treaty country. Generally, this must be the same treaty under which you claimed exemption from tax as a nonresident alien.
2. The treaty article addressing the income.
3. The article number (or location) in the tax treaty that contains the saving clause and its exceptions.
4. The type and amount of income that qualifies for the exemption from tax.
5. Sufficient facts to justify the exemption from tax under the terms of the treaty article.

Example. Article 20 of the U.S.-China income tax treaty allows an exemption from tax for scholarship income received by a Chinese student temporarily present in the United States. Under U.S. law, this student will become a resident alien for tax purposes if his or her stay in the United States exceeds 5 calendar years. However, paragraph 2 of the first Protocol to the U.S.-China treaty (dated April 30, 1984) allows the provisions of Article 20 to continue to apply even after the Chinese student becomes a resident alien of the United States. A Chinese student who qualifies for this exception (under paragraph 2 of the first protocol) and is relying on this exception to claim an exemption from tax on his or her scholarship or fellowship income would attach to Form W-9 a statement that includes the information described above to support that exemption.

If you are a nonresident alien or a foreign entity, give the requester the appropriate completed Form W-8 or Form 8233.

Backup Withholding

What is backup withholding? Persons making certain payments to you must under certain conditions withhold and pay to the IRS 24% of such payments. This is called "backup withholding." Payments that may be subject to backup withholding include interest, tax-exempt interest, dividends, broker and barter exchange transactions, rents, royalties, nonemployee pay, payments made in settlement of payment card and third party network transactions, and certain payments from fishing boat operators. Real estate transactions are not subject to backup withholding.

You will not be subject to backup withholding on payments you receive if you give the requester your correct TIN, make the proper certifications, and report all your taxable interest and dividends on your tax return.

Payments you receive will be subject to backup withholding if:

1. You do not furnish your TIN to the requester,
2. You do not certify your TIN when required (see the instructions for Part II for details),
3. The IRS tells the requester that you furnished an incorrect TIN,
4. The IRS tells you that you are subject to backup withholding because you did not report all your interest and dividends on your tax return (for reportable interest and dividends only), or
5. You do not certify to the requester that you are not subject to backup withholding under 4 above (for reportable interest and dividend accounts opened after 1983 only).

Certain payees and payments are exempt from backup withholding. See *Exempt payee code*, later, and the separate Instructions for the Requester of Form W-9 for more information.

Also see *Special rules for partnerships*, earlier.

What is FATCA Reporting?

The Foreign Account Tax Compliance Act (FATCA) requires a participating foreign financial institution to report all United States account holders that are specified United States persons. Certain payees are exempt from FATCA reporting. See *Exemption from FATCA reporting code*, later, and the Instructions for the Requester of Form W-9 for more information.

Updating Your Information

You must provide updated information to any person to whom you claimed to be an exempt payee if you are no longer an exempt payee and anticipate receiving reportable payments in the future from this person. For example, you may need to provide updated information if you are a C corporation that elects to be an S corporation, or if you no longer are tax exempt. In addition, you must furnish a new Form W-9 if the name or TIN changes for the account; for example, if the grantor of a grantor trust dies.

Penalties

Failure to furnish TIN. If you fail to furnish your correct TIN to a requester, you are subject to a penalty of \$50 for each such failure unless your failure is due to reasonable cause and not to willful neglect.

Civil penalty for false information with respect to withholding. If you make a false statement with no reasonable basis that results in no backup withholding, you are subject to a \$500 penalty.

Criminal penalty for falsifying information. Willfully falsifying certifications or affirmations may subject you to criminal penalties including fines and/or imprisonment.

Misuse of TINs. If the requester discloses or uses TINs in violation of federal law, the requester may be subject to civil and criminal penalties.

Specific Instructions

Line 1

You must enter one of the following on this line; **do not** leave this line blank. The name should match the name on your tax return.

If this Form W-9 is for a joint account (other than an account maintained by a foreign financial institution (FFI)), list first, and then circle, the name of the person or entity whose number you entered in Part 1 of Form W-9. If you are providing Form W-9 to an FFI to document a joint account, each holder of the account that is a U.S. person must provide a Form W-9.

a. **Individual.** Generally, enter the name shown on your tax return. If you have changed your last name without informing the Social Security Administration (SSA) of the name change, enter your first name, the last name as shown on your social security card, and your new last name.

Note: ITIN applicant: Enter your individual name as it was entered on your Form W-7 application, line 1a. This should also be the same as the name you entered on the Form 1040/1040A/1040EZ you filed with your application.

b. **Sole proprietor or single-member LLC.** Enter your individual name as shown on your 1040/1040A/1040EZ on line 1. You may enter your business, trade, or "doing business as" (DBA) name on line 2.

c. **Partnership, LLC that is not a single-member LLC, C corporation, or S corporation.** Enter the entity's name as shown on the entity's tax return on line 1 and any business, trade, or DBA name on line 2.

d. **Other entities.** Enter your name as shown on required U.S. federal tax documents on line 1. This name should match the name shown on the charter or other legal document creating the entity. You may enter any business, trade, or DBA name on line 2.

e. **Disregarded entity.** For U.S. federal tax purposes, an entity that is disregarded as an entity separate from its owner is treated as a "disregarded entity." See Regulations section 301.7701-2(c)(2)(iii). Enter the owner's name on line 1. The name of the entity entered on line 1 should never be a disregarded entity. The name on line 1 should be the name shown on the income tax return on which the income should be reported. For example, if a foreign LLC that is treated as a disregarded entity for U.S. federal tax purposes has a single owner that is a U.S. person, the U.S. owner's name is required to be provided on line 1. If the direct owner of the entity is also a disregarded entity, enter the first owner that is not disregarded for federal tax purposes. Enter the disregarded entity's name on line 2, "Business name/disregarded entity name." If the owner of the disregarded entity is a foreign person, the owner must complete an appropriate Form W-8 instead of a Form W-9. This is the case even if the foreign person has a U.S. TIN.

Line 2

If you have a business name, trade name, DBA name, or disregarded entity name, you may enter it on line 2.

Line 3

Check the appropriate box on line 3 for the U.S. federal tax classification of the person whose name is entered on line 1. Check only one box on line 3.

IF the entity/person on line 1 is a(n) . . .	THEN check the box for . . .
• Corporation	Corporation
• Individual • Sole proprietorship, or • Single-member limited liability company (LLC) owned by an individual and disregarded for U.S. federal tax purposes.	Individual/sole proprietor or single-member LLC
• LLC treated as a partnership for U.S. federal tax purposes, • LLC that has filed Form 8832 or 2553 to be taxed as a corporation, or • LLC that is disregarded as an entity separate from its owner but the owner is another LLC that is not disregarded for U.S. federal tax purposes.	Limited liability company and enter the appropriate tax classification. (P= Partnership; C= C corporation; or S= S corporation)
• Partnership	Partnership
• Trust/estate	Trust/estate

Line 4, Exemptions

If you are exempt from backup withholding and/or FATCA reporting, enter in the appropriate space on line 4 any code(s) that may apply to you.

Exempt payee code.

- Generally, individuals (including sole proprietors) are not exempt from backup withholding.
- Except as provided below, corporations are exempt from backup withholding for certain payments, including interest and dividends.
- Corporations are not exempt from backup withholding for payments made in settlement of payment card or third party network transactions.
- Corporations are not exempt from backup withholding with respect to attorneys' fees or gross proceeds paid to attorneys, and corporations that provide medical or health care services are not exempt with respect to payments reportable on Form 1099-MISC.

The following codes identify payees that are exempt from backup withholding. Enter the appropriate code in the space in line 4.

- 1—An organization exempt from tax under section 501(a), any IRA, or a custodial account under section 403(b)(7) if the account satisfies the requirements of section 401(f)(2)
- 2—The United States or any of its agencies or instrumentalities
- 3—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities
- 4—A foreign government or any of its political subdivisions, agencies, or instrumentalities
- 5—A corporation
- 6—A dealer in securities or commodities required to register in the United States, the District of Columbia, or a U.S. commonwealth or possession
- 7—A futures commission merchant registered with the Commodity Futures Trading Commission
- 8—A real estate investment trust
- 9—An entity registered at all times during the tax year under the Investment Company Act of 1940
- 10—A common trust fund operated by a bank under section 584(a)
- 11—A financial institution
- 12—A middleman known in the investment community as a nominee or custodian
- 13—A trust exempt from tax under section 664 or described in section 4947

The following chart shows types of payments that may be exempt from backup withholding. The chart applies to the exempt payees listed above, 1 through 13.

IF the payment is for . . .	THEN the payment is exempt for . . .
Interest and dividend payments	All exempt payees except for 7
Broker transactions	Exempt payees 1 through 4 and 6 through 11 and all C corporations. S corporations must not enter an exempt payee code because they are exempt only for sales of noncovered securities acquired prior to 2012.
Barter exchange transactions and patronage dividends	Exempt payees 1 through 4
Payments over \$600 required to be reported and direct sales over \$5,000 ¹	Generally, exempt payees 1 through 5 ²
Payments made in settlement of payment card or third party network transactions	Exempt payees 1 through 4

¹ See Form 1099-MISC, Miscellaneous Income, and its instructions.

² However, the following payments made to a corporation and reportable on Form 1099-MISC are not exempt from backup withholding: medical and health care payments, attorneys' fees, gross proceeds paid to an attorney reportable under section 6045(f), and payments for services paid by a federal executive agency.

Exemption from FATCA reporting code. The following codes identify payees that are exempt from reporting under FATCA. These codes apply to persons submitting this form for accounts maintained outside of the United States by certain foreign financial institutions. Therefore, if you are only submitting this form for an account you hold in the United States, you may leave this field blank. Consult with the person requesting this form if you are uncertain if the financial institution is subject to these requirements. A requester may indicate that a code is not required by providing you with a Form W-9 with "Not Applicable" (or any similar indication) written or printed on the line for a FATCA exemption code.

A—An organization exempt from tax under section 501(a) or any individual retirement plan as defined in section 7701(a)(37)

B—The United States or any of its agencies or instrumentalities

C—A state, the District of Columbia, a U.S. commonwealth or possession, or any of their political subdivisions or instrumentalities

D—A corporation the stock of which is regularly traded on one or more established securities markets, as described in Regulations section 1.1472-1(c)(1)(i)

E—A corporation that is a member of the same expanded affiliated group as a corporation described in Regulations section 1.1472-1(c)(1)(i)

F—A dealer in securities, commodities, or derivative financial instruments (including notional principal contracts, futures, forwards, and options) that is registered as such under the laws of the United States or any state

G—A real estate investment trust

H—A regulated investment company as defined in section 851 or an entity registered at all times during the tax year under the Investment Company Act of 1940

I—A common trust fund as defined in section 584(a)

J—A bank as defined in section 581

K—A broker

L—A trust exempt from tax under section 664 or described in section 4947(a)(1)

M—A tax exempt trust under a section 403(b) plan or section 457(g) plan

Note: You may wish to consult with the financial institution requesting this form to determine whether the FATCA code and/or exempt payee code should be completed.

Line 5

Enter your address (number, street, and apartment or suite number). This is where the requester of this Form W-9 will mail your information returns. If this address differs from the one the requester already has on file, write NEW at the top. If a new address is provided, there is still a chance the old address will be used until the payor changes your address in their records.

Line 6

Enter your city, state, and ZIP code.

Part I. Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. If you are a resident alien and you do not have and are not eligible to get an SSN, your TIN is your IRS individual taxpayer identification number (ITIN). Enter it in the social security number box. If you do not have an ITIN, see *How to get a TIN* below.

If you are a sole proprietor and you have an EIN, you may enter either your SSN or EIN.

If you are a single-member LLC that is disregarded as an entity separate from its owner, enter the owner's SSN (or EIN, if the owner has one). Do not enter the disregarded entity's EIN. If the LLC is classified as a corporation or partnership, enter the entity's EIN.

Note: See *What Name and Number To Give the Requester*, later, for further clarification of name and TIN combinations.

How to get a TIN. If you do not have a TIN, apply for one immediately. To apply for an SSN, get Form SS-5, Application for a Social Security Card, from your local SSA office or get this form online at www.SSA.gov. You may also get this form by calling 1-800-772-1213. Use Form W-7, Application for IRS Individual Taxpayer Identification Number, to apply for an ITIN, or Form SS-4, Application for Employer Identification Number, to apply for an EIN. You can apply for an EIN online by accessing the IRS website at www.irs.gov/Businesses and clicking on Employer Identification Number (EIN) under Starting a Business. Go to www.irs.gov/Forms to view, download, or print Form W-7 and/or Form SS-4. Or, you can go to www.irs.gov/OrderForms to place an order and have Form W-7 and/or SS-4 mailed to you within 10 business days.

If you are asked to complete Form W-9 but do not have a TIN, apply for a TIN and write "Applied For" in the space for the TIN, sign and date the form, and give it to the requester. For interest and dividend payments, and certain payments made with respect to readily tradable instruments, generally you will have 60 days to get a TIN and give it to the requester before you are subject to backup withholding on payments. The 60-day rule does not apply to other types of payments. You will be subject to backup withholding on all such payments until you provide your TIN to the requester.

Note: Entering "Applied For" means that you have already applied for a TIN or that you intend to apply for one soon.

Caution: A disregarded U.S. entity that has a foreign owner must use the appropriate Form W-8.

Part II. Certification

To establish to the withholding agent that you are a U.S. person, or resident alien, sign Form W-9. You may be requested to sign by the withholding agent even if item 1, 4, or 5 below indicates otherwise.

For a joint account, only the person whose TIN is shown in Part I should sign (when required). In the case of a disregarded entity, the person identified on line 1 must sign. Exempt payees, see *Exempt payee code*, earlier.

Signature requirements. Complete the certification as indicated in items 1 through 5 below.

1. Interest, dividend, and barter exchange accounts opened before 1984 and broker accounts considered active during 1983. You must give your correct TIN, but you do not have to sign the certification.

2. Interest, dividend, broker, and barter exchange accounts opened after 1983 and broker accounts considered inactive during 1983. You must sign the certification or backup withholding will apply. If you are subject to backup withholding and you are merely providing your correct TIN to the requester, you must cross out item 2 in the certification before signing the form.

3. Real estate transactions. You must sign the certification. You may cross out item 2 of the certification.

4. Other payments. You must give your correct TIN, but you do not have to sign the certification unless you have been notified that you have previously given an incorrect TIN. "Other payments" include payments made in the course of the requester's trade or business for rents, royalties, goods (other than bills for merchandise), medical and health care services (including payments to corporations), payments to a nonemployee for services, payments made in settlement of payment card and third party network transactions, payments to certain fishing boat crew members and fishermen, and gross proceeds paid to attorneys (including payments to corporations).

5. Mortgage interest paid by you, acquisition or abandonment of secured property, cancellation of debt, qualified tuition program payments (under section 529), ABLE accounts (under section 529A), IRA, Coverdell ESA, Archer MSA or HSA contributions or distributions, and pension distributions. You must give your correct TIN, but you do not have to sign the certification.

What Name and Number To Give the Requester

For this type of account:	Give name and SSN of:
1. Individual	The individual
2. Two or more individuals (joint account) other than an account maintained by an FFI	The actual owner of the account or, if combined funds, the first individual on the account ¹
3. Two or more U.S. persons (joint account maintained by an FFI)	Each holder of the account
4. Custodial account of a minor (Uniform Gift to Minors Act)	The minor ²
5. a. The usual revocable savings trust (grantor is also trustee)	The grantor-trustee ¹
b. So-called trust account that is not a legal or valid trust under state law	The actual owner ¹
6. Sole proprietorship or disregarded entity owned by an individual	The owner ³
7. Grantor trust filing under Optional Form 1099 Filing Method 1 (see Regulations section 1.671-4(b)(2)(i)(A))	The grantor ⁴
For this type of account:	Give name and EIN of:
8. Disregarded entity not owned by an individual	The owner
9. A valid trust, estate, or pension trust	Legal entity ⁴
10. Corporation or LLC electing corporate status on Form 8832 or Form 2553	The corporation
11. Association, club, religious, charitable, educational, or other tax-exempt organization	The organization
12. Partnership or multi-member LLC	The partnership
13. A broker or registered nominee	The broker or nominee

For this type of account:	Give name and EIN of:
14. Account with the Department of Agriculture in the name of a public entity (such as a state or local government, school district, or prison) that receives agricultural program payments	The public entity
15. Grantor trust filing under the Form 1041 Filing Method or the Optional Form 1099 Filing Method 2 (see Regulations section 1.671-4(b)(2)(i)(B))	The trust

¹ List first and circle the name of the person whose number you furnish. If only one person on a joint account has an SSN, that person's number must be furnished.

² Circle the minor's name and furnish the minor's SSN.

³ You must show your individual name and you may also enter your business or DBA name on the "Business name/disregarded entity" name line. You may use either your SSN or EIN (if you have one), but the IRS encourages you to use your SSN.

⁴ List first and circle the name of the trust, estate, or pension trust. (Do not furnish the TIN of the personal representative or trustee unless the legal entity itself is not designated in the account title.) Also see *Special rules for partnerships*, earlier.

***Note:** The grantor also must provide a Form W-9 to trustee of trust.

Note: If no name is circled when more than one name is listed, the number will be considered to be that of the first name listed.

Secure Your Tax Records From Identity Theft

Identity theft occurs when someone uses your personal information such as your name, SSN, or other identifying information, without your permission, to commit fraud or other crimes. An identity thief may use your SSN to get a job or may file a tax return using your SSN to receive a refund.

To reduce your risk:

- Protect your SSN,
- Ensure your employer is protecting your SSN, and
- Be careful when choosing a tax preparer.

If your tax records are affected by identity theft and you receive a notice from the IRS, respond right away to the name and phone number printed on the IRS notice or letter.

If your tax records are not currently affected by identity theft but you think you are at risk due to a lost or stolen purse or wallet, questionable credit card activity or credit report, contact the IRS Identity Theft Hotline at 1-800-908-4490 or submit Form 14039.

For more information, see Pub. 5027, Identity Theft Information for Taxpayers.

Victims of identity theft who are experiencing economic harm or a systemic problem, or are seeking help in resolving tax problems that have not been resolved through normal channels, may be eligible for Taxpayer Advocate Service (TAS) assistance. You can reach TAS by calling the TAS toll-free case intake line at 1-877-777-4778 or TTY/TDD 1-800-829-4059.

Protect yourself from suspicious emails or phishing schemes.

Phishing is the creation and use of email and websites designed to mimic legitimate business emails and websites. The most common act is sending an email to a user falsely claiming to be an established legitimate enterprise in an attempt to scam the user into surrendering private information that will be used for identity theft.

The IRS does not initiate contacts with taxpayers via emails. Also, the IRS does not request personal detailed information through email or ask taxpayers for the PIN numbers, passwords, or similar secret access information for their credit card, bank, or other financial accounts.

If you receive an unsolicited email claiming to be from the IRS, forward this message to phishing@irs.gov. You may also report misuse of the IRS name, logo, or other IRS property to the Treasury Inspector General for Tax Administration (TIGTA) at 1-800-366-4484. You can forward suspicious emails to the Federal Trade Commission at spam@uce.gov or report them at www.ftc.gov/complaint. You can contact the FTC at www.ftc.gov/idtheft or 877-IDTHEFT (877-438-4338). If you have been the victim of identity theft, see www.IdentityTheft.gov and Pub. 5027.

Visit www.irs.gov/IdentityTheft to learn more about identity theft and how to reduce your risk.

Privacy Act Notice

Section 6109 of the Internal Revenue Code requires you to provide your correct TIN to persons (including federal agencies) who are required to file information returns with the IRS to report interest, dividends, or certain other income paid to you; mortgage interest you paid; the acquisition or abandonment of secured property; the cancellation of debt; or contributions you made to an IRA, Archer MSA, or HSA. The person collecting this form uses the information on the form to file information returns with the IRS, reporting the above information. Routine uses of this information include giving it to the Department of Justice for civil and criminal litigation and to cities, states, the District of Columbia, and U.S. commonwealths and possessions for use in administering their laws. The information also may be disclosed to other countries under a treaty, to federal and state agencies to enforce civil and criminal laws, or to federal law enforcement and intelligence agencies to combat terrorism. You must provide your TIN whether or not you are required to file a tax return. Under section 3406, payers must generally withhold a percentage of taxable interest, dividend, and certain other payments to a payee who does not give a TIN to the payer. Certain penalties may also apply for providing false or fraudulent information.

SCOPE OF WORK

Online Benefits – Open Enrollment

Scope of service below is also in Scope of Service

Response Form A - Vendor Questionnaire

District 300 is seeking services for:

- A vendor to assist in the process of open enrollment for all current and new hired district employees.
- District 300 has an annual Open Enrollment time frame for active employees between October 15 and November 15
- The successful vendor will be expected to:
 - Provide comprehensive education to all current and new employees on fringe benefits offered by the district (health, dental, vision, etc.)
 - Provide accurate and efficient communication to inform all employees of available benefits prior to open enrollment
 - Provide an online platform for employees to complete a selection process that best fits their needs
 - Provide comprehensive education and support to employees on benefit selection process including printed and electronic communication
 - Provide education for new employees during the onboarding process
 - Coordinate the employee selections with the HR Department for proper premium deductions
- **School District Background**
- Community Unit School District 300 is the sixth largest student enrollment in Illinois with over 21,000 students, covering 118 square miles. The District provides pre-Kindergarten through twelfth grade education in an area of 118 square miles in Northwestern Illinois, 40 miles west of Chicago.
- District 300 is comprised of three (3) high schools (grades 9-12), four (4) middle school (grades 6-8), one (1) school (grades K-8), sixteen (16) elementary schools (Grades K-5), one (1) school Pre-K, and one (1) alternative school.
- District 300 employs approximately 2100 Full Time Employees (FTE)
- Firm to Provide copy of standard contract with submitted proposal in Section 6
- Complete the Scope of Work – RFP Response Form – Part A (excel file) and Part B and provide in Section 3 of your submitted proposal.
- Below is the evaluation criteria that will be used to grade submitted proposals.
- Submitted proposals will be evaluated by a committee.
- District 300 current EFP system is Infor/Lawson
- Kronos – hourly employees
- Smartfind for attendance of staff

SCOPE OF SERVICES

- 1) Provide background information about your company.
 - a. History
 - b. What percent of your business is in the education sector?
 - c. Organizational mission, brand, and market differentiators
- 2) Identify the number of IL public schools your company currently provides Section 125 administration services and employee benefit education and enrollment support.
- 3) Please summarize in 250 words or less why your company is the best candidate and the principal reasons your company should be selected over your competitors
- 4) Does your firm offer an Online Enrollment System? If so, please describe this system and how it is used in the enrollment process. Include the following information.
 - i. When was the system implemented?
 - ii. Who has access to the information?
 - iii. How is the information accessed?
 - iv. Describe information and functions available via the system.
- 5) Define the number of plan customers using your Online Enrollment System, including (Illinois) school districts?
- 6) Provide a sample project timeline that outlines the implementation process.
- 7) What security standards do you implement to ensure participant privacy?
- 8) Can the Online Enrollment System be programmed with complex eligibility rules? Is software programming done in-house or by third party?
- 9) Do employees have 24/7 access to login and view benefit choices items?
- 10) Is the system capable of exporting enrollment data to plan providers in acceptable electronic formats?
- 11) Is the system capable of generating employee deduction files for upload to the district's payroll program?
- 12) Is the system used to educate employees on the benefits offered? If so, please describe.
- 13) Are there any fees to the district associated with the Online Benefit System?

- 14) Please provide the details on the Account Management staff, including key personnel whom would have primary responsibility of supporting the District. As well as who will be enrolling the employees.
- 15) Please describe the training provided to your field staff.

- 16) Describe your Section 125 Administration.
 - a. Who is responsible for the employer risk? If the account is negative at the end of the plan year when the account is reconciled (i.e., employee leaves plan with negative unreimbursed medical balance), who is responsible?
 - b. Through which methods can employees submit claims for reimbursement?
- 17) Describe your online service center for employees and the District
- 18) Describe your firm's service model including claims' services.

- 19) Describe the process for completing annual employee election form requirements.
- 20) Describe your process for onboarding new employees.
- 21) What measurements does your company have in place to ensure all employees are educated equally on the Section 125 options available to them?
- 22) How are employee elections provided back to the District?

23) Describe post-enrollment services.

24) How would your company work with the district to develop a communication campaign?

25) Describe the process to educate employees on the employee benefits available at open enrollment. Include a description of your print and digital resources, including benefits website

26) How are employees able to access in-person resources to assist with the enrollment process?

Other Services:

27) Describe the benefits compliance resources your company can offer to the district and its employees.

28) Does your company have other services or technology that could be offered?

29) Please describe any additional services or support that would be available to the District.

30) What are the hours of operation for the live customer service office?

31) Does your customer service staff support other languages? What policies and procedures are in place to accommodate these needs?

RFP – Open Enrollment Services

PROPOSAL EVALUATION CRITERIA

	DEFINITION	POINT VALUE
PRICE	The lowest price that met the minimum requirements outline will be awarded	10
EDUCATION AND TRAINING	Meet the delineated expectations on the RFP	25
CUSTOMER SERVICE	Points are determined by quality of education provided to employees and HR	25
ENROLLMENT PLATFORM	End user experience in successfully completing open enrollment including plan selection changes	25
REFERENCES	Other client successful experiences	10
OTHER ENHANCEMENTS OR ADDITIONAL SERVICES	Other services provided by the vendor that can enhance the district operational systems and employee benefits	5
TOTAL POSSIBLE POINTS		100

Proposal Content and Proposal Format Submittal to include:
One complete electronic copy of proposal

Section 1 - Firm Experience and Capabilities -

- ✓ Provide a list of all School District clients for which you have provided services for in the last five years.
- ✓ Highlight your experience in performing work such as described in the Proposal.
- ✓ Samples of work that demonstrate experience at the School level or higher education.

Section 2 - Project Approach

Provide a brief discussion of the following:

- ✓ The methodology that your firm would use in collaborating with District personnel. Please provide an adequate description and summary of capabilities.
- ✓ Provide staffing resumes who would be proposed to oversee our account, along with resumes of potential employees that would be assigned to District 300.
- ✓ Your approach to project scheduling.
- ✓ Your approach for providing the necessary support to District 300 to insure the successful implementation.
- ✓ Your procedure for training personnel to adhere to the District 300 guidelines of this contract.

Section 3 – Economic Impact – Pricing and Proposal Questionnaire
Include Proposal Response Forms A and B in this section

Section 4 - References-

- ✓ Provide a minimum of four (4) references for professional services performed on educational, libraries, or other municipalities in the last five (5) years.

Section 5 – Required District 300 certificates, Vendor Application, W-9 form.
These forms are included within this Proposal.

Section 6 – Sample Contract

Section 7 – Other information proposed that is not included in the questionnaire

Section 8 – Please provide audited financials or financials for the past five years.
You may provide a link to these documents for the district to review.

COMMUNITY UNIT SCHOOL DISTRICT #300
PURCHASING DEPARTMENT
2605 BUNKER HILL DR
ALGONQUIN IL, 60102
Phone – 847-551-8460
Fax – 847-551-8463

June 25, 2020

Dear Vendor:

ADDENDUM 1

RFP – Open Enrollment Services

QUESTIONS AND ANSWERS:

Question: Is there any consideration to add payroll services to the scope of services?

Answer: District 300 is not exploring the outsourcing of payroll at this time.

Question: How did District 300 handle Open Enrollment Services last year?

Answer: District 300 has used Infor/Lawson self-service in the past. This RFP is for new services.

Question: Was there a trigger event resulting in the decision to put out an RFP?

Answer: Yes, the in house process is cumbersome for employees to select their insurance options; therefore, District 300 seeks to enhance the open enrollment process to make it easier for its employees.

Question: Is this RFP only for open enrollment or for qualified life events and new hires?

Answer: The RFP focuses on the active open enrollment process, and will be utilized for employees to complete life events and new hire enrollment.

Question: Of the 2100 full-time employees, what percentage or number are benefit eligible?

Answer: District 300 has 2400 employees. Approximately 2100 employees are eligible for benefits.

Question: Regarding question 8 in the Scope of Services: *Can the Online Enrollment System be programmed with complex eligibility rules*, please explain complex eligibility rules.

Answer: D300 seeks an enrollment system that will allow participants to select plans based on eligibility rules. Example: HSA participants would only see the option to select Limited Purpose FSA and HSA Contributions but not Health FSA. HMO/PPO participants would only see the option to select Health FSA but not Limited Purpose FSA and HSA Contributions.

Question: Does District 300 have eligibility groups?

Answer: Yes, please expand on this question. Currently 2100 employees are eligible for benefits.

Question: Please explain the eligibility rule problems.

Answer: We do not have a system that can offer options based on benefit plan selection as addressed in the previous question.

Question: Does District 300 offer voluntary benefits?

Answer: Yes, District 300 offers voluntary life insurance

Question: What are the #1 and #2 priorities of this RFP? Would the goal be to provide a better enrollment experience or to provide comprehensive education to assist employees to make better enrollment decisions?

Answer: Both. District 300 seeks to provide a positive open enrollment experience for new and current employees. It is also a high priority to educate all employees on the different benefit options. District 300 offers a comprehensive benefit package and we want to ensure that employees are selecting the best option for themselves.

Question: After the employee enrolls for benefits, how is the data transferred to the carriers?

Answer: Data is transferred through an electronic feed using an interface between Infor/Lawson and the carriers. This is a constant feed sent weekly as employees are hired year-round.

Question: What is the process or format to send this information to carriers?

Answer: Data is transferred through an electronic feed using an interface between Infor/Lawson and the carriers. This is a constant feed sent weekly as employees are hired year-round.

Question: Who are District 300's current benefits carriers?

Answer: District 300 uses Blue Cross Blue Shield of Illinois for health insurance, Delta Dental for dental insurance, VSP for vision insurance and Voya for Group, Supplemental Life insurance and Long Term Disability, Horace Mann/Payflex for FSA, and HSA Savings Account is administered by First American Bank.

Question: Regarding samples of work, is District 300 looking for case studies or something else?

Answer: District 300 is requesting samples of successful implementation and execution of an open enrollment platform deployed with large school districts or employers.

Make changes to the original RFP documents

Change 1 – Under 1. GENERAL

- h. Oral, telephonic, telegraphic, facsimile or electronically transmitted proposals will not be accepted.

To

- h. Oral, telephonic, telegraphic, or facsimile transmitted proposals will not be accepted. Proposals should be transmitted electronically to bids.purchasing@d300.org

Change 2

The CERTIFICATE REGARDING EMPLOYMENT OF ILLINOIS WORKERS ON PUBLIC WORKS is not a required certificate.

ADDITIONAL INFORMATION

- 1) The evaluation team may request a Demonstration of the respondent's services.

Please acknowledge receipt of this addendum in a letter of acknowledgement and included with your sealed bid.

This Addendum is to be considered part of the original bid documents.

Please confirm receipt of this email by a telephone call, email, or fax.

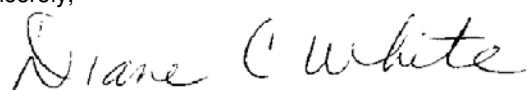
Phone Number – 847-551-8460.

E-mail- bids.purchasing@d300.org

Fax Number – 847-551-8463

If you have any questions, please feel free to contact me at the phone number listed above.

Sincerely,



Diane C. White / Director of Purchasing

COMMUNITY UNIT SCHOOL DISTRICT #300
PURCHASING DEPARTMENT
2605 BUNKER HILL DR
ALGONQUIN IL, 60102
Phone – 847-551-8460
Fax – 847-551-8463

July 3, 2020

Dear Vendor:

ADDENDUM 2

RFP – Open Enrollment Services

QUESTIONS AND ANSWERS:

Question: What is the District's current turnover percentage?

Answer: **The turnover percentage is 8%.**

Question: How many unique eligibility groups are within the District's benefit eligible population? (i.e. different location, executives, rate structures, coverage level, etc.)

Answer: **There are three different benefit eligible groups (24 pay, 20 pay and 18 pay).**

Question: Can you list the rate structures within the benefit eligibility groups?

Answer: **The rate structures are based on employee groups:**
24 pay employees – Admin, LEAD, DEPA, NUG
20 pay employees – Grandfathered LEAD members
18 pay employees – DESA, DESPA10 Full-time SUBS

Question: Do you have any union employees? If yes, how many separate union contracts? Do the union employees receive benefits through your company?

Answer: **Yes, we have union employees. There are four separate contracts. Please [click here](#) and navigate to the list of Labor Agreements. Yes, union employees do receive benefits through District 300.**

Question: Does the District have any retirees? If so, how many are under 65 and over 65? How do the retirees pay for their benefits? Do you offer split family and survivor benefits?

Answer: **Yes, there are four retirees under 65 and no retirees over 65. Retirees pay District 300 directly. No, we do not offer split family and survivor benefits outside of COBRA.**

Question: Can you confirm your Annual Enrollment is held in October? Is the timeframe for your Annual Enrollment start date flexible?

Answer: **The Annual Open Enrollment takes place during October 15 – November 15. We are not flexible with the start date.**

Question: Please describe your Benefit plan offerings and carriers. Are you currently evaluating any major plan design changes?

Answer: **For plan offerings please visit our website or [click here](#)**

Question: Do you offer Voluntary Benefits to your employees? If so, please list the plan design and carrier.

Answer: Yes, District 300 does offer a Voluntary/Supplemental Life through VOYA, [click here](#).

Question: Does the District require proof when enrolling a dependent? What events do you require this (Life events, New Hire, Open Enrollment)?

Answer: Yes, District 300 does require proof when enrolling a dependent. We require a certified copy of the marriage certificate if enrolling a spouse and a certified copy of the birth certificate if enrolling a dependent child. We require these documents when an employee adds a dependent through a Life Event, as a New Hire, or during Open Enrollment.

Question: How many benefit eligible employees have at least one dependent?

Answer: 1,373 benefit eligible employees have at least one dependent enrolled on District 300's insurance plan(s). District 300 is not able to provide you with the number of benefit eligible employees who have at least one dependent. The dependent may not be enrolled or listed as a dependent in our system because they are not enrolled in one of District 300's insurance plan(s).

Question: Have you determined who will join the District's team to be a resource during the implementation process?

Answer: District 300 will use current staff to assist with the implementation process.

Question: Can you confirm the District's timeline to make a vendor decision is August 25th, 2020? Is that deadline flexible? When is the soonest the District would make a vendor decision?

Answer: District 300 confirms the decision deadline is August 25, 2020. This deadline is not flexible. The vendor recommendation will be brought before the Board of Education at the regularly scheduled meeting on August 25, 2020. Human Resources may make a vendor decision prior to August 25, 2020, but it must go to the Board of Education for approval.

Please acknowledge receipt of this addendum in a letter of acknowledgement and included with your sealed bid.

This Addendum along with attachments is to be considered part of the original bid documents.

Please confirm receipt of this email by a telephone call, email, or fax.

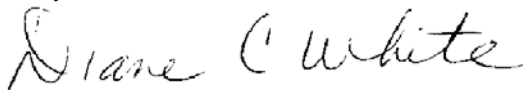
Phone Number – 847-551-8460.

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If you have any questions, please feel free to contact me at the phone number listed above.

Sincerely,



Diane C. White / Director of Purchasing

PROPOSAL FOR

Community Unit School District #300



Kaitlin Economon
Account Development Coordinator

Illinois Branch Office
333 Salem Place Suite 130
Fairview Heights, IL 62208

Office: 855-822-9168 | Cell: 314-703-8208
kaitlin.economon@americanfidelity.com

americanfidelity.com/illinois

AMERICAN FIDELITY 
a different opinion

PROPOSAL FOR

Community Unit School District #300

I enjoyed meeting your team and discussing how we can work together to enhance your benefits program. As we discussed, our goal is to shift the focus from providing benefit plan information to motivating employees to make decisions about how to best utilize their benefits in a way that is economical to both their plan sponsor and the employees' families.

Many districts are in search of a better way to manage their enrollment without adding costs to their bottom line. Our model helps streamline enrollments and improve efficiencies, while providing individual support and education.



A Single Benefits System

- Central location to store your core and voluntary benefits information.
- Year-round functionality eliminates paper enrollment forms.
- EDI file feeds including new hire and qualifying event changes are sent to carriers directly.
- Available at no additional charge in exchange for offering voluntary benefits.

Customized Communication Strategy

Along with technology, we'll deliver a customized communication strategy for your organization. Through group meetings and individual education sessions, supported by our extensive collection of educational material, we help employees understand their options and enroll in the benefits that make the most sense for them and their families.

[See a Sample Enrollment Site](#)

Solutions for Community Unit School District 300

I am confident that our approach to providing benefits and services will enhance your program.

- Comprehensive, customized benefits solution.
- Complete web-based enrollment, communication, and administration platform, including EDI feeds.
- Employee education and one-on-one benefit reviews prior to enrollment.
- Year-round service from a dedicated salaried account manager.

Thank you for considering American Fidelity Assurance Company. I look forward to speaking to you further about this opportunity.



Kaitlin Economon

Account Development Coordinator

American Fidelity | Illinois Branch Office

P: 800.654.8489, ext. 2432 | americanfidelity.com/illinois

Firm Experience & Capabilities

- School District Clients
- Experience
- Samples of Work

Firm Experience & Capabilities

School District Clients

American Fidelity serves more than 4,400 school districts nationwide, including 240 districts in the state of Illinois. Due to company policy, we are not able to disclose a full list of these clients.

[See How We Are Helping Educators in St. Louis](#)



4,400+

School Districts
Served Today



140+

Education Association
Relationships



60

Years Working in
Education

Experience

American Fidelity has 60 years of experience providing top-notch benefits administration for the education community. We offer benefits strategies to empower employers like you to make benefits decisions that help both your organization and your employees. Our goal is act as an extension of your human resources department by providing employee education, enrollment, year-round administration, and compliance support.

Serving Your Region

Both **Champaign Comm USD #4** and **Evansville Vanderburgh School Corp** are similar in size to yours and have gained efficiencies by utilizing our online platform.

Associaton Partnerships

We proudly partner with more than 140 state and national education associations, and are an endorsed provider for the top business/administative associations for districts, the Association of School Business Officials (ASBO), and the top national association for school employees, the National Education Association (NEA).

Our local association partnerships include IASBO, IASA, IASPA, and LUDA.

“ Since 2006, American Fidelity has provided personalized service through annual employee benefit reviews and FSA and HRA administration. Our partner is always a quick phone call away, and I consider Kaitlin and her team to be part of our ‘unofficial’ HR department.

*Jan Bush, Business Manager
Murphysboro CUSD #186, IL* ”

Project Approach

- Methodology
- Staffing Resumes
- Project Scheduling
- Implementation
- Personnel Training

American Fidelity wants to partner with your District to create a holistic benefits strategy that will help increase participation, retain employees, and save money. We also want to help take the burden off your administration by helping you create a comprehensive benefits plan, educating your employees, answering benefits questions, and executing your annual enrollment.

Objectives:

- Provide the District with a full benefits enrollment platform to enroll your employees in all their benefits, including medical, vision, and dental.
- Help you develop and execute a benefits education plan that ensure your employees are prepared for their enrollment.
- Provide local support throughout the plan year through our local account management team.

Employee Education

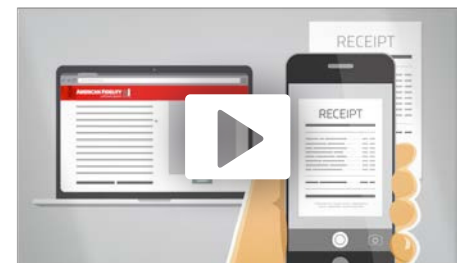
As your partner, we will help you implement valuable, consistent benefits education that allows each of your employees to learn about their benefit options through channels they prefer. We believe that when employees are properly educated, they will better appreciate and understand the benefits you offer, leading to higher satisfaction and retention. Our education strategy includes the following resources that can be customized to meet your needs:



Pre-Enrollment Materials – We can provide email blasts, posters, flyers, postcards, and benefits booklets to ensure your employees understand their benefits and know when it's time to enroll.

Educational Videos – We have an expansive video library that includes enrollment preparation tips, product information, testimonials, and self-service support options.

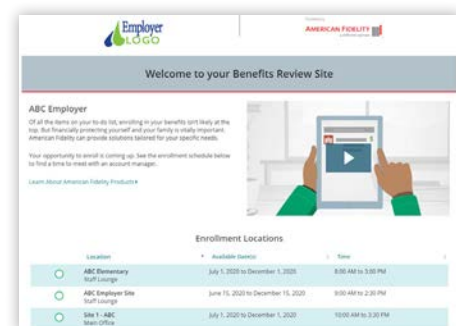
Visit our video library [here](#).



Benefits Websites – We can work with you to create a custom benefits website with up-to-date plan information and an enrollment appointment scheduler.

View a sample at <https://americanfidelity.com/pages/district-300/>

One-on-One Benefit Reviews – Employees can meet individually with one of our experienced account managers to receive customized guided enrollment education; get their questions answered; and help ensure they select the benefit that best meet their needs.



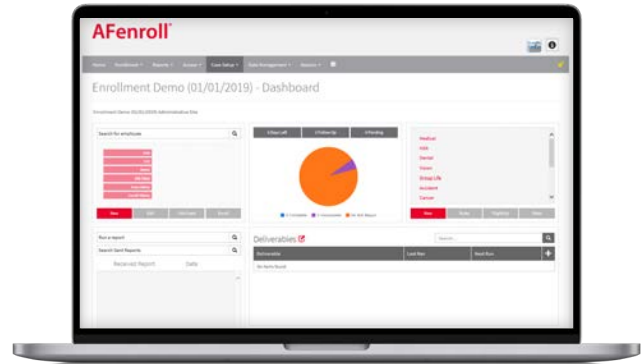
Group Meetings – We educate your employees on their benefit options in a group setting to prepare them for their annual enrollment.

Enrollment Support

You and your employees will have access to AFenroll®, American Fidelity's online enrollment platform that can assist with your entire enrollment.

We'll provide you with a customized online benefits enrollment system with year-round features and maintenance. This includes:

- Full benefits and system enrollment monitoring
- Setup for mutually agreed upon plan functionality
- Data and census analysis, pre-load, and setup
- Testing and carrier review
- Multiple product categories, plan options, and coverage levels
- Administrative tools (reports, enrollment monitoring, etc.)
- Post-enrollment data transfer to employer



Customer Service and Support

We work hard to exceed your expectations by providing excellent customer service and claims processing for your employees, and efficient plan administration tools and support for your Human Resources department. By partnering with American Fidelity, you and your employees will have a direct line of communication with our local account managers as well as our customer service department.

Billing Support – Our employer online portal includes a section dedicated to helping you efficiently manage and reconcile your American Fidelity bill. The system allows your payroll team to reconcile bills entirely online and choose the payment method. This helps to eliminate paper bills and drastically cuts the time it normally takes to reconcile.

Claims Processing – We make it simple for your employees to file a claim in their time of need with multiple options for submitting a claim, and quick and efficient claims processing. All claims are paid in an average of five business days. For a complete video on our claims process, click [here](#).

Customer Support – We understand there will be times when your employees need to speak to someone about their benefits. You will have a local account manager available to answer employee questions directly. In addition, we have a dedicated team of customer service specialists, and participants have 24/7 access to our toll-free automated phone system to check their reimbursement account balances.



Mary Hatfield

Executive Account Manager

mary.hatfield@americanfidelity.com

Mary Hatfield is entering her fifth year with American Fidelity, working exclusively with the education market to provide solutions for employers — including employee benefit education, enrollment and benefits administration, Section 125 compliance education, High Deductible Health Plan implementation, customized supplemental insurance packages, and reimbursement account administration.

Honored by the company nationwide as the 2017 “Rookie of the Year”, Mary works hard to deliver excellent customer service to the districts she works with, as well as each employee. She is the account manager for several of our largest districts in Illinois. She also leads a team of four account managers, ensuring the highest standard of customer service, account development and retention. Mary holds a Bachelor of Science degree from the University of Illinois at Urbana Champaign.



Whitney Dyson

State Manager

whitney.dyson@americanfidelity.com

Whitney Dyson serves as Illinois State Manager for American Fidelity. She has been with American Fidelity for more than nine years and has over 18 years of experience working in leadership. In her current role, Whitney is responsible for professional development, recruiting, staff development, strategic planning, business management, and market development. She manages a team of 13 salaried account managers that support more than 500 K-12 public school districts.

Whitney supports and contributes to many association organizations such as: Illinois ASBO, ASBO International, Illinois Association of School Administrators, as well as the Illinois Large Unit District Association. She is a B-School Graduate, completed Challenger Training, attended leadership training at The University of Texas at Austin- School of Executive Training, studied Communications and Business at Illinois State University, and is currently pursuing her GBA designation.



Audra Bussard

Enrollment Coordinator

audra.bussard@americanfidelity.com

Audra Bussard serves as Enrollment Coordinator for American Fidelity. She works exclusively with school districts in Illinois. As an Enrollment Coordinator, her main goal is to facilitate implementation and onboarding processes — including developing, maintaining, and strengthening customer relationships by providing superb customer service and supporting administrative aspects of assigned accounts. Audra has worked with more than 300 school districts throughout the state in her time at American Fidelity.

Prior to working at American Fidelity, Audra was a Human Resource Manager for a Human Resource company that outsourced HR services to school districts in Illinois. This experience in addition to her time with American Fidelity, has made her well versed in benefits and HR administration in the K-12 world. She received a Bachelor's degree in Biology/Chemistry from Southern Illinois University Edwardsville.



Tammy Hinkle-Davis

Illinois Branch Administrator/Secretary

tammy.hinkle@americanfidelity.com

Tammy Hinkle-Davis has served as the Illinois Branch Administrator/Secretary with American Fidelity for more than eight years. In her role, Tammy supports the efforts of our account managers, management, our outside professional business association groups, and over 200 school districts we service throughout the state of Illinois.

Tammy's responsibilities require her to handle many details, tasks, and projects at once. Therefore, being able to multitask; effectively, efficiently, and accurately deems essential in this position, just as providing exceptional and extraordinary customer service does to every customer and co-worker she encounters.

Tammy earned a Bachelor of Science degree in Business Management from Fontbonne University in St. Louis, MO.

Implementing your benefits program is one of the most important steps in ensuring a smooth and successful enrollment. We work with you to develop a strategy centered around the needs of your organization and your employees.

Here's how we can help:

Planning Meeting

Our highly-trained account managers will meet with your staff prior to your plan year enrollment to develop an implementation plan based on your needs.

Your District will be assigned an Enrollment Analyst (responsible for configuring AFenroll® to reflect the school's specific needs), Enrollment Coordinator (responsible for training staff members and ongoing customer service) and a Data Analyst (responsible for the accurate return of payroll data and carrier data) to provide the necessary support throughout the implementation process.

Implementation

We'll schedule an implementation call to go through a benefit inventory where we learn about your benefits, carriers, and eligibility rules. We'll also:

- Help you develop a communication plan designed for your District.
- Discuss the data that we will need to conduct the enrollment.
- Contact your carriers to work through the details of their return data requirements.

Pre-Enrollment

We'll distribute pre-enrollment materials, host group meetings for your employees, and provide your employees with an online appointment scheduler to help them easily sign up for an enrollment session.

Open Enrollment

Our account managers will provide in-person enrollments with employees to discuss benefit options and help them enroll (if necessary, we can also provide one-on-one enrollments virtually). Employees will sign the annual election form.

Post-Enrollment

We'll conduct a post-enrollment review immediately following the enrollment to get feedback from you staff on the positive and negatives of the process. We'll also train your staff for American Fidelity's online billing and administration system.

CUSD 300

10/15/2020 - 11/15/2020

COMPLETED	TASK DESCRIPTION	ASSIGNED TO	DUE DATE
	Planning Meeting	AF and CUSD 300	8/27/2020
	Send Completed Benefit Blueprint to AF	CUSD 300	9/3/2020
	Send Employee Data to AF (Census/Benefit File)	CUSD 300	9/4/2020
	Send Additional Benefit Info to AF (Copays/Core Plans)	CUSD 300	9/4/2020
	Send Payroll Deduction Codes and Payroll Spec to AF	CUSD 300	9/4/2020
	Implementation Call	AF and CUSD 300	9/8/2020
	Carrier Calls	AF and CUSD 300	9/11/2020
	Principal/Supervisor Meeting	American Fidelity	9/25/2020
	IEA Presentation (if needed)	American Fidelity	9/30/2020
	Approve Enrollment Schedule	AF and CUSD 300	9/30/2020
	Approve Enrollment Communication	AF and CUSD 300	9/30/2020
	Initial Communication Sent to CUSD 300 Staff	CUSD 300	10/1/2020
	Group Benefit Overview Meetings by Building	American Fidelity	10/1 -11/5
	Approve Online Enrollment Platform (AF Enroll)	AF and CUSD 300	10/9/2020
	Time to Enroll Communication Sent to CUSD 300 Staff	CUSD 300	10/12/2020
	Enrollment	American Fidelity	10/15-11/15
	Enrollment Progress Sent to CUSD 300 Admin	American Fidelity	10/31/2020
	Send Completed Life Event Workbook to AF	CUSD 300	10/31/2020
	Last Chance to Enroll Communications Sent to CUSD 300 Staff	CUSD 300	11/9/2020
	Make-Up Enrollment Days	American Fidelity	11/11 -11/15
	Provide Post-Enrollment Reports	American Fidelity	11/27/2020
	Post-Enrollment Meeting	AF and CUSD 300	11/30/2020
	**This is a sample timeline, dates are subject to change		

American Fidelity's account managers offer our customers **a different opinion**. We hire experienced professionals that are salaried employees, not brokers or commissioned sales people. Our account managers are trained to be your strategic partner in helping you achieve your benefits goals.

Selective Hiring

We seek professionals with a pattern of success, demonstrated by career growth and leadership skills. Each candidate has at minimum a one-month interview process which includes several formal interviews and shadowing, and because we value your organization's security and safety, all our account managers undergo an extensive background check.



8 Years

Average tenure for sales colleagues



500+

Total sales colleagues in the U.S.



100+

Hours of training for new sales colleagues

Highly Trained

Our account managers are required to attend training year-round to help ensure they are up-to-date on benefits management trends. New account managers are required to attend over 100 hours of training, both in person and online, and must pass multiple exams within the first six months.

Annually, all our account managers are trained on:

- Industry benefit trends
- Compliance requirements
- Section 125 Plan regulations
- Reimbursement account regulations
- Patient Protection and Affordable Care Act (ACA)
- Data security
- Fraud detection
- HIPAA regulations

Dedicated to You Year-Round

Our account managers are available year-round to support you and your employees and help you make the most of your benefits. For employers, we help create a benefits strategy to accomplish your goals, whether that means moving to a High Deductible Health Plan, reducing costs, or implementing a new benefit. For employees, we offer one-on-one benefit reviews to help ensure they are choosing the right benefits for their individual needs, specifically focusing on benefits that complement your medical plan.

Economic Impact - Pricing and Proposal Questionnaire

- Response Form A
- Response Form B

Response Form A - Scope of Service Questionnaire		Firm Response and Comments
1) Provide background information about your company.		
a.	History	American Fidelity Assurance Company was established in 1960 and has been providing voluntary benefits and employer administrative services for the education community for 60 years. We offer benefits strategies that empower districts like yours to make benefits decisions to help your organization and your employees. Our goal is to act as an extension of your human resources department by providing employee education, enrollment, year-round administration, and compliance support.
b.	What percent of your business is in the education sector?	American Fidelity has a division solely dedicated to education community, meaning you will be served by an account team that is truly embedded within your industry's trends and benefit needs. Overall, the education sector makes up about 80% of our business.
c.	Organizational mission, brand, and market differentiators	American Fidelity's mission is to provide financial security and benefit solutions to meet the specific needs of employers and employees in our select market segments. We accomplish our mission by providing your employees with a personal approach focused on providing each of your employees with the proper education to help them understand the full scope of the benefits being offered and how they can be used to supplement their core benefits.
2)	Identify the number of IL public schools your company currently provides Section 125 administration services and employee benefit education and enrollment support.	We currently serve 240 public school districts in Illinois.
3)	Please summarize in 250 words or less why your company is the best candidate and the principal reasons your company should be selected over your competitors	American Fidelity is committed to providing your District with more than just a benefits package. We want to help you implement valuable, consistent benefit education to ensure your employees understand their benefit options and how each option fits into their overall benefits package. We do this by utilizing salaried account managers who provide a one-on-one guided enrollment experience for each eligible employee to answer questions and provide comprehensive benefits education. Additionally, we provide educational videos a benefits website, emails, and customized print materials to ensure each employee can learn about their benefit options through the channels they prefer. We believe that with a true benefits education strategy, your employees will be more prepared to make benefits decisions, leading to higher overall participation in your benefits plan.
4)	Does your firm offer an Online Enrollment System? If so, please describe this system and how it is used in the enrollment process. Include the following information.	AFenroll® is American Fidelity's complete web-based enrollment, communication, and administration platform that can assist with your entire benefit enrollment process. With ease of administration and one central location for you and your carriers, AFenroll® is your enrollment solution. We'll provide you with a customized online benefits enrollment system with year-round features and maintenance. This includes: <ul style="list-style-type: none"> • Full benefits and system enrollment monitoring • Setup for mutually agreed upon plan functionality • Data and census analysis, pre-load, and setup • Testing and carrier review • Multiple product categories, plan options, and coverage levels • Administrative tools (reports, enrollment monitoring, etc.) • Post-enrollment data transfer to employer
	i. When was the system implemented?	We began using our current enrollment system in 2011.
	ii. Who has access to the information?	Access is granted to administrators and HR team members via a secure login to our system.
	iii. How is the information accessed?	Information is accessed through administrative login into our secure webbased system.
	iv. Describe information and functions available via the system.	Employer Features: <ul style="list-style-type: none"> • Electronic payroll deduction upload • New Hire enrollments • View employee enrollment status • Employee benefit participation reports • Administrative changes, including terminations, leaves of absence, retirements and more • View employee coverage at any time • Electronic, historic record of employee data • View employee beneficiary information at any time • Customize your enrollment with company colors, logo, and photos Employee Features: <ul style="list-style-type: none"> • Accessible from any desktop browser • Customized enrollment based on demographic information and hire date • Enroll in all available benefits • View benefit confirmation statements • View benefit materials, brochures, and summary plan descriptions • Educational benefit videos • Enrollment preparation videos • Benefit calculators and Section 125 worksheets
5)	Define the number of plan customers using your Online Enrollment System, including (Illinois) school districts?	Approximately 7,200 clients currently use AFenroll, including 240 school districts throughout Illinois. We provide full benefit enrollments, including EDI data feeds to carriers, for 187 clients and eight clients in Illinois.
6)	Provide a sample project timeline that outlines the implementation process.	A sample implementation timeline is included in Section 2 of this response.

7)	What security standards do you implement to ensure participant privacy?	As an insurance company, American Fidelity is held to a high standard by Federal Government Regulations and other entities to protect the personal information of our clients. We have measures in place to continually meet these standards. These include: All American Fidelity colleagues are required to take a HIPAA class and have adopted work practices that emphasize confidentiality and security. American Fidelity provides a licensed attorney and certified PHR (Professional Human Resources) manager who ensure HIPAA compliance. Additionally, customer information is shredded and kept in locked binds. Our file server is backed up and stored offsite in a secured and monitored facility. Please see the Supporting Documents section of this response for our HIPAA Notice of Privacy Practices.
8)	Can the Online Enrollment System be programmed with complex eligibility rules? Is software programming done in-house or by third party?	Yes – AFenroll® can be programmed with complex eligibility rules. All programming is done in-house by a tech assigned specifically to your district. Our team will work with you during implementation to determine your needs and build your enrollment to meet those needs.
9)	Do employees have 24/7 access to login and view benefit choices items?	Yes – Employees have 24/7 access to manage their benefits through our secure online portal.
10)	Is the system capable of exporting enrollment data to plan providers in acceptable electronic formats?	Yes – American Fidelity has more than 18 years of experience providing EDI files to carriers. We have been successful because we take the time and make the effort to continually verify all carrier details and revise data specs to ensure their accuracy. This is done through conference calls with the carriers and through our secure test file process. We work back and forth with the carrier to make sure they are receiving what they expect and can load the file accurately. Once the test phase is complete and the enrollment is conducted, we can quickly provide the carrier files with the confidence that they are produced accurately.
11)	Is the system capable of generating employee deduction files for upload to the district's payroll program?	Yes – We can provide a file of plan year enrollments directly into the District's payroll system.
12)	Is the system used to educate employees on the benefits offered? If so, please describe.	Yes – AFenroll® can be customized to incorporate benefit materials, brochures, educational videos, and summary plan descriptions to assist employees during the enrollment experience. Employees may also utilize the custom benefits website for quick web access to educational material for each of the benefit options.
13)	Are there any fees to the district associated with the Online Benefit System?	We are offering our online enrollment platform and payroll integration at no additional charge to Community Unit School District # 300 in exchange for: •Access to offer our portfolio of voluntary benefits to District employees through payroll deduction; and •Access to school sites for group and individual enrollment meetings.
14)	Please provide the details on the Account Management staff, including key personnel whom would have primary responsibility of supporting the District. As well as who will be enrolling the employees.	Your District will be served year-round by a team of our salaried account managers that live and work in Illinois. This team includes Mary Hatfield, Audra Bussard, Whitney Dyson, and Tammy Hinkle. We will provide additional account managers as needed during the open enrollment process.
15)	Please describe the training provided to your field staff.	Our account managers are required to attend training year-round to help ensure they are up-to-date on benefits management trends. New account managers are required to attend over 100 hours of training, complete 11 online courses, and must pass multiple exams within the first six months. Annually, all our account managers are trained on: •Industry benefit trends •Compliance requirements •Section 125 Plan regulations •Reimbursement account regulations •Patient Protection and Affordable Care Act (ACA) •Data security •Fraud detection •HIPAA regulations
16)	Describe your Section 125 Administration.	American Fidelity is one of the leading Section 125 Plan providers nationwide with nearly 40 years of experience providing these Plans to school districts like yours. When you choose American Fidelity as your Plan provider, we will help you properly implement and maintain your Section 125 Plan. This includes helping you establish your Plan Document. Our business model is convenient, IRS compliant, and will help to relieve your organization of the administrative burden. We provide our Section 125 services at no additional cost.
	a. Who is responsible for the employer risk? If the account is negative at the end of the plan year when the account is reconciled (i.e., employee leaves plan with negative unreimbursed medical balance), who is responsible?	Because of the potential loss to the employer, American Fidelity provides insurance to cover the Health FSA risk. The risk policy "insures" the employer's uniform coverage risk for the Health FSA, up to \$2,750 per participant for shortages in the account due to termination of employment. American Fidelity will provide this risk protection to the District at no additional cost.
	b. Through which methods can employees submit claims for reimbursement?	We offer several convenient ways for employees to submit claims for reimbursement: Benefits Debit Card - Allows employees to pay for eligible medical expenses directly from their accounts. Our system is tied to an inventory information approval system (IIAS) allowing us to verify that a transaction is valid at the point-of-sale for most retail locations without further documentation. Mobile App – Employees can file a claim by snapping a photo of the expense receipt and submit using a smartphone. Online – Employees can file a claim and upload their expense receipts through our Online Service Center. Mail & Fax – Employees can file a claim manually by mail or fax. Printable claim forms are available on our website.

17)	Describe your online service center for employees and the District	<p>Our Employee Online Service Center allows your employees to easily manage their American Fidelity benefits in one place.</p> <p>Employees can:</p> <ul style="list-style-type: none"> • File a new claim through an online submission form • Check the status of an existing claims • Check reimbursement account balance and track account activity • Update account information • Download and print insurance policies • Set up account notifications and view statements <p>Our Employer Online Service Center is a secure portal that allows you to manage your entire benefits program and reconcile your bill in one place.</p> <p>Employers can:</p> <ul style="list-style-type: none"> • Review or terminate employees from their plan • Update organization's contact information • Download sick pay reports • Create and manage employer account logins • Access employee election forms • Upload census data • Download reports
18)	Describe your firm's service model including claims' services.	<p>At American Fidelity, we work hard to exceed your expectations by providing excellent customer service and claims processing for your employees and efficient plan administration tools and support for your human resources department. We are available throughout the year to assist you and your employees with any questions or need, both from our headquarters in Oklahoma City, OK and through our local account managers.</p> <p>We make claim submission fast and easy for your employees with options to submit online through our Online Service Center or through our mobile app. We pay claims in an average of five business days from the time a claim is received</p>
19)	Describe the process for completing annual employee election form requirements.	<p>During enrollment, all elections are captured electronically and documented on the employee's Section 125 election form, which are printed and provided to the employee. At the end of the enrollment, American Fidelity provides the employer with access to these forms, as well as the opportunity for American Fidelity to automatically upload employee elections to your payroll system. This eliminates the need for your administrative staff to key in all changes manually.</p>
20)	Describe your process for onboarding new employees.	<p>As previously discussed, we can meet in person or virtually with all new hires on set dates twice a month or when district requests. During this time, we can fully complete the onboarding process and collect all necessary forms and items on behalf of your HR department. All benefit elections can be processed through AFenroll®, making enrollment notifications to carriers and billing updates seamless.</p>
21)	What measurements does your company have in place to ensure all employees are educated equally on the Section 125 options available to them?	<p>We focus on providing a one-on-one, in-person enrollment experience for each employee. This approach allows our account managers to help educate and enroll your employees in all their benefit options. We also provide a variety of pre-enrollment marketing materials, including emails, posters, flyers, postcards, and brochures to ensure your employees understand their benefit options and know when it's time to enroll.</p>
22)	How are employee elections provided back to the District?	<p>Your District will be provided with complete enrollment documentation following the enrollment. This information can be provided by paper and/or we can provide an electronic "upload" of election changes directly into your payroll system, eliminating the need for manual data entry.</p>
23)	Describe post-enrollment services.	<p>We will coordinate a meeting with your District to review enrollment successes, participation by benefit and service, and improvement opportunities for the following plan year. In addition, we will meet with the payroll administrator to provide one-on-one training for our online billing and administration system and assist with the first billing. Complete tasks include:</p> <ul style="list-style-type: none"> •Review Payroll Deduction Report •Upload payroll deductions •Walk through the first bill and ongoing support •Training for American Fidelity's Online Service Center •Review year-round support mode
24)	How would your company work with the district to develop a communication campaign?	<p>Your benefits enrollment period is a unique opportunity to engage your employees about your benefit offerings and ensure they are choosing the benefits that meet their needs. If executed properly, your employees will better appreciate and understand the benefits you offer, leading to higher satisfaction and retention.</p> <p>American Fidelity will work with you during the planning meetings to develop and execute a communication strategy that removes much of the administrative burden on your organization while also ensuring your employees are educated on their benefit options.</p>

25)	Describe the process to educate employees on the employee benefits available at open enrollment. Include a description of your print and digital resources, including benefits website	<p>We will work with your District to develop a communication and education strategy that may include the following options:</p> <p>One-on-One Benefit Reviews - Employees can meet individually with one of our experienced account managers to receive customized guided enrollment education; get their questions answered; and help ensure they select the benefit that best meet their needs.</p> <p>Group Meetings - We educate your employees on their benefit options in a group setting to prepare them for their annual enrollment.</p> <p>Pre-Enrollment Materials - We can provide emails, posters, flyers, postcards, and brochures to ensure your employees understand their benefits and know when it's time to enroll.</p> <p>Educational Videos -We have an expansive video library that includes enrollment preparation tips, product information, testimonials, and self-service support options.</p> <p>Benefits Website - We can work with you to create a custom benefits website with up-to-date plan information and an enrollment appointment scheduler.</p>
26)	How are employees able to access in-person resources to assist with the enrollment process?	Your employees can sign up to attend one-on-one benefit reviews and group meetings with one of our account managers in-person during the enrollment process.
	Other Services:	
27)	Describe the benefits compliance resources your company can offer to the district and its employees.	American Fidelity recognizes that staying on top of changes in the law is imperative for a successful benefits program. We have an entire compliance team dedicated to monitoring and educating our customers through lunch-and-learns, VIP email notifications, newsletters, our Benefits Blog, and personal benefit reviews with our account managers. These resources help give employers a head start with trying to understand new rules. We have in-house benefit attorneys and compliance experts who continually monitor both state and federal requirements. We want to be your partner and primary resource for managing the challenges and changes resulting from the ACA. We understand the requirements and how those responsibilities can impact employers and employees. We provide a variety of services to educate employers on the developing law, assist with implementation and ongoing compliance, and communicate plan changes to employees.
28)	Does your company have other services or technology that could be offered?	<ul style="list-style-type: none"> • We offer our mobile app, AFmobile®, for submitting and managing claims for our voluntary benefits and reimbursement accounts (FSA, HSA, and HRA). • Our online enrollment platform can assist with your entire enrollment. • We offer a GoToMeeting enrollment option that allows your employees to meet face-to-face with one of our account managers from anywhere.
29)	Please describe any additional services or support that would be available to the District.	<p>American Fidelity can provide the following additional services to the District:</p> <ul style="list-style-type: none"> •Section 125 Compliance •Administration of Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs) •Dependent Verification Reviews •Group Dental and Vision Insurance •Retirement Readiness Seminars •ACA Compliance Support
30)	What are the hours of operation for the live customer service office?	Our experienced customer care team and department specialists are available Monday through Friday, 7:00 am-7:00 pm CST. Customers may contact us via email using our contact form at americanfidelity.com or through phone. We also have voicemail capabilities.
31)	Does your customer service staff support other languages? What policies and procedures are in place to accommodate these needs?	American Fidelity employs both English and Spanish speaking customer service representatives to assist with customer questions.

Technology Questionnaire		
1	What sets your product apart from the others?	<p>We believe that our focus on the education market and our individualized guided enrollment experience set us apart from the competition.</p> <p>According to a survey we conducted of more than 12,000 education employees, more than 90% responded that they favored our one-on-one approach as opposed to only 7% that preferred to self-educate and enroll on their own.</p>
2	Does your firm accept terms of deferred billing?	There are no costs associated with our enrollment platform.
3	Does the product support SSO Implementation?	Yes
4	Is SSO implementation available via SAML?	Yes
5	Is SSO implementation included in base cost?	There are no costs associated with our enrollment platform.
6	What type of support is provided and what hours is it available (CST)?	Technical support for our enrollment system is available 24/7.
7	Is technical support 24/7 available?	Yes
8	Is technical support 24/7 included in base price?	There are no costs associated with our enrollment platform.
9	Do you partner with a hosting provider (ex: AWS) and does you have data center redundancy?	Our site is hosted on premise with data center redundancy in two geographically separate locations.
10	List the products uptime over last 6 months:	99% +/-
11	List the products uptime over last 12 months:	99% +/-
12	List the products uptime over last 24 months:	99% +/-
13	Does the products license include continuous updates to the software?	Contractually, there are two maintenance windows a week for software/hardware updates – Wednesday evening through Thursday morning (8:00 p.m. – 12:00 a.m. CST) and Sunday evening through Monday morning (8:00 p.m. – 12:00 a.m. EST). Notification is sent out if there is emergency maintenance required outside of the maintenance window.

14	Does the product integrate with Google?	AFenroll® is web-based and is supported on the most used versions of any web browser, including Google Chrome.
15	Is there a Chromebook app?	AFenroll® is web-based and can be accessed from a Chromebook.
16	Does the product run in the Chrome web browser (Chromebooks)?	Yes – AFenroll® can be access from the Chrome web browser.
17	How is the content delivered on a Chromebook (web/app/other)?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
18	If the content is delivered through the web, how is it delivered (HTML5/Flash)?	HTML5
19	If there is flash-based content, when will it be converted to HTML5?	N/A
20	Is Chromebook Kiosk mode supported?	Yes
21	Is an ebook/etext included?	We have electronic enrollment education materials and account managers available to assist with enrollment.
22	Is the ebook/etext available offline?	We have electronic enrollment education materials and account managers available to assist with enrollment.
23	Is there a client/app needed for teachers?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
24	Is the product for teachers compatible on Windows devices?	Yes
25	Is the product supported on Windows 10?	Yes
26	Is the client/app for teachers deployable to Windows machines via MSI?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
27	Does the client/app for teachers require custom configurations based on user?	N/A
28	Is an ebook/etext included?	We have electronic enrollment education materials and account managers available to assist with enrollment.
29	Is the ebook/etext available offline?	We have electronic enrollment education materials and account managers available to assist with enrollment.
30	Is there a client/app needed for teachers?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
31	Is the product for teachers compatible on Windows devices?	Yes
32	Is the product supported on Windows 10?	Yes
33	Is the client/app for teachers deployable to Windows machines via MSI?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
34	Does the client/app for teachers require custom configurations based on user?	N/A

RFP RESPONSE FORM – PART B

RFP – Open Enrollment Services

RFP response form Part A and B must be completed and included in your response along with all other required documents and additional documentation.

Include your fee schedule for proposal in Section 3, along with Response form A and B.

Vendor has received: Addendum #1 Yes X No _____
Addendum #2 Yes X No _____


COMMENTS AND ADDITIONAL INFORMATION

The undersigned hereby certifies that she/he has read, understands and agrees that acceptance by the Board of Education of the bidder’s offer by issuance of a purchase order(s) or other documents(s) will create a binding contract. Further, she/he agrees to fully comply with the specifications and other documentary forms and regulations made a part of this specific procurement of contract. The bidder must comply with all State and Federal Regulations including FEPC, the Illinois Laborer’s Act and the Illinois Prevailing Wage Act, with preference to Public Act 86-799 which states “...not less than the prevailing rate of wages as found by the public body or Department of Labor or determined by the court on review shall be paid to all laborers, workers and mechanics performing work under the contract.” The Illinois Department of Labor prevailing wages for the county where the project will be undertaken are included on Attachments I & II of this bid package if applicable.

American Fidelity Assurance Company
Name of Company/Corporation

90 DAYS
Length of time bid is firm

9000 Cameron Parkway
Street Address

Bid Submitted by:

Authorized Signature

Oklahoma City, OK 73114
City, State, Zip Code

Jason Pledger
Please Type or Print Name

800-654-8489
Telephone Number

42500-21
Illinois License Number

n/a
Fax Number

Email address - proposal@americanfidelity.com

*****Electronic Proposals are due by 3:00PM CT, Thursday, July 9, 2020 *****

PROPOSED SERVICE FEES FOR

Community Unit School District #300

VALUE ADDED PLAN SERVICES	Your Cost
Section 125 Services*	
Section 125 Sample Plan Document, Implementation and Annual Review	\$0.00
Annual Non-Discrimination Testing Worksheets	\$0.00
Employee Election Form/Salary Reduction Agreement Assistance	\$0.00
Flexible Spending Account Administrative Services*	
Healthcare Flexible Spending Account (HCFSA) Administration	\$0.00
Dependent Care Account Administration	\$0.00
HCFSA Benefits Debit Card and Dependent Card(s)	\$0.00
Upfront HCFSA Funding Assistance	\$0.00
Insured HCFSA Risk Premium up to \$2,750	\$0.00
Health Savings Account Administrative Services*	
Health Savings Account Administration	\$0.00
HSA Benefits Debit Cards and Dependent Card(s)	\$0.00
Enrollment Solutions*	
Full Benefits Online Enrollment Platform	\$0.00
Employee Communication & Education	\$0.00
New Hire Enrollment & Year-Round Support	\$0.00
Additional Services	
Dependent Verification Reviews	\$0.00
Major Medical Plan Waivers	\$0.00
	\$0.00

**American Fidelity Assurance Company is providing these services at no additional charge to the District in exchange for access to offer our voluntary benefits to District employees and access to school sites for group and individual enrollment meetings. Please refer to the Service Exchange Agreement for details.*

Benefits Live Here. ACA Compliance Should Too.

Functionality:

- IRS Compliant Form Generation
- IRS Electronic Form Filing
- Lookback Monitoring
- IRS Form Fulfillment Options
- Automated IRS Code Determinations
- Automated Affordability Calculations

Service:

- Full-Service ACA Manager
- Setup/On-boarding Assistance
- IRS Form Generation Assistance


Convenience:


- One System, One Solution
- Pricing Structure That Decreases as Your Headcount Increases


The Selerix 2019 ACA Solution: The Perfect Blend of Service & Technology to Suit Your ACA Needs.

Core Services

- ✓ Lookback Monitoring
- ✓ IRS Form Generation
- ✓ IRS Electronic Filing

First 1,000 FTE:  **\$6.00 per full-time employee**
(50¢ per FT EE per month x 12 months)
\$1,500 minimum annual charge

Next 1,001 - 5,000 FTE:  **\$5.00 per full-time employee**
(42¢ per FT EE per month x 12 months)

Next 5,001+ FTE:  **\$4.00 per full-time employee**
(33¢ per FT EE per month x 12 months)

1st Year Setup

- ✓ **Implementation Support: 10 Hours**

Group Size:
1 - 1,000 FTE **\$1,000 one-time fee**

1,001 - 5,000 FTE **\$2,000 one-time fee**


5,001+ FTE **\$3,000 one-time fee**


Optional Form Mailing


\$1.50 Per form - postage included


\$1.00 Per correction form

Pricing Details

 FTE (Full-time employee) is defined as any employee for whom an employer must file a 1095-C form - as defined by the ACA mandate.

 1st year implementation support in excess of 10 hours will be billed separately.

 Electronic filing fees:
1st EIN: Included at no charge
2nd - 5th EINs: \$500 per EIN
Over 5 EINs: \$100 per EIN

 Support in excess of 20 hours annually will be billed separately.

References

- References

REFERENCES

LIST BELOW THE LAST FOUR (4) BUSINESSES OR OTHER ORGANIZATIONS FOR WHICH YOU HAVE PROVIDED COMPARABLE SERVICES PERFORMED ON EDUCATIONAL, LIBRAIRIES, OR OTHER MUNICIPALITIES IN THE LAST (5) YEARS..

1. ORGANIZATION:

Northwest R-1

ADDRESS:

4290 Gravois Road

CITY, STATE, and ZIP CODE:

House Springs, MO 63051

TELEPHONE NUMBER:

636-677-3473

CONTACT PERSON:

Michelle Adams

DATE OF SERVICES:

Since 10/1/2019

DOLLAR AMOUNT OF THE JOB:

\$0

2. ORGANIZATION:

Jacksonville School District #117

ADDRESS:

211 West State Street

CITY, STATE, and ZIP CODE:

Jacksonville, IL 62650

TELEPHONE NUMBER:

217-243-9411

CONTACT PERSON:

Tami Stice

DATE OF SERVICES:

Since 3/1/2010

DOLLAR AMOUNT OF THE JOB:

\$0

REFERENCES (CONT.)

3. ORGANIZATION:
Champaign Community USD #4

ADDRESS:
502 W Windsor Road

CITY, STATE, and ZIP CODE:
Champaign, IL 61820

TELEPHONE NUMBER
217-351-3822

CONTACT PERSON:
Deedra Miskimins

DATE OF SERVICES:
Since 11/1/1995

DOLLAR AMOUNT OF THE JOB:
\$0

4. ORGANIZATION:
Quincy School District 172

ADDRESS:
1416 Maine Street

CITY, STATE, and ZIP CODE:
Quincy, IL 62301


TELEPHONE NUMBER
217-223-8700

CONTACT PERSON:
Teresa Kemp

DATE OF SERVICES:
Since 10/1/2016

DOLLAR AMOUNT OF THE JOB:
\$0

OFFEROR'S NAME: Jason Pledger

SIGNATURE:  **DATE -** 6/30/2020

Required Forms

- Certificate of Bidder Eligibility
- Certificate of Compliance with Illinois Drug-Free Workplace Act
- Certificate Regarding Sexual Harassment Policy
- Certificate Regarding Equal Employment Opportunity
- Certificate Regarding Employment of Illinois Workers on Public Works
- Non-Collusion Affidavit
- Vendor/Contractor Conflict of Interest
- Criminal Background Investigations
- Vendor Application
- W-9 Form


CERTIFICATE OF BIDDER ELIGIBILITY

720 ILCS 5/33E-11 requires that all contractors bidding for public agencies in the State of Illinois certify that they are not barred from bidding on public contracts for bid rigging or bid rotation.

The following certification must be signed and submitted with bidder's bid Quote. FAILURE TO DO SO MAY RESULT IN DISQUALIFICATION OF THE BIDDER.

American Fidelity Assurance Company, as part of its bid for the Open Enrollment Services work for Community Unit School District #300, Algonquin, Illinois, of Cook, DeKalb, Kane, and McHenry Counties, Illinois certifies that said contractor is not barred from bidding on the aforementioned contract as a result of a violation of either 720 ILCS 5/33E-3 or 720 ILCS 5/33-E4.

Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC



**CERTIFICATE OF COMPLIANCE WITH
ILLINOIS DRUG-FREE WORKPLACE ACT**

American Fidelity Assurance Company, having 25 or more employees, does hereby certify pursuant to section 3 of the *Illinois Drug-Free Workplace Act* (30 ILCS 580/3) that it shall provide a drug-free workplace for all employees engaged in the performance of work under the contract by complying with the requirements of the *Illinois Drug-Free Workplace Act* and, further certifies that it is not ineligible for award of this contract by reason of debarment for a violation of the *Illinois Drug-Free Workplace Act*.

Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC

JORDAN N. JESTER
Notary Public, State of Oklahoma
Commission # 18007342
My Commission Expires 07-24-2022

**CERTIFICATE REGARDING
SEXUAL HARASSMENT POLICY**

American Fidelity Assurance Company, does hereby certify pursuant to Section 2-105 of the *Illinois Human Rights Act* (775 ILCS 5/2-105) that it has a written sexual harassment policy that includes, at a minimum, the following information: (i) the illegality of sexual harassment; (ii) the definition of sexual harassment under State law; (iii) a description of sexual harassment, utilizing examples; (iv) an internal complaint process including penalties; (v) the legal recourse, investigative and complaint process available through the Department of Human Rights and Human Rights Commission; (vi) directions on how to contact the Department of Human Rights and Human Rights Commission; and (vii) protection against retaliation.

Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC



**CERTIFICATE REGARDING
EQUAL EMPLOYMENT OPPORTUNITY**

American Fidelity Assurance Company, does hereby certify pursuant to Section 2-105 of the *Illinois Human Rights Act* (775 ILCS 5/2-105) that it has a written equal employment opportunity policy that is in compliance with all terms and conditions of the Equal Employment Opportunity provisions of the Illinois Human Rights Act.

Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC



CERTIFICATE REGARDING

EMPLOYMENT OF ILLINOIS WORKERS ON PUBLIC WORKS

American Fidelity Assurance Company agrees if at the time the Agreement is executed, or if during the term of the Agreement, there is excessive unemployment in Illinois as defined in the Employment of Illinois Workers on Public Works Act, 30 ILCS 570/0/01 et seq., as two consecutive months of unemployment exceeding 5%, then American Fidelity Assurance Company agrees to employ Illinois laborers in accordance with the Employment of Illinois Workers on Public Works Act. An "Illinois laborer" is defined as any person who has resided in Illinois for at least thirty (30) days and intends to become or remain an Illinois resident.

Firm:

American Fidelity Assurance Company

By:



(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC




NON-COLLUSION AFFIDAVIT

AFFIDAVIT: "I (we) hereby certify and affirm that my (our) Quote was prepared independently for this project and that it contains no fees or amounts other than that for the legitimate execution of this work as specified and that it includes no understanding or agreements in restraint of trade."

The following affidavit must be signed and submitted with bidder's bid Quote.
FAILURE TO DO SO MAY RESULT IN DISQUALIFICATION OF THE BIDDER.

American Fidelity Assurance Company, as part of its bid for the Open Enrollment Services work for Community Unit School District #300, Algonquin, Illinois certifies that said Contractor is not barred from bidding on the aforementioned contract as a result of a violation of the above Non-Collusion Affidavit.

Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC



**CERTIFICATE REGARDING
COMMUNITY UNIT SCHOOL DISTRICT 300
VENDOR/CONTRACTOR CONFLICT OF INTEREST**

American Fidelity Assurance Company, does hereby certify that they have read and fully understand the Vendor/Contractor Conflict of Interest Board Policy as stated below:

Vendor/Contractor Conflict of Interest


Any vendor or contractor doing \$5,000 - \$25,000 in business with the District within a fiscal year shall not contribute to any political campaign that directly affects the District while doing business for the District or for a period of two years after completion of business with the District. Further, the District will not enter into significant business with a vendor or contractor that has contributed to a political campaign that directly affects the District within two years prior to commencing business. Any vendor or contractor that participates and is awarded a contract through the competitive bidding process is exempt from this policy.

LEGAL REF.: 105 ILCS 5/10-20.19c, 5/10-20.21, 510-22.34c, and 5/19b-1 et seq.
820 ILCS 130/0.01 et seq.

CROSS REF: 2:100 (Board Member Conflict of Interest), 4:70 (Resource Conservation) 4:150 (Facility Management and Building Programs)

ADOPTED: February 10, 2003


Firm: American Fidelity Assurance Company

By: 
(Signature)

Jason Pledger VP, Marketing Operations & Business Development
(Printed Name & Title)

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC

JORDAN N. JESTER
Notary Public, State of Oklahoma
Commission # 18007342
My Commission Expires 07-24-2022

CRIMINAL BACKGROUND INVESTIGATIONS

Contractor hereby represents, warrants, and certifies that no officer or director thereof has any knowledge that any employee thereof has been convicted of committing or attempting to commit "Criminal Code of 1961," 720 ILCS, Sections 5/11-6 (Indecent solicitation of a child), 5/11-9 (Public indecency), 5/11-14 (Prostitution), 5/11-15 (Soliciting for a prostitute), 5/11-15.1 (Soliciting for a juvenile prostitute), 5/11-19 (Pimping), 5/11-19.1 (Juvenile pimping), 5/11-19.2 (Exploitation of a child), 5/11-20 (Obscenity), 5/11-20.1 (Sexual assault), 5/12-14 (Aggravated criminal sexual assault), 5/12-15 (Criminal sexual abuse), and 5/12-16 (Aggravated criminal sexual abuse), and/or those offenses defined in the "Cannabis Control Act," 720 ILCS, 550/1 et seq. (except the "Illinois Controlled Substances Act," 720 ILCS 570/100 et seq., any of the offenses that would subject a certificated employee to suspension or revocation pursuant to Section 21-23a of the School Code or anyone found to be the perpetrator of sexual or physical abuse of any minor under 18 years of age pursuant to proceedings under Article II of the Juvenile Court Act of 1987 and/or any offense committed or attempted in any other state or against the laws of the United States, which if committed or attempted in this State, would have been punishable as one or more of the foregoing offenses.

Contractor further agrees that it shall not employ any person who has or may have direct, daily contact with the pupils of any school in the district, and for whom a criminal background investigation has not been conducted pursuant hereto, and further represents and agrees that all applicants for any such employment shall furnish with their applications the attached written "Authorization for Criminal Background Information" form authorizing the District to request a criminal background investigation of said applicant pursuant to Section 5/10-21.9 of the School Code of Illinois and to receive criminal history record information pursuant thereto to determine if the applicant has been convicted of committing or attempting to commit any of the criminal or drug offenses enumerated above. Contractor further agrees to submit with said authorization payment for any costs and expenses associated with the criminal background investigation.

Contractor further represents, warrants, and certifies that no applicant for employment with respect to whom the criminal investigation reveals any conviction for committing and/or attempting to commit any of the above enumerated offenses, shall be employed thereby in any position that involves or may involve contact with the students of the school district.

This certification is executed on the date hereinafter indicated by the designated contractor by its duly authorized officer.

By: American Fidelity Assurance Company

Jason Pledger VP, Marketing Operations & Business Development

Its: 

Dated: 6/23/2020

SUBSCRIBED and SWORN TO before me

This 23rd day of June, 2020


NOTARY PUBLIC



AUTHORIZATION FOR CRIMINAL BACKGROUND INVESTIGATION

The undersigned hereby authorizes the Board of Education of Community Unit School District 300, Algonquin, Illinois to request a criminal background investigation from the Illinois State Police, pursuant to Section 5/10-21.9 of the School Code of Illinois, 105 ILCS 5/10-21.9 and to receive criminal history record information pursuant thereto.

Jason Pledger VP, Marketing Operations & Business Development

(Printed or Typed Name of Applicant Employee)



Signature of Applicant or Employee

Dated: June 23, 2020



Community Unit School District
COMMUNITY UNIT SCHOOL DISTRICT 300
PURCHASING DEPARTMENT
 2605 Bunker Hill Drive
 Algonquin, IL 60102
 847-551-8300
 Fax: 847-551-8463

VENDOR APPLICATION FORM (SUBJECT TO LOCAL LAWS)	APPLICATION DATE
Fill in all spaces. Insert "NA" in blocks not applicable. Type all entries	REVISION DATE

DATE: 7/1/2020

COMPANY American Fidelity Assurance Company	HOW LONG IN PRESENT BUSINESS? 60 years
---	--

ADDRESS 9000 Cameron Parkway	CITY	STATE	ZIP
--	-------------	--------------	------------

CONTACT PERSON/REPRESENTATIVE	FAX NUMBER ()	PHONE AND EXTENSION ()
--------------------------------------	--------------------------	-----------------------------------

TYPE OF ORGANIZATION (Check Applicable) <input type="checkbox"/> INDIVIDUAL <input type="checkbox"/> PARTNERSHIP <input type="checkbox"/> CORPORATION	IF INCORPORATED INDICATE IN WHICH STATE Oklahoma
---	--

YEARS ESTABLISHED: 60 years	DO YOU ACCEPT PURCHASE ORDERS? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>
	DO YOU ACCEPT CREDIT CARDS? YES <input type="checkbox"/> NO <input checked="" type="checkbox"/>

CATEGORY (Check below the category which applies to the applicant)					
<input type="checkbox"/> (A) MANUFACTURER OR PRODUCER	<input type="checkbox"/> (C) RETAILER	<input type="checkbox"/> (E) DISTRIBUTOR			
<input type="checkbox"/> (B) WHOLESALER	<input type="checkbox"/> (D) MANUFACTURER'S AGENT	<input type="checkbox"/> (F) SERVICE ESTABLISHMENT			

NAMES OF OFFICERS, MEMBERS OR OWNERS OF CONCERN, PARTNERSHIP, ETC.	
(A) PRESIDENT Jeanette Rice	(B) VICE PRESIDENT Keith Johnson
(C) SECRETARY Lisa Knatvold	(D) TREASURER Lucy Fritts
(E) OWNERS, PARTNERS, OR STOCKHOLDERS Bill Cameron	

TAXPAYER'S I.D. NO. FEIN <u>73-0714500</u> or S.S. No. _____	INSURANCE INFORMATION (Check Applicable) LIABILITY INSURANCE: \$2,000,000 <input type="checkbox"/> \$2,500,000 <input type="checkbox"/> \$5,000,000 <input type="checkbox"/> OTHER <input type="checkbox"/> Workers' Compensation : State Minimum <input type="checkbox"/> Greater than Minimum <input type="checkbox"/> Required that CUSD be named as an Additional Insured <input type="checkbox"/> INSURANCE CO. _____
--	--

BONDING INFORMATION (Check each area in which you have been bonded and the latest date of bonding)			
Perf. Bond _____ / _____ <input type="checkbox"/>	Payment Bond (Labor and Materials) _____ / _____ <input type="checkbox"/>	Builder's Risk _____ / _____ <input type="checkbox"/>	
Mo. Year	Mo. Year	Mo. Year	

PERSONS AUTHORIZED TO SIGN QUOTES, PROPOSALS, BIDS AND CONTRACTS:	
NAME	OFFICIAL CAPACITY
Jason Pledger	VP of Marketing and Customer Experience

Average number of employees (including affiliates) for four preceding calendar quarters. 1,800	Average annual sales for preceding three fiscal years: \$1,000,000,000	Floor Space (Square Feet)	
		Manufacturing	Warehouse

MINORITY/WOMEN BUSINESS ENTERPRISE (Check One) See Definitions Below <input type="checkbox"/> MBE <input type="checkbox"/> MBE/WBE <input type="checkbox"/> WBE <input type="checkbox"/> PBE	FOR USE BY CONTRACT COMPLIANCE ONLY: BY: _____ DATE _____ <input type="checkbox"/> C <input type="checkbox"/> NC
MINORITY GROUP MEMBERSHIP (Check One) See Definitions Below NOTE: DO NOT COMPLETE THIS SECTION UNLESS YOU HAVE CHECKED ONE OF THE BOXES IN THE MINORITY/WOMEN BUSINESS ENTERPRISE SECTION ABOVE. <input type="checkbox"/> AFRICAN AMERICAN OR BLACK <input type="checkbox"/> HISPANIC AMERICAN <input type="checkbox"/> NATIVE AMERICAN <input type="checkbox"/> ASIAN-PACIFIC AMERICAN	
CERTIFICATION DATE ISSUED: _____ EXPIRATION: _____	

MINORITY AND WOMEN OWNED BUSINESS ENTERPRISE DEFINITIONS

MINORITY BUSINESS ENTERPRISE ("MBE") means a certified participating business at least 51 percent (51%) of which is owned and controlled by one or more members or one or more minority groups, or in the case of a publicly held corporation, 51 percent (51%) of the stock is owned by one or more members of one or more minority groups and whose daily business operations are controlled by one or more such individuals.

WOMEN'S BUSINESS ENTERPRISE ("WBE") means a certified participating business at least 51 percent (51%) of which is owned by one or more women, or in the case of a publicly held corporation, 51 percent (51%) of the stock of which is owned by one or more women and whose daily operations are controlled by one or more such individuals. Determination of whether a business is at least 51 percent (51%) owned by a woman or women shall be made without regard to community property laws.

BUSINESS OWNED AND OPERATED BY A PERSON WITH A DISABILITY ("PBE") means a business concern of which at least 51 percent (51%) is owned by one or more persons with a disability, or in the case of the corporation, one in which at least 51 per centum of the stock is owned by one or more persons with a disability or by a not for profit agency for the disabled organized pursuant to Section 501 of the Internal Revenue Code 1954; and the management and daily business operations of which are controlled by one or more of the persons with a disability who own it.

MINORITY GROUP MEMBER is an individual who is one of the following:

AFRICAN AMERICAN OR BLACK (persons with origins in any of the Black racial groups of Africa):

HISPANIC AMERICAN (persons of Spanish culture with origins in Puerto Rico, Mexico, Cuba, South or Central America, Spain, Portugal or the Caribbean Islands regardless of race).

NATIVE AMERICAN (American Indian)

ASIAN-PACIFIC AMERICAN (persons with origins from Japan, China, the Philippines, Vietnam, Korea, Samoa, Guam, the U.S. Trust Territories of the Pacific, Northern Marianas, Laos, Cambodia, Taiwan, or the Indian subcontinent).

IF YOU HAVE EVER DONE BUSINESS WITH THE SCHOOL DISTRICT UNDER ANOTHER NAME, PLEASE INDICATE NAME OR NAMES.

N/A


Give names, complete addresses, buyer's names and phone numbers of four of your customers. (Please include Federal, State or City Governments).

ORGANIZATION	ADDRESS, STATE, ZIP	BUYER	PHONE NUMBER
1. Northwest R-1	4290 Gravois Rd, House Springs, MO 63051	Michelle Adams	636-677-3473
2. Jacksonville SD #117	211 West State St, Jacksonville, IL 62650	Tami Stice	217-243-9411
3. Champaign Community ISD #4	502 W Windsor Rd, Champaign, IL 61820	Deedra Miskimins	217-351-3822
4. Quincy SD 172	1416 Maine St, Quincy, IL 62301	Teresa Kemp	217-223-8700

Bank References

NAME OF BANK	ADDRESS, STATE, ZIP	CONTACT PERSON	PHONE NUMBER
First Fidelity Bank	P.O. Box 32282, Oklahoma City, OK 73123-0482	Lee Symcox	405-416-2222

I certify that the information supplied herein (including all pages attached) is correct and that neither the applicant nor any person (or concern) in any connection with the applicant as a principal or officer, so far as is known, is not debarred or otherwise declared ineligible by any public agency from furnishing materials, supplies or services to any agency thereof.


SIGNATURE OF PERSON AUTHORIZED TO SIGN THIS APPLICATION
Jason Pledger, VP of Marketing & Customer Experience
NAME AND TITLE OF PERSON SIGNING (Please type or print)

PERSONS OR BUSINESSES INTERESTED IN BEING ADDED TO THE BIDDER'S LIST MUST FILE THIS APPLICATION WITH THE PURCHASING DEPARTMENT.

AFTER PLACEMENT ON THE BIDDERS' LIST, A VENDOR'S FAILURE TO RESPOND TO INVITATIONS FOR BIDS WILL BE UNDERSTOOD BY THE SCHOOL DISTRICT TO INDICATE LACK OF INTEREST AND SHALL RESULT IN THE REMOVAL OF THE VENDOR'S NAME FROM THE BIDDERS' LIST FOR THE ITEMS CONCERNED.

NOTE: ANY CHANGES TO INFORMATION SUBMITTED (ADDRESSES, AUTHORIZED PERSONNEL, ETC..) WILL REQUIRE A REVISED COPY OF THIS FORM. ADDITIONAL FORMS MAY BE OBTAINED BY CONTACTING THE PURCHASING DEPARTMENT AT THE ADDRESS SHOWN ON THE FRONT OF THIS FORM.

USE BY COMMUNITY UNIT SCHOOL DISTRICT 300 ONLY

VENDOR I.D. NUMBER	APPROVED BY	DATE	W9	COMM LIST
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Request for Taxpayer Identification Number and Certification

Give Form to the requester. Do not send to the IRS.

► Go to www.irs.gov/FormW9 for instructions and the latest information.

Print or type. See Specific Instructions on page 3.	1 Name (as shown on your income tax return). Name is required on this line; do not leave this line blank. American Fidelity Assurance Company	
	2 Business name/disregarded entity name, if different from above	
	3 Check appropriate box for federal tax classification of the person whose name is entered on line 1. Check only one of the following seven boxes. <input type="checkbox"/> Individual/sole proprietor or single-member LLC <input checked="" type="checkbox"/> C Corporation <input type="checkbox"/> S Corporation <input type="checkbox"/> Partnership <input type="checkbox"/> Trust/estate <input type="checkbox"/> Limited liability company. Enter the tax classification (C=C corporation, S=S corporation, P=Partnership) ► _____ Note: Check the appropriate box in the line above for the tax classification of the single-member owner. Do not check LLC if the LLC is classified as a single-member LLC that is disregarded from the owner unless the owner of the LLC is another LLC that is not disregarded from the owner for U.S. federal tax purposes. Otherwise, a single-member LLC that is disregarded from the owner should check the appropriate box for the tax classification of its owner. <input type="checkbox"/> Other (see instructions) ►	
	4 Exemptions (codes apply only to certain entities, not individuals; see instructions on page 3): Exempt payee code (if any) <u>5</u> Exemption from FATCA reporting code (if any) _____ <small>(Applies to accounts maintained outside the U.S.)</small>	
	5 Address (number, street, and apt. or suite no.) See instructions. PO Box 25523	Requester's name and address (optional)
	6 City, state, and ZIP code Oklahoma City, OK 73125-0523	
	7 List account number(s) here (optional)	

Part I Taxpayer Identification Number (TIN)

Enter your TIN in the appropriate box. The TIN provided must match the name given on line 1 to avoid backup withholding. For individuals, this is generally your social security number (SSN). However, for a resident alien, sole proprietor, or disregarded entity, see the instructions for Part I, later. For other entities, it is your employer identification number (EIN). If you do not have a number, see *How to get a TIN*, later.

Note: If the account is in more than one name, see the instructions for line 1. Also see *What Name and Number To Give the Requester* for guidelines on whose number to enter.

Social security number	
[] [] [] - [] [] - [] [] [] []	
or	
Employer identification number	
7 3 - 0 7 1 4 5 0 0	

Part II Certification

Under penalties of perjury, I certify that:

- The number shown on this form is my correct taxpayer identification number (or I am waiting for a number to be issued to me); and
- I am not subject to backup withholding because: (a) I am exempt from backup withholding, or (b) I have not been notified by the Internal Revenue Service (IRS) that I am subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the IRS has notified me that I am no longer subject to backup withholding; and
- I am a U.S. citizen or other U.S. person (defined below); and
- The FATCA code(s) entered on this form (if any) indicating that I am exempt from FATCA reporting is correct.

Certification instructions. You must cross out item 2 above if you have been notified by the IRS that you are currently subject to backup withholding because you have failed to report all interest and dividends on your tax return. For real estate transactions, item 2 does not apply. For mortgage interest paid, acquisition or abandonment of secured property, cancellation of debt, contributions to an individual retirement arrangement (IRA), and generally, payments other than interest and dividends, you are not required to sign the certification, but you must provide your correct TIN. See the instructions for Part II, later.

Sign Here	Signature of U.S. person ►	Date ► 1/2/2020
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General Instructions

Section references are to the Internal Revenue Code unless otherwise noted.

Future developments. For the latest information about developments related to Form W-9 and its instructions, such as legislation enacted after they were published, go to www.irs.gov/FormW9.

Purpose of Form

An individual or entity (Form W-9 requester) who is required to file an information return with the IRS must obtain your correct taxpayer identification number (TIN) which may be your social security number (SSN), individual taxpayer identification number (ITIN), adoption taxpayer identification number (ATIN), or employer identification number (EIN), to report on an information return the amount paid to you, or other amount reportable on an information return. Examples of information returns include, but are not limited to, the following.

- Form 1099-DIV (dividends, including those from stocks or mutual funds)
- Form 1099-MISC (various types of income, prizes, awards, or gross proceeds)
- Form 1099-B (stock or mutual fund sales and certain other transactions by brokers)
- Form 1099-S (proceeds from real estate transactions)
- Form 1099-K (merchant card and third party network transactions)
- Form 1098 (home mortgage interest), 1098-E (student loan interest), 1098-T (tuition)
- Form 1099-C (canceled debt)
- Form 1099-A (acquisition or abandonment of secured property)

Use Form W-9 only if you are a U.S. person (including a resident alien), to provide your correct TIN.

If you do not return Form W-9 to the requester with a TIN, you might be subject to backup withholding. See What is backup withholding, later.

Sample Contract

- Sample Contract

Service Exchange Agreement

This Service Exchange Agreement is entered into by and between American Fidelity Assurance Company (“American Fidelity”) and [INSERT GROUP’S LEGAL NAME HERE] (“Customer”), who in consideration of the mutual agreements and promises contained herein, agree to work together as described in this Service Exchange Agreement. This Service Exchange Agreement shall be effective on the date signed by American Fidelity, and shall continue until terminated or modified by agreement of the parties.

American Fidelity will provide to Customer the following services (the “Services”):

- [Section 125 Plan Administrative Services]
- [Healthcare Flexible Spending Account Administrative Services]
- [Benefits Debit Card Services for Healthcare FSA Participants]
- [Annual Enrollment (American Fidelity’s or Customer’s platform)]
- [Year-Round Support from a dedicated Account Manager]

In exchange for the Services, Customer shall:

[Products]

- [Allow American Fidelity to be the primary provider for supplemental insurance products; and]
- [Give American Fidelity the opportunity to offer insurance products to all eligible employees.]

[Communication]

- [Permit American Fidelity opportunities to present to employees or employee groups prior to enrollment;]
- [Facilitate one-on-one meetings of employees with American Fidelity to discuss employee benefit options and as applicable, to make their annual Section 125 Plan enrollment elections; and]
- [Provide working space for American Fidelity during enrollment meetings.]

[Administration]

- [Provide a complete employee census to American Fidelity each year;]
- [Provide other administrative services to American Fidelity as may be mutually agreed to by the parties; and]
- [Provide payroll deduction for American Fidelity products and services.]

By agreeing to the Services, Customer acknowledges its understanding of the following:

- The Services described above will be provided to the extent allowed by law;
- American Fidelity does not provide tax or legal advice;
- [American Fidelity reserves the right to change the delivery of Services and cost associated with them, but only with advanced written communication to Customer.]

Intending to be bound, American Fidelity and Customer have caused their duly authorized representatives to execute this Service Exchange Agreement.

AMERICAN FIDELITY OFFICER

CUSTOMER

Signature Date

Signature Date

Printed Name Date

Printed Name Date

Additional Information

- Additional Info



Products and Services

We believe your benefits package should be customized for your market and your employees' needs. We create solutions for your employees to help maximize their coverage without affecting your bottom line.

Reasons to Offer Employee Benefits Through American Fidelity

- Create a custom benefits plan designed to help manage healthcare costs.
- Offer your employees additional benefits at little or no direct effect to your bottom line.
- Streamline your enrollment process with our highly trained account managers.
- Utilize our robust enrollment platform for your entire benefits enrollment process.

Section 125 Plan Administration

With nearly 40 years of experience helping organizations like yours with Section 125 Plan administration, American Fidelity is the partner you are looking for. As your Plan provider, we will help you create your Section 125 Plan Document, manage election changes, and assist with reporting — all while helping you maintain compliance year-round.

Why Choose American Fidelity for Section 125 Plan Administration



Expertise

40 years of experience providing Section 125 Plan administration to organizations like yours.



Plan Setup

We work with you to capture all the details in your benefits offering and help you implement and maintain your Section 125 Plan, including the Plan Document.



Compliance

Our in-house employee benefits experts can assist your HR department by helping track plan changes and new regulations.



Employee Education

Provide year-round education to help your employees understand their benefits, leading to better participation in your Section 125 Plan.



American Fidelity is outstanding at talking to us about what we need and how we can customize the services we offer to fit our district, our employees, and the community we serve.



Kevin Carl, Superintendent, Hancock Place School District, MO

Reimbursement Accounts

We offer a variety of tax-advantaged reimbursement accounts that can be included under your Section 125 Plan. These accounts allow money to be set aside on a pre-tax basis to cover eligible expenses for things like medical, dental, vision, and dependent care.

Reimbursement Account Options:



Healthcare Flexible Spending Account (HCFSAs)

Allows employees to pay for eligible medical expenses, including deductibles, copays, and prescription drugs.

We assist with upfront funding and offer optional protection to cover the risk associated with required upfront reimbursement.



Dependent Care Account (DCA)

Reimburses expenses associated with dependent daycare for either a dependent child under the age of 13 or an adult dependent who is incapable of self-care.



Health Savings Account (HSA)

Combined with a qualified High Deductible Health Plan, it offers tax savings and investment options to pay for current and future medical expenses.



Limited Purpose FSA (LPFSA)

Reimburses employees for eligible dental and vision expenses. Most commonly offered with a Health Savings Account and a qualified High Deductible Health Plan.

American Fidelity offers a full suite of supplemental benefits that can help your employees fill the gaps in their individual coverage. Benefits are paid directly to your employees and can be used to pay for whatever health insurance doesn't cover—including lost income, deductibles, copayments, aftercare, everyday living expenses.

Supplemental Benefit Options:



Disability Income Insurance

Provides a percentage of your employees' monthly income if they are unable to work due to a covered illness or injury. Our disability products can be customized to meet the needs of each employee and complement your benefit offerings.



Life Insurance

Offers term and whole life insurance policies to meet the immediate and long-term life insurance needs of your employees.



Accident Insurance

May help your employees cover out-of-pocket treatment costs for injuries resulting from unexpected covered accidents. Our accident policy covers more than 25 treatments—including fractures, lacerations, physical therapy, and more.



Cancer Insurance

Includes individual and group plans with 30 benefits specifically designed to help your employees and their families with the financial aspect of being diagnosed with cancer, allowing them to focus on treatment.



Critical Illness Insurance

Pays a lump-sum benefit directly to your employees if they're diagnosed with a covered critical illness, such as a heart attack or stroke.

Researching and Vetting Employee Benefit Vendors Can Be Time Consuming

American Fidelity General Agency, a member of the American Fidelity family, can help lessen this burden by connecting you with trusted partner vendors to provide additional employee benefits. This gives you an opportunity to find competitive rates and allows our account managers to conduct your entire enrollment, providing a seamless process for your employees.

Products offered by American Fidelity General Agency through Partner Carriers

- Individual Worksite Life Insurance
- Group Life Insurance
- Group Accidental Death & Dismemberment Insurance
- Group Vision Insurance
- Group Dental Insurance
- Individual Long-Term Care Insurance
- Hospital and other Medical Indemnity Insurance
- Identity Protection
- Telemedicine

Premier Partner Carriers – Available through American Fidelity General Agency

- Always Care
- Ameritas
- AUL/One America
- Boston Mutual
- Cigna
- Delta Dental (Multi-State)
- Dental Care Plus
- EyeMed
- Guardian Life
- Hartford
- Health Resources Inc.
- Life Secure
- Lincoln Financial
- Mass Mutual
- MetLife
- Mutual of Omaha
- Principal Financial
- Reliance Standard
- Security Life
- The Standard
- Sunlife
- Superior Dental
- Superior Vision
- Texas Life
- Transamerica
- Vision Care Direct
- Vision Service Plan (VSP)
- Voya
- VPI Pet Insurance

Dependent Verification Reviews

As healthcare costs continue to increase, it is important to ensure that you are only offering medical, dental, and vision plans to those dependents who are eligible to participate according to your plan design. Covering ineligible dependents may mean you are spending money on people you don't intend to cover. Additionally, employees who cover ineligible dependents may be at risk for bearing the total cost of healthcare claims for those dependents.

American Fidelity conducts complimentary Dependent Verification Reviews (DVR) to provide cost savings by eliminating non-qualified dependents and helping to ensure that employers are meeting carrier eligibility requirements.

Why We Perform In-Person Reviews

Some dependent verification companies offer electronic-only or mail-in reviews, but this can cause delays in validation as well as pose a potential privacy or security risk. We exclusively perform DVRs in-person because they:

- Don't require the transfer of sensitive data, making them more secure.
- Save time by completing the review during annual enrollment.
- Allow us to assist employees with questions and concerns.
- Offer immediate results instead of waiting for processing and mail time.

Benefits of a Third-Party Provider

While some employers choose to complete the reviews themselves, there are many reasons why using a third party is beneficial:



Confidentiality

Because of the sensitive nature of these reviews, employees may feel more comfortable speaking honestly with someone they don't work with every day.



Trained Staff

Our account managers are required to attend data security and HIPAA security training every year.



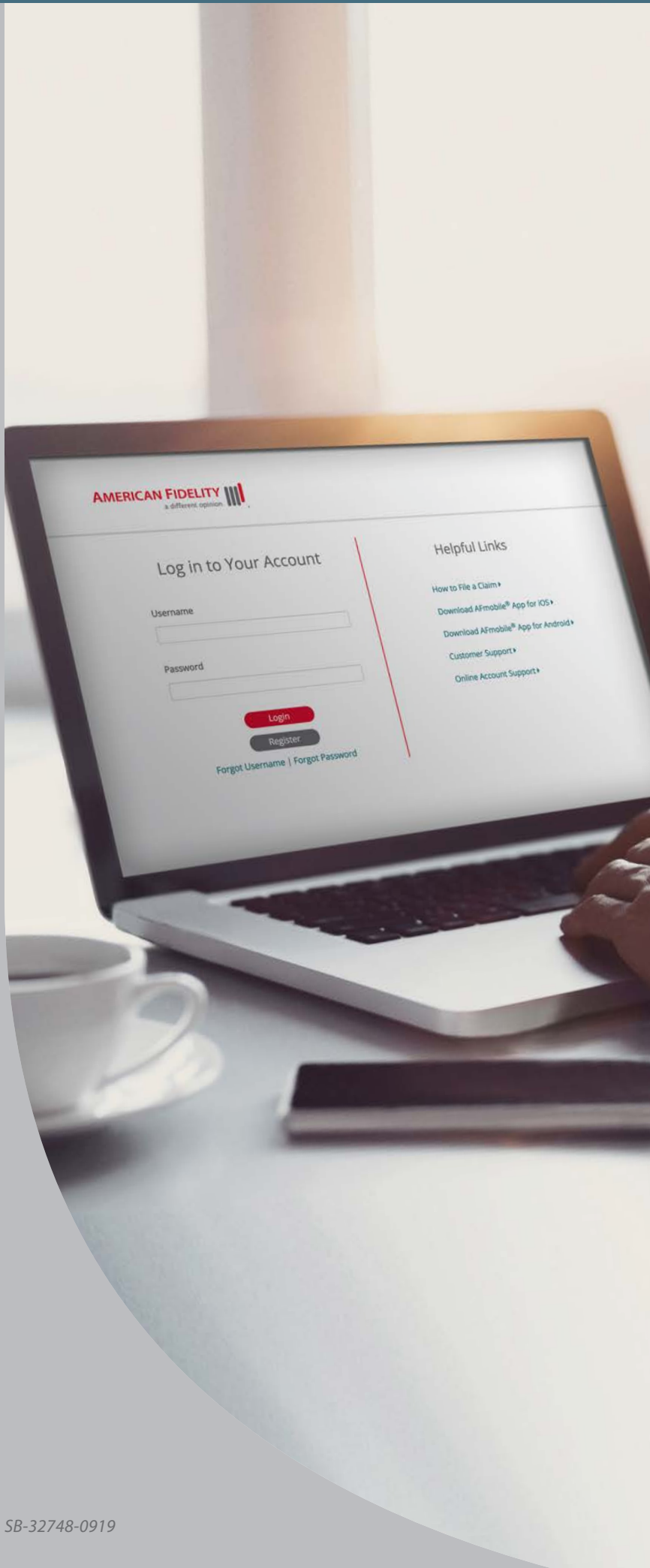
Immediate Results

Our account managers review your employees' verification documents in person, providing immediate results to you.



Save Time

DVRs take time, effort, and focus. We can help with the heavy lifting, so all you must worry about is removing ineligible dependents from your plan.



Resources and Tools

We work hard to exceed your expectations by providing excellent customer service and claims processing for your employees, and efficient plan administration tools and support for your Human Resources department. From our secured website and our convenient mobile app, to our local account managers and dedicated customer service team, American Fidelity is truly a different opinion.

- Employer Administration and Billing
- Policyholder Service and Support
- Hassle-Free Claims
- Data Security

Employer Administration and Billing

The administration of your benefits program may seem daunting without the proper resources. We have the resources and systems in place to handle all your administrative needs.

Employer Online Accounts

Our secure online system allows you to manage your entire benefits program and manage your bill in one place. Employers can:

- Review or terminate employees from their plan.
- Update contact information.
- Download sick pay reports.
- Create and manage employer account logins.
- Access employee election forms.
- Upload census data.
- Download reports.

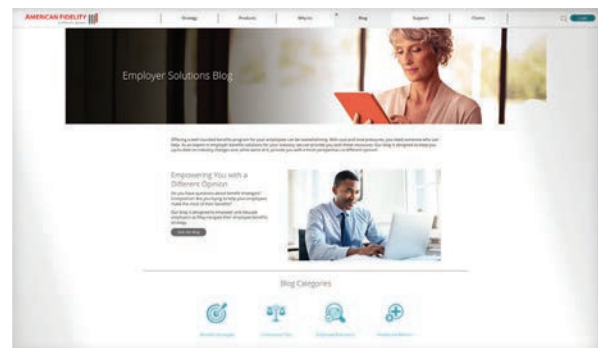
Billing and Reconciliation

American Fidelity provides multiple ways to meet the billing needs of our customers. Let us help you determine what option is best for you.

- **Hands-Free Bill Reconciliation**
Provide American Fidelity with a report of your premium deductions and we'll handle the reconciliation for you.
- **Employer Bill Reconciliation**
American Fidelity provides an itemized bill listing the premium due for each employee's coverage.

Employer Solutions Blog

We provide resources for employers to gain helpful insights about benefits management each month on our blog. Topics include tips on benefits compliance, reimbursement account management, how to get the most out of supplemental insurance, and more. Every month we email new articles to our Section 125 bookkeeper contacts. Employers can also access the articles anytime at solutions.americanfidelity.com.



Billing Paths to Meet Your Needs

Below are the three recommended billing paths. Start by logging into your American Fidelity online account at americanfidelity.com/myaccount

Hands-Free Bill Reconciliation

Premium Deduction File Upload



Provide documentation to American Fidelity outlining the amount you deducted from each employee's pay per coverage type.

Employer Bill Reconciliation

Online Bill Reconciliation



Make changes to your bill online so the bill reflects the premium deductions made.

Offline Bill Reconciliation



Download your bill in excel from your online account, make changes, and then upload back to your online account.

Submit matching payment.

American Fidelity compares what was billed to the information received from you.

American Fidelity sends discrepancies to **you** and **your account manager**. You work with your dedicated billing specialist and account manager to resolve before the following month's bill.



For detailed instructions on how to reconcile and pay your bills online, visit americanfidelity.com/billing-tutorials.

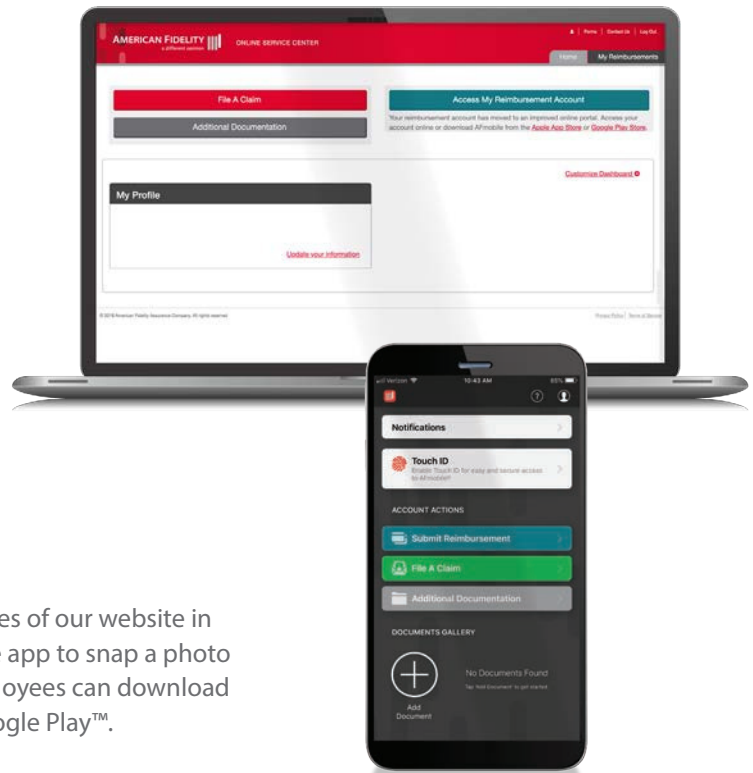
Policyholder Service and Support

We want to ensure your employees have the resources necessary to effectively utilize their benefits throughout the year. That's why we designed a variety of tools to help your employees file a claim, access account information, and get the support they need.

americanfidelity.com

Our website allows your employees to easily manage their benefits in one secure place. Employees can:

- File claims online.
- Check the status of an existing claim.
- Check reimbursement account balance and track account activity.
- Update account information.
- Download and print insurance policies.
- Set up account notifications and view statements.



AFmobile®

Our mobile app gives your employees all the features of our website in the palm of their hand. Employees may also use the app to snap a photo of documentation to conveniently file a claim. Employees can download AFmobile for free from the Apple App Store® or Google Play™.

Customer Support

There will be times when your employees need to speak to someone about their benefits. You will have a local account manager available to answer employee questions directly. In addition, we have a dedicated team of customer service representatives and participants have 24/7 access to our toll-free automated phone system to check their reimbursement account and annuity balances. Customers can also receive touch support and answers to frequently asked questions at americanfidelity.com/support.

AFQuickClaims® - Paid in as little as one day!

When participants submit their annual wellness, diagnostic testing, or health screening claim online or through AFmobile®, they can receive their benefit in as little as one business day when enrolled in direct deposit, without the need to upload documentation.

Your employees' personal information is valuable. We understand you may have security concerns regarding sharing your information with others. That's why we want to tell you about some of the ways we are protecting your data.

Security measures we take to protect your private information:

Network Security

For enhanced security, our data servers are divided into multiple zones. Each zone is protected by security devices. Our network security permits only authorized traffic to access the system from the outside or between zones. Administrative traffic is restricted to authorized Virtual Private Network (VPN) users whose access is controlled via two-factor authentication. In addition to hardware firewalls, our servers are protected by anti-virus software.

Role-Based User Access

User access to the system is governed by roles, or groupings of permissions that specify which users have access to certain sets of features. Users log in with unique usernames and strong passwords. This means only trained, authorized, and necessary colleagues within American Fidelity have access to your private information.

Data Encryption

Our platform uses 256-bit encryption and Transport Layer Security (TLS) for all personal information transmitted over the Internet. The system also encrypts all backups before transmission off-site.

Secure Data Centers

All data is stored and managed on secure systems. Access to systems in these facilities is restricted to a limited number of authorized personnel. Physical access is monitored and controlled by proximity readers and authorized escorts. Security updates are applied on a recurring basis based on level of criticality and applicability.

Committed to Privacy

We understand that the protection of customer information and private health information is critical. It is our policy to keep any information that is collected secure and confidential. We respect the privacy of our customers and treat all personal information responsibly in accordance with privacy laws and regulations.

Audited Financials

- Audited Financials

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Financial Statements and Schedules

December 31, 2019 and 2018

(With Independent Auditors' Report Thereon)



KPMG LLP
210 Park Avenue, Suite 2650
Oklahoma City, OK 73102-5683

Independent Auditors' Report

The Board of Directors
American Fidelity Assurance Company:

We have audited the accompanying financial statements of American Fidelity Assurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2019 and 2018, and the related statutory statements of operations, capital and surplus, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 on U.S. Generally Accepted Accounting Principles

As described in Note 1 to the financial statements, the financial statements are prepared by the Company using statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles.

The effects on the financial statements of the variances between the statutory accounting practices and U.S. generally accepted accounting principles also are described in Note 18.



Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting practices and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of American Fidelity Assurance Company as of December 31, 2019 and 2018, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of American Fidelity Assurance Company as of December 31, 2019 and 2018, and the results of its operations and its cash flow for the years then ended, in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department described in Note 1.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the supplemental schedules of selected financial data, investment risk interrogatories, and summary schedule of investments, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Oklahoma Insurance Department. 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 information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

KPMG LLP

Oklahoma City, Oklahoma
April 13, 2020

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities, and Capital and Surplus

December 31, 2019 and 2018

Admitted Assets	2019	2018
	<hr/>	<hr/>
Cash and invested assets:		
Bonds, at amortized cost (fair value: \$4,652,363,276 and \$4,105,274,207 at December 31, 2019 and 2018, respectively)	\$ 4,374,405,435	4,115,251,600
Preferred stocks, at cost (fair value: \$19,455,638 and \$4,628,588 at December 31, 2019 and 2018, respectively)	17,647,066	4,211,220
Common stocks, at fair value (cost: \$11,949,875 and \$12,581,365 at December 31, 2019 and 2018, respectively)	23,741,020	23,322,478
Common stock, investment in affiliates at equity value	1,335,908	1,139,211
Mortgage loans on real estate	550,520,170	484,256,052
Investment real estate, at cost (less accumulated depreciation of \$11,969,556 and \$9,186,852 at December 31, 2019 and 2018, respectively, and less encumbrances of \$30,097,988 and \$31,480,666 at December 31, 2019 and 2018, respectively)	23,773,327	24,071,571
Policy loans	56,447,154	56,675,209
Cash and short-term investments, at cost, which approximates fair value	289,209,412	336,915,573
Other invested assets	56,152,849	40,278,452
	<hr/>	<hr/>
Total cash and invested assets	5,393,232,341	5,086,121,366
Life insurance premiums and annuity considerations deferred and uncollected	44,924,305	38,320,816
Accident and health premiums due and unpaid	81,075,450	54,160,453
Investment income due and accrued	40,762,334	40,490,632
Amounts recoverable from reinsurers	1,417,663	3,162,472
Other receivables under reinsurance contracts	9,486,135	8,271,235
Furniture and Equipment, at cost (less accumulated depreciation of \$646,437 and \$528,271 at December 31, 2019 and 2018, respectively)	—	116,824
Deferred tax assets	32,308,666	28,072,095
Other assets	72,905,510	87,687,289
Separate accounts' assets	980,712,323	754,806,790
	<hr/>	<hr/>
Total admitted assets	\$ <u>6,656,824,727</u>	<u>6,101,209,972</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities, and Capital and Surplus

December 31, 2019 and 2018

Liabilities and Capital and Surplus	2019	2018
Aggregate reserves:		
Life policies and contracts	\$ 2,517,865,702	2,390,305,977
Accident and health policies	765,011,449	709,006,176
Total aggregate reserves	3,282,877,151	3,099,312,153
Policy and contract claims reserves	137,286,075	116,179,693
Liability for premiums and other deposit funds	22,990,986	24,373,519
Remittances and items not allocated	45,793,086	21,444,809
General insurance expenses, taxes, licenses, and fees due or accrued	99,013,620	104,023,684
Funds held under coinsurance	691,753,769	706,187,716
Other liabilities	354,457,691	271,986,543
Borrowed money	497,645,003	497,669,116
Separate Accounts' liabilities	980,712,323	754,806,790
Total liabilities	6,112,529,704	5,595,984,023
Capital and surplus:		
Common stock, par value \$10 per share, 250,000 shares authorized, issued, and outstanding	2,500,000	2,500,000
Additional paid-in capital	5,887,698	5,887,698
Unassigned surplus	535,907,325	496,838,251
Total capital and surplus	544,295,023	505,225,949
Commitments and contingencies		
Total liabilities and capital and surplus	\$ 6,656,824,727	6,101,209,972

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Operations

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Income:		
Life insurance premiums and annuity considerations	\$ 370,729,063	348,399,110
Accident and health insurance premiums	805,431,515	739,319,233
Consideration for supplementary contracts with life contingencies	966,339	1,141,320
Net investment income (less investment expenses of \$39,359,896 and \$33,696,562 in 2019 and 2018, respectively)	180,829,179	184,959,903
Commissions and expense allowances on reinsurance ceded	(8,051,076)	(5,957,867)
Other income	<u>58,903,173</u>	<u>56,076,296</u>
Total income	<u>1,408,808,193</u>	<u>1,323,937,995</u>
Benefits and other deductions:		
Death benefits and matured endowments	33,395,707	29,675,601
Annuity benefits	186,437	2,665,949
Accident and health and disability benefits	419,763,284	368,901,423
Interest and adjustments on policy or deposit-type contract funds	25,501,129	1,559,015
Other benefits to policyholders and beneficiaries	187,510,674	182,961,204
Increase in aggregate reserves for future policy benefits	159,527,561	135,268,507
Commissions on premiums and annuity considerations	147,532,277	145,679,305
Commissions and expense allowances on reinsurance assumed	12,172,355	13,121,320
General insurance expenses, taxes, licenses, and fees	278,219,501	316,679,535
Other	<u>28,436,859</u>	<u>27,463,979</u>
Total benefits and other deductions	<u>1,292,245,784</u>	<u>1,223,975,838</u>
Net gain from operations before federal income taxes and net realized capital gains	116,562,409	99,962,157
Federal income taxes	<u>26,428,520</u>	<u>7,521,969</u>
Net gain from operations before net realized capital gains	90,133,889	92,440,188
Net realized capital gains, net of federal income tax expense (benefit) of \$9,599,983 and \$(9,142,363) in 2019 and 2018, respectively (excluding gains (losses) of \$37,515,252 and \$(4,218,990) transferred to the interest maintenance reserve in 2019 and 2018, respectively)	<u>145,877</u>	<u>6,448,632</u>
Net income	<u>\$ 90,279,766</u>	<u>98,888,820</u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Capital and Surplus

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Capital and surplus, beginning of year	\$ 505,225,949	430,624,340
Net income	90,279,766	98,888,820
Change in net unrealized capital gains, net of tax (expense) benefit of \$(517,132) and \$40,364 for 2019 and 2018, respectively	7,466,637	8,814,035
Change in net deferred taxes	10,740,955	(3,533,775)
Change in nonadmitted assets	(11,040,546)	10,497,598
Change in asset valuation reserve	2,490,485	(4,822,912)
Dividends to stockholder	(60,000,000)	(35,000,000)
Change in liability for reinsurance in unauthorized companies	(438,425)	22,981
Other changes	(429,798)	(265,138)
Net change in capital and surplus	<u>39,069,074</u>	<u>74,601,609</u>
Capital and surplus, end of year	<u>\$ 544,295,023</u>	<u>505,225,949</u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Cash Flow

Years ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Premiums and annuity considerations, net of reinsurance	\$ 1,131,351,981	1,091,465,791
Allowances and reserve adjustments on reinsurance ceded	(10,512,331)	(5,957,867)
Investment income received	179,977,287	182,510,343
Other income	54,492,425	49,891,286
Life and accident and health claims paid	(435,539,514)	(390,836,382)
Surrender benefits and other fund withdrawals paid	(184,922,205)	(131,850,901)
Other benefits to policyholders paid	(27,087,029)	(83,588,529)
Commissions and other expenses paid	(439,633,273)	(454,077,905)
Federal income taxes paid	(27,649,958)	(9,602,014)
Dividends paid to policyholders	<u>(953,445)</u>	<u>(884,406)</u>
Net cash from operations	<u>239,523,938</u>	<u>247,069,416</u>
Proceeds from investments sold, matured, or repaid:		
Bonds	1,446,951,582	492,427,928
Stocks	1,308,755	1,553,668
Mortgage loans	41,085,883	69,461,272
Other	<u>28,750,000</u>	<u>265,306</u>
Total investment proceeds	<u>1,518,096,220</u>	<u>563,708,174</u>
Cost of investments acquired:		
Bonds	(1,654,975,728)	(567,992,125)
Stocks	(13,435,846)	—
Mortgage loans	(107,350,000)	(73,442,830)
Other	<u>(13,117,507)</u>	<u>(18,175,686)</u>
Total investments acquired	<u>(1,788,879,081)</u>	<u>(659,610,641)</u>
Net change in policy loans and loans on fund deposits	<u>228,055</u>	<u>(1,408,951)</u>
Net cash from investing	<u>(270,554,806)</u>	<u>(97,311,418)</u>
Borrowed money		
Other cash provided	63,006,680	36,178,981
Dividends paid to stockholder	(60,000,000)	(35,000,000)
Other cash applied	<u>(19,681,973)</u>	<u>(55,852,809)</u>
Net cash from financing and miscellaneous sources	<u>(16,675,293)</u>	<u>(54,673,828)</u>
Net change in cash and short-term investments	<u>(47,706,161)</u>	<u>95,084,170</u>
Cash and short-term investments, beginning of year	<u>336,915,573</u>	<u>241,831,403</u>
Cash and short-term investments, end of year	\$ <u><u>289,209,412</u></u>	\$ <u><u>336,915,573</u></u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(1) Significant Accounting Policies

(a) *Business*

American Fidelity Assurance Company (AFA or the Company) provides a variety of financial services. AFA is a wholly owned subsidiary of American Fidelity Corporation (AFC), a Nevada insurance holding company. AFA is domiciled in the state of Oklahoma. The Company is subject to state insurance regulations and periodic examinations by state insurance departments.

AFA is licensed in 49 states, as well as the District of Columbia, American Samoa, Puerto Rico, and Guam, with approximately 39% of direct premiums written in Oklahoma, Texas, and California. Activities of AFA are largely concentrated in the group disability income, group and individual annuity, supplemental health, and individual medical markets. In addition, individual and group life business is also conducted. The main thrust of AFA's sales is worksite marketing of voluntary products through the use of payroll deduction. The Company sells these voluntary products through a salaried sales force that is broken down into two primary divisions: the Association Worksite Division (AWD) and American Fidelity Educational Services (AFES). AWD specializes in voluntary disability income insurance programs aimed at selected groups and associations whose premiums are funded by employees through payroll deductions. AFES focuses on marketing to public school employees with voluntary insurance products such as disability income, tax-sheltered annuities, life insurance, dread disease, and accident only. These premiums are also funded by employees through payroll deductions. The expertise gained by the Company in worksite marketing of voluntary products is used by the Strategic Alliances Division in developing products to meet special situations. The Life Division was formed upon the acquisition of a block of life business in 2000. This division is marketing individual life products through independent brokers in the United States of America and Latin America.

These statutory financial statements were prepared for the purpose of filing with the various state insurance departments.

(b) *Basis of Presentation*

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Certain amounts in prior year have been reclassified to conform to the current year presentation. Effective January 1, 2001, the National Association of Insurance Commissioners (NAIC) and the Oklahoma Insurance Department required that insurance companies domiciled in the state of Oklahoma prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual Statements of Statutory Accounting Principles (SSAP) subject to any deviations prescribed or permitted by the Insurance Commissioner of the state of Oklahoma (the Commissioner). There are no differences between the accounting practices prescribed or permitted by the Oklahoma Insurance Department and the accounting practices prescribed and permitted by the NAIC. There have been no permitted practices granted to the Company for 2019 and 2018 by the Oklahoma Insurance Department.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

SSAP differ from GAAP in several respects, which cause differences in reported assets, liabilities, stockholder's equity (statutory capital and surplus), net income, and cash flows. The principal SSAP that differ from GAAP include the following:

- The financial statements of subsidiaries are not consolidated and are accounted for as investments in common stock.
- Investments in bonds and preferred stocks are carried amortized cost, cost, or the lower of cost or fair value; under GAAP, investments in bonds and preferred stock, other than those classified as held-to-maturity, are carried at fair value.
- Certain assets (principally certain deferred taxes, furniture, equipment, prepaid expenses, and premiums due from policyholders, agents' balances, and amounts recoverable from reinsurers over 90 days) have been designated as nonadmitted assets and excluded from assets by a charge to statutory surplus. Under GAAP, such amounts are carried at amortized cost with the appropriate valuation allowance, when necessary.
- Aggregate reserves for life, annuities, and accident and health are based on statutory mortality and interest requirements without consideration for anticipated withdrawals except where allowed. Morbidity assumptions are based on the statutory morbidity requirements or Company's experience where allowed. Under GAAP, the reserves are based on either (i) the present value of future benefits less the present value of future net premiums based on mortality, morbidity, and other assumptions that were appropriate at the time the policies were issued or acquired, or (ii) the account value for certain contracts without significant life contingencies.
- The interest maintenance reserve (IMR) represents the deferral of interest-related realized gains and losses, net of tax, on primarily fixed maturity investments, which are amortized into income over the remaining life of the investment sold. No such reserve is required under GAAP.
- Deferred income taxes are recognized for both SSAP and GAAP; however, the amount permitted to be recognized is generally more restrictive under SSAP and the change in deferred taxes is reported as a direct charge to surplus.
- The asset valuation reserve (AVR) represents a contingency reserve for credit-related risk on most invested assets of the Company, and is charged to statutory surplus. No such reserve is required under GAAP.
- Policy acquisition costs are expensed as incurred, while under GAAP, successful acquisition costs are deferred and recognized over either (1) the expected premium-paying period or (2) the estimated life of the contract.
- Reserves are reported net of ceded reinsurance; under GAAP, reserves are reported gross with a corresponding reinsurance receivable.
- A 100% provision is established for unsecured reinsurance recoverable balances from unauthorized reinsurers. The change in this provision is credited or charged to unassigned surplus. Under GAAP, a provision is established for uncollectible reinsurance balances with any changes to this provision reflected in earnings for the period.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

- The statements of operations are different in certain respects, with life and annuity premiums being recognized as revenue when the policies and contracts are issued. Under GAAP, premiums on life insurance policies are recognized when due; premiums on annuity contracts are not recognized as revenue, but as deposits.
- Revenues for universal life policies and investment products consist of the entire premium received, and benefits represent the death benefits paid and the change in policy reserves, unless the products do not incorporate mortality or morbidity risk. Under GAAP, premiums received in excess of policy charges are not recognized as premium revenue, and benefits represent the excess of benefits paid over the policy account values and interest credited to the account values.
- The statements of cash flow differ in certain respects from the presentation required under GAAP, including the presentation of the changes in cash and short-term investments instead of cash and cash equivalents. Short-term investments include securities with maturities, at the time of acquisition, of one year or less. For statutory purposes, there is no reconciliation between net income and cash from operations.
- A statement of comprehensive income is not required for SSAP reporting.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, Annual Statement Instructions, and NAIC Manual requires management to make estimates and assumptions that affect the reported amounts of admitted assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in the period in which they occur. Principal estimates that could change in the future are the fair value of investments, whether a security is other-than-temporarily impaired, and the actuarial assumptions used in establishing policy liabilities.

(d) Investments in Affiliates, Joint Ventures, Partnerships, or Limited Liability Companies

The statutory financial statements include the Company's investment in its wholly owned subsidiaries. Intercompany accounts and transactions have not been eliminated in the statutory financial statements. The Company's wholly and majority-owned subsidiaries at December 31, 2019 and 2018 are noninsurance entities that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the Company or its affiliates, and are carried at the underlying equity of the respective entity's financial statements adjusted to a statutory basis of accounting.

The Company's investments in joint ventures, partnerships, and limited liability companies are recorded at cost, adjusted for the Company's share of the GAAP basis earnings or losses of the investee, net of

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

any distributions received. Such investments are reported as other invested assets and the related adjustments are reported as unrealized capital gains or losses in surplus.

(e) Investments

The investment portfolio includes bonds, preferred stocks, common stocks, mortgage loans, real estate, policy loans, other invested assets, and short-term investments.

Investments are carried in accordance with rules established by the NAIC. Bonds are carried at cost, adjusted where appropriate for accretion of premium or amortization of discount using the scientific interest method and taking into consideration stated interest and principal provisions. Additionally, bonds rated as NAIC 6 are carried at the lower of their cost or fair market value. Preferred stocks are carried at the lower of cost or fair value since there is no premium or discount. Common stocks are carried at fair value. Policy loans are stated at their aggregate unpaid balances. Mortgage loans on real estate are stated at their aggregate unpaid balances. Real estate held for investment is carried at cost less accumulated depreciation and encumbrances. Encumbrances as of December 31, 2019 and 2018 were approximately \$30,098,000 and \$31,481,000, respectively. The promissory note bears interest at 4.32% and is due in monthly installments of approximately \$103,000 (including interest) to 2022. Property occupied by the Company is carried at cost, less accumulated depreciation.

Realized gains or losses are determined on the specific identification basis. Unrealized gains and losses on common stocks of affiliates and nonaffiliates are accounted for as direct increases or decreases in surplus.

Because the Company's primary business is in the insurance industry, the Company holds a significant amount of assets that it intends to match with its liabilities in relation to maturity and interest margin. In order to maximize earnings and minimize risk, the Company invests in a diverse portfolio of investments. The portfolio is diversified by geographic region, investment type, underlying collateral, maturity, and industry. Management does not believe that the Company has any significant concentrations of credit risk in its investments.

The Company generally does not invest in any low investment-grade high-yield investment bonds (junk bonds). Certain bonds are guaranteed by the U.S. government. The Company limits its risks by investing in bonds and stocks of rated companies, mortgage loans adequately collateralized by real estate, selective real estate supported by appraisals, and policy loans collateralized by policy cash values. In addition, the Company performs due diligence procedures prior to making mortgage loans. These procedures include evaluations of the credit worthiness of the mortgagees and/or tenants and independent appraisals.

The maximum and minimum lending rates for mortgage loans originated during 2019 were 5.00% and 3.50%, respectively. The maximum and minimum lending rates for mortgage loans originated during 2018 were 5.06% and 4.17%, respectively. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 80% during 2019 and 2018. During 2019 and 2018, the Company did not reduce interest rates on any outstanding mortgage loans. The Company held no mortgages with interest more than 180 days past due or impaired mortgage loans.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

For loan-backed securities, the Company has elected to use the carrying value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. In 2019 and 2018, the Company had no changes from the retrospective to prospective methodology due to negative yield on specific securities. Prepayment assumptions for single class and multiclass mortgage-backed/asset-backed securities were obtained from broker-dealer survey values or internal estimates.

The Company periodically reviews its investment portfolio to determine if provisions for possible losses or provisions for other-than-temporary impairment (OTTI) are necessary. In connection with this determination, management reviews published market values, credit ratings, independent appraisals, expected cash flows, and other valuation information. Securities with impairments are written down to the present value of expected cash flows to be collected rather than fair value unless the Company has the intent to sell or inability to retain the security until recovery of amortized cost. For the year ended December 31, 2019, the Company recorded no OTTI. For the year ended December 31, 2018, the Company recorded approximately \$1,926,000 of OTTI. While management believes that no additional provisions for OTTI are currently necessary, adjustments may be necessary in the future due to changes in economic conditions. In addition, regulatory agencies periodically review investment valuation as an integral part of their examination process. Such agencies may require the Company to recognize adjustments based upon available information and judgments of the regulatory examiners at the time of their examination.

(f) Equipment

Equipment consists of electronic data processing equipment and is stated at cost less accumulated depreciation. Equipment is depreciated on a straight-line basis using estimated lives of five to ten years. Additions, renewals, and betterments are capitalized. Expenditures for software, maintenance, and repairs are expensed. Upon retirement or disposal of an asset, the asset and related accumulated depreciation are eliminated and any related gain or loss is included in income.

(g) Company-Owned Life Insurance

The Company is the owner of three single premium insurance policies and one group variable life insurance policy for certain current executives of the Company, where the Company is the beneficiary. These policies, accounted for using the investment method, were purchased in 2018, 2014 and in 2010. The policies are recorded in other assets at their net cash surrender values, as reported by the four issuing insurance companies, whose Standard & Poor's financial strength ratings are AA+ for the single premium insurance policies and A for the group variable life insurance policy. The net cash surrender values totaled approximately \$69,226,000 and \$66,423,000 as of December 31, 2019 and 2018, respectively. The face value (death benefit) of the life insurance policies underlying the contracts was approximately \$185,841,000 and \$184,584,000 as of December 31, 2019 and 2018, respectively.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(h) Premiums

Life premiums are recognized as revenue when the policy is written and on each anniversary date thereafter. Accident and health premiums are recognized when due from the policyholder. Both life and accident and health premiums are increased by reinsurance premiums assumed and reduced by reinsurance premiums ceded. Contracts issued that do not incorporate mortality or morbidity risk are not accounted for as insurance contracts. Amounts received as payments for such contracts are recorded as direct increases to the policy reserves.

The Company estimates accrued retrospective premium adjustments (premium rate stabilization) for certain contracts in its group health and group life business based on contractually determined formulas by group. The amount of net premiums written by the Company for the years ended December 31, 2019 and 2018 that were subject to retrospective rating features were approximately \$190,000 and \$190,000, respectively, which represented approximately 0.04% and 0.05% of net premiums written for group health and group life products in 2019 and 2018, respectively. No other net premiums written by the Company were subject to retrospective rating features.

(i) Reinsurance

The Company accounts for reinsurance transactions as prescribed by the applicable accounting standards, which require the reporting of reinsurance transactions relating to the statements of admitted assets, liabilities, and capital and surplus on a net basis and precludes immediate gain recognition on reinsurance contracts.

(j) Income Taxes

Current income taxes incurred includes current income taxes for the amount of federal income taxes paid or payable for the current year. These amounts are determined based on estimates of federal income taxes for the current year, including tax contingencies and benefits. The Company's current tax recoverable is reported as a component of other assets and current tax payable is reported as a component of other liabilities. The changes in current taxes are reflected in the statutory statements of operations.

Deferred income tax assets and liabilities are determined based on differences between statutory financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss, capital loss, and tax credit carryforwards. Temporary differences related to AVR and IMR are not included in the determination of gross deferred income taxes while temporary differences for unrealized gains/losses and nonadmitted assets are included. Gross deferred tax assets are reduced by a valuation allowance if it is more likely than not (i.e. greater than 50% likelihood) that some portion or all of the gross deferred tax assets will not be realized. The deferred tax assets and liabilities are measured using federal enacted tax rates. Deferred income tax assets are limited as to their admissibility. The changes in net deferred tax assets and liabilities are reflected in surplus. The Company's net admitted deferred tax assets are reported as a component of other assets.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(k) Policy Liabilities

Aggregate reserves for life policies and contracts include reserve amounts principally for life insurance policies, payout annuity policies, and disability insurance policies. The life insurance reserves are principally based on the 1941, 1958, 1980, 2001, and 2017 Commissioners Standard Ordinary (CSO) mortality tables, and are established with interest rate assumptions ranging from 2.0% to 6.0%. Annuity insurance reserves are established with interest rate assumptions ranging from 3.0% to 8.8%. Disability reserves are principally based on the 2012 Group Long Term Disability Table, with adjustments for actual Company experience. The tabular interest, tabular less actual reserves released, and the tabular cost have been determined by formula. Aggregate reserves for accident and health policies include the present value of amounts not yet due on claims, additional reserves, and unearned premiums.

Policy and contract claims reserves include a provision for reported claims and claims incurred but not reported. The provision for claims incurred but not reported is estimated based primarily on Company experience. Although these provisions are the Company's best estimate of the ultimate value, the actual results may vary from these values.

Liability for premiums and other deposit funds include reserves for qualified before tax annuities and other accumulation policies that do not subject the Company to any risks from policyholder mortality and morbidity. Such reserves are established using guaranteed interest rates of 3.0% to 7.5%.

The Company has a significant amount of allocated deferred annuity contracts with life contingencies. The liability for these contracts is recorded as aggregate reserves for life policies and contracts. The Company also has annuities certain without life contingencies. The liability for these contracts is recorded as a liability for premiums and other deposit funds.

The Company started issuing business in 2017 on the 2017 CSO table for life products where approved. There were two valuation basis changes for reserves in 2016. Disability reserves moved from the 1987 Commissioners Group Disability Table to the 2012 Group Long Term Disability Table. Group term life waiver of premium reserves moved from the 1952 Disability Study, period 2, with the 1958 CSO mortality table to the 2005 Group Term Life Waiver Reserve Table.

The Company waives deduction of deferred fractional premiums upon death of the insured, and returns any portion of the final premium beyond the month of death for policies developed and issued subsequent to December 1977.

Surrender values are not promised in excess of the legally computed reserves.

Extra premiums are charged for substandard lives in addition to the regular gross premium for the true age.

Mean reserves are determined by computing the regular mean reserve for the plan at the true age and holding in addition one-half of the extra premium charge for the year.

The Company had approximately \$1,151,998,000 and \$1,305,394,000 of insurance in force (after reinsurance ceded) for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Oklahoma at December 31, 2019 and 2018, respectively.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

The Company had approximately \$32,904,000 and \$34,709,000 as of December 31, 2019 and 2018, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at book value less current surrender charge of 5% or more. As of December 31, 2019 and 2018, the Company has approximately \$970,926,000 and \$746,745,000, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at market value where the withdrawal of the funds is payable at the current market value of the assets supporting the liabilities. Annuity reserves and deposit liabilities that were subject to discretionary withdrawal at book value without adjustment were approximately \$1,976,689,000 and \$1,883,672,000 as of December 31, 2019 and 2018, respectively. There were approximately \$44,033,000 and \$46,426,000 of annuity reserves and deposit liabilities that are not subject to discretionary withdrawal at December 31, 2019 and 2018, respectively. At December 31, 2019 and 2018, the total gross annuity actuarial reserves and deposit liabilities were approximately \$3,024,553,000 and \$2,711,552,000, respectively, and the net annuity actuarial reserves and deposit liabilities were approximately \$3,019,535,000 and \$2,706,415,000, respectively. The ceded amount of annuity actuarial reserves and deposit liabilities was approximately \$5,018,000 and \$5,137,000 as of December 31, 2019 and 2018, respectively. The Company's earnings related to these products are impacted by conditions in the overall interest rate environment.

(l) Capital and Surplus

Capital and surplus of the Company is restricted as to payment of dividends by statutory limitations applicable to insurance companies. Without prior approval of the respective state insurance department, dividends that can be paid are generally limited to the greater of 10% of statutory capital and surplus or the statutory net gain from operations before net realized capital gains/losses reported for the previous calendar year. The maximum dividend payout, which may be made without prior approval in 2020, is approximately \$90,134,000.

The Oklahoma Insurance Department has adopted Risk-Based Capital (RBC) requirements for life insurance companies. The RBC calculation serves as a benchmark for the regulation of life insurance companies by state insurance regulators. RBC provides for surplus formulas similar to target surplus formulas used by commercial rating agencies. The formulas specify various weighting factors that are applied to statutory financial balances or various levels of activity based on the perceived degree of risk, and are set forth in the RBC requirements. The Company has calculated RBC in accordance with the NAIC's Model Rule and RBC rules as adopted by the Oklahoma Insurance Department. The RBC, as calculated by the Company, exceeds levels requiring Company or regulatory action at December 31, 2019 and 2018.

(m) Separate Accounts

The Company maintains a separate account under Oklahoma insurance law designated as American Fidelity Separate Account A (Account A). Account A was formerly known as American Fidelity Variable Annuity Fund A, and operated as an open-end diversified management investment company from 1968 to 1998. Effective January 1, 1999, it was converted to a unit investment trust separate account, and it transferred its investment portfolio to the American Fidelity Dual Strategy Fund, Inc. (the Fund), an open-end investment company sponsored by AFA, in exchange for shares of the Fund.

On November 25, 2014, Account A's investment in the Fund was substituted with the Vanguard Total Stock Market Index Fund. Under Oklahoma law, the assets of Account A are segregated from the

AMERICAN FIDELITY ASSURANCE COMPANY

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Company's assets, are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The Company also maintains separate accounts under Oklahoma insurance law designated as American Fidelity Separate Account B (Account B) and American Fidelity Separate Account C (Account C). Account B and Account C are registered as unit investment trusts under the Investment Company Act of 1940, as amended. Under Oklahoma law, the assets of each of the ten (10) segregated subaccounts of Account B and the ten (10) segregated subaccounts of Account C are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The separate accounts maintained by the Company represent funds for nonguaranteed variable annuities. The assets of these accounts are carried at market value. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of the account value or the premium paid. The minimum guaranteed death benefit reserve is held in the Company's general account. For the years ended December 31, 2019 and 2018, the amount of premiums, considerations, or deposits for the year was approximately \$83,930,000 and \$75,231,000, respectively.

(2) Admitted and Nonadmitted Assets

Assets in the statutory statements of admitted assets, liabilities, and capital and surplus are stated at admitted asset values, which are the values permitted to be reported in the annual report to the Oklahoma Insurance Department. All other assets are "nonadmitted assets" and are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus by a charge to surplus. Nonadmitted assets as of December 31 are as follows:

	<u>2019</u>	<u>2018</u>
Prepays, deposits, and other receivables	\$ 11,815,227	7,665,554
Amounts receivable from reinsurers	1,420,225	—
Agents' balances	23,960	26,904
Deferred tax asset	29,993,314	24,006,062
Leasehold improvements	18,547,634	19,061,294
	<u>\$ 61,800,360</u>	<u>50,759,814</u>

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(3) Fair Value of Financial Instruments

A summary of the Company's financial instruments and the fair value estimates, methods, and assumptions is set forth below:

	Admitted assets	Estimated fair value as of December 31, 2019			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and short-term investments	\$ 289,209,412	289,209,412	—	—	289,209,412
Bonds	4,374,405,435	503,204	4,062,644,812	589,215,260	4,652,363,276
Common and preferred stock	42,723,994	38,301,466	1,468,440	4,762,660	44,532,566
Mortgage loans on real estate	550,520,170	—	—	569,102,537	569,102,537
Financial liabilities:					
Certain policy liabilities	2,026,548,359	—	—	2,027,871,376	2,027,871,376
Borrowed money	497,645,003	—	509,022,658	—	509,022,658
	Admitted assets	Estimated fair value as of December 31, 2018			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and short-term investments	\$ 336,915,573	336,915,573	—	—	336,915,573
Bonds	4,115,251,600	24,200,433	3,601,822,771	479,251,003	4,105,274,207
Common and preferred stock	28,672,909	23,700,796	1,258,513	4,130,968	29,090,277
Mortgage loans on real estate	484,256,052	—	—	490,749,585	490,749,585
Financial liabilities:					
Certain policy liabilities	1,936,558,042	—	—	1,937,397,267	1,937,397,267
Borrowed money	497,669,116	—	494,665,695	—	494,665,695

(a) Cash and Short-Term Investments

The carrying amounts of the financial instruments listed above approximate their fair values because they mature within a relatively short period of time, and do not present unanticipated credit concerns.

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(b) Bonds, Common Stocks and Preferred Stocks

For fixed maturities and marketable equity securities, for which market quotations generally are available, the Company primarily uses independent pricing services to assist in determining fair value measurements. When the fair value of certain securities is not readily available, the fair value estimates are based on quoted market prices of similar instruments adjusted for the differences between the quoted instruments and the instruments being valued, or fair value is estimated using discounted cash flow analysis. Interest rates used in this analysis are similar to currently offered contracts with comparable maturities as the investments being valued. The Company's investments also include certain less liquid or private fixed maturity debt securities, such as private placements and certain structured notes. Valuations are estimated based on nonbinding broker prices or valuation models discounted cash flow models and other similar techniques that use observable or unobservable inputs and are considered Level 3.

The fair value of equity securities investments of the Company is based on quotations from independent pricing services, bid prices published in financial newspapers, or bid quotations received from securities dealers.

(c) Mortgage Loans on Real Estate

Fair values are estimated for portfolios of loans with similar characteristics. Commercial mortgage loans have average net yield rates of 4.44% and 4.58% for December 31, 2019 and 2018, respectively. The fair value of mortgage loans was calculated by discounting scheduled cash flows to maturity using estimated market discount rates of 3.93% and 4.39% for December 31, 2019 and 2018, respectively. These rates reflect the credit and interest rate risk inherent in the loans. Assumptions regarding credit risk, cash flows, and discount rates are judgmentally determined using available market information and specific borrower information. The fair value of certain residential loans is based on the approximate fair value of the underlying real estate securing the mortgages.

(d) Policy Loans

Policy loans have average interest yields of 5.27% and 5.91% as of December 31, 2019, and 2018, respectively, and have no specified maturity dates. These loans typically carry an interest rate that is tied to the crediting rate applied to the related policy and contract reserves. Policy loans are an integral part of the life insurance policies that the Company has in force and cannot be valued separately.

(e) Certain Policy Liabilities

Certain policies sold by the Company are investment-type contracts. These liabilities are segregated into two categories: premiums and other deposit funds and immediate annuities. These liabilities are further defined to segregate the deferred annuity contract with life contingencies, which are reported as aggregate reserves for life policies and contracts. The fair value of aggregate reserves for life policies and contracts is estimated as the fund value of each policy less applicable surrender charges. The fair value of the immediate annuities without life contingencies and premiums and other deposit funds is

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estimated as the discounted cash flows of expected future benefits less the discounted cash flows of expected future premiums, using the current pricing assumptions.

	2019		2018	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Aggregate reserves for life policies and contracts	\$ 2,003,856,743	2,002,797,723	1,912,520,605	1,911,471,263
Annuities	22,691,616	25,073,653	24,037,437	25,926,004

(f) Borrowed Money

The fair value of the Company's notes payable is estimated by the present value of a stream of future expected cash flows using an appropriate discount rate. Discount factors are based on the LIBOR/Swap curve.

(g) Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These fair value estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they reflect income taxes on differences between fair value and tax basis of the assets. Because no established exchange exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the fair value estimates.

(h) Fair Value Hierarchy

The following are the levels of hierarchy and a description of the type of valuation inputs that are used to establish each level:

Level 1 inputs are quoted in active markets for identical securities.

Level 2 inputs are other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 inputs are significant unobservable inputs (including the Company's own assumptions used to determine the fair value of investments).

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Assets that are recorded at fair value are categorized into a three-level fair value hierarchy as required by SSAP No. 100, *Fair Value Measurements*. The balances of these assets as of December 31, 2019 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets recorded at fair value:				
Bonds – industrial and miscellaneous	\$ —	2,637,828	—	2,637,828
Common stock – unaffiliated	23,608,488	132,532	—	23,741,020
Common stock – affiliated	—	1,335,908	—	1,335,908
Total assets at fair value	\$ <u>23,608,488</u>	<u>4,106,268</u>	<u>—</u>	<u>27,714,756</u>

Assets that are recorded at fair value are categorized into a three-level fair value hierarchy as required by SSAP No. 100, *Fair Value Measurements*. The balances of these assets as of December 31, 2018 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets recorded at fair value:				
Bonds – industrial and miscellaneous	\$ 23,183,381	3,055,236	—	26,238,617
Common stock – unaffiliated	23,203,177	119,301	—	23,322,478
Common stock – affiliated	—	1,139,211	—	1,139,211
Total assets at fair value	\$ <u>46,386,558</u>	<u>4,313,748</u>	<u>—</u>	<u>50,700,306</u>

There were no securities with unobservable inputs (Level 3) at December 31, 2019 or 2018.

The following table presents the change for the year ended December 31, 2018 in the assets measured at fair value using unobservable inputs (Level 3):

	<u>Loan-backed securities</u>
Beginning balance	\$ 1,781,086
Transfers in	—
Transfers out	—
Total gain (loss) included in net income	1,307,118
Total gain (loss) included in surplus	195,673
Purchases	—
Issuances	—
OTTI	—
Sales	(3,283,877)
Settlements	—
Ending balance	\$ <u>—</u>

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(4) Investments

Investment income for the years ended December 31 is summarized below:

	<u>2019</u>	<u>2018</u>
Interest on bonds	\$ 181,983,049	180,346,598
Dividends on preferred and common stocks	822,142	314,170
Interest on mortgage loans	23,788,064	24,558,391
Investment real estate income	7,436,798	8,459,581
Interest on policy loans	2,981,784	3,305,649
Interest on cash and short-term investments and other	3,177,238	1,372,076
	<u>220,189,075</u>	<u>218,356,465</u>
Less investment expenses	39,359,896	33,396,562
Net investment income	\$ <u>180,829,179</u>	<u>184,959,903</u>

Realized gains (losses) for the years ended December 31 consisted of the following:

	<u>2019</u>	<u>2018</u>
Bonds	\$ 46,301,716	(4,547,506)
OTTI	—	(1,926,441)
Realized gains (losses) on bonds	46,301,716	(6,473,947)
Common stocks of nonaffiliates	677,265	752,169
Real estate	—	(820,296)
Other capital loss	282,131	(370,647)
Total realized gains (losses) before federal income taxes and IMR transfers	47,261,112	(6,912,721)
Federal income tax expense	9,599,983	(9,142,363)
Less IMR transfers	37,515,252	(4,218,990)
Net realized gains	\$ <u>145,877</u>	<u>6,448,632</u>

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The carrying value and estimated fair value of bonds, preferred stock, and common stock at December 31 are as follows:

	2019			
	Carrying value/ cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities	\$ 499,678	3,525	—	503,203
U.S. government				
agency obligations	2,028,476	153,020	—	2,181,496
Special revenue	374,675,018	11,394,517	(5,170,803)	380,898,732
States and territories	694,369,970	38,085,400	(752,290)	731,703,080
Foreign government	28,084,114	1,817,741	—	29,901,855
Corporate bonds	2,345,239,114	205,672,165	(5,379,808)	2,545,531,471
Loan-backed securities	929,509,065	36,700,464	(4,566,090)	961,643,439
Total bonds	4,374,405,435	293,826,832	(15,868,991)	4,652,363,276
Preferred stocks	17,647,066	1,816,972	(8,400)	19,455,638
Common stocks - unaffiliated	11,949,875	11,791,145	—	23,741,020
Common stocks - affiliated	103,902	1,232,006	—	1,335,908
Total stocks	29,700,843	14,840,123	(8,400)	44,532,566
Total	\$ 4,404,106,278	308,666,955	(15,877,391)	4,696,895,842

	2018			
	Carrying value/ cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities	\$ 1,006,957	10,094	—	1,017,051
U.S. government				
agency obligations	2,780,932	190,689	—	2,971,621
Special revenue	420,553,110	8,181,696	(26,611,053)	402,123,753
States and territories	467,834,029	24,468,961	(590,751)	491,712,239
Foreign government	28,159,997	1,215,173	—	29,375,170
Corporate bonds	2,307,793,450	56,359,524	(74,822,358)	2,289,330,616
Loan-backed securities	863,939,743	16,672,110	(15,051,478)	865,560,375
SVO Identified Funds	23,183,382	—	—	23,183,382
Total bonds	4,115,251,600	107,098,247	(117,075,640)	4,105,274,207
Preferred stocks	4,211,220	417,368	—	4,628,588
Common stocks - unaffiliated	12,581,365	10,741,113	—	23,322,478
Common stocks - affiliated	103,902	1,035,309	—	1,139,211
Total stocks	16,896,487	12,193,790	—	29,090,277
Total	\$ 4,132,148,087	119,292,037	(117,075,640)	4,134,364,484

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The NAIC fair value of total bonds is approximately \$1,975,000 less and \$5,084,000 more than the estimated fair value in the tables above at December 31, 2019 and 2018, respectively.

The carrying value and estimated fair value of investments in bonds at December 31, 2019, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of such securities may have the right to call or prepay obligations with or without call or prepayment penalties.

		Carrying value	Fair value
Due in one year or less	\$	37,277,992	37,848,051
Due after one year through five years		313,425,953	327,720,674
Due after five years through ten years		1,040,708,847	1,117,653,228
Due after ten years		2,053,483,578	2,207,497,884
Loan-backed securities		929,509,065	961,643,439
	\$	<u>4,374,405,435</u>	<u>4,652,363,276</u>

Proceeds from sales of bonds during 2019 and 2018 were approximately \$1,011,922,000 and \$238,736,000, respectively. Gross realized gains of approximately \$43,990,000 and \$6,125,000 and gross realized losses of approximately \$5,752,000 and \$14,841,000, respectively, were realized on those sales. The Company realized net gains of approximately \$7,009,000 and \$4,168,000 on bonds that were called or prepaid in 2019 and 2018, respectively. In addition, the Company realized a gain of \$1,055,000 on bonds transferred in 2019. There were no bonds transferred in 2018.

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2019 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Special revenue	\$ 167,185,164	(3,295,134)	42,847,423	(1,875,669)	210,032,587	(5,170,803)
States and territories	66,270,841	(752,290)	—	—	66,270,841	(752,290)
Corporate bonds	341,086,783	(4,837,790)	11,189,482	(542,018)	352,276,265	(5,379,808)
Loan-backed securities	161,929,694	(2,483,933)	59,834,984	(2,082,157)	221,764,678	(4,566,090)
Total	\$ <u>736,472,482</u>	<u>(11,369,147)</u>	<u>113,871,889</u>	<u>(4,499,844)</u>	<u>850,344,371</u>	<u>(15,868,991)</u>

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Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2018 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
Special revenue	\$ 53,695,118	(1,911,655)	242,890,758	(24,699,398)	296,585,876	(26,611,053)
States and territories	42,237,520	(440,086)	2,699,334	(150,665)	44,936,854	(590,751)
Corporate bonds	1,167,158,997	(51,835,726)	269,862,924	(22,986,632)	1,437,021,921	(74,822,358)
Loan-backed securities	280,677,754	(6,202,779)	176,571,111	(8,848,699)	457,248,865	(15,051,478)
Total	\$ 1,543,769,389	(60,390,246)	692,024,127	(56,685,394)	2,235,793,516	(117,075,640)

The investments included in states and territories are high-grade investment quality and have unrealized losses due to an increase in interest rates since acquisition. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. As the decline in fair value is attributable to changes in interest rates and not credit quality, the Company expects the unrealized losses to reverse as the securities shorten in duration and mature, and because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in special revenue securities are comprised of general obligations of U.S. government sponsored agencies for which the U.S. government is indirectly obligated. The unrealized loss is due to interest rate fluctuations, which result in a decline in market values from original purchase price. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. The Company expects the unrealized losses to reverse as the securities shorten in duration and mature and because the Company has the ability to hold these investments to maturity and does not intend to sell until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in corporate securities are comprised of corporate bonds. The unrealized loss is due to interest rate fluctuations, the current market and economic environment, which affects corporate credit ratings and changes in sector spreads. The unrealized loss may continue and may become more severe if the economy slows or interest rates rise. Because the decline in fair value is attributable to interest rates and economic changes and a slight decline in credit quality, and because the Company expects all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in loan-backed securities are comprised of U.S. government-sponsored agency mortgage-backed securities for which the U.S. government is not directly obligated, and private label whole loan collateralized mortgage obligations. The unrealized losses on these securities are a result of the current market and economic conditions that affect the mortgage-backed sector. The credit quality of some mortgage-backed bonds has declined due to the larger number of home defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and the Company believes all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

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The investments included in loan-backed securities are comprised of U.S. government-sponsored agency mortgage-backed securities for which the U.S. government is not directly obligated, and private label whole loan collateralized mortgage obligations. The unrealized losses on these securities are a result of the current market and economic conditions that affect the mortgage-backed sector. The credit quality of some mortgage-backed bonds has declined due to the larger number of home defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and the Company believes all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired. When the Company believes it will not receive all contractual cash flows, the securities are considered other-than-temporarily impaired.

At December 31, 2019 and 2018, investments with carrying values of approximately \$3,013,000 and \$3,463,000, respectively, were on deposit with state insurance departments as required by statute.

The Company has no direct exposure to subprime mortgage loans. An extensive pre-purchase analysis is performed on every loan-backed security. By purchasing only agency mortgage-backed securities and AAA collateralized mortgage-backed whole loan securities, direct exposure to sub-prime mortgages is virtually eliminated. The unrealized losses on these securities are a result of the current market and economic conditions that are affecting the mortgage-backed sector. The credit qualities on some mortgage-backed bonds have begun to decline due to the large number of home mortgage defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and only due slightly to a lessening of credit, the Company believes most contractual cash flows will be received.

There were no loan-backed securities that recognized OTTI in 2019 and there were no securities where the present value of cash flows expected to be collected are less than amortized cost basis.

(5) Separate Accounts

The Company utilizes Separate Accounts to record and account for variable annuity business. In accordance with the Insurance Code of the State of Oklahoma, variable annuities are supported for separate account classification by Title 36, Chapter 2, Section 6061. As of December 31, 2019 and 2018, the Company Separate Account statement included legally insulated assets of approximately \$980,712,000 and \$754,807,000, respectively, attributed to variable annuity contracts. The Separate Accounts held by the Company represent nonguaranteed variable annuity funds. The Company does not have a securities lending program.

The assets of these accounts are carried at fair market value. The net investment experience of the Separate Accounts is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. The minimum guaranteed death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the Company's general account annual statement.

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	<u>2019</u>	<u>2018</u>
1. Premiums, considerations, or deposits for year ended December 31	\$ 83,929,810	75,230,630
2. Reserves at December 31:		
For accounts with assets at:		
a. Fair market value	\$ 980,712,323	754,806,790
b. Amortized cost	—	—
c. Total reserves	<u>\$ 980,712,323</u>	<u>754,806,790</u>
3. By withdrawal characteristics:		
a. Subject to discretionary withdrawal	\$ —	—
b. With market value adjustment	—	—
c. At book value without market value adjustment and with current surrender charge of 5% or more	—	—
d. At fair market value	980,712,323	754,806,790
e. At book value without market value adjustment and with current surrender charge less than 5%	—	—
f. Subtotal	<u>980,712,323</u>	<u>754,806,790</u>
g. Not subject to discretionary withdrawal	—	—
h. Total	<u>\$ 980,712,323</u>	<u>754,806,790</u>
4. Reserves for asset default risk in lieu of AVR	\$ —	—

Reconciliation of net transfers to or (from) Separate Accounts.

	<u>2019</u>	<u>2018</u>
1. Transfers as reported in the summary of operations of the separate accounts statements:		
a. Transfers to separate accounts	\$ 83,929,810	75,230,630
b. Transfers from separate accounts	<u>59,617,687</u>	<u>50,870,488</u>
c. Net transfers to or (from) separate accounts (a) – (b)	24,312,123	24,360,142
2. Reconciling adjustments:		
a. Plus change in expense allowance and administration	(2,439,214)	(262,768)
3. AFA net transfer to the separate accounts (fn1)		
a. (1c) + (2)	<u>\$ 21,872,909</u>	<u>24,097,374</u>

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(6) Liability for Accident and Health Reserves

Accident and health reserve activity for the years ended December 31, 2019 and 2018 was as follows:

	<u>2019</u>	<u>2018</u>
Liability beginning of year, net of reinsurance	\$ 516,987,838	491,139,445
Incurred related to:		
Current year	466,929,542	418,088,762
Prior years	<u>(22,280,175)</u>	<u>(30,974,899)</u>
Total incurred	<u>444,649,367</u>	<u>387,113,863</u>
Paid related to:		
Current year	236,989,122	215,689,348
Prior years	<u>162,281,917</u>	<u>145,576,122</u>
Total paid	<u>399,271,039</u>	<u>361,265,470</u>
Liability end of year, net of reinsurance	\$ <u>562,366,166</u>	<u>516,987,838</u>

Reinsurance recoverable on paid losses was approximately \$2,838,000 and \$3,162,000 at December 31, 2019 and 2018, respectively.

The provision for accident and health (A&H) benefits pertaining to prior years decreased approximately \$22,280,000 in 2019 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$25,567,000 for group medical and disability and worse than expected experience of approximately \$3,287,000 for individual A&H business. The increase for individual A&H, primarily cancer, is due to a lengthening of the tail in the claim runoff.

The provision for A&H benefits pertaining to prior years decreased approximately \$30,975,000 in 2018 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$31,332,000 for group medical and disability and worse than expected experience of approximately \$357,000 for individual A&H business. The increase for individual A&H, primary cancer, is due to a reserve increase due to a lengthening of the tail in the claim runoff and a one-time back payment on older diagnostic claims.

The Company paid approximately \$2,619,000 and \$259,000 in 2019 and 2018, respectively, to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

(7) Borrowed Money

AFA has borrowed approximately \$496,500,000 and \$496,500,000 on the line of credit with the Federal Home Loan Bank of Topeka (FHLB) at December 31, 2019 and 2018, respectively. The line of credit is secured by investment securities and cash pledged as collateral by AFA with a carrying amount of approximately \$517,000,000 and \$582,111,000 at December 31, 2019 and 2018, respectively, which exceeds the collateral required for this line of credit. The pledged securities are held in the Company's name in a custodial account at United Missouri Bank, N.A. to secure current and future borrowings. To

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participate in this available credit, AFA has acquired 227,956 shares of FHLB common stock with a total carrying value of approximately \$23,146,000 and \$22,795,600 at December 31, 2019 and 2018, respectively.

FHLB Capital Stock

	2019		
	General account	Separate accounts	Total
Membership stock – class A	\$ 834,000	—	834,000
Membership stock – class B	—	—	—
Activity stock	21,842,500	—	21,842,500
Excess stock	469,500	—	469,500
Total	<u>\$ 23,146,000</u>	<u>—</u>	<u>23,146,000</u>
Actual or estimate borrowing capacity as determined by the insurer	\$ 521,934,270		

FHLB Capital Stock

	2018		
	General account	Separate accounts	Total
Membership stock – class A	\$ 500,000	—	500,000
Membership stock – class B	—	—	—
Activity stock	21,842,500	—	21,842,500
Excess stock	453,100	—	453,100
Total	<u>\$ 22,795,600</u>	<u>—</u>	<u>22,795,600</u>
Actual or estimate borrowing capacity as determined by the insurer	\$ 556,615,156		

FHLB Membership Stock (Class A and B) Eligible for Redemption

	Current year total	Not eligible				
		for redemption	Less than 6 months	6 months to 1 year	1 to 3 years	3 to 5 years
Class A	\$ 834,000	500,000	334,000	—	—	—
Class B	—	—	—	—	—	—

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FHLB Borrowings

FHLB has the option to convert the initial rate of interest to an adjustable rate of interest on many of these lines of credit on the dates listed in the following table. At any time after FHLB exercises its conversion option, the Company may prepay the advance in full or in part without a fee.

The Company has no unused lines of credit as of December 31, 2019 or 2018.

AFA had no structured note borrowings as of December 31, 2019 and 2018.

Information regarding the terms of the funds borrowed from FHLB are as follows:

Interest rate	Interest rate subject to conversion to adjustable rate	Date issued	Maturity date	Balance at December 31	
				2019	2018
3.270	—	02/08/10	02/10/20	10,000,000	10,000,000
3.630	—	03/25/10	03/25/22	10,000,000	10,000,000
3.710	—	03/25/10	03/25/20	10,000,000	10,000,000
3.440	—	03/25/10	03/25/20	10,000,000	10,000,000
3.500	—	03/25/10	03/25/21	10,000,000	10,000,000
3.770	—	04/13/10	04/13/22	15,000,000	15,000,000
4.190	—	05/07/10	05/07/20	10,000,000	10,000,000
2.570	—	03/27/12	03/26/21	12,500,000	12,500,000
2.080	—	11/19/13	11/20/23	10,000,000	10,000,000
1.980	—	03/12/14	03/12/24	—	12,500,000
3.110	—	05/23/14	05/23/24	15,000,000	15,000,000
1.930	—	11/19/14	11/19/24	—	25,000,000
2.300	—	04/28/15	04/28/23	5,000,000	5,000,000
2.590	—	05/20/15	05/19/23	5,000,000	5,000,000
2.740	—	05/21/15	05/21/24	25,000,000	25,000,000
2.060	—	08/10/15	08/08/25	20,000,000	20,000,000
2.090	—	01/13/16	01/13/22	5,000,000	5,000,000
2.260	—	01/13/16	01/13/23	10,000,000	10,000,000
2.280	—	01/13/16	01/13/26	10,000,000	10,000,000
2.070	—	05/06/16	05/06/26	10,000,000	10,000,000
2.590	—	11/21/16	11/23/26	10,000,000	10,000,000
2.960	—	03/13/17	03/13/25	10,000,000	10,000,000
2.600	—	04/20/17	04/18/25	15,000,000	15,000,000
1.880	—	05/19/17	05/19/27	25,000,000	25,000,000
2.890	—	05/22/17	05/21/27	10,000,000	10,000,000
2.640	—	05/22/17	05/22/25	5,000,000	5,000,000
2.520	—	12/04/17	12/04/23	25,000,000	25,000,000
2.960	—	01/29/18	01/29/25	10,000,000	10,000,000
3.080	—	02/01/18	01/30/26	15,000,000	15,000,000
3.240	—	02/05/18	02/05/27	6,500,000	6,500,000

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Interest rate	Interest rate subject to conversion to adjustable rate	Date issued	Maturity date	Balance at December 31	
				2019	2018
3.300	—	03/07/18	03/05/27	25,000,000	25,000,000
3.280	—	03/12/18	03/12/26	10,000,000	10,000,000
2.760	—	04/23/18	04/24/28	5,000,000	5,000,000
3.020	—	04/30/18	04/30/21	5,000,000	5,000,000
2.990	—	06/01/18	06/01/21	15,000,000	15,000,000
2.720	—	06/01/18	05/31/19	—	10,000,000
2.750	—	07/30/18	07/30/19	—	10,000,000
2.780	—	07/30/18	07/31/28	7,500,000	7,500,000
2.930	—	07/30/18	07/31/28	7,500,000	7,500,000
2.690	—	08/31/18	08/30/19	—	20,000,000
2.670	—	09/07/18	09/06/19	—	10,000,000
2.840	—	03/12/19	03/12/24	12,500,000	—
1.900	—	05/30/19	05/29/20	10,000,000	—
2.050	—	07/30/19	07/30/20	10,000,000	—
1.900	—	08/30/19	08/28/20	20,000,000	—
1.900	—	09/06/19	09/04/20	10,000,000	—
1.880	—	11/19/19	11/19/20	25,000,000	—
				<u>496,500,000</u>	<u>496,500,000</u>
			Accrued Interest	1,145,003	1,169,116
			Total	<u>\$ 497,645,003</u>	<u>497,669,116</u>

Interest paid in 2019 and 2018 was approximately \$13,807,000 and \$13,774,000, respectively, and is included in investment expenses in net investment income in the accompanying statutory statements of operations.

Scheduled maturities (excluding interest) of the above indebtedness at December 31, 2019 are as follows:

2020	\$ 115,000,000
2021	42,500,000
2022	30,000,000
2023	55,000,000
2024	52,500,000
2025 and thereafter	<u>201,500,000</u>
	<u>\$ 496,500,000</u>

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(8) Income Taxes

The Company's net deferred tax assets (liabilities) at December 31 and the change from the prior year are comprised of the following components:

	2019			2018			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 92,972,084	894,046	93,866,130	82,838,147	905,797	83,743,944	10,133,937	(11,751)	10,122,186
Statutory valuation allowance adjustments	—	—	—	—	—	—	—	—	—
Adjusted gross deferred tax assets	92,972,084	894,046	93,866,130	82,838,147	905,797	83,743,944	10,133,937	(11,751)	10,122,186
Deferred tax asset nonadmitted	29,993,314	—	29,993,314	24,006,062	—	24,006,062	5,987,252	—	5,987,252
Sub-total net admitted deferred tax assets	62,978,770	894,046	63,872,816	58,832,085	905,797	59,737,882	4,146,685	(11,751)	4,134,934
Deferred tax liabilities	28,977,429	2,586,721	31,564,150	29,292,446	2,373,341	31,665,787	(315,017)	213,380	(101,637)
Net admitted deferred tax assets (liabilities)	\$ 34,001,341	(1,692,675)	32,308,666	29,539,639	(1,467,544)	28,072,095	4,461,702	(225,131)	4,236,571

Management has reviewed whether a valuation allowance is needed on its total gross deferred tax assets reported above based on factors such as past history and trends, projected taxable income, and expiration of carryforwards. Management believes that in 2019 and 2018 it is more likely than not that the results of operations will generate sufficient taxable income to realize its gross deferred tax assets on ordinary items. Additionally, in 2019 and 2018, management believes that there are sufficient capital gains available in its capital assets portfolio and that holding its fixed debt securities in a loss position to maturity or recovery substantiates the Company's ability to realize its gross deferred tax assets on capital items. As such, there was no statutory valuation allowance adjustments in 2019 or 2018.

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The Company's admission calculation components at December 31, 2019 and 2018 are as follows:

	2019			2018			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ —	—	—	—	—	—	—	—	—
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (a) above) after application of the threshold limitation. (The lesser of (b)1 and (b)2 below):									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	32,308,666	—	32,308,666	28,072,095	—	28,072,095	4,236,571	—	4,236,571
2. Adjusted gross deferred tax assets allowed per limitation threshold Lesser of b(1) or b(2)	— 32,308,666	— —	76,797,954 32,308,666	— 28,072,095	— —	71,573,078 28,072,095	— 4,236,571	— —	5,224,876 4,236,571
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from (a) and (b) above) offset by gross deferred tax liabilities	30,670,104	894,046	31,564,150	30,759,990	905,797	31,665,787	(89,886)	(11,751)	(101,637)
(d) Deferred tax assets admitted									
Total ((a) + (b) + (c))	\$ 62,978,770	894,046	63,872,816	58,832,085	905,797	59,737,882	4,146,685	(11,751)	4,134,934

	<u>2019</u>	<u>2018</u>
Ratio percentage used to determine recovery period and threshold limitation amount	736 %	730 %
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b) 2 above	\$ <u>549,873,977</u>	<u>517,531,960</u>

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As of December 31, the change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted DTAs as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the statutory statements of capital and surplus):

		<u>2019</u>	<u>2018</u>	<u>Change</u>
Gross deferred tax assets	\$	93,866,130	83,743,944	10,122,186
Gross deferred tax liabilities		31,564,150	31,665,787	(101,637)
Net deferred tax assets/liabilities		62,301,980	52,078,157	10,223,823
Tax effect of unrealized (gains) losses		(2,230,351)	(1,713,219)	(517,132)
Net deferred income taxes	\$	<u>64,532,331</u>	<u>53,791,376</u>	<u>10,740,955</u>

The impact of the Company's tax planning strategies as of December 31 is as follows:

	<u>2019</u>		<u>2018</u>		<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
Adjusted gross DTAs	\$ 92,972,084	894,046	82,838,147	905,797	10,133,937	(11,751)
Percentage of adjusted gross DTAs attributable to the impact of tax planning strategies	— %	1.0 %	— %	1.1 %	— %	(0.1)%
Net admitted adjusted gross DTAs	\$ 62,978,770	894,046	58,832,085	905,797	4,146,685	(11,751)
Percentage of net admitted adjusted gross DTAs attributable to the impact of tax planning strategies	— %	1.4 %	— %	1.5 %	— %	(0.1)%

None of the Company's tax-planning strategies include the use of reinsurance.

There are no temporary differences for which deferred tax liabilities are not recognized.

As of December 31, current income taxes incurred consist of the following major components:

		<u>2019</u>	<u>2018</u>	<u>Change</u>
Current federal income tax – operations	\$	26,428,520	7,521,969	18,906,551
Foreign income tax		—	—	—
Subtotal		26,428,520	7,521,969	18,906,551
Current federal income tax on capital gains taxes incurred		9,599,983	(9,142,363)	18,742,346
Federal and foreign income taxes incurred	\$	<u>36,028,503</u>	<u>(1,620,394)</u>	<u>37,648,897</u>

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As of December 31, deferred income tax assets and liabilities consist of the following major components:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Deferred tax assets:			
Ordinary:			
Discounting of unpaid losses	\$ 13,936,983	13,084,755	852,228
Policyholder reserves	17,202,187	15,722,541	1,479,646
Investments	—	94,336	(94,336)
Deferred acquisition costs	41,842,231	37,295,387	4,546,844
Fixed assets	3,425,664	1,662,697	1,762,967
Compensation and benefits accrual	8,466,819	8,314,627	152,192
Receivables – nonadmitted	7,152,033	5,997,730	1,154,303
Other	946,167	666,074	280,093
Subtotal	<u>92,972,084</u>	<u>82,838,147</u>	10,133,937
Nonadmitted	<u>29,993,314</u>	<u>24,006,062</u>	5,987,252
Admitted ordinary deferred tax assets	<u>62,978,770</u>	<u>58,832,085</u>	4,146,685
Capital:			
Investments	\$ <u>894,046</u>	<u>905,797</u>	<u>(11,751)</u>
Admitted capital deferred tax assets	<u>894,046</u>	<u>905,797</u>	<u>(11,751)</u>
Admitted deferred tax assets	<u>63,872,816</u>	<u>59,737,882</u>	4,134,934
Deferred tax liabilities:			
Ordinary:			
Investments	50,119	—	50,119
Fixed Assets	441,548	1,065,486	(623,938)
Deferred and uncollected premium	20,191,530	18,826,113	1,365,417
Other	8,294,232	9,400,847	(1,106,615)
Subtotal	<u>28,977,429</u>	<u>29,292,446</u>	<u>(315,017)</u>
Capital:			
Investments	<u>2,586,721</u>	<u>2,373,341</u>	213,380
Deferred tax liabilities	<u>31,564,150</u>	<u>31,665,787</u>	<u>(101,637)</u>
Net deferred tax assets	\$ <u>32,308,666</u>	<u>28,072,095</u>	4,236,571

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The following items are included in Other Ordinary Deferred Tax Liabilities:

	<u>2019</u>	<u>2018</u>	<u>Change</u>
Change in reserve method	\$ 8,120,624	9,293,554	(1,172,930)
Other (items < 5% of total ordinary tax liabilities)	173,608	107,293	66,315
Total	<u>\$ 8,294,232</u>	<u>9,400,847</u>	<u>(1,106,615)</u>

The Company's income tax incurred and change in deferred tax differ from the amount obtained by applying the federal statutory rate of 21% to income before income taxes and net realized capital gains (losses) as follows:

	<u>2019</u>	<u>Effective 2019 tax rate</u>	<u>2018</u>	<u>Effective 2018 tax rate</u>
Income before taxes and realized capital gains (losses)	\$ 116,562,409	—%	\$ 99,962,157	—%
Income tax expense at 21% statutory rate	24,478,106	21.00%	20,992,053	21.0%
Increase (decrease) in tax resulting from:				
Dividends received deduction	(892,301)	-0.7%	(844,403)	-0.7%
Nondeductible expenses for meals and other items	718,929	0.7%	977,116	1.0%
Management fees	(1,911,000)	-1.6%	(1,269,030)	-1.3%
Tax credits	(2,113,913)	-2.0%	(2,126,320)	-2.2%
Tax-exempt income	(703,032)	-0.6%	(105,065)	-0.1%
Tax adjustment for IMR	(1,411,179)	-1.1%	(1,243,173)	-1.1%
Deferred tax benefit on nonadmitted assets	(1,154,303)	-1.0%	795,981	0.8%
Timing differences on realized gains and losses	88,522	—%	4,047,322	3.9%
Prior year return to provision and amended return adjustments	<u>(1,412,264)</u>	<u>-1.2%</u>	<u>(10,168,737)</u>	<u>-10.2%</u>
Total income tax expected	<u>\$ 15,687,565</u>	<u>13.5%</u>	<u>\$ 11,055,744</u>	<u>11.1%</u>
Current income taxes incurred (excludes tax on net realized gains and losses)	\$ 26,428,520	22.70%	\$ 7,521,969	7.6%
Net change in deferred income taxes (excludes tax on unrealized gains and losses)	<u>(10,740,955)</u>	<u>-9.2%</u>	<u>3,533,775</u>	<u>3.5%</u>
Total income tax reported	<u>\$ 15,687,565</u>	<u>13.50%</u>	<u>\$ 11,055,744</u>	<u>11.1%</u>

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The enactment of the Tax Cuts and Jobs Act of 2017 (Tax Act) materially impacted deferred income taxes in 2018 as a result of the tax rate change from 35% in 2017 to 21% in 2018 forward. During 2018, the pension redesignation from 2018 to 2017 and capital loss carryback from 2018 to prior years resulted in an additional 14% of current Federal income tax benefit. The Company generated a capital loss for tax purposes in 2018 of approximately \$26,186,000 which was carried back to its 2015, 2016, and 2017 Federal income tax returns, resulting in an additional Federal income tax benefit of approximately \$3,666,000 in 2018.

As of December 31, 2019, there are no operations loss deductions, capital loss, or tax credit carryforwards available for tax purposes.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
December 31, 2019	\$ —	9,599,983	9,599,983
December 31, 2018	—	—	—
December 31, 2017	—	8,485,552	8,485,552

Due to the changes in Federal tax laws resulting from the enactment of the Tax Act on December 22, 2017, the 3-year carry back of ordinary losses to the extent of ordinary income generated in the carry back years is no longer available. The 3-year carry back of losses is still allowed to the extent of capital gains generated in the carry back years. The amounts in this table represent the income tax incurred on capital gains in the current and prior years that will be available for recoupment in the event of future net capital losses.

As of December 31, 2019, there were no deposits admitted under Section 6603 of the Internal Revenue Code.

The Company is included in a consolidated federal income tax return with the following entities:

American Fidelity Corporation	American Fidelity International Holdings, Inc.
American Public Life Insurance Company	AF Apartments, Inc.
American Fidelity Securities, Inc.	Market Place Realty Corporation
InvesTrust	American Fidelity Property Services, LLC
American Fidelity General Agency, Inc.	American Fidelity Community Services, Inc.
AF Professional Employment Group, LLC	Home Rentals Inc.
First Financial Securities of America, Inc.	Apple Creek Apartments, Inc.
American Fidelity Property Company	Alcott HR Group, LLC
American Fidelity Administrative Services, LLC	All In Sports & Entertainment, LLC

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The method of tax allocation between the companies is subject to a written agreement approved by the Board of Directors. Allocation is based on separate return calculations at the group's effective tax rate with current credit for net losses. Intercompany tax balances are settled annually.

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

As of December 31, 2019, the Company did not owe or pay and Repatriation Transition Tax installments under the TCJA.

As of December 31, 2019, the Company has no AMT credit carryforward.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2016 and state and local income tax examinations for years prior to 2015. The Company is not currently under examination by any taxing authority.

(9) Reinsurance

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations; therefore, no significant allowance for uncollectible amounts has been included in the December 31, 2019 or 2018 statutory financial statements. Estimated amounts that reduce the reserves for future policy benefits at December 31, 2019 and 2018 for reinsurance ceded are approximately \$1,085,529,000 and \$1,094,467,000, respectively. At December 31, 2019 and 2018, amounts that reduced the reserves for future policy benefits of approximately \$697,228,000 and \$715,505,000, respectively, were associated with one reinsurer (note 14).

At December 31, 2019 and 2018, the Company had unsecured aggregate recoverable from the following reinsurers for policy and contracts claims, paid and unpaid, that exceeds 3% of the Company's surplus, as follows:

<u>Group</u>	<u>2019</u>	<u>2018</u>
Hannover Life Reassurance Company	\$ 3,491,119	2,496,774
Hannover Reassurance (Ireland) LTD	18,472,006	16,372,259
Total group	21,963,125	18,869,033

Reinsurance agreements in effect for life insurance policies vary according to the age of the insured and the type of risk. Retention amounts for life insurance range from \$250,000 on domestic individual life coverages to \$500,000 on group life and Latin American individual life coverages, with slightly lower limits on accidental death benefits. At December 31, 2019 and 2018, the face amounts of life insurance in force that are reinsured amounted to approximately \$7,421,897,000 and \$7,759,000,000, respectively (approximately 24.3% and 27.0% of total life insurance in force, respectively).

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Reinsurance agreements in effect for accident and health insurance policies vary with the type of coverage. There are no accident and health reinsurance treaties subject to retention limits.

The effects of reinsurance agreements on earned premiums, prior to deductions for benefits, and commission allowances are as follows for the years ended December 31, 2019 and 2018:

	<u>2019</u>	<u>2018</u>
Reinsurance ceded	\$ 209,700,052	207,564,634
Reinsurance assumed	58,091,200	52,646,255

Reinsurance agreements reduced benefits paid for life and accident and health policies by approximately \$195,274,600 and \$199,434,000 for the years ended December 31, 2019 and 2018, respectively.

(10) Employee Benefit Plans

The Company participates in a pension plan (the Plan), sponsored by AFC, and is not directly liable for obligations under the Plan. The Plan covers all employees who have satisfied longevity and age requirements. The Company's funding policy is to contribute annually the maximum amount that can be deducted for federal income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The Company contributed approximately \$20,019,000 and \$56,056,000 to the Plan during the years ended December 31, 2019 and 2018, respectively. AFC also offers certain postretirement benefits other than the Plan.

On September 12, 2018, the Company made an additional approximately \$39,000,000 cash contribution over the required minimum contribution of approximately \$17,506,000. This transaction allowed the Company to take advantage of the 14% differential in tax rate (35% vs 21%) by designating all 2018 payments as contributions for the 2017 Plan Year for the Plan and for Federal Income Tax purposes. This designation had to occur and be funded prior to the filing of the 2018 tax return. The additional contribution had a pretax impact of approximately \$39,000,000. The tax benefits related to the election on required and additional contributions reduced the expense by approximately \$16,038,000 causing a net decrease of approximately \$22,962,000.

The Company participates in a defined-contribution thrift and profit sharing plan as provided under Section 401(a) of the Code, which includes the tax deferral feature for employee contributions provided by Section 401(k) of the Code. The Company contributed approximately \$9,809,000 and \$8,898,000 to this plan during the years ended December 31, 2019 and 2018, respectively.

(11) Leases

The Company leases various properties to nonaffiliates under operating lease agreements, which expire or are cancelable within one year. The properties leased are included in the statutory statements of admitted assets, liabilities, and capital and surplus as investment real estate. Rental income on these properties is included in the statutory statements of operations as net investment income.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

Investment real estate held for lease is as follows at December 31:

	<u>2019</u>	<u>2018</u>
Land and buildings, net of encumbrances	\$ 35,742,883	33,258,423
Less accumulated depreciation	<u>(11,969,556)</u>	<u>(9,186,852)</u>
Net investment real estate	<u>\$ 23,773,327</u>	<u>24,071,571</u>

The Company entered into a lease agreement with 9000 Broadway LLC, a related party, on December 31, 2012, and modified effective January 1, 2014. The balance due will be paid in monthly amounts of approximately \$714,000 over the 20 year term of the lease.

(12) Related-Party Transactions

The Company paid cash dividends to AFC in the amount of approximately \$60,000,000 during 2019 and \$35,000,000 during 2018. There were no other transactions with affiliates in amounts, which exceeded one-half of one percent of the total admitted assets of the Company.

At December 31, 2019 and 2018, the Company reported approximately \$6,514,000 and \$6,033,000, respectively, as amounts due from AFC.

The Company leases office space from a subsidiary of AFC. The rent payments associated with this lease were approximately \$10,107,000 and \$9,593,000 in 2019 and 2018, respectively.

During 2017, 2016, and 2015 the Company entered into three-year software lease agreements with AFC. Lease expense related to these agreements was approximately \$5,432,000 and \$6,246,000 for the years ended December 31, 2019 and 2018, respectively, and is included in general insurance expenses.

The Company leases automobiles, furniture, and equipment from a partnership that owns a controlling interest in AFC. These operating leases are cancelable upon one month's notice. During the years ended December 31, 2019 and 2018, payments under these leases were approximately \$12,209,000 and \$12,366,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFC provides certain services on a cost basis with no markup. During the years ended December 31, 2019 and 2018, the Company paid management fees to AFC totaling approximately \$11,268,000 and \$14,494,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Fidelity International (Bermuda) Ltd. (AFIBL). During the years ended December 31, 2019 and 2018, AFIBL paid management fees to AFA of approximately \$3,078,000 and \$2,103,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Public Life Insurance Company (APL). During the years ended December 31, 2019 and 2018, APL paid management fees to AFA of approximately \$1,500,000 and \$1,500,000, respectively.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

During the years ended December 31, 2019 and 2018, the Company paid investment advisory fees to a partnership that owns a controlling interest in AFC totaling approximately \$15,341,000 and \$10,822,000, respectively.

(13) Commitments and Contingencies

Rent expense for the years ended December 31, 2019 and 2018 was approximately \$26,464,000 and \$25,583,000, respectively. A portion of rent expense relates to leases that expire or are cancelable within one year. The approximate aggregate minimum annual rental commitments as of December 31, 2019 under noncancelable long-term leases for office space are as follows:

2020	\$	11,536,000
2021		10,478,000
2022		9,065,000
2023		8,626,000
2024		8,577,000
2025 and thereafter		40,282,000

The Company has outstanding mortgage loan commitments of approximately \$40,825,000 and \$16,288,000 at December 31, 2019 and 2018, respectively.

The Company is subject to state guaranty association assessments in all states in which it is licensed to do business. These associations generally guarantee certain levels of benefits payable to resident policyholders of insolvent insurance companies. Many states allow premium tax credits for all or a portion of such assessments, thereby allowing potential recovery of these payments over a period of years. However, several states do not allow such credits. The Company estimates its liabilities for guaranty association assessments by using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. The Company monitors and revises its estimates for assessments as additional information becomes available, which could result in changes to the estimated liabilities. As of December 31, 2019 and 2018, liabilities for guaranty association assessments totaled approximately \$1,691,000 and \$1,770,000, respectively. Other operating expenses related to state guaranty association assessments were minimal for the years ended December 31, 2019 and 2018.

In the normal course of business, there are various legal actions and proceedings pending against the Company and its subsidiaries. In management's opinion, the ultimate liability, if any, resulting from these legal actions will not have a material adverse effect on the Company's financial position.

(14) Acquired Business – Mid-Continent Life Insurance Company

Effective December 31, 2000, the Company entered into an assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, in his capacity as receiver of Mid-Continent Life Insurance Company (MCL) of Oklahoma City, Oklahoma. Under this agreement, the Company assumed MCL's policies in force, with the exception of a small block of annuity policies that was assumed effective January 1, 2001. In a concurrent reinsurance agreement, the Company ceded 100% of the MCL policies assumed to Hannover Life Reassurance Company of America. In 2002, this agreement was then transferred to Hannover Life Reassurance Company of Ireland (HLR). The agreement with HLR is a funds

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

\$691,754,000 and \$706,188,000 to HLR and maintaining a funds withheld liability at December 31, 2019 and 2018, respectively.

Under the terms of the agreement with the receiver, the Company has guaranteed that the amount of premiums charged under the assumed "Extra-Life" contracts will not increase during the 17-year period beginning December 31, 2000 and will only increase thereafter if certain conditions are met. In 2018, the Company demonstrated to the Oklahoma Department of Insurance that those certain conditions had been met and the Company implemented a 10% rate increase and in July of 2019 the Company implemented an 11% rate increase. The Company has also guaranteed that the current dividend scale on the assumed "Extra-Life" contracts shall not be reduced or eliminated during the five-year period beginning December 31, 2000. Beginning January 1, 2006, the dividends on the assumed "Extra-Life" contracts are no longer guaranteed pursuant to the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma.

As required by the terms of the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, the Company and HLR agreed that a Supplemental Policyholder Reserve (SPR) would be established. The initial SPR is equal to the net of the assets and liabilities received from MCL under the assumption agreement, less amounts ceded to other reinsurance carriers. The SPR is 100% ceded to HLR.

The purpose of the SPR is to provide additional protection to the MCL policyholders against premium increases and to ensure that profits are recognized over the lives of the underlying policies, rather than being recognized up front. The method for calculation of the initial SPR was specified precisely in the agreement with the receiver. The method for calculating the SPR for periods beyond the purchase date was developed by the Company, as this reserve is not otherwise required statutorily or under existing actuarial valuation guidance. The SPR is divided into two parts: (a) an additional reserve for future benefits, which is an estimate of the amount needed, in addition to the policy reserves and liability for future dividends, to fund benefits assuming there are no future premium rate increases, and (b) an additional reserve for future estimated profit, which represents the profit the Company expects to earn on this business over the lives of the underlying policies. The SPR is reprojected each year to recognize current and future profits as a level percentage of future projected required capital amounts each year, resulting in a level return on investment. Any remaining SPR will not automatically be released after the premium guarantee period of 17 years because the SPR is to be held until there is an actuarial certainty that premium rate increases will not be needed. The calculation of the SPR is subject to significant volatility, as it is highly dependent upon assumptions regarding mortality, lapse experience, and investment return. Small shifts in any of these underlying assumptions could have a dramatic impact on the value of the SPR. The SPR was approximately \$343,509,000 and \$357,847,000 for 2019 and 2018, respectively.

Under the terms of the agreement with HLR, HLR has agreed to share future profits on a 50/50 basis with the Company through an experience refund account. The experience refund account is calculated as premium income plus investment income less reserve increases (including the SPR), benefits paid, and administrative expense allowances paid to the Company and is settled on a quarterly basis. Losses are not shared on a 50/50 basis, except to the extent that a net loss in the experience account at the end of a quarter carries forward to future quarters. There was no experience refund earned by the Company in 2019 and 2018. Due to the nature of a funds withheld reinsurance arrangement, the components of the experience refund calculation are reported as separate components in the accompanying summary of operations. Premium income, reserve increases, and benefits paid related to this block are reported as

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

reductions of premium income, changes in reserves, and benefits for reinsurance ceded, as required by the terms of the agreement. Investment income on the funds withheld is included in AFA's investment income, and administrative expense allowances paid to AFA are reported as a reduction of AFA's expense. The impact of ceding investment income on funds withheld is reported as a reduction of net investment income in the accompanying summary of operations.

(15) Life Contracts – Premiums

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2019 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 23,862,178	2,339,815
Ordinary renewal	55,902,416	42,487,089
Group life	97,401	97,401
	<u> </u>	<u> </u>
Total	\$ <u>79,861,995</u>	<u>44,924,305</u>

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2018 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 22,491,514	2,118,863
Ordinary renewal	45,199,738	36,110,684
Group life	91,343	91,269
	<u> </u>	<u> </u>
Total	\$ <u>67,782,595</u>	<u>38,320,816</u>

(16) Managing General Agents and Third-Party Administrators

There are no MGA or TPA arrangements with direct written premium greater than 5% of surplus at December 31, 2019 and 2018 respectively. Total aggregate direct written premium was approximately \$51,120,000 and \$58,646,000 at December 31, 2019 and 2018, respectively.

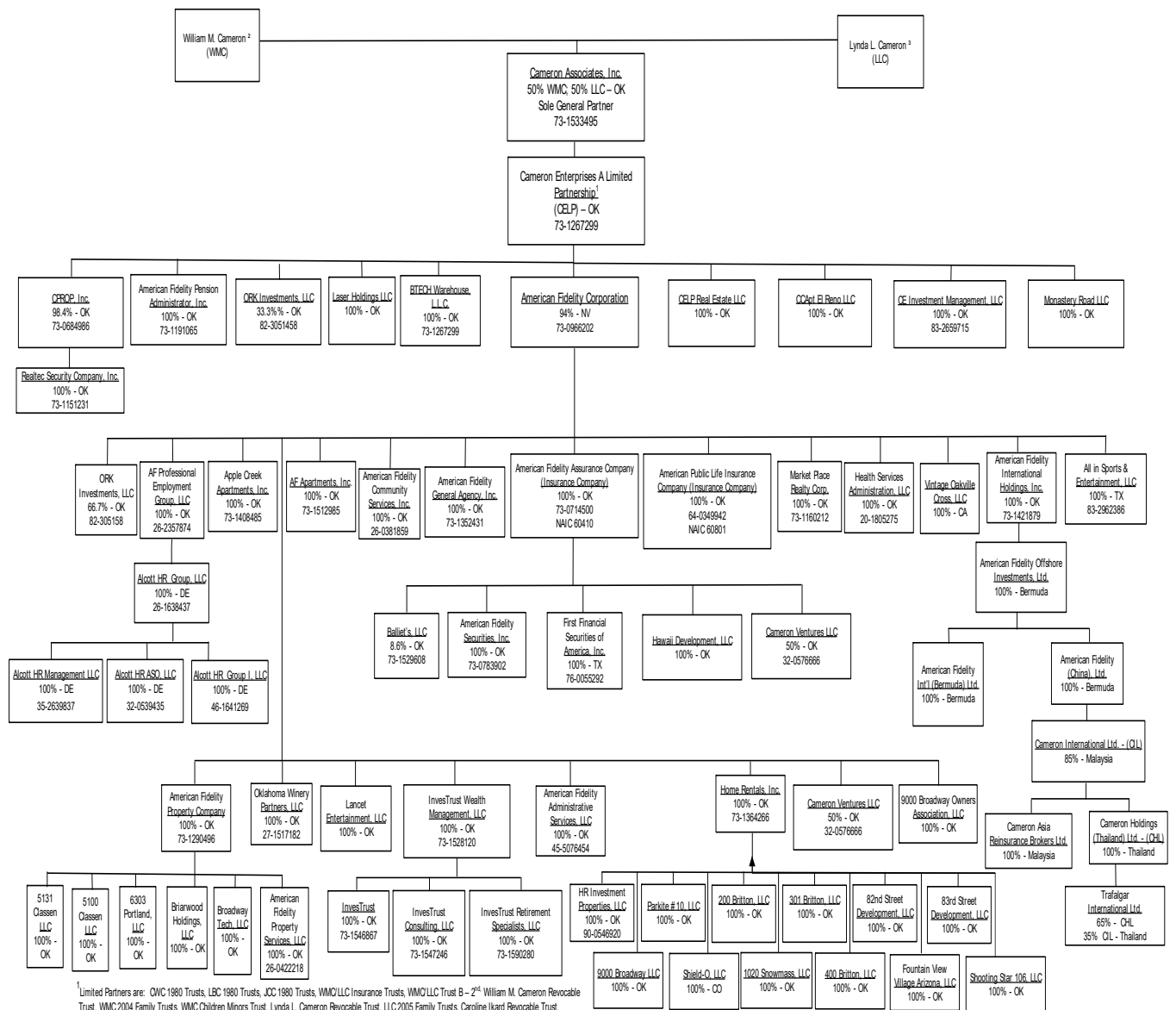
AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(17) Affiliated Entities

The following is a summary of the significant ownership and affiliated entity relationships that existed at December 31, 2019



¹ Limited Partners are: OWC 1980 Trusts, LBC 1980 Trusts, JOC 1980 Trusts, WMO/LLC Insurance Trusts, WMO/LLC Trust B - 2nd William M. Cameron Revocable Trust, WMC 2004 Family Trusts, WMC Children Minors Trust, Lynda L. Cameron Revocable Trust, LLC 2005 Family Trusts, Caroline Ikard Revocable Trust, Liza Cameron Revocable Trust

² William M. Cameron owns his interest in Cameron Associates through the William M. Cameron Revocable Trust.

³ Lynda L. Cameron owns her interest in Cameron Associates through the Lynda L. Cameron Revocable Trust.

NOTE: Organizations that are corporations include one of the following: Corporation, Company or Inc.
Organizations that are limited liability companies include one of the following: LLC or LC

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(18) Reconciliations

Reconciliations of capital and surplus and net income on a GAAP basis to the amounts included in the accompanying statutory financial statements for the years ended December 31, 2019 and 2018 are as follows (in thousands):

	Net income, year ended December 31		Capital and surplus, at December 31	
	2019	2018	2019	2018
Amounts as reported on statutory basis	\$ 90,280	98,889	544,295	505,226
Adjustments:				
Deferred policy acquisition costs	48,006	50,098	719,167	681,183
Policy benefit reserves	(848)	(19,647)	(21,232)	(21,705)
Deferred federal income taxes	1,224	(9,098)	(146,917)	(102,268)
Due and deferred premiums	(4,190)	(1,050)	(24,820)	(25,722)
Nonadmitted assets	—	—	25,842	26,162
Asset valuation reserve	—	—	37,888	40,378
Invested assets	—	(74,834)	277,076	(11,564)
Funds withheld derivative	27,186	75,661	(132,630)	(47,099)
Other, net	34	(823)	62,597	32,997
Amounts on a GAAP basis for consolidated presentation	\$ <u>161,692</u>	<u>119,196</u>	<u>1,341,266</u>	<u>1,077,588</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

(19) Guaranty Assessments

As of December 31, 2019, American Fidelity Assurance Company did not receive notice of any assessments that would have a material financial impact.

The amount of recognized liabilities under SSAP No. 35R is approximately \$1,691,000 and the related asset for premium tax credits is approximately \$772,000. The Company expects that the assessments would be billed and paid over the next year and the majority of the premium tax offsets would be realized over the next five years after that.

Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	4,229,571
Decreases current year:		
Premium tax offset applied		857,261
Payments on insolvencies which were set up as payables prior to the current year		354,932
Increases current year:		
Assessment payments less refunds on insolvencies billed during the current year		403,052
Adjusted the liability to remove payments on insolvencies which are no longer part of the projected liability		4,160
Increase in the estimated assessment liability based on the new projections at the end of the current year		134,136
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$	3,558,725

(20) Subsequent Events

The Company has evaluated events subsequent to December 31, 2019 and through April 13, 2020 the date on which the audited financial statements were issued. The Company's exposure to risk and impact from COVID-19 is being analyzed at every level. Our product mix does not currently have comprehensive medical coverage as we primarily sell supplemental products. Our reserves have proved to be adequate under a wide variety of interest rates and stress tests. At this point, we have no reason to believe that normal reserves will not be adequate to cover impacts of COVID-19. Due to our product mix, we believe that the claim impact, if any due to the virus itself will be very minor. However, if these events would trigger a recession, we could see the potential for additional claims (and claim reserves) in our disability lines. The Company is modeling various stress scenarios for all potentially impacted areas and will monitor outcomes

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2019 and 2018

monthly of all financial impacts. Our investments portfolio is very high credit quality, and as noted earlier in footnote 1(l), Capital and Surplus, our liquidity level is substantial for the Company, with additional sources at the AFC level. Monitoring at every level will continue as long as deemed necessary.

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2019

Investment income earned:	
Government bonds	\$ 1,655,900
Other bonds (unaffiliated)	180,327,149
Preferred stocks (unaffiliated)	806,724
Common stocks (unaffiliated)	15,418
Mortgage loans	23,788,064
Real estate	7,436,798
Premium notes, policy loans, and liens	2,981,784
Cash on hand and on deposit	1,850,855
Other invested assets	492,719
Aggregate write-ins for investment income	833,664
Gross investment income	<u>\$ 220,189,075</u>
Real estate owned – book value	\$ 23,773,327
Mortgage loans – book value:	
Commercial mortgages	<u>\$ 550,520,170</u>
Total mortgage loans	<u>\$ 550,520,170</u>
Mortgage loans by standing – book value:	
Good standing	\$ 550,520,170
Other long-term invested assets – statement value	55,443,823
Bonds and stocks of parents, subsidiaries, and affiliates – book value:	
Common stocks	1,335,908
Bonds and short-term investments by class and maturity:	
Bonds and short-term investments by maturity – statement value:	
Due within 1 year	\$ 135,001,333
Over 1 year through 5 years	636,364,919
Over 5 years through 10 years	1,371,073,254
Over 10 years through 20 years	962,131,490
Over 20 years	<u>1,269,834,439</u>
Total by maturity	<u>\$ 4,374,405,435</u>
Bonds and short-term investments by class – statement value:	
Class 1	\$ 3,070,430,501
Class 2	1,281,103,325
Class 3	20,233,781
Class 4	—
Class 5	—
Class 6	<u>2,637,828</u>
Total by class	4,374,405,435
Total bonds and short-term investments publicly traded	<u>3,258,139,579</u>
Total bonds and short-term investments privately placed	<u>\$ 1,116,265,856</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2019

Common stocks – fair value (investments in affiliates at equity value)	\$	25,076,928
Cash on hand and on deposit		289,209,412
Life insurance in force (net):		
Ordinary		22,167,190,000
Group life		965,095,000
Amount of accidental death insurance in force under ordinary policies (net)		5,407,762
Life insurance policies with disability provisions in force (net):		
Ordinary		2,207,391,000
Group life		54,367,000
Supplementary contracts in force (net):		
Ordinary – not involving life contingencies:		
Amount on deposit		88,544
Income payable		5,197,800
Ordinary – involving life contingencies (net):		
Income payable		2,275,111
Annuities:		
Ordinary:		
Immediate – amount of income payable	\$	—
Deferred – fully paid account balance		1,209,364,835
Group:		
Immediate – amount of income payable		—
Accident and health insurance – premiums in force:		
Ordinary		370,353,586
Group		625,173,268
Deposit funds and dividend accumulations:		
Deposit funds – account balance		7,009
Dividend and coupon accumulations – account balance		203,817
Claims payments:		
Other accident and health:		
2019		115,765,355
2018		73,462,849
2017		12,747,903
2016		5,140,810
2015		3,657,023
Prior		20,271,404
Group accident and health:		
2019		121,223,767
2018		37,620,920
2017		4,552,340
2016		1,804,630
2015		984,400
Prior		2,039,638

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2019

1. Total admitted assets, excluding separate accounts: \$5,676,112,404
2. The Company's 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the NAIC SVO Purposes and Procedures Manual as exempt, property occupied by the Company, and policy loans at December 31, 2019 are as follows:

Investment category	Amount	Percentage of total admitted assets
PepsiCo, Inc	\$ 29,479,874	0.519%
Intl Business Machines Corp	28,885,307	0.509%
Apple Inc	28,472,524	0.502%
Mars, Inc	28,115,280	0.495%
Prudential Financial, Inc	27,472,399	0.484%
Bristol-Myers Squibb Company	27,446,650	0.484%
Comcast Corp	26,500,864	0.467%
Exxon Mobil Corporation	26,482,847	0.467%
Target Corporation	25,759,012	0.454%
Burlington Northern Santa Fe	25,355,314	0.447%

3. The Company's investments in bonds, short-term investments, and preferred stocks by NAIC rating at December 31, 2019 are as follows:

Bonds, short-term investments, and preferred stocks	Amount	Percentage of total admitted assets
NAIC-1	\$ 3,072,310,751	54.127%
NAIC-2	1,296,556,305	22.842%
NAIC-3	20,336,397	0.358%
NAIC-4	—	0.000%
NAIC-5	—	0.000%
NAIC-6	2,849,048	0.050%

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2019

4. Assets held in foreign investments:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?		Yes () No (X)
Total admitted assets held in foreign investment	\$ 496,578,839	8.749%
Foreign-currency-denominated investments	—	—
Insurance liabilities denominated in that same foreign currency	—	—

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC-1	\$ 455,873,361	8.031%
Countries rated NAIC-2 or below	40,705,478	0.717%

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC – 1:		
Country 1: Australia	\$ 94,410,887	1.663%
Country 2: Netherlands	85,494,186	1.506%
Countries rated NAIC – 2 or below:		
Country 1: Mexico	\$ 20,846,925	0.367%
Country 2: Panama	13,889,683	0.245%

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2019

10. Ten largest nonsovereign (i.e., nongovernmental) foreign issues:

Issuer	Amount	Percentage of total admitted assets
Shell International Fin**	\$ 30,223,770	0.532%
Mitsubishi UFJ Finance Group**	23,666,761	0.417%
Siemens Financieringsmat**	22,361,487	0.394%
Tencent Holdings Ltd.**	15,043,330	0.265%
Ausgrid Finance Pty Ltd**	11,995,722	0.211%
NSW	11,000,000	0.194%
Total Capital International SA	10,539,794	0.186%
BIB	10,000,000	0.176%
ING Groep N.V.**	9,996,898	0.176%
Reckitt Benckiser Tsy**	9,976,714	0.176%

16a. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties. Each of the Company's 10 largest aggregate mortgage interests at December 31, 2019 are as follows:

Type (commercial)	Amount	Percentage of total admitted assets
Crown Equipment	\$ 15,872,161	0.280%
Waterloo Devon	14,506,695	0.256%
H.R. Developers	13,498,949	0.238%
CE Enterprise Partners	13,042,750	0.230%
ZP No. 17, LLC	10,899,541	0.192%
Daboo, LLC	10,699,923	0.189%
River Oaks Properties	10,431,596	0.184%
RCG U-45 Hayward	8,651,107	0.152%
Apollo Partners LP	8,448,857	0.149%
Susan A Cox	8,108,543	0.143%

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2019

- 16b. The Company's mortgage loans have the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

	Loan-to-value	Commercial	Percentage of total admitted assets
i.	above 95%	\$ —	— %
ii.	91% to 95%	—	—
iii.	81% to 90%	—	—
iv.	71% to 80%	9,218,175	0.162%
v.	below 70%	541,301,995	9.536%

Items 7 through 9, 11 through 15, 17a, and 18 through 23 are not applicable to the Company.

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2019

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Bonds:				
U.S. Governments	\$ 3,978,923	0.074%	\$ 3,978,923	0.074%
All Other Governments	28,084,114	0.521%	28,084,114	0.521%
U.S. States, Territories and Possessions, etc., Guaranteed	694,369,970	12.875%	694,369,970	12.875%
U.S. Special Revenue and Special Assessment Obligations, etc., Non-Guaranteed	1,076,795,506	19.966%	1,076,795,506	19.966%
Industrial and Miscellaneous	2,571,176,922	47.674%	2,571,176,922	47.674%
Preferred Stocks:				
Industrial and Misc. (Unaffiliated)	17,647,066	0.327%	17,647,066	0.327%
Common Stocks:				
Industrial and Miscellaneous Publicly Traded (Unaffiliated)	462,488	0.009%	462,488	0.009%
Industrial and Miscellaneous Other (Unaffiliated)	23,146,000	0.429%	23,146,000	0.429%
Parent, Subsidiaries and Affiliates Other	1,335,908	0.025%	1,335,908	0.025%
Mutual Funds (Unaffiliated)	132,532	0.002%	132,532	0.002%

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2019

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Mortgage loans:				
Commercial Mortgages	\$ 550,520,170	10.208%	\$ 550,520,170	10.208%
Real estate investments:				
Property Held for Production of Income	23,773,327	0.441%	23,773,327	0.441%
Cash, Cash Equivalents, and Short-term Investments				
Cash	289,209,412	5.362%	289,209,412	5.362%
Contract Loans	56,447,154	1.047%	56,447,154	1.047%
Receivables for Securities	709,026	0.013%	709,026	0.013%
Other Invested Assets	55,443,823	1.028%	55,443,823	1.028%
Total Invested Assets	\$ 5,393,232,341	100%	\$ 5,393,232,341	100%

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Financial Statements and Schedules

December 31, 2017 and 2016

(With Independent Auditors' Report Thereon)

Independent Auditors' Report

To the Board of Directors
American Fidelity Assurance Company:

We have audited the accompanying financial statements of American Fidelity Assurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2017 and 2016, and the related statutory statements of operations, capital and surplus, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 on U.S. Generally Accepted Accounting Principles

As described in note 1 to the statutory financial statements, the financial statements are prepared by the Company using statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles.

The effects on the financial statements of the variances between the statutory accounting practices and U.S. generally accepted accounting principles also are described in note 19.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting practices and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of American Fidelity Assurance Company as of December 31, 2017 and 2016, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of American Fidelity Assurance Company as of December 31, 2017 and 2016, and the results of its operations and its cash flow for the years then ended, in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department described in note 1.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the supplemental schedules of selected financial data, investment risk interrogatories, and summary schedule of investments, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Oklahoma Insurance Department. 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 information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/KPMG LLP

Oklahoma City, Oklahoma
April 19, 2018

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities, and Capital and Surplus

December 31, 2017 and 2016

Admitted Assets	2017	2016
Cash and invested assets:		
Bonds, at amortized cost (fair value: \$4,259,537,835 and \$3,998,585,286 in 2017 and 2016, respectively)	\$ 4,043,435,952	3,874,796,569
Preferred stocks, at cost (fair value: \$5,162,340 and \$4,917,320 in 2017 and 2016, respectively)	4,211,220	4,211,220
Common stocks, at fair value (cost: \$13,382,865 and \$14,126,581 in 2017 and 2016, respectively)	23,252,191	23,169,690
Common stock, investment in affiliates at equity value	962,932	880,238
Mortgage loans on real estate	480,274,494	442,601,524
Investment real estate, at cost (less accumulated depreciation of \$8,457,362 and \$6,293,343 in 2017 and 2016, respectively, and less encumbrances of \$32,803,503 and \$13,866,070 in 2017 and 2016, respectively)	20,496,168	10,066,258
Policy loans	55,266,258	53,218,030
Cash and short-term investments, at cost, which approximates fair value	241,831,403	143,509,947
Other invested assets	23,105,556	22,412,589
Total cash and invested assets	<u>4,892,836,174</u>	<u>4,574,866,065</u>
Life insurance premiums and annuity considerations deferred and uncollected	38,791,158	34,697,971
Accident and health premiums due and unpaid	51,829,866	49,353,222
Investment income due and accrued	40,109,898	40,160,883
Amounts recoverable from reinsurers	1,275,751	2,218,140
Other receivables under reinsurance contracts	11,558,586	12,027,490
Equipment, at cost (less accumulated depreciation of \$313,482 in 2017 and \$102,467 in 2016)	336,914	943,266
Deferred tax assets	24,838,194	38,338,826
Other assets	53,368,892	46,121,395
Separate Accounts' assets	781,742,340	648,033,770
Total admitted assets	<u>\$ 5,896,687,773</u>	<u>5,446,761,028</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities, and Capital and Surplus

December 31, 2017 and 2016

Liabilities and Capital and Surplus	2017	2016
Aggregate reserves:		
Life policies and contracts	\$ 2,328,051,699	2,204,233,575
Accident and health policies	661,508,564	603,063,432
Total aggregate reserves	2,989,560,263	2,807,297,007
Policy and contract claims reserves	106,663,883	120,857,902
Liability for premiums and other deposit funds	8,925,655	9,418,602
Remittances and items not allocated	19,868,845	19,786,365
General insurance expenses, taxes, licenses, and fees due or accrued	83,886,053	81,916,342
Funds held under coinsurance	724,753,162	732,348,589
Other liabilities	252,992,978	114,744,886
Borrowed money	497,670,254	497,755,108
Separate Accounts' liabilities	781,742,340	648,033,770
Total liabilities	5,466,063,433	5,032,158,571
Capital and surplus:		
Common stock, par value \$10 per share, 250,000 shares authorized, issued, and outstanding	2,500,000	2,500,000
Additional paid-in capital	5,887,698	5,804,686
Unassigned surplus	422,236,642	406,297,771
Total capital and surplus	430,624,340	414,602,457
Commitments and contingencies		
Total liabilities and capital and surplus	\$ 5,896,687,773	5,446,761,028

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Operations

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Income:		
Life insurance premiums and annuity considerations	\$ 277,014,197	269,132,871
Accident and health insurance premiums	680,365,036	637,451,328
Net investment income (less investment expenses of \$33,617,790 and \$32,288,799 in 2017 and 2016, respectively)	178,067,273	175,492,628
Commissions and expense allowances on reinsurance ceded	(9,320,885)	(11,980,402)
Other income	<u>48,092,873</u>	<u>44,734,212</u>
Total income	<u>1,174,218,494</u>	<u>1,114,830,637</u>
Benefits and other deductions:		
Death benefits and matured endowments	25,688,445	27,772,465
Annuity benefits	8,606,590	9,017,760
Accident and health and disability benefits	319,679,930	279,479,902
Interest and adjustments on policy or deposit-type contract funds	413,696	315,282
Other benefits to policyholders and beneficiaries	121,165,678	106,659,685
Increase in aggregate reserves for future policy benefits	182,263,256	219,515,930
Commissions on premiums and annuity considerations	132,173,398	120,283,886
Commissions and expense allowances on reinsurance assumed	13,378,325	12,339,862
General insurance expenses, taxes, licenses, and fees	261,853,121	231,436,106
Other	<u>6,765,911</u>	<u>1,129,201</u>
Total benefits and other deductions	<u>1,071,988,350</u>	<u>1,007,950,079</u>
Net gain from operations before federal income taxes and net realized capital gains (losses)	102,230,144	106,880,558
Federal income taxes	<u>31,554,611</u>	<u>32,030,414</u>
Net gain from operations before net realized capital gains (losses)	70,675,533	74,850,144
Net realized capital gains (losses), net of federal income tax expense of \$9,447,403 and \$7,278,712 in 2017 and 2016, respectively (excluding gains of \$16,242,903 and \$12,699,868 transferred to the interest maintenance reserve in 2017 and 2016, respectively)	<u>(4,477,008)</u>	<u>1,584,125</u>
Net income	\$ <u><u>66,198,525</u></u>	\$ <u><u>76,434,269</u></u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Capital and Surplus

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Capital and surplus, beginning of year	\$ 414,602,457	408,497,516
Net income	66,198,525	76,434,269
Change in net unrealized capital gains, net of tax benefit (expense) of \$607,835 and (\$258,915) for 2017 and 2016, respectively	2,203,033	431,579
Change in net deferred taxes	(32,231,203)	4,865,153
Change in nonadmitted assets	18,927,609	(19,814,729)
Change in asset valuation reserve	(2,673,790)	(6,297,898)
Dividends to stockholder	(35,000,000)	(45,000,000)
Change in liability for reinsurance in unauthorized companies	(1,252,401)	381,660
Correction of error, net of tax expense of \$0 and \$2,528,052 for 2017 and 2016, respectively (note 1)	—	(5,855,896)
Other changes	<u>(149,890)</u>	<u>960,803</u>
Net change in capital and surplus	<u>16,021,883</u>	<u>6,104,941</u>
Capital and surplus, end of year	\$ <u><u>430,624,340</u></u>	<u><u>414,602,457</u></u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Cash Flow

Years ended December 31, 2017 and 2016

	<u>2017</u>	<u>2016</u>
Premiums and annuity considerations, net of reinsurance	\$ 939,495,468	900,614,869
Allowances and reserve adjustments on reinsurance ceded	(9,320,885)	(11,980,402)
Investment income received	177,655,461	174,392,452
Other income	41,853,449	40,229,702
Life and accident and health claims paid	(355,803,263)	(336,633,908)
Surrender benefits and other fund withdrawals paid	(121,043,482)	(106,521,586)
Other benefits to policyholders paid	(8,728,786)	(9,155,859)
Commissions and other expenses paid	(408,083,202)	(365,788,138)
Federal income taxes paid	(35,368,482)	(41,065,332)
Dividends paid to policyholders	<u>(795,603)</u>	<u>(488,797)</u>
Net cash from operations	<u>219,860,675</u>	<u>243,603,001</u>
Proceeds from investments sold, matured, or repaid:		
Bonds	739,805,969	763,901,133
Stocks	1,549,846	2,514,516
Mortgage loans	51,610,622	50,247,283
Other	<u>33,879,265</u>	<u>2,803,089</u>
Total investment proceeds	<u>826,845,702</u>	<u>819,466,021</u>
Cost of investments acquired:		
Bonds	(883,786,844)	(894,371,627)
Stocks	(145,376)	—
Mortgage loans	(89,283,592)	(99,568,000)
Other	<u>(33,469,917)</u>	<u>(1,940,513)</u>
Total investments acquired	<u>(1,006,685,729)</u>	<u>(995,880,140)</u>
Net change in policy loans and loans on fund deposits	<u>(2,048,228)</u>	<u>(544,385)</u>
Net cash from investing	<u>(181,888,255)</u>	<u>(176,958,504)</u>
Borrowed money		(25,160,319)
Other cash provided	109,354,854	2,963,162
Dividends paid to stockholder	(35,000,000)	(45,000,000)
Other cash applied	<u>(14,005,818)</u>	<u>(31,125,621)</u>
Net cash from financing and miscellaneous sources	<u>60,349,036</u>	<u>(98,322,778)</u>
Net change in cash and short-term investments	98,321,456	(31,678,281)
Cash and short-term investments, beginning of year	<u>143,509,947</u>	<u>175,188,228</u>
Cash and short-term investments, end of year	\$ <u><u>241,831,403</u></u>	\$ <u><u>143,509,947</u></u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

(1) Significant Accounting Policies

(a) *Business*

American Fidelity Assurance Company (AFA or the Company) provides a variety of financial services. AFA is a wholly owned subsidiary of American Fidelity Corporation (AFC), a Nevada insurance holding company. AFA is domiciled in the state of Oklahoma. The Company is subject to state insurance regulations and periodic examinations by state insurance departments.

AFA is licensed in 49 states, as well as the District of Columbia, American Samoa, Puerto Rico, and Guam, with approximately 39% of direct premiums written in Oklahoma, Texas, and California. Activities of AFA are largely concentrated in the group disability income, group and individual annuity, supplemental health, and individual medical markets. In addition, individual and group life business is also conducted. The main thrust of AFA's sales is worksite marketing of voluntary products through the use of payroll deduction. The Company sells these voluntary products through a salaried sales force that is broken down into two primary divisions: the Association Worksite Division (AWD) and American Fidelity Educational Services (AFES). AWD specializes in voluntary disability income insurance programs aimed at selected groups and associations whose premiums are funded by employees through payroll deductions. AFES focuses on marketing to public school employees with voluntary insurance products such as disability income, tax-sheltered annuities, life insurance, dread disease, and accident only. These premiums are also funded by employees through payroll deductions. The expertise gained by the Company in worksite marketing of voluntary products is used by the Strategic Alliances Division in developing products to meet special situations. The Life Division was formed upon the acquisition of a block of life business in 2000. This division is marketing individual life products through independent brokers in the United States of America and Latin America.

These statutory financial statements were prepared for the purpose of filing with the various state insurance departments.

In 2016, the Company discovered an error in the amounts recorded for group medical payables and receivables related to ceded insurance contracts. The majority of the cumulative amount was created by the application of incorrect contractual percentages on certain arrangements since 2007. The cumulative impact of this error was recorded in 2016 as an adjustment to the beginning of year surplus. The error had accumulated over the 9-year period, thus the misstatement in a single year was not material. The remainder of the cumulative amount resulted from incorrect postings of receivables dating back to 2000. Total impact of the error to 2016 beginning of period capital and surplus was approximately \$5,900,000.

(b) *Basis of Presentation*

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Effective January 1, 2001, the National Association of Insurance Commissioners (NAIC) and the Oklahoma Insurance Department required that insurance companies domiciled in the state of Oklahoma prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual Statements of Statutory Accounting Principles (SSAP) subject to any deviations prescribed or permitted by the Insurance Commissioner of the state of Oklahoma

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

(the Commissioner). There are no differences between the accounting practices prescribed or permitted by the Oklahoma Insurance Department and the accounting practices prescribed and permitted by the NAIC. There have been no permitted practices granted to the Company for 2017 and 2016 by the Oklahoma Insurance Department.

SSAP differ from GAAP in several respects, which cause differences in reported assets, liabilities, stockholder's equity (statutory capital and surplus), net income, and cash flows. The principal SSAP that differ from GAAP include the following:

- The financial statements of subsidiaries are not consolidated and are accounted for as investments in common stock.
- Investments in bonds and preferred stocks are carried amortized cost, cost, or the lower of cost or fair value; under GAAP, investments in bonds and preferred stock, other than those classified as held-to-maturity, are carried at fair value.
- Certain assets (principally certain deferred taxes, furniture, equipment, prepaid expenses, and premiums due from policyholders, agents' balances, and amounts recoverable from reinsurers over 90 days) have been designated as nonadmitted assets and excluded from assets by a charge to statutory surplus. Under GAAP, such amounts are carried at amortized cost with the appropriate valuation allowance, when necessary.
- Aggregate reserves for life, annuities, and accident and health are based on statutory mortality and interest requirements without consideration for anticipated withdrawals except where allowed. Morbidity assumptions are based on the statutory morbidity requirements or Company's experience where allowed. Under GAAP, the reserves are based on either (i) the present value of future benefits less the present value of future net premiums based on mortality, morbidity, and other assumptions that were appropriate at the time the policies were issued or acquired, or (ii) the account value for certain contracts without significant life contingencies.
- The interest maintenance reserve (IMR) represents the deferral of interest-related realized gains and losses, net of tax, on primarily fixed maturity investments, which are amortized into income over the remaining life of the investment sold. No such reserve is required under GAAP.
- Deferred income taxes are recognized for both SSAP and GAAP; however, the amount permitted to be recognized is generally more restrictive under SSAP and the change in deferred taxes is reported as a direct charge to surplus.
- The asset valuation reserve (AVR) represents a contingency reserve for credit-related risk on most invested assets of the Company, and is charged to statutory surplus. No such reserve is required under GAAP.
- Policy acquisition costs are expensed as incurred, while under GAAP, successful acquisition costs are deferred and recognized over either (1) the expected premium-paying period or (2) the estimated life of the contract.
- Reserves are reported net of ceded reinsurance; under GAAP, reserves are reported gross with a corresponding reinsurance receivable.
- A 100% provision is established for unsecured reinsurance recoverable balances from unauthorized reinsurers. The change in this provision is credited or charged to unassigned surplus.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

Under GAAP, a provision is established for uncollectible reinsurance balances with any changes to this provision reflected in earnings for the period.

- The statements of operations are different in certain respects, with life and annuity premiums being recognized as revenue when the policies and contracts are issued. Under GAAP, premiums on life insurance policies are recognized when due; premiums on annuity contracts are not recognized as revenue, but as deposits.
- Revenues for universal life policies and investment products consist of the entire premium received, and benefits represent the death benefits paid and the change in policy reserves, unless the products do not incorporate mortality or morbidity risk. Under GAAP, premiums received in excess of policy charges are not recognized as premium revenue, and benefits represent the excess of benefits paid over the policy account values and interest credited to the account values.
- The statements of cash flow differ in certain respects from the presentation required under GAAP, including the presentation of the changes in cash and short-term investments instead of cash and cash equivalents. Short-term investments include securities with maturities, at the time of acquisition, of one year or less. For statutory purposes, there is no reconciliation between net income and cash from operations.
- A statement of comprehensive income is not required for SSAP reporting.

(c) Use of Estimates

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, Annual Statement Instructions, and NAIC Manual requires management to make estimates and assumptions that affect the reported amounts of admitted assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in the period in which they occur. Principal estimates that could change in the future are the fair value of investments, whether a security is other-than-temporarily impaired, and the actuarial assumptions used in establishing policy liabilities.

(d) Investments in Affiliates, Joint Ventures, Partnerships, or Limited Liability Companies

The statutory financial statements include the Company's investment in its wholly owned subsidiaries. Intercompany accounts and transactions have not been eliminated in the statutory financial statements. The Company's wholly and majority-owned subsidiaries at December 31, 2017 and 2016 are noninsurance entities that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the Company or its affiliates, and are carried at the underlying equity of the respective entity's financial statements adjusted to a statutory basis of accounting.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

The Company's investments in joint ventures, partnerships, and limited liability companies are recorded at cost, adjusted for the Company's share of the GAAP basis earnings or losses of the investee, net of any distributions received. Such investments are reported as other invested assets and the related adjustments are reported as unrealized capital gains or losses in surplus.

(e) Investments

The investment portfolio includes bonds, preferred stocks, common stocks, mortgage loans, real estate, policy loans, other invested assets, and short-term investments.

Investments are carried in accordance with rules established by the NAIC. Bonds are carried at cost, adjusted where appropriate for accretion of premium or amortization of discount using the scientific interest method and taking into consideration stated interest and principal provisions. Additionally, bonds rated as NAIC 6 are carried at the lower of their cost or fair market value. Preferred stocks are carried at the lower of cost or fair value since there is no premium or discount. Common stocks are carried at fair value. Policy loans are stated at their aggregate unpaid balances. Mortgage loans on real estate are stated at their aggregate unpaid balances. Real estate held for investment is carried at cost less accumulated depreciation and encumbrances. Encumbrances as of December 31, 2017 and 2016 were approximately \$32,803,503 and \$13,866,000, respectively. The promissory note bears interest at 4.32% and is due in monthly installments of approximately \$103,000 (including interest) to 2022. Property occupied by the Company is carried at cost, less accumulated depreciation.

Realized gains or losses are determined on the specific identification basis. Unrealized gains and losses on common stocks of affiliates and nonaffiliates are accounted for as direct increases or decreases in surplus.

Because the Company's primary business is in the insurance industry, the Company holds a significant amount of assets that it intends to match with its liabilities in relation to maturity and interest margin. In order to maximize earnings and minimize risk, the Company invests in a diverse portfolio of investments. The portfolio is diversified by geographic region, investment type, underlying collateral, maturity, and industry. Management does not believe that the Company has any significant concentrations of credit risk in its investments.

The Company generally does not invest in any low investment-grade high-yield investment bonds (junk bonds). Certain bonds are guaranteed by the U.S. government. The Company limits its risks by investing in bonds and stocks of rated companies, mortgage loans adequately collateralized by real estate, selective real estate supported by appraisals, and policy loans collateralized by policy cash values. In addition, the Company performs due diligence procedures prior to making mortgage loans. These procedures include evaluations of the credit worthiness of the mortgagees and/or tenants and independent appraisals.

The maximum and minimum lending rates for mortgage loans originated during 2017 were 4.70% and 4.00%, respectively. The maximum and minimum lending rates for mortgage loans originated during 2016 were 4.70% and 4.00%, respectively. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 80% during 2017 and 2016. During 2017 and 2016, the Company did not reduce interest rates on any outstanding mortgage loans. The Company held no mortgages with interest more than 180 days past due or impaired mortgage loans.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

For loan-backed securities, the Company has elected to use the carrying value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. In 2017 and 2016, the Company had no changes from the retrospective to prospective methodology due to negative yield on specific securities. Prepayment assumptions for single class and multiclass mortgage-backed/asset-backed securities were obtained from broker-dealer survey values or internal estimates.

The Company periodically reviews its investment portfolio to determine if provisions for possible losses or provisions for other-than-temporary impairment (OTTI) are necessary. In connection with this determination, management reviews published market values, credit ratings, independent appraisals, expected cash flows, and other valuation information. Securities with impairments are written down to the present value of expected cash flows to be collected rather than fair value unless the Company has the intent to sell or inability to retain the security until recovery of amortized cost. For the year ended December 31, 2017, the Company recorded approximately \$5,000,000 of OTTI. For the year ended December 31, 2016, the Company recorded approximately \$157,000 of OTTI. While management believes that no additional provisions for OTTI are currently necessary, adjustments may be necessary in the future due to changes in economic conditions. In addition, regulatory agencies periodically review investment valuation as an integral part of their examination process. Such agencies may require the Company to recognize adjustments based upon available information and judgments of the regulatory examiners at the time of their examination.

(f) Equipment

Equipment consists of electronic data processing equipment and is stated at cost less accumulated depreciation. Equipment is depreciated on a straight-line basis using estimated lives of five to ten years. Additions, renewals, and betterments are capitalized. Expenditures for software, maintenance, and repairs are expensed. Upon retirement or disposal of an asset, the asset and related accumulated depreciation are eliminated and any related gain or loss is included in income.

(g) Company-Owned Life Insurance

The Company is the owner of three single premium insurance policies and one group variable life insurance policy for certain current executives of the Company, where the Company is the beneficiary. These policies, accounted for using the investment method, were purchased in 2010 and in 2014. The policies are recorded in other assets at their net cash surrender values, as reported by the four issuing insurance companies, whose Standard & Poor's financial strength ratings are AA+ for the single premium insurance policies and A for the group variable life insurance policy. The net cash surrender values totaled approximately \$34,812,000 and \$33,896,000 as of December 31, 2017 and 2016, respectively. The face value (death benefit) of the life insurance policies underlying the contracts was approximately \$80,488,000 and \$80,510,000 as of December 31, 2017 and 2016, respectively.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

(h) Premiums

Life premiums are recognized as revenue when the policy is written and on each anniversary date thereafter. Accident and health premiums are recognized when due from the policyholder. Both life and accident and health premiums are increased by reinsurance premiums assumed and reduced by reinsurance premiums ceded. Contracts issued that do not incorporate mortality or morbidity risk are not accounted for as insurance contracts. Amounts received as payments for such contracts are recorded as direct increases to the policy reserves.

The Company estimates accrued retrospective premium adjustments (premium rate stabilization) for certain contracts in its group health and group life business based on contractually determined formulas by group. The amount of net premiums written by the Company for the years ended December 31, 2017 and 2016 that were subject to retrospective rating features was approximately \$199,00 and \$214,000, respectively, which represented approximately 0.05% and 0.06% of net premiums written for group health and group life products in 2017 and 2016. No other net premiums written by the Company were subject to retrospective rating features.

(i) Reinsurance

The Company accounts for reinsurance transactions as prescribed by the applicable accounting standards, which require the reporting of reinsurance transactions relating to the statements of admitted assets, liabilities, and capital and surplus on a net basis and precludes immediate gain recognition on reinsurance contracts.

(j) Income Taxes

Current income taxes incurred includes current income taxes for the amount of federal income taxes paid or payable for the current year. These amounts are determined based on estimates of federal income taxes for the current year, including tax contingencies and benefits. The Company's current tax recoverable is reported as a component of other assets and current tax payable is reported as a component of other liabilities. The changes in current taxes are reflected in the statutory statements of operations.

Deferred income tax assets and liabilities are determined based on differences between statutory financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss, capital loss, and tax credit carryforwards. Temporary differences related to AVR and IMR are not included in the determination of gross deferred income taxes while temporary differences for unrealized gains/losses and nonadmitted assets are included. Gross deferred tax assets are reduced by a valuation allowance if it is more-likely-than-not (i.e. greater than 50% likelihood) that some portion or all of the gross deferred tax assets will not be realized. The deferred tax assets and liabilities are measured using federal enacted tax rates. Deferred income tax assets are limited as to their admissibility. The changes in net deferred tax assets and liabilities are reflected in surplus. The Company's net admitted deferred tax assets are reported as a component of other assets.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2017 and 2016

(k) Policy Liabilities

Aggregate reserves for life policies and contracts include reserve amounts principally for life insurance policies, payout annuity policies, and disability insurance policies. The life insurance reserves are principally based on the 1941, 1958, 1980, 2001 and 2017 Commissioners Standard Ordinary (CSO) mortality tables, and are established with interest rate assumptions ranging from 2.0% to 6.0%. Annuity insurance reserves are established with interest rate assumptions ranging from 3.0% to 8.8%. Disability reserves are principally based on the 2012 Group Long Term Disability Table, with adjustments for actual Company experience. The tabular interest, tabular less actual reserves released, and the tabular cost have been determined by formula. Aggregate reserves for accident and health policies include the present value of amounts not yet due on claims, additional reserves, and unearned premiums.

Policy and contract claims reserves include a provision for reported claims and claims incurred but not reported. The provision for claims incurred but not reported is estimated based primarily on Company experience. Although these provisions are the Company's best estimate of the ultimate value, the actual results may vary from these values.

Liability for premiums and other deposit funds include reserves for qualified before tax annuities and other accumulation policies that do not subject the Company to any risks from policyholder mortality and morbidity. Such reserves are established using guaranteed interest rates of 3.0% to 7.5%.

The Company has a significant amount of allocated deferred annuity contracts with life contingencies. The liability for these contracts is recorded as aggregate reserves for life policies and contracts. The Company also has annuities certain without life contingencies. The liability for these contracts is recorded as a liability for premiums and other deposit funds.

The Company started issuing business in 2017 on the 2017 CSO table for life products where approved. There were two valuation basis changes for reserves in 2016. Disability reserves moved from the 1987 Commissioners Group Disability Table to the 2012 Group Long Term Disability Table. Group term life waiver of premium reserves moved from the 1952 Disability Study, period 2, with the 1958 CSO mortality table to the 2005 Group Term Life Waiver Reserve Table.

The Company waives deduction of deferred fractional premiums upon death of the insured, and returns any portion of the final premium beyond the month of death for policies developed and issued subsequent to December 1977.

Surrender values are not promised in excess of the legally computed reserves.

Extra premiums are charged for substandard lives in addition to the regular gross premium for the true age.

Mean reserves are determined by computing the regular mean reserve for the plan at the true age and holding in addition one-half of the extra premium charge for the year.

The Company had approximately \$1,570,099,000 and \$1,713,192,000 of insurance in force (after reinsurance ceded) for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Oklahoma at December 31, 2017 and 2016, respectively.

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The Company had approximately \$43,876,000 and \$233,798,000 as of December 31, 2017 and 2016, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at book value less current surrender charge of 5% or more. As of December 31, 2017 and 2016, the Company has approximately \$774,454,000 and \$642,626,000, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at market value where the withdrawal of the funds is payable at the current market value of the assets supporting the liabilities. Annuity reserves and deposit liabilities that were subject to discretionary withdrawal at book value without adjustment were approximately \$1,793,827,000 and \$1,503,635,000 as of December 31, 2017 and 2016, respectively. There were approximately \$56,759,000 and \$65,115,000 of annuity reserves and deposit liabilities that are not subject to discretionary withdrawal at December 31, 2017 and 2016, respectively. At December 31, 2017 and 2016, the total gross annuity actuarial reserves and deposit liabilities were approximately \$2,668,916,000 and \$2,445,174,000, respectively, and the net annuity actuarial reserves and deposit liabilities were approximately \$2,663,595,000 and \$2,439,593,000, respectively. The ceded amount of annuity actuarial reserves and deposit liabilities was approximately \$5,321,000 and \$5,581,000 as of December 31, 2017 and 2016, respectively. The Company's earnings related to these products are impacted by conditions in the overall interest rate environment.

(l) Capital and Surplus

Capital and surplus of the Company is restricted as to payment of dividends by statutory limitations applicable to insurance companies. Without prior approval of the respective state insurance department, dividends that can be paid are generally limited to the greater of 10% of statutory capital and surplus or the statutory net gain from operations before net realized capital gains/losses reported for the previous calendar year. The maximum dividend payout, which may be made without prior approval in 2017, is approximately \$70,676,000.

The Oklahoma Insurance Department has adopted Risk-Based Capital (RBC) requirements for life insurance companies. The RBC calculation serves as a benchmark for the regulation of life insurance companies by state insurance regulators. RBC provides for surplus formulas similar to target surplus formulas used by commercial rating agencies. The formulas specify various weighting factors that are applied to statutory financial balances or various levels of activity based on the perceived degree of risk, and are set forth in the RBC requirements. The Company has calculated RBC in accordance with the NAIC's Model Rule and RBC rules as adopted by the Oklahoma Insurance Department. The RBC, as calculated by the Company, exceeds levels requiring Company or regulatory action at December 31, 2017 and 2016.

(m) Separate Accounts

The Company maintains a separate account under Oklahoma insurance law designated as American Fidelity Separate Account A (Account A). Account A was formerly known as American Fidelity Variable Annuity Fund A, and operated as an open-end diversified management investment company from 1968 to 1998. Effective January 1, 1999, it was converted to a unit investment trust separate account, and it transferred its investment portfolio to the American Fidelity Dual Strategy Fund, Inc. (the Fund), an open-end investment company sponsored by AFA, in exchange for shares of the Fund.

On November 25, 2014, Account A's investment in the Fund was substituted with the Vanguard Total Stock Market Index Fund. Under Oklahoma law, the assets of Account A are segregated from the

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Company's assets, are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The Company also maintains separate accounts under Oklahoma insurance law designated as American Fidelity Separate Account B (Account B) and American Fidelity Separate Account C (Account C). Account B and Account C are registered as unit investment trusts under the Investment Company Act of 1940, as amended. Under Oklahoma law, the assets of each of the ten (10) segregated subaccounts of Account B and the ten (10) segregated subaccounts of Account C are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The separate accounts maintained by the Company represent funds for nonguaranteed variable annuities. The assets of these accounts are carried at market value. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of the account value or the premium paid. The minimum guaranteed death benefit reserve is held in the Company's general account. For the years ended December 31, 2017 and 2016, the amount of premiums, considerations, or deposits for the year was approximately \$74,957,000 and \$67,998,000, respectively.

(2) Admitted and Nonadmitted Assets

Assets in the statutory statements of admitted assets, liabilities, and capital and surplus are stated at admitted asset values, which are the values permitted to be reported in the annual report to the Oklahoma Insurance Department. All other assets are "nonadmitted assets" and are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus by a charge to surplus. Nonadmitted assets as of December 31 are as follows:

	<u>2017</u>	<u>2016</u>
Prepays, deposits, and other receivables	\$ 8,855,125	7,357,049
Agents' balances	39,277	1,534,104
Deferred tax asset	30,733,374	48,856,107
Leasehold improvements	21,629,636	22,437,761
	<u>\$ 61,257,412</u>	<u>80,185,021</u>

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(3) Fair Value of Financial Instruments

A summary of the Company's financial instruments and the fair value estimates, methods, and assumptions is set forth below:

	Admitted assets	Estimated fair value as of December 31, 2017			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and short-term investments	\$ 241,831,403	241,831,403	—	—	241,831,403
Bonds	4,043,435,952	21,140,938	3,610,267,203	628,129,694	4,259,537,835
Common and preferred stocks	28,426,343	23,725,544	156,727	5,495,192	29,377,463
Mortgage loans	480,274,494	—	—	488,921,484	488,921,484
Financial liabilities:					
Certain policy liabilities	1,856,987,606	—	—	1,858,391,904	1,858,391,904
Borrowed money	497,670,254	—	474,352,172	—	474,352,172

	Admitted assets	Estimated fair value as of December 31, 2016			
		Level 1	Level 2	Level 3	Total
Financial assets:					
Cash and short-term investments	\$ 143,509,947	143,509,947	—	—	143,509,947
Bonds	3,874,796,569	1,085,411	3,481,216,570	516,283,305	3,998,585,286
Common and preferred stocks	28,261,148	23,651,880	90,610	5,224,758	28,967,248
Mortgage loans	442,601,524	—	—	456,011,866	456,011,866
Financial liabilities:					
Certain policy liabilities	1,763,626,783	—	—	1,766,083,135	1,766,083,135
Borrowed money	497,755,108	—	506,677,978	—	506,677,978

(a) Cash and Short-Term Investments and Investment Income Due and Accrued

The carrying amounts of the financial instruments listed above approximate their fair values because they mature within a relatively short period of time, and do not present unanticipated credit concerns.

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(b) Bonds, Common Stocks and Preferred Stocks

For fixed maturities and marketable equity securities, for which market quotations generally are available, the Company primarily uses independent pricing services to assist in determining fair value measurements. When the fair value of certain securities is not readily available, the fair value estimates are based on quoted market prices of similar instruments adjusted for the differences between the quoted instruments and the instruments being valued, or fair value is estimated using discounted cash flow analysis. Interest rates used in this analysis are similar to currently offered contracts with comparable maturities as the investments being valued. The Company's investments also include certain less liquid or private fixed maturity debt securities, such as private placements and certain structured notes. Valuations are estimated based on nonbinding broker prices or valuation models discounted cash flow models and other similar techniques that use observable or unobservable inputs and are considered Level 3.

The fair value of equity securities unaffiliated investments of the Company is based on quotations from independent pricing services, bid prices published in financial newspapers, or bid quotations received from securities dealers. Equity securities affiliated are reported at book value, which approximates fair value.

(c) Mortgage Loans on Real Estate

Fair values are estimated for portfolios of loans with similar characteristics. Commercial mortgage loans have average net yield rates of 4.66% and 4.88% for December 31, 2017 and 2016, respectively. The fair value of mortgage loans was calculated by discounting scheduled cash flows to maturity using estimated market discount rates of 4.36% and 4.30% for December 31, 2017 and 2016, respectively. These rates reflect the credit and interest rate risk inherent in the loans. Assumptions regarding credit risk, cash flows, and discount rates are judgmentally determined using available market information and specific borrower information. The fair value of certain residential loans is based on the approximate fair value of the underlying real estate securing the mortgages.

(d) Policy Loans

Policy loans have average interest yields of 5.97% and 6.19% as of December 31, 2017 and 2016, respectively, and have no specified maturity dates. These loans typically carry an interest rate that is tied to the crediting rate applied to the related policy and contract reserves. Policy loans are an integral part of the life insurance policies that the Company has in force and cannot be valued separately; therefore, are not presented in the previous table.

(e) Certain Policy Liabilities

Certain policies sold by the Company are investment-type contracts. These liabilities are segregated into two categories: premiums and other deposit funds and immediate annuities. These liabilities are further defined to segregate the deferred annuity contract with life contingencies, which are reported as aggregate reserves for life policies and contracts. The fair value of aggregate reserves for life policies and contracts is estimated as the fund value of each policy less applicable surrender charges. The fair value of the immediate annuities without life contingencies and premiums and other deposit funds is

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estimated as the discounted cash flows of expected future benefits less the discounted cash flows of expected future premiums, using the current pricing assumptions.

	2017		2016	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Aggregate reserves for life policies and contracts	\$ 1,831,470,989	1,830,296,090	1,736,200,804	1,734,971,155
Annuities	25,516,617	28,095,814	27,425,979	31,111,980

(f) Borrowed Money

The fair value of the Company's notes payable is estimated by the present value of a stream of future expected cash flows using an appropriate discount rate. Discount factors are based on the LIBOR/Swap curve.

(g) Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These fair value estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they reflect income taxes on differences between fair value and tax basis of the assets. Because no established exchange exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the fair value estimates.

(h) Fair Value Hierarchy

The following are the levels of hierarchy and a description of the type of valuation inputs that are used to establish each level:

Level 1 inputs are quoted in active markets for identical securities.

Level 2 inputs are other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 inputs are significant unobservable inputs (including the Company's own assumptions used to determine the fair value of investments).

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Assets that are recorded at fair value are categorized into a three-level fair value hierarchy as required by SSAP No. 100, *Fair Value Measurements*. The balances of these assets as of December 31, 2017 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets recorded at fair value:				
Bonds – industrial and miscellaneous	\$ 20,093,868	2,790,676	1,781,086	24,665,630
Common stock – unaffiliated	23,095,464	156,727	—	23,252,191
Common stock – affiliated	—	962,932	—	962,932
Total assets at fair value	\$ <u>43,189,332</u>	<u>3,910,335</u>	<u>1,781,086</u>	<u>48,880,753</u>

The following table presents the change for the year ended December 31, 2017 in the assets measured at fair value using unobservable inputs (Level 3):

	<u>Loan-backed securities</u>
Beginning balance	\$ 1,835,158
Transfers in	—
Transfers out	—
Total gain (loss) included in net income	90,188
Total gain (loss) included in surplus	5,941
Purchases	—
Issuances	—
OTTI	—
Sales	(150,201)
Settlements	—
Ending balance	\$ <u>1,781,086</u>

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Assets that are recorded at fair value are categorized into a three level fair value hierarchy as required by SSAP No. 100, *Fair Value Measurements*. The balances of these assets as of December 31, 2016 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets recorded at fair value:				
Bonds – industrial and miscellaneous	\$ —	2,298,479	1,835,158	4,133,637
Common stock – unaffiliated	23,079,080	90,610	—	23,169,690
Common stock – affiliated	—	880,238	—	880,238
Total assets at fair value	\$ <u>23,079,080</u>	<u>3,269,327</u>	<u>1,835,158</u>	<u>28,183,565</u>

The following table presents the change for the year ended December 31, 2016 in the assets measured at fair value using unobservable inputs (Level 3):

	<u>Loan-backed securities</u>
Beginning balance	\$ 1,758,289
Transfers in	—
Transfers out	—
Total gain (loss) included in net income	138,396
Total gain (loss) included in surplus	168,960
Purchases	—
Issuances	—
OTTI	—
Sales	(230,487)
Settlements	—
Ending balance	\$ <u>1,835,158</u>

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(4) Investments

Investment income for the years ended December 31 is summarized below:

	<u>2017</u>	<u>2016</u>
Interest on bonds	\$ 175,570,134	176,503,325
Dividends on preferred and common stocks	312,896	311,726
Interest on mortgage loans	24,897,481	22,993,619
Investment real estate income	6,844,174	3,987,896
Interest on policy loans	3,240,046	3,274,867
Interest on cash and short-term investments and other	<u>820,332</u>	<u>709,994</u>
	211,685,063	207,781,427
Less investment expenses	<u>33,617,790</u>	<u>32,288,799</u>
Net investment income	\$ <u><u>178,067,273</u></u>	<u><u>175,492,628</u></u>

Realized gains (losses) for the years ended December 31 consisted of the following:

	<u>2017</u>	<u>2016</u>
Bonds	\$ 25,901,289	20,855,691
OTTI	<u>(5,000,000)</u>	<u>(157,009)</u>
	20,901,289	20,698,682
Common stocks of nonaffiliates	660,753	1,074,925
Real estate	—	—
Other capital loss	<u>(348,744)</u>	<u>(210,902)</u>
Total realized gains before federal income taxes and IMR transfers	21,213,298	21,562,705
Federal income tax expense	9,447,403	7,278,712
Less IMR transfers	<u>16,242,903</u>	<u>12,699,868</u>
Net realized gains (losses)	\$ <u><u>(4,477,008)</u></u>	<u><u>1,584,125</u></u>

The gross unrealized gains on common stocks of nonaffiliates were approximately \$9,869,000 and \$9,052,000 in 2017 and 2016, respectively. The gross unrealized losses on common stocks of nonaffiliates were approximately \$0 and \$9,400 in 2017 and 2016, respectively.

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The carrying value and estimated fair value of bonds, preferred stock, and common stock at December 31 are as follows:

	2017			
	Carrying value/ cost	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities	\$ 1,020,393	29,798	(3,121)	1,047,070
U.S. government agency obligations	3,874,559	317,184	—	4,191,743
Special revenue	392,916,263	11,535,015	(11,585,348)	392,865,930
States, territories, and political subdivisions	407,706,187	36,524,506	(95,260)	444,135,433
Foreign government	28,230,642	2,138,829	—	30,369,471
Corporate bonds	2,310,659,850	162,459,563	(10,296,017)	2,462,823,396
Loan-backed securities	878,934,190	30,953,824	(5,877,090)	904,010,924
SVO Identified Funds	20,093,868	—	—	20,093,868
Total bonds	4,043,435,952	243,958,719	(27,856,836)	4,259,537,835
Preferred stocks	4,211,220	951,120	—	5,162,340
Common stocks - unaffiliated	13,382,865	9,869,326	—	23,252,191
Common stocks - affiliated	103,902	859,030	—	962,932
Total stocks	17,697,987	11,679,476	—	29,377,463
Total	\$ 4,061,133,939	255,638,195	(27,856,836)	4,288,915,298

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	2016			
	<u>Carrying value/ cost</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
U.S. Treasury securities	\$ 1,032,683	55,465	(2,737)	1,085,411
U.S. government agency obligations	5,228,142	510,799	—	5,738,941
Special revenue States, territories, and political subdivisions	369,580,002	12,864,458	(19,841,347)	362,603,113
Foreign government	407,848,018	32,478,152	(738,820)	439,587,350
Corporate bonds	33,291,576	2,201,264	—	35,492,840
Loan-backed securities	2,242,745,175	111,323,829	(37,242,075)	2,316,826,929
	815,070,973	31,676,006	(9,496,277)	837,250,702
Total bonds	<u>3,874,796,569</u>	<u>191,109,973</u>	<u>(67,321,256)</u>	<u>3,998,585,286</u>
Preferred stocks	4,211,220	706,100	—	4,917,320
Common stocks - unaffiliated	14,126,581	9,052,499	(9,390)	23,169,690
Common stocks - affiliated	103,902	776,336	—	880,238
Total stocks	<u>18,441,703</u>	<u>10,534,935</u>	<u>(9,390)</u>	<u>28,967,248</u>
Total	<u>\$ 3,893,238,272</u>	<u>201,644,908</u>	<u>(67,330,646)</u>	<u>4,027,552,534</u>

The NAIC fair value of total bonds is approximately \$5,802,000 more and \$1,626,000 less than the estimated fair value in the tables above at December 31, 2017 and 2016, respectively.

The carrying value and estimated fair value of investments in bonds at December 31, 2017, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of such securities may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Carrying value</u>	<u>Fair value</u>
Due in one year or less	\$ 50,210,626	50,966,887
Due after one year through five years	519,141,836	539,804,342
Due after five years through ten years	1,006,602,765	1,051,726,840
Due after ten years	1,568,452,667	1,692,934,974
Loan-backed securities	878,934,190	904,010,924
SVO Identified Funds	20,093,868	20,093,868
	<u>\$ 4,043,435,952</u>	<u>4,259,537,835</u>

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Proceeds from sales of bonds during 2017 and 2016 were approximately \$423,619,000 and \$260,277,000, respectively. Gross realized gains of approximately \$14,693,000 and \$16,506,000 and gross realized losses of approximately \$279,000 and \$65,000, respectively, were realized on those sales. In addition, the Company realized net gains of approximately \$11,487,000 and \$4,415,000 on bonds that were called or prepaid in 2017 and 2016, respectively.

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2017 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
U.S. Treasury securities \$	—	—	497,578	(3,121)	497,578	(3,121)
Special revenue	30,779,623	(254,366)	225,163,292	(11,330,982)	255,942,915	(11,585,348)
States and territories	—	—	2,910,418	(95,260)	2,910,418	(95,260)
Foreign government	—	—	—	—	—	—
Corporate bonds	106,138,114	(1,170,655)	219,411,904	(9,125,362)	325,550,018	(10,296,017)
Loan-backed securities	96,534,855	(1,221,735)	120,167,845	(4,655,355)	216,702,700	(5,877,090)
Total	233,452,592	(2,646,756)	568,151,037	(25,210,080)	801,603,629	(27,856,836)

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2016 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
U.S. Treasury securities \$	498,946	(2,737)	—	—	498,946	(2,737)
Special revenue	226,415,082	(19,710,899)	14,850,870	(130,448)	241,265,952	(19,841,347)
States and territories	6,777,080	(330,016)	22,252,657	(408,804)	29,029,737	(738,820)
Foreign government	—	—	—	—	—	—
Corporate bonds	270,916,852	(10,176,304)	455,605,527	(27,065,771)	726,522,379	(37,242,075)
Loan-backed securities	214,096,192	(6,177,772)	15,750,122	(3,318,505)	229,846,314	(9,496,277)
Total	\$ 718,704,152	(36,397,728)	508,459,176	(30,923,528)	1,227,163,328	(67,321,256)

The unrealized losses in U.S. Treasury securities, obligations of U.S. government agencies and states and territories, and foreign government securities are due to interest rate fluctuations, which result in a decline in market values from original purchase price. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. The Company expects the unrealized losses to reverse as the securities shorten in duration and mature, and because the Company has the ability to hold these investments and does not intend to sell until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

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The investments included in states, territories, and political subdivisions are high-grade investment quality and have unrealized losses due to an increase in interest rates since acquisition. Because the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in special revenue securities are comprised of general obligations of U.S. government sponsored agencies for which the U.S. government is indirectly obligated. The unrealized loss is due to interest rate fluctuations, which result in a decline in market values from original purchase price. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. The Company expects the unrealized losses to reverse as the securities shorten in duration and mature and because the Company has the ability to hold these investments to maturity and does not intend to sell until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in corporate securities are comprised of corporate bonds. The unrealized loss is due to the current market and economic environment, which is affecting corporate credit ratings and changes in sector spreads. The unrealized loss may continue and may become more severe if the economy continues to trend downward or interest rates rise. Because the decline in fair value is attributable to economic changes and a slight decline in credit quality, and because the Company expects all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in loan-backed securities are comprised of U.S. government-sponsored agency mortgage-backed securities for which the U.S. government is not directly obligated, and private label whole loan collateralized mortgage obligations. The unrealized losses on these securities are a result of the current market and economic conditions that are affecting the mortgage-backed sector. The credit quality on some mortgage-backed bonds has declined due to the larger number of home defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and the Company believes all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired. When the Company believes it will not receive all contractual cash flows, the securities are considered other-than-temporarily impaired.

At December 31, 2017 and 2016, investments with carrying values of approximately \$2,985,000 and \$2,916,000, respectively, were on deposit with state insurance departments as required by statute.

The Company has no direct exposure to subprime mortgage loans. An extensive pre-purchase analysis is performed on every loan-backed security. By purchasing only AAA agency mortgage-backed securities and AAA collateralized mortgage-backed whole loan securities, direct exposure to sub-prime mortgages is virtually eliminated. The unrealized losses on these securities are a result of the current market and economic conditions that are affecting the mortgage-backed sector. The credit qualities on some mortgage-backed bonds have begun to decline due to the large number of home mortgage defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and only due slightly to a lessening of credit, the Company believes most contractual cash flows will be received.

AMERICAN FIDELITY ASSURANCE COMPANY

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(5) Separate Accounts

The Company utilizes Separate Accounts to record and account for variable annuity business. In accordance with the Insurance Code of the State of Oklahoma, variable annuities are supported for separate account classification by Title 36, Chapter 2, Section 6061. As of December 31, 2017 and 2016, the Company Separate Account statement included legally insulated assets of approximately \$781,742,000 and \$648,034,000, respectively, attributed to variable annuity contracts. The Separate Accounts held by the Company represent nonguaranteed variable annuity funds. The Company does not have a securities lending program.

The assets of these accounts are carried at fair market value. The net investment experience of the Separate Accounts is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. The minimum guaranteed death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the Company's general account annual statement.

	<u>2017</u>	<u>2016</u>
1. Premiums, considerations, or deposits for year ended December 31	\$ 74,957,069	67,998,082
2. Reserves at December 31:		
For accounts with assets at:		
a. Fair market value	\$ 781,742,340	648,033,770
b. Amortized cost	—	—
c. Total reserves	<u>\$ 781,742,340</u>	<u>648,033,770</u>
3. By withdrawal characteristics:		
a. Subject to discretionary withdrawal	\$ —	—
b. With market value adjustment	—	—
c. At book value without market value adjustment and with current surrender charge of 5% or more	—	—
d. At fair market value	781,742,340	648,033,770
e. At book value without market value adjustment and with current surrender charge of 5%	—	—
f. Subtotal	<u>781,742,340</u>	<u>648,033,770</u>
g. Not subject to discretionary withdrawal	—	—
h. Total	<u>\$ 781,742,340</u>	<u>648,033,770</u>
4. Reserves for asset default risk in lieu of AVR	\$ —	—

AMERICAN FIDELITY ASSURANCE COMPANY

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Reconciliation of net transfers to or (from) Separate Accounts.

	<u>2017</u>	<u>2016</u>
1. Transfers as reported in the summary of operations of the separate accounts statements:		
a. Transfers to separate accounts	\$ 75,624,877	68,594,854
b. Transfers from separate accounts	<u>50,877,654</u>	<u>45,344,768</u>
c. Net transfers to or (from) separate accounts (a) – (b)	24,747,223	23,250,086
2. Reconciling adjustments:		
a. Plus net investment income (expense)	118,997,712	74,632,055
b. Less increase (decrease) in liability for premiums	133,456,449	89,387,684
c. Plus change in expense allowance	1,628,734	1,182,735
d. Less fees for investment management and administration	10,288,486	8,494,457
3. Transfers as reported in the summary of operations of the life, accident and health annual statement:	<u>—</u>	<u>—</u>
a. (1c) + (2)	<u>\$ 1,628,734</u>	<u>1,182,735</u>

(6) Liability for Accident and Health Reserves

Accident and health reserve activity for the years ended December 31, 2017 and 2016 was as follows:

	<u>2017</u>	<u>2016</u>
Liability beginning of year, net of reinsurance	\$ 471,470,553	456,563,871
Incurred related to:		
Current year	385,359,058	379,400,106
Prior years	<u>(34,022,788)</u>	<u>(51,124,835)</u>
Total incurred	<u>351,336,270</u>	<u>328,275,271</u>
Paid related to:		
Current year	193,002,436	189,306,565
Prior years	<u>138,664,942</u>	<u>124,062,024</u>
Total paid	<u>331,667,378</u>	<u>313,368,589</u>
Liability end of year, net of reinsurance	<u>\$ 491,139,445</u>	<u>471,470,553</u>

Reinsurance recoverable on paid losses was approximately \$1,276,000 and \$2,218,000 at December 31, 2017 and 2016, respectively.

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The provision for accident and health benefits pertaining to prior years decreased approximately \$34,023,000 in 2017 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$31,113,000 for group medical and disability and approximately \$2,910,000 for cancer business. The decrease is due to subsequent better than expected claim experience.

The provision for accident and health benefits pertaining to prior years decreased approximately \$51,125,000 in 2016 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$48,009,000 for group medical and disability and approximately \$3,116,000 for cancer business. The decrease is due to subsequent better than expected claim experience.

The Company paid approximately \$53,000 and \$291,000 in 2017 and 2016, respectively, to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

(7) Borrowed Money

AFA has borrowed approximately \$496,500,000 and \$496,500,000 on the line of credit with the Federal Home Loan Bank of Topeka (FHLB) at December 31, 2017 and 2016, respectively. The line of credit is secured by investment securities and cash pledged as collateral by AFA with a carrying amount of approximately \$510,769,000 and \$529,187,000 at December 31, 2017 and 2016, respectively, which exceeds the collateral required for this line of credit. The pledged securities are held in the Company's name in a custodial account at United Missouri Bank, N.A. to secure current and future borrowings. To participate in this available credit, AFA has acquired 227,532 shares in 2017 and 227,312 shares in 2016 of FHLB common stock with a total carrying value of approximately \$22,753,200 and \$22,731,200 at December 31, 2017 and 2016, respectively.

FHLB Capital Stock

	2017		
	General account	Separate accounts	Total
Membership stock – class A	\$ 500,000	—	500,000
Membership stock – class B	—	—	—
Activity stock	21,842,500	—	21,842,500
Excess stock	410,700	—	410,700
Total	\$ 22,753,200	—	22,753,200
Actual or estimate borrowing capacity as determined by the insurer	\$ 505,364,379		

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	2016		
	General account	Separate accounts	Total
Membership stock – class A	\$ 500,000	—	500,000
Membership stock – class B	—	—	—
Activity stock	21,842,500	—	21,842,500
Excess stock	388,700	—	388,700
Total	<u>\$ 22,731,200</u>	<u>—</u>	<u>22,731,200</u>
Actual or estimate borrowing capacity as determined by the insurer	\$ —	—	532,731,343

FHLB Membership Stock (Class A and B) Eligible for Redemption

	<u>Current year total</u>	<u>Not eligible for redemption</u>	<u>Less than 6 months</u>	<u>6 months to 1 year</u>	<u>1 to 3 years</u>	<u>3 to 5 years</u>
Class A	\$ 500,000	500,000	—	—	—	—
Class B	—	—	—	—	—	—

FHLB Borrowings

FHLB has the option to convert the initial rate of interest to an adjustable rate of interest on many of these lines of credit on the dates listed in the following table. At any time after FHLB exercises its conversion option, the Company may prepay the advance in full or in part without a fee.

The Company has no unused lines of credit as of December 31, 2017.

AFA had no Structured Note borrowings as of December 31, 2017 and 2016.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

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Information regarding the terms of the funds borrowed from FHLB are as follows:

Interest rate	Interest rate subject to conversion to adjustable rate	Date issued	Maturity date	Balance at December 31	
				2017	2016
4.640	March 2012	03/12/07	03/13/17	—	10,000,000
5.060	May 2013	05/22/07	05/22/17	—	10,000,000
3.900	December 2012	12/04/07	12/04/17	—	25,000,000
3.520	January 2013	01/28/08	01/29/18	10,000,000	10,000,000
3.460	February 2013	02/01/08	02/01/18	15,000,000	15,000,000
3.490	February 2013	02/04/08	02/05/18	6,500,000	6,500,000
4.020	March 2009	03/07/08	03/07/18	25,000,000	25,000,000
3.460	March 2013	03/12/08	03/12/18	10,000,000	10,000,000
4.100	April 2009	04/28/08	04/30/18	5,000,000	5,000,000
4.100	May 2009	05/19/08	05/19/17	—	25,000,000
4.140	May 2009	05/20/08	05/22/17	—	5,000,000
4.290	July 2009	07/28/08	07/30/18	25,000,000	25,000,000
3.270	—	02/08/10	02/10/20	10,000,000	10,000,000
3.630	—	03/25/10	03/25/22	10,000,000	10,000,000
3.710	—	03/25/10	03/25/20	10,000,000	10,000,000
3.440	—	03/25/10	03/25/20	10,000,000	10,000,000
3.500	—	03/25/10	03/25/21	10,000,000	10,000,000
3.770	—	04/13/10	04/13/22	15,000,000	15,000,000
4.190	—	05/07/10	05/07/20	10,000,000	10,000,000
2.870	—	04/20/11	04/20/17	—	15,000,000
2.570	—	03/27/12	03/26/21	12,500,000	12,500,000
2.080	—	11/19/13	11/20/23	10,000,000	10,000,000
1.980	—	03/12/14	03/12/24	12,500,000	12,500,000
3.110	—	05/23/14	05/23/24	15,000,000	15,000,000
1.930	—	11/19/14	11/19/24	25,000,000	25,000,000
2.300	—	04/28/15	04/28/23	5,000,000	5,000,000
2.590	—	05/20/15	05/19/23	5,000,000	5,000,000
2.740	—	05/21/15	05/21/24	25,000,000	25,000,000
2.060	—	08/10/15	08/08/25	20,000,000	20,000,000
2.090	—	01/13/16	01/13/22	5,000,000	5,000,000
2.260	—	01/13/16	1/13/23	10,000,000	10,000,000
2.280	—	01/13/16	01/13/26	10,000,000	10,000,000
0.660	—	04/22/16	04/21/17	—	5,000,000
2.070	—	05/06/16	05/06/26	10,000,000	10,000,000

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Interest rate	Interest rate subject to conversion to adjustable rate	Date issued	Maturity date	Balance at December 31	
				2017	2016
0.770		06/03/16	06/02/17	—	25,000,000
0.790		08/31/16	08/31/17	—	20,000,000
0.810		09/09/16	09/08/17	—	10,000,000
2.590		11/21/16	11/23/26	10,000,000	10,000,000
2.960		03/13/17	03/13/25	10,000,000	—
2.600		04/20/17	04/18/25	15,000,000	—
1.450		04/21/17	04/20/18	5,000,000	—
1.880		05/19/17	05/19/27	25,000,000	—
2.890		05/22/17	05/21/27	10,000,000	—
2.640		05/22/17	05/22/25	5,000,000	—
1.600		06/02/17	06/01/18	25,000,000	—
1.590		08/31/17	08/31/18	20,000,000	—
1.620		09/08/17	09/07/18	10,000,000	—
2.520		12/4/17	12/4/23	25,000,000	—
				<u>496,500,000</u>	<u>496,500,000</u>
			Accrued Interest	<u>1,170,254</u>	<u>1,255,108</u>
			Total	<u>\$ 497,670,254</u>	<u>497,755,108</u>

* These lines of credits have interest rates subject to conversion to an adjustable rate at the date specified above, as well as quarterly thereafter.

Interest paid in 2017 and 2016 was approximately \$14,385,000 and \$16,146,000, respectively, and is included in investment expenses in net investment income in the accompanying statutory statements of operations.

Scheduled maturities (excluding interest) of the above indebtedness at December 31, 2017 are as follows:

2018	\$ 156,500,000
2019	—
2020	40,000,000
2021	22,500,000
2022	30,000,000
2023 and thereafter	<u>247,500,000</u>
	<u>\$ 496,500,000</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

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(8) Income Taxes

The Company's net deferred tax assets (liabilities) at December 31 and the change from the prior year are comprised of the following components:

	2017			2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 71,890,297	4,708,769	76,599,066	113,266,528	6,101,701	119,368,229	(41,376,231)	(1,392,932)	(42,769,163)
Statutory valuation allowance adjustments	—	—	—	—	—	—	—	—	—
Adjusted gross deferred tax assets	71,890,297	4,708,769	76,599,066	113,266,528	6,101,701	119,368,229	(41,376,231)	(1,392,932)	(42,769,163)
Deferred tax assets nonadmitted	28,005,630	2,727,744	30,733,374	45,507,280	3,348,827	48,856,107	(17,501,650)	(621,083)	(18,122,733)
Sub-total net admitted deferred tax assets	43,884,667	1,981,025	45,865,692	67,759,248	2,752,874	70,512,122	(23,874,581)	(771,849)	(24,646,430)
Deferred tax liabilities	19,046,476	1,981,025	21,027,501	29,420,422	2,752,874	32,173,296	(10,373,946)	(771,849)	(11,145,795)
Net admitted deferred tax assets (liabilities)	\$ 24,838,191	—	24,838,191	38,338,826	—	38,338,826	(13,500,635)	—	(13,500,635)

Management has reviewed whether a valuation allowance is needed on its total gross deferred tax assets reported above based on factors such as past history and trends, projected taxable income, and expiration of carryforwards. Additionally, management considered the various aspects of the Tax Cuts and Jobs Act when it assessed whether or not its criteria for establishing a valuation allowance was impacted. Management believes that in 2017 and 2016 it is more likely than not that the results of operations will generate sufficient taxable income to realize its gross deferred tax assets on ordinary items. Additionally, in 2017 and 2016, management believes that there are sufficient capital gains available in its capital assets portfolio and that holding its fixed debt securities in a loss position to maturity or recovery substantiates the Company's ability to realize its gross deferred tax assets on capital items.

On February 8, 2018, the NAIC issued Interpretation (INT) 18-01 to address the reporting and updating of estimates that companies are required to reflect as various accounting adjustments in their financial statements as a result of the Tax Act. This guidance provides that, although some accounting computations may be considered "complete", other accounting computations or assessments may be considered "incomplete" when the financial statements are filed. As such, for those items which are "incomplete" but for which a reasonable estimate can be made, those amounts should be recorded as provisional in the financial statements for the year ended December 31, 2017. For those items for which a reasonable estimate cannot be made, companies may continue to apply pre-Tax Act law. Changes to amounts recognized in the financial statements for the year ended December 31, 2017 as a result of the Tax Act shall be recognized as a change in accounting estimate, pursuant to SSAP No. 3, when the information necessary to update the estimate becomes available. All income tax effects have been identified and appropriately accounted for as a result of the Tax Act in accordance with INT 18-01. The tax accounting for the revaluation of deferred tax liabilities is complete. The income tax effects of life insurance reserves for tax purposes pursuant to the Tax Act have been recorded as provisional as the analysis is incomplete but a

AMERICAN FIDELITY ASSURANCE COMPANY

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reasonable estimate was determined. The Company is in the process of quantifying the impact of the Tax Act and will record any adjustments in accordance with the guidance provided in INT 18-01 within the measurement period.

The Company's admission calculation components at December 31 are as follows:

	2017			2016			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ —	—	—	38,338,826	—	38,338,826	(38,338,826)	—	(38,338,826)
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (a) above) after application of the threshold limitation. (The lesser of (b)1 and (b)2 below):									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	24,838,191	—	24,838,191	—	—	—	24,838,191	—	24,838,191
2. Adjusted gross deferred tax assets allowed per limitation threshold	—	—	60,867,922	—	—	56,439,545	—	—	4,428,377
Lesser of b(1) or b(2)	—	—	24,838,191	—	—	—	—	—	24,838,191
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from (a) and (b) above) offset by gross deferred tax liabilities	19,046,476	1,981,025	21,027,501	29,420,422	2,752,874	32,173,296	(10,373,946)	(771,849)	(11,145,795)
(d) Deferred tax assets admitted Total ((a) + (b) + (c))	\$ 43,884,667	1,981,025	45,865,692	67,759,248	2,752,874	70,512,122	(23,874,581)	(771,849)	(24,646,430)

	<u>2017</u>	<u>2016</u>
Ratio percentage used to determine recovery period and threshold limitation amount	<u>724 %</u>	<u>730 %</u>
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b)2 above	\$ <u>441,341,339</u>	<u>409,145,035</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

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As of December 31, the change in the net deferred income taxes is comprised of the following (this analysis is exclusive of the nonadmitted DTAs as the change in nonadmitted assets is reported separately from the change in net deferred income taxes in the statutory statements of capital and surplus):

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Gross deferred tax assets	\$ 76,599,066	119,368,229	(42,769,163)
Gross deferred tax liabilities	21,027,501	32,173,296	(11,145,795)
Net deferred tax assets/liabilities	55,571,565	87,194,933	(31,623,368)
Statutory valuation allowance adjustment	—	—	—
Net deferred tax assets/liabilities after statutory valuation allowance	55,571,565	87,194,933	(31,623,368)
Tax effect of unrealized (gains) losses	(1,735,014)	(2,342,849)	607,835
Statutory valuation allowance adjustment allocated to unrealized	—	—	—
Net deferred income taxes	\$ <u>57,306,579</u>	<u>89,537,782</u>	<u>(32,231,203)</u>

The impact of the Company's tax planning strategies as of December 31 is as follows:

	<u>2017</u>		<u>2016</u>		<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
Adjusted gross DTAs	\$ 71,890,297	4,708,769	113,266,528	6,101,701	(41,376,231)	(1,392,932)
Percentage of adjusted gross DTAs attributable to the impact of tax planning strategies	— %	6.1 %	— %	5.1 %	— %	1.0 %
Net admitted adjusted gross DTAs	\$ 43,884,667	1,981,025	67,759,248	2,752,874	(23,874,581)	(771,849)
Percentage of net admitted adjusted gross DTAs attributable to the impact of tax planning strategies	— %	4.3 %	— %	3.9 %	— %	0.4 %

None of the Company's tax-planning strategies include the use of reinsurance.

There are no temporary differences for which deferred tax liabilities are not recognized.

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As of December 31, current income taxes incurred consist of the following major components:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Current federal income tax – operations	\$ 31,554,611	32,030,414	(475,803)
Foreign income tax	<u>—</u>	<u>—</u>	<u>—</u>
Subtotal	31,554,611	32,030,414	(475,803)
Current federal income tax on capital gains	9,447,403	7,278,712	2,168,691
Current tax on the cumulative impact of accounting error reported in surplus	<u>—</u>	<u>(2,528,052)</u>	<u>2,528,052</u>
Federal and foreign income taxes incurred	\$ <u>41,002,014</u>	<u>36,781,074</u>	<u>4,220,940</u>

As of December 31, deferred income tax assets and liabilities consist of the following major components:

	<u>2017</u>	<u>2016</u>	<u>Change</u>
Deferred tax assets:			
Ordinary:			
Discounting of unpaid losses	\$ 4,141,107	6,494,567	(2,353,460)
Policyholder reserves	19,305,517	31,274,349	(11,968,832)
Deferred acquisition costs	33,417,685	52,596,815	(19,179,130)
Compensation and benefits accrual	7,506,173	10,492,710	(2,986,537)
Receivables – nonadmitted	6,793,711	11,168,966	(4,375,255)
Other	<u>726,104</u>	<u>1,239,121</u>	<u>(513,017)</u>
Subtotal	71,890,297	113,266,528	(41,376,231)
Statutory valuation allowance adjustment	<u>—</u>	<u>—</u>	<u>—</u>
Nonadmitted	<u>28,005,630</u>	<u>45,507,280</u>	<u>(17,501,650)</u>
Admitted ordinary deferred tax assets	<u>43,884,667</u>	<u>67,759,248</u>	<u>(23,874,581)</u>

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	<u>2017</u>	<u>2016</u>	<u>Change</u>
Capital:			
Investments	\$ 4,708,769	6,101,701	(1,392,932)
Subtotal	4,708,769	6,101,701	(1,392,932)
Statutory valuation allowance adjustment	—	—	—
Nonadmitted	<u>2,727,744</u>	<u>3,348,827</u>	<u>(621,083)</u>
Admitted capital deferred tax assets	<u>1,981,025</u>	<u>2,752,874</u>	<u>(771,849)</u>
Admitted deferred tax assets	<u>45,865,692</u>	<u>70,512,122</u>	<u>(24,646,430)</u>
Deferred tax liabilities:			
Ordinary:			
Fixed Assets	112,342	156,338	(43,996)
Deferred and uncollected premium	18,630,982	28,414,297	(9,783,315)
Other	<u>303,149</u>	<u>849,787</u>	<u>(546,638)</u>
Subtotal	<u>19,046,473</u>	<u>29,420,422</u>	<u>(10,373,949)</u>
Capital:			
Investments	<u>1,981,025</u>	<u>2,752,874</u>	<u>(771,849)</u>
Subtotal	<u>1,981,025</u>	<u>2,752,874</u>	<u>(771,849)</u>
Deferred tax liabilities	<u>21,027,498</u>	<u>32,173,296</u>	<u>(11,145,798)</u>
Net deferred tax assets	\$ <u>24,838,194</u>	<u>38,338,826</u>	<u>(13,500,632)</u>

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The Company's income tax incurred and change in deferred tax differ from the amount obtained by applying the federal statutory rate of 35% to income before income taxes and net realized capital gains (losses) as follows:

	<u>2017</u>	<u>Effective 2017 tax rate</u>	<u>2016</u>	<u>Effective 2016 tax rate</u>
Income before taxes and realized capital gains (losses)	\$ 102,230,144	—%	\$ 106,880,558	—%
Income tax expense at 35% statutory rate	\$ 35,780,550	35.0%	\$ 37,408,196	35.0%
Increase (decrease) in tax resulting from:				
Dividends received deduction	\$ (1,365,947)	-1.3%	\$ (1,573,155)	-1.5%
Nondeductible expenses for meals and other items	1,662,620	1.6%	1,913,616	1.8%
Management fees	(2,253,425)	-2.2%	(1,960,000)	-1.8%
School bond and low income housing tax credits	(2,100,320)	-2.1%	(1,894,320)	-1.8%
Tax-exempt income	(2,741)	0.0%	(3,053)	0.0%
Tax adjustment for IMR	(2,102,283)	-2.0%	(1,669,899)	-1.6%
Deferred tax benefit on nonadmitted assets	4,375,255	4.3%	(5,230,427)	-4.9%
Remove impact of tax rate change included in deferred tax benefit on nonadmitted assets	(4,529,141)	-4.5%	—	0.0%
Timing differences on realized gains and losses	(1,773,790)	-1.7%	268,234	0.3%
Prior year adjustment to current and deferred taxes	<u>(2,109,350)</u>	<u>-2.1%</u>	<u>(506,802)</u>	<u>-0.5%</u>
Total income tax expected before tax rate change	\$ <u>25,581,428</u>	<u>25.0%</u>	\$ <u>26,752,390</u>	<u>25.0%</u>
Adj to SAP deferred income taxes for tax rate change from 35% to 21% (excludes tax on unrealized gains and losses)	<u>38,204,386</u>	<u>37.4%</u>	<u>—</u>	<u>0.0%</u>
Total income tax expected after adjustment for tax rate change from 35% to 21%	\$ <u>63,785,814</u>	<u>62.4%</u>	\$ <u>26,752,390</u>	<u>25.0%</u>
Current income taxes incurred (excludes tax on net realized gains and losses and reserve method changes)	\$ 31,554,611	31.0%	\$ 32,030,414	30.0%
Net change in deferred income taxes (excludes tax on unrealized gains and losses and reserve method changes)	<u>32,231,203</u>	<u>31.5%</u>	<u>(5,278,024)</u>	<u>-5.0%</u>
Total income tax reported	\$ <u>63,785,814</u>	<u>62.5%</u>	\$ <u>26,752,390</u>	<u>25.0%</u>

The Tax Cuts and Jobs Act was enacted on December 22, 2017 and materially impacts the net deferred tax assets reported by the Company. This \$38,204,386 is the impact of the tax rate change from 35% to 21% on net deferred tax assets without unrealized gains and losses. The total impact of the tax rate

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change from 35% to 21% on net deferred tax assets is \$37,047,712 when including the (\$1,156,674) impact of the tax rate change on the deferred tax liability attributable to unrealized gains and losses.

As of December 31, 2017, there are no operations loss deductions, capital loss, or tax credit carryforwards available for tax purposes.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
December 31, 2017	\$ —	9,046,670	9,046,670
December 31, 2016	—	7,114,280	7,114,280
December 31, 2015	—	1,320,831	1,320,831

Due to the change in Federal tax law resulting from the enactment of the Tax Cuts and Jobs Act on December 22, 2017, the 3-year carry back of ordinary losses to the extent of ordinary income generated in the carry back years is no longer available. The 3-year carry back of capital losses is still allowed to the extent of capital gains generated in the carry back years. The amounts in this table represent the income tax incurred on capital gains in the current and prior years that will be available for recoupment in the event of future net capital losses.

As of December 31, 2017, there were no deposits admitted under Section 6603 of the Internal Revenue Code.

The Company is included in a consolidated federal income tax return with the following entities:

American Fidelity Corporation	American Fidelity International Holdings, Inc.
American Public Life Insurance Company	Enrollcom, Inc.
American Fidelity Securities, Inc.	AF Apartments, Inc.
InvesTrust	Market Place Realty Corporation
American Fidelity General Agency, Inc.	American Fidelity Property Services, LLC
AF Professional Employment Group, LLC	American Fidelity Community Services, Inc.
First Financial Securities of America, Inc.	Home Rentals Inc.
American Fidelity Property Company	Apple Creek Apartments, Inc.
American Fidelity Administrative Services, LLC	

The method of tax allocation between the companies is subject to a written agreement approved by the Board of Directors. Allocation is based on separate return calculations at the group's effective tax rate with current credit for net losses. Intercompany tax balances are settled annually.

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2014 and state and local

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income tax examinations for years prior to 2013. The Company is not currently under examination by any taxing authority.

(9) Reinsurance

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations; therefore, no significant allowance for uncollectible amounts has been included in the December 31, 2017 or 2016 statutory financial statements. Estimated amounts that reduce the reserves for future policy benefits at December 31, 2017 and 2016 for reinsurance ceded are approximately \$1,121,336,000 and \$1,105,970,000, respectively. At December 31, 2017 and 2016, amounts that reduced the reserves for future policy benefits of approximately \$734,182,000 and \$742,164,000, respectively, were associated with one reinsurer (note 14).

At December 31, 2017 and 2016, the Company had unsecured aggregate recoverable from the following reinsurers for policy and contracts claims, paid and unpaid, that exceeds 3% of the Company's surplus, as follows:

<u>Group</u>	<u>2017</u>	<u>2016</u>
Hannover Life Reassurance Company	\$ 1,714,431	2,455,492
Hannover Reassurance (Ireland) LTD	<u>15,862,370</u>	<u>11,129,986</u>
Total group	17,576,801	13,585,478
Gerber Life Insurance Company	<u>9,535,683</u>	<u>11,585,543</u>
Total	<u>\$ 27,112,484</u>	<u>25,171,021</u>

Reinsurance agreements in effect for life insurance policies vary according to the age of the insured and the type of risk. Retention amounts for life insurance range from \$250,000 on domestic individual life coverages to \$500,000 on group life and Latin American individual life coverages, with slightly lower limits on accidental death benefits. At December 31, 2017 and 2016, the face amounts of life insurance in force that are reinsured amounted to approximately \$8,167,000,000 and \$8,557,000,000, respectively (approximately 29.8% and 33.9% of total life insurance in force, respectively).

Reinsurance agreements in effect for accident and health insurance policies vary with the type of coverage. There are no accident and health reinsurance treaties subject to retention limits.

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The effects of reinsurance agreements on earned premiums, prior to deductions for benefits, and commission allowances are as follows for the years ended December 31, 2017 and 2016:

	<u>2017</u>	<u>2016</u>
Reinsurance ceded	\$ 222,403,939	209,666,031
Reinsurance assumed	50,128,570	44,768,192

Reinsurance agreements reduced benefits paid for life and accident and health policies by approximately \$197,162,000 and \$198,393,000 for the years ended December 31, 2017 and 2016, respectively.

(10) Employee Benefit Plans

The Company participates in a pension plan (the Plan), sponsored by AFC, and is not directly liable for obligations under the Plan. The Plan covers all employees who have satisfied longevity and age requirements. The Company's funding policy is to contribute annually the maximum amount that can be deducted for federal income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The Company contributed approximately \$16,150,000 and \$9,566,000 to the Plan during the years ended December 31, 2017 and 2016, respectively. AFC also offers certain postretirement benefits other than the Plan.

The Company participates in a defined-contribution thrift and profit sharing plan as provided under Section 401(a) of the Code, which includes the tax deferral feature for employee contributions provided by Section 401(k) of the Code. The Company contributed approximately \$8,483,000 and \$7,664,000 to this plan during the years ended December 31, 2017 and 2016, respectively.

SSAP No. 102, *Accounting for Pensions, A replacement of SSAP No. 89*, is effective for years beginning January 1, 2013. The Company participates in a Consolidated/Holding Company plan for pension benefits and is not directly liable for obligations under the Plan. The accounting and reporting requirements of SSAP No. 102 have no impact on the Company's financial statements, as the applicable requirements under Paragraph 80 have not changed from past years.

(11) Leases

The Company leases various properties to nonaffiliates under operating lease agreements, which expire or are cancelable within one year. The properties leased are included in the statutory statements of admitted assets, liabilities, and capital and surplus as investment real estate. Rental income on these properties is included in the statutory statements of operations as net investment income.

Investment real estate held for lease is as follows at December 31:

	<u>2017</u>	<u>2016</u>
Land and buildings, net of encumbrances	\$ 28,953,530	16,359,601
Less accumulated depreciation	<u>(8,457,362)</u>	<u>(6,293,343)</u>
Net investment real estate	<u>\$ 20,496,168</u>	<u>10,066,258</u>

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The Company entered into a lease agreement with 9000 Broadway LLC, a related party, on December 31, 2012, and modified effective January 1, 2014. The balance due will be paid in monthly amounts of approximately \$714,000 over the 20 year term of the lease.

(12) Related-Party Transactions

The Company paid cash dividends to AFC in the amount of approximately \$35,000,000 during 2017 and \$45,000,000 during 2016. There were no other transactions with affiliates in amounts, which exceeded one-half of one percent of the total admitted assets of the Company.

At December 31, 2017 and 2016, the Company reported approximately \$9,936,000 and \$6,492,000, respectively, as amounts due from AFC.

The Company leases office space from a subsidiary of AFC. The rent payments associated with this lease were approximately \$13,643,000 and \$14,045,000 in 2017 and 2016, respectively.

During 2017 and 2016, the Company entered into three-year software lease agreements with AFC. Lease expense related to these agreements was approximately \$5,397,000 and \$5,471,000 for the years ended December 31, 2017 and 2016, respectively, and is included in general insurance expenses.

The Company leases automobiles, furniture, and equipment from a partnership that owns a controlling interest in AFC. These operating leases are cancelable upon one month's notice. During the years ended December 31, 2017 and 2016, payments under these leases were approximately \$12,692,000 and \$10,904,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFC provides certain services on a cost basis with no markup. During the years ended December 31, 2017 and 2016, the Company paid management fees to AFC totaling approximately \$8,456,000 and \$8,662,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Fidelity International (Bermuda) Ltd. (AFIBL). During the years ended December 31, 2017 and 2016, AFIBL paid management fees to AFA of approximately \$2,103,000.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Public Life Insurance Company (APL). During the years ended December 31, 2017 and 2016, APL paid management fees to AFA of approximately \$1,500,000 and \$750,000, respectively.

During the years ended December 31, 2017 and 2016, the Company paid investment advisory fees to a partnership that owns a controlling interest in AFC totaling approximately \$10,481,000 and \$10,048,000, respectively.

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(13) Commitments and Contingencies

Rent expense for the years ended December 31, 2017 and 2016 was approximately \$30,516,000 and \$29,273,000, respectively. A portion of rent expense relates to leases that expire or are cancelable within one year. The approximate aggregate minimum annual rental commitments as of December 31, 2017 under noncancelable long-term leases for office space are as follows:

2018	\$	11,713
2019		11,193
2020		10,082
2021		9,214
2022		8,706
2023 and thereafter		127,115

The Company has outstanding mortgage loan commitments of approximately \$9,500,000 and \$19,010,000 at December 31, 2017 and 2016, respectively.

The Company is subject to state guaranty association assessments in all states in which it is licensed to do business. These associations generally guarantee certain levels of benefits payable to resident policyholders of insolvent insurance companies. Many states allow premium tax credits for all or a portion of such assessments, thereby allowing potential recovery of these payments over a period of years. However, several states do not allow such credits. The Company estimates its liabilities for guaranty association assessments by using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. The Company monitors and revises its estimates for assessments as additional information becomes available, which could result in changes to the estimated liabilities. As of December 31, 2017 and 2016, liabilities for guaranty association assessments totaled approximately \$2,210,000 and \$985,000, respectively. Other operating expenses related to state guaranty association assessments were minimal for the years ended December 31, 2017 and 2016.

In the normal course of business, there are various legal actions and proceedings pending against the Company and its subsidiaries. In management's opinion, the ultimate liability, if any, resulting from these legal actions will not have a material adverse effect on the Company's financial position.

(14) Acquired Business – Mid-Continent Life Insurance Company

Effective December 31, 2000, the Company entered into an assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, in his capacity as receiver of Mid-Continent Life Insurance Company (MCL) of Oklahoma City, Oklahoma. Under this agreement, the Company assumed MCL's policies in force, with the exception of a small block of annuity policies that was assumed effective January 1, 2001. In a concurrent reinsurance agreement, the Company ceded 100% of the MCL policies assumed to Hannover Life Reassurance Company of America. In 2002, this agreement was then transferred to Hannover Life Reassurance Company of Ireland (HLR). The agreement with HLR is a funds withheld arrangement, with the Company ceding net policy assets and liabilities of approximately \$724,753,000 and \$732,349,000 to HLR and maintaining a funds withheld liability at December 31, 2017 and 2016, respectively.

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Under the terms of the agreement with the receiver, the Company has guaranteed that the amount of premiums charged under the assumed "Extra-Life" contracts will not increase during the 17-year period beginning December 31, 2000, and will only increase thereafter if certain conditions are met. In 2018, the Company demonstrated to the Oklahoma Department of Insurance that those certain conditions had been met and the Company will implement a rate increase beginning in July of 2018. The Company has also guaranteed that the current dividend scale on the assumed "Extra-Life" contracts shall not be reduced or eliminated during the five-year period beginning December 31, 2000. Beginning January 1, 2006, the dividends on the assumed "Extra-Life" contracts are no longer guaranteed pursuant to the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma.

As required by the terms of the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, the Company and HLR agreed that a Supplemental Policyholder Reserve (SPR) would be established. The initial SPR is equal to the net of the assets and liabilities received from MCL under the assumption agreement, less amounts ceded to other reinsurance carriers. The SPR is 100% ceded to HLR.

The purpose of the SPR is to provide additional protection to the MCL policyholders against premium increases and to ensure that profits are recognized over the lives of the underlying policies, rather than being recognized up front. The method for calculation of the initial SPR was specified precisely in the agreement with the receiver. The method for calculating the SPR for periods beyond the purchase date was developed by the Company, as this reserve is not otherwise required statutorily or under existing actuarial valuation guidance. The SPR is divided into two parts: (a) an additional reserve for future benefits, which is an estimate of the amount needed, in addition to the policy reserves and liability for future dividends, to fund benefits assuming there are no future premium rate increases, and (b) an additional reserve for future estimated profit, which represents the profit the Company expects to earn on this business over the lives of the underlying policies. The SPR is reprojected each year to recognize current and future profits as a level percentage of future projected required capital amounts each year, resulting in a level return on investment. Any remaining SPR will not automatically be released after the premium guarantee period of 17 years because the SPR is to be held until there is an actuarial certainty that premium rate increases will not be needed. The calculation of the SPR is subject to significant volatility, as it is highly dependent upon assumptions regarding mortality, lapse experience, and investment return. Small shifts in any of these underlying assumptions could have a dramatic impact on the value of the SPR. The SPR was approximately \$369,102,000 and \$376,521,000 for 2017 and 2016, respectively.

Under the terms of the agreement with HLR, HLR has agreed to share future profits on a 50/50 basis with the Company through an experience refund account. The experience refund account is calculated as premium income plus investment income less reserve increases (including the SPR), benefits paid, and administrative expense allowances paid to the Company and is settled on a quarterly basis. Losses are not shared on a 50/50 basis, except to the extent that a net loss in the experience account at the end of a quarter carries forward to future quarters. There was no experience refund earned by the Company in 2017 and 2016. Due to the nature of a funds withheld reinsurance arrangement, the components of the experience refund calculation are reported as separate components in the accompanying summary of operations. Premium income, reserve increases, and benefits paid related to this block are reported as reductions of premium income, changes in reserves, and benefits for reinsurance ceded, as required by the terms of the agreement. Investment income on the funds withheld is included in AFA's investment income, and administrative expense allowances paid to AFA are reported as a reduction of AFA's expense. The

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impact of ceding investment income on funds withheld is reported as a reduction of net investment income in the accompanying summary of operations.

(15) Life Contracts – Premiums

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2017 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 22,313,524	2,142,189
Ordinary renewal	43,492,685	36,593,406
Group life	<u>55,596</u>	<u>55,563</u>
Total	<u>\$ 65,861,805</u>	<u>38,791,158</u>

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2016 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 15,540,170	2,060,989
Ordinary renewal	38,666,438	32,565,141
Group life	<u>71,993</u>	<u>71,841</u>
Total	<u>\$ 54,278,601</u>	<u>34,697,971</u>

(16) Short-Duration Contracts

Liabilities for Unpaid Claims and Claims Expenses

The following is information about incurred and paid claims development as of December 31, 2017. Such amounts are presented net of reinsurance, and are not discounted. The tables present claims development and cumulative claim payments by incurred year. The development tables are only presented for significant short-duration product liabilities. The information about incurred and paid claims development prior to 2016 is presented as supplementary information.

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Joint Venture (in thousands):

Accident Year	Incurred Claims and Allocated Claim Adjustment Expenses, Net of Reinsurance										As of December 31, 2017	
	For the Years Ended December 31,										Total of IBNR	
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	Liabilities Plus Expected Development on Reported Claims	Cumulative Number of Reported Claims*
2008	\$ 77,492	66,603	63,557	63,623	63,560	63,517	63,517	63,517	63,517	63,517	—	NA
2009		76,333	66,360	62,478	61,776	61,690	62,037	62,037	62,037	62,037	—	NA
2010			74,400	67,176	68,029	67,271	67,271	67,225	67,247	67,247	—	NA
2011				77,020	57,571	54,187	54,151	54,076	54,112	54,112	—	NA
2012					79,103	66,845	65,243	63,987	64,188	64,153	—	NA
2013						79,418	68,263	65,067	64,474	64,265	—	NA
2014							67,194	55,110	53,387	53,363	37	NA
2015								64,488	56,920	55,788	171	NA
2016									65,557	61,175	983	NA
2017										69,000	21,859	NA
Total										\$ 614,657		

* Reported claims for the Joint Venture segment are processed and reported by different Managing General Underwriters or Third Party Administrators for each separate venture. While most reported claims are detailed in a centralized database, some historical information has not been maintained at the level necessary for this disclosure. Therefore, the number of individual claims reported is not available.

Accident Year	Cumulative Paid Claims and Paid Allocated Claim Adjustment Expenses, Net of Reinsurance										
	For the Years Ended December 31,										
	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	
2008	\$ 42,703	62,181	63,342	63,414	63,520	63,517	63,517	63,517	63,517	63,517	63,517
2009		36,804	58,664	61,516	61,744	61,690	62,037	62,037	62,037	62,037	62,037
2010			32,894	61,039	67,315	67,271	67,271	67,247	67,247	67,247	67,247
2011				27,839	52,153	54,049	54,061	54,076	54,112	54,112	54,112
2012					29,111	61,017	63,648	63,924	64,188	64,153	64,153
2013						30,034	62,988	64,306	64,217	64,265	64,265
2014							26,932	52,175	53,246	53,326	53,326
2015								26,476	53,995	55,195	55,195
2016									28,614	58,072	58,072
2017										34,060	34,060
Total										\$ 575,984	

All outstanding liabilities before 2008, net of reinsurance

\$ —

Liabilities for claims and claim adjustment expenses, net of reinsurance

38,673

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Average Annual Percentage Payout

The following is supplementary information about average historical claims duration as of December 31, 2017:

Years	Average annual percentage payout of incurred claims by age, net of reinsurance									
	1	2	3	4	5	6	7	8	9	10
Joint venture	51.31 %	44.28 %	3.70 %	0.13 %	0.10 %	0.11 %	— %	— %	— %	— %

Significant Methodologies and Assumptions

Joint Venture (JV) reserves are developed by looking at the historical pattern of paid claims and pending case reserves. Factors are developed using these patterns and are applied to the current cumulative paid claims and pending case reserves. For incurred months that are not fully credible, the Company weights the non-credible portion with the target loss ratio for the block.

Reconciliation of the Disclosure of Incurred and Paid Claims Development to the Liability for Unpaid Claims and Cost Adjustment Expenses.

The reconciliation of the net incurred and paid claims development tables to the liability for unpaid claims and claim adjustment expenses on the consolidated balance sheet were as follows at (in thousands):

	<u>December 31, 2017</u>	<u>December 31, 2016</u>
Net Outstanding Liabilities		
JV Insurance	\$ 38,673	\$ 40,268
Other short-duration insurance lines	1,546	2,833
Liabilities for unpaid claims and claim adjustment expenses, net of reinsurance	<u>40,219</u>	<u>43,101</u>
Reinsurance recoverable on unpaid claims		
JV Insurance	29,240	22,129
Other insurance lines	90,726	81,011
Total reinsurance recoverable on unpaid claims	<u>119,966</u>	<u>103,140</u>
Insurance lines other than short-duration	448,590	428,607
Unallocated claim adjustment expenses	10,329	9,968
Liabilities for unpaid claims and claim adjustment expenses, net of reinsurance	<u>458,919</u>	<u>438,575</u>
Total gross liability for unpaid claims and claim adjustment expense	<u>\$ 619,104</u>	<u>\$ 584,816</u>

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(17) Managing General Agents and Third-Party Administrators

Managing general agents (MGAs) and direct written contracts at December 31 were as follows:

<u>Name and address of managing general agent or third-party administrator</u>	<u>Federal employer identification number</u>	<u>Exclusive contract</u>	<u>Type of business written</u>	<u>Type of authority granted *</u>	<u>2017 Direct written premium</u>	<u>2016 Direct written premium</u>
TRU Services, LLC 200 Cummings Center, Ste. 272 D Beverly, MA 01915	04-3392571	No	Excess loss medical and group life	U, C, CA, R, P	\$ 31,322,507	37,729,238
	Aggregate other				<u>65,270,322</u>	<u>47,981,973</u>
Total MGA and third-party administrator premium					<u>\$ 96,592,829</u>	<u>85,711,211</u>

* Abbreviations
 U: Underwriting
 C: Claims payment
 CA: Claims adjustment
 R: Reinsurance ceding
 P: Premium collection

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(18) Affiliated Entities

The following is a summary of the significant ownership and affiliated entity relationships that existed at December 31, 2017:

Immediate parent	American Fidelity Corporation
Other insurance affiliates	American Public Life Insurance Company American Fidelity International (Bermuda) Ltd. American Fidelity International Holdings, Inc.
Other affiliates	American Fidelity Property Company 6303 Portland, LLC Broadway Tech, LLC Apple Creek Apartments, Inc. American Fidelity General Agency, Inc. American Fidelity Securities, Inc. First Fidelity Bank and its affiliates INSURICA, Inc. and its affiliates Cameron Enterprises, A Limited Partnership and its affiliates InvesTrust Consulting, LLC InvesTrust Retirement Specialists, LLC InvesTrust American Fidelity Property Services, LLC Alcott HR Group, LLC First Financial Securities of America, Inc. AF Professional Employment Group, LLC Hawaii Development, LLC Home Rentals, Inc. 9000 Broadway, LLC Market Place Realty Corporation Health Services Administration, LLC American Fidelity Community Services, Inc. AF Apartments, Inc. Oklahoma Winery Partners, LLC Vintage Oakville Cross, LLC American Fidelity Administrative Services, LLC First Financial Capital Corporation, Inc. and its affiliates

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(19) Reconciliations

Reconciliations of capital and surplus and net income on a GAAP basis to the amounts included in the accompanying statutory financial statements for the years ended December 31, 2017 and 2016 are as follows (in thousands):

	Net income, year ended December 31		Capital and surplus, at December 31	
	2017	2016	2017	2016
Amounts as reported on statutory basis	\$ 66,199	76,434	430,624	414,602
Adjustments:				
Deferred policy acquisition costs	41,358	36,200	622,638	584,217
Policy benefit reserves	(254)	10,674	(2,275)	(2,625)
Deferred federal income taxes	57,323	(15,206)	(120,313)	(173,589)
Due and deferred premiums	(2,066)	(1,978)	(24,458)	(21,807)
Nonadmitted assets	—	—	30,222	31,329
Asset valuation reserve	—	—	35,555	32,881
Invested assets	51,719	40,676	215,696	122,712
Funds withheld derivative	(46,050)	(34,465)	(122,760)	(76,710)
Other, net	(2,483)	(7,102)	35,552	26,053
	<u>165,746</u>	<u>105,233</u>	<u>1,100,481</u>	<u>937,063</u>
Amounts on a GAAP basis for consolidated presentation	\$ <u>165,746</u>	<u>105,233</u>	<u>1,100,481</u>	<u>937,063</u>

(20) Guaranty Assessments

As of December 31, 2017, American Fidelity Assurance Company did not receive notice of any assessments that would have a material financial impact.

The amount of recognized liabilities under SSAP No. 35R is \$2,210,000 and the related asset for premium tax credits is \$1,535,558. The Company expects that the assessments would be billed and paid over the next year and the majority of the premium tax offsets would be realized over the next five years after that.

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Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	954,625
Decreases current year:		
Premium tax offset applied	\$	320,194
Reduction in the estimated liability based on the new projections at the end of the current year		3,261,661
Increases current year:		
Assessment payments less refunds on insolvencies billed during the current year	\$	3,148,462
Adjustment to remove payments on insolvences		(18,861)
Increase in the estimated assessment liability		4,729,056
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year end	\$	5,231,427

(21) Subsequent Events

The Company has evaluated events subsequent to December 31, 2017 and through April 19, 2018, the date on which the audited financial statements were issued.

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2017

Investment income earned:	
Government bonds	\$ 1,956,048
Other bonds (unaffiliated)	173,614,086
Preferred stocks (unaffiliated)	300,000
Common stocks (unaffiliated)	12,896
Mortgage loans	24,897,481
Real estate	6,844,174
Premium notes, policy loans, and liens	3,240,046
Cash on hand and on deposit	359,924
Other invested assets	199,808
Aggregate write-ins for investment income	<u>260,600</u>
Gross investment income	\$ <u>211,685,063</u>
Real estate owned – book value	\$ 20,496,168
Mortgage loans – book value:	
Commercial mortgages	\$ <u>480,274,494</u>
Total mortgage loans	\$ <u>480,274,494</u>
Mortgage loans by standing – book value:	
Good standing	\$ 480,274,494
Other long-term invested assets – statement value	22,213,579
Bonds and stocks of parents, subsidiaries, and affiliates – book value:	
Common stocks	962,932
Bonds and short-term investments by class and maturity:	
Bonds and short-term investments by maturity – statement value:	
Due within 1 year	\$ 140,539,674
Over 1 year through 5 years	808,617,595
Over 5 years through 10 years	1,321,085,509
Over 10 years through 20 years	1,024,831,300
Over 20 years	728,268,006
SVO Identified Funds	<u>20,093,868</u>
Total by maturity	\$ <u>4,043,435,952</u>
Bonds and short-term investments by class – statement value:	
Class 1	\$ 2,178,709,065
Class 2	1,789,262,908
Class 3	49,917,585
Class 4	12,009,777
Class 5	8,964,855
Class 6	<u>4,571,762</u>
Total by class	4,043,435,952
Total bonds and short-term investments publicly traded	<u>3,102,343,975</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2017

Common stocks – fair value (investments in affiliates at equity value)	\$ 24,215,123
Cash on hand and on deposit	241,831,403
Life insurance in force (net):	
Ordinary	18,351,436,000
Group life	852,566,000
Amount of accidental death insurance in force under ordinary policies (net)	3,166,935,000
Life insurance policies with disability provisions in force (net):	
Ordinary	1,946,443,000
Group life	57,671,000
Supplementary contracts in force (net):	
Ordinary – not involving life contingencies:	
Amount on deposit	95,797
Income payable	
Ordinary – involving life contingencies (net):	61,983
Income payable	
Annuities:	
Ordinary:	
Immediate – amount of income payable	\$ 8,009,261
Deferred – fully paid account balance	826,840,159
Group:	
Immediate – amount of income payable	427,452
Accident and health insurance – premiums in force:	
Ordinary	350,347,962
Group	571,217,024
Deposit funds and dividend accumulations:	
Deposit funds – account balance	5,984
Dividend and coupon accumulations – account balance	184,436
Claims payments:	
Other accident and health:	
2017	100,914,637
2016	29,256,152
2015	3,490,756
2014	1,382,558
2013	746,414
Prior	560,230
Group accident and health:	
2017	92,087,799
2016	63,526,254
2015	11,590,303
2014	5,445,545
2013	4,032,238
Prior	18,634,492

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2017

1. Total admitted assets, excluding separate accounts: \$5,114,945,433
2. The Company's 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the NAIC SVO Purposes and Procedures Manual as exempt, property occupied by the Company, and policy loans at December 31, 2017 are as follows:

Investment category	Amount	Percentage of total admitted assets
Woodside Finance Ltd	\$ 16,987,184	0.332%
Enbridge, Inc	16,425,454	0.321
ZP, LLC	16,160,795	0.316
Thermo Fisher Scientific	15,844,306	0.310
Kroger Co	15,483,045	0.303
Crown Equipment	15,323,470	0.300
Equifax, Inc	15,303,030	0.299
Morgan Stanley	15,186,770	0.297
Priceline Group, Inc.	14,981,260	0.293
Cox Communications, Inc	14,944,015	0.292

3. The Company's investments in bonds, short-term investments, and preferred stocks by NAIC rating at December 31, 2017 are as follows:

Bonds, short-term investments, and preferred stocks	Amount	Percentage of total admitted assets
NAIC-1	\$ 2,178,709,065	42.595%
NAIC-2	1,793,262,908	35.059
NAIC-3	49,917,585	0.976
NAIC-4	12,009,777	0.235
NAIC-5	8,964,855	0.175
NAIC-6	4,782,982	0.094

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2017

4. Assets held in foreign investments:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?		Yes () No (X)
Total admitted assets held in foreign investment	\$ 477,308,286	9.332%
Foreign-currency-denominated investments	—	—
Insurance liabilities denominated in that same foreign currency	—	—

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC-1	\$ 442,455,046	8.650%
Countries rated NAIC-2 or below	34,853,240	0.681

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC – 1:		
Country 1: Australia	\$ 119,782,987	2.342%
Country 2: Great Britain	100,440,082	1.964
Countries rated NAIC – 2 or below:		
Country 1: Mexico	\$ 31,727,687	0.620%
Country 2: Italy	3,000,000	0.059

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2017

10. Ten largest nonsovereign (i.e., nongovernmental) foreign issues:

<u>Issuer</u>	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Woodside Finance Ltd 144A	\$ 16,987,183	0.332%
Grupo Bimbo	14,935,129	0.292
WPP France 2010	14,817,183	0.290
Shell International	11,187,693	0.219
NSW	11,000,000	0.215
Orange SA	10,935,931	0.214
Scentre Group Trust 1/2	10,306,371	0.201
Electricite De France	10,245,779	0.200
Reckitt Benckiser Tsy	9,971,332	0.195
Transurban Finance Co 144A	9,932,087	0.194

- 16a. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties. Each of the Company's 10 largest aggregate mortgage interests at December 31, 2017 are as follows:

<u>Type (commercial)</u>	<u>Amount</u>	<u>Percentage of total admitted assets</u>
ZP, LLC	\$ 16,160,795	0.316%
Crown Equipment	15,323,470	0.300
CE Enterprise Partners	13,620,158	0.266
Wildcat Commons, LLC	11,507,429	0.225
Daboo, LLC	11,404,665	0.223
Susan A Cox	9,414,512	0.184
Apollo Partners LP	9,112,769	0.178
Locke Supply Co	8,330,236	0.163
DWB Greeneville, LLC	6,973,212	0.136
Kuakini Self Storage, LLC	6,425,947	0.126

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2017

- 16b. The Company's mortgage loans have the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

	<u>Loan-to-value</u>	<u>Commercial</u>	<u>Percentage of total admitted assets</u>
i.	above 95%	\$ —	— %
ii.	91% to 95%	—	—
iii.	81% to 90%	—	—
iv.	71% to 80%	37,389,678	0.731
v.	below 70%	442,884,816	8.659

Items 7 through 9, 11 through 15, 17a, and 18 through 23 are not applicable to the Company.

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2017

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Bonds:				
U.S. Treasury securities	\$ 1,020,393	0.021%	1,020,393	0.021%
U.S. government agency obligations (excluding mortgage-backed securities):				
Issued by U.S. government agencies	3,874,559	0.079%	3,874,559	0.079%
Issued by U.S. government sponsored agencies	392,916,263	8.030%	392,916,263	8.030%
Non-U.S. government (including Canada, excluding mortgage-backed securities)	28,230,642	0.577%	28,230,642	0.577%
Securities issued by states, territories, and possessions and political subdivisions in the United States:				
States, territories, and possessions general obligations	261,923,324	5.353%	261,923,324	5.353%
Revenue and assessment obligations	145,782,863	2.980%	145,782,863	2.980%
Mortgage-backed securities (includes residential and commercial MBS):				
Pass-through securities:				
Issued or guaranteed by GNMA	1,967,884	0.040%	1,967,884	0.040%
Issued or guaranteed by FNMA and FHLMC	811,746	0.017%	811,746	0.017%
All other				
CMOs and REMICs:				
Issued or guaranteed by GNMA, FNMA, FHLMC, and VA	638,503,848	13.050%	638,503,848	13.050%
All other	82,504,602	1.686%	82,504,602	1.686%
Other debt and other fixed income securities (excluding short-term):				
Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,937,552,411	39.600%	1,937,552,411	39.600%
Unaffiliated foreign securities	548,347,417	11.207%	548,347,417	11.207%
Equity interests:				
Preferred stocks:				
Unaffiliated	4,211,220	0.086%	4,211,220	0.086%
Publicly traded equity securities (excluding preferred stocks):				
Unaffiliated	373,438	0.008%	373,438	0.008%
Other equity securities:				
Affiliated	962,932	0.020%	962,932	0.020%
Unaffiliated	22,878,753	0.468%	22,878,753	0.468%

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2017

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Mortgage loans:				
Commercial loans	\$ 480,274,494	9.816%	480,274,494	9.816%
Real estate investments:				
Property held for production of income (including \$0 of property acquired in satisfaction of debt)	20,496,168	0.419%	20,496,168	0.419%
Property held for sale (including \$0 of property acquired in satisfaction of debt)				
Policy loans	55,266,258	1.130%	55,266,258	1.130%
Receivables for securities	891,977	0.018%	891,977	0.018%
Cash, cash equivalents, and short-term investments	241,831,403	4.943%	241,831,403	4.943%
Other invested assets	22,213,579	0.454%	22,213,579	0.454%
Total invested assets	<u>\$ 4,892,836,174</u>	<u>100%</u>	<u>4,892,836,174</u>	<u>100%</u>

See accompanying independent auditors' report.



AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Financial Statements and Schedules

December 31, 2015 and 2014

(With Independent Auditors' Report Thereon)



KPMG LLP
210 Park Avenue, Suite 2850
Oklahoma City, OK 73102-5683

Independent Auditors' Report

The Board of Directors
American Fidelity Assurance Company:

Report on the Financial Statements

We have audited the accompanying statutory financial statements of American Fidelity Assurance Company (the Company), which comprise the statutory statements of admitted assets, liabilities, and capital and surplus as of December 31, 2015 and 2014, and the related statutory statements of operations, capital and surplus, and cash flow for the years then ended, and the related notes to the statutory financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 on U.S. Generally Accepted Accounting Principles

As described in note 1 to the statutory financial statements, the financial statements are prepared by the Company using statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a basis of accounting other than U.S. generally accepted accounting principles. Accordingly, the financial statements are not intended to be presented in accordance with U.S. generally accepted accounting principles.

The effects on the financial statements of the variances between the statutory accounting practices and U.S. generally accepted accounting principles also are described in note 18.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the variances between statutory accounting principles and U.S. generally accepted accounting principles discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles paragraph, the financial statements referred to above do not present fairly, in accordance with U.S. generally accepted accounting principles, the financial position of American Fidelity Assurance Company as of December 31, 2015 and 2014, or the results of its operations or its cash flows for the years then ended.

Opinion on Statutory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the admitted assets, liabilities, and capital and surplus of American Fidelity Assurance Company as of December 31, 2015 and 2014, and the results of its operations and its cash flow for the years then ended, in accordance with statutory accounting practices prescribed or permitted by the Oklahoma Insurance Department described in note 1.

Other Matter

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The supplementary information included in the supplemental schedules of selected financial data, investment risk interrogatories, and summary schedule of investments, is presented for purposes of additional analysis and is not a required part of the financial statements but is supplementary information required by the Oklahoma Insurance Department. 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 information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

/s/KPMG LLP

Oklahoma City, Oklahoma
May 16, 2016

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Admitted Assets,
Liabilities, and Capital and Surplus

December 31, 2015 and 2014

Admitted Assets	2015	2014
	<hr/>	<hr/>
Cash and invested assets:		
Bonds, at amortized cost (fair value: \$3,798,014,131 and \$3,766,794,670 in 2015 and 2014, respectively)	\$ 3,720,637,147	3,502,505,616
Preferred stocks, at cost (fair value: \$4,358,200 and \$277,092 in 2015 and 2014, respectively)	4,211,220	211,220
Common stocks, at fair value (cost: \$15,566,172 and \$16,408,121 in 2015 and 2014, respectively)	24,230,887	24,333,878
Common stock, investment in affiliates at equity value	790,709	780,706
Mortgage loans on real estate	393,280,807	354,597,714
Investment real estate, at cost (less accumulated depreciation of \$4,898,719 and \$3,540,781 in 2015 and 2014, respectively and less encumbrances of \$14,486,300 and \$15,079,657 in 2015 and 2014, respectively)	10,713,130	11,954,975
Policy loans	52,673,645	51,928,464
Cash and short-term investments, at cost, which approximates fair value	175,188,228	132,976,274
Other invested assets	21,866,789	22,106,042
	<hr/>	<hr/>
Total cash and invested assets	4,403,592,562	4,101,394,889
Life insurance premiums and annuity considerations deferred and uncollected	32,335,500	29,970,810
Accident and health premiums due and unpaid	46,576,168	50,231,651
Investment income due and accrued	39,990,590	38,592,265
Amounts recoverable from reinsurers	2,945,575	874,367
Other receivables under reinsurance contracts	17,521,100	16,328,383
Equipment, at cost (less accumulated depreciation of \$0 in 2015 and 2014)	401,367	1,828
Other assets	79,433,645	72,836,409
Separate account assets	558,314,969	648,749,195
	<hr/>	<hr/>
Total admitted assets	\$ 5,181,111,476	4,958,979,797
	<hr/>	<hr/>

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Operations

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Income:		
Life insurance premiums and annuity considerations	\$ 355,371,149	239,212,269
Accident and health insurance premiums	602,521,311	583,252,676
Net investment income (less investment expenses of \$32,611,100 and \$34,122,550 in 2015 and 2014, respectively)	173,129,135	165,218,489
Commissions and expense allowances on reinsurance ceded	(3,156,671)	(2,571,281)
Other income	<u>41,978,170</u>	<u>39,884,685</u>
Total income	<u>1,169,843,094</u>	<u>1,024,996,838</u>
Benefits and other deductions:		
Death benefits and matured endowments	21,861,762	25,411,216
Annuity benefits	9,052,529	9,502,717
Accident and health and disability benefits	294,443,710	293,082,004
Interest and adjustments on policy or deposit-type contract funds	410,929	291,898
Other benefits to policyholders and beneficiaries	107,320,332	99,532,076
Increase in aggregate reserves for future policy benefits	253,238,755	150,631,778
Commissions on premiums and annuity considerations	125,452,653	113,558,638
Commissions and expense allowances on reinsurance assumed	13,360,132	13,652,461
General insurance expenses, taxes, licenses, and fees	226,717,620	210,184,959
Other	<u>3,196,121</u>	<u>4,431,262</u>
Total benefits and other deductions	<u>1,055,054,543</u>	<u>920,279,009</u>
Net gain from operations before federal income taxes and net realized capital gains (losses)	114,788,551	104,717,829
Federal income taxes	<u>41,960,713</u>	<u>35,212,048</u>
Net gain from operations before net realized capital gains (losses)	72,827,838	69,505,781
Net realized capital gains (losses), net of federal income tax expense of \$1,408,332 and \$1,422,611 in 2015 and 2014, respectively (excluding gains of \$5,937,103 and \$4,468,608 transferred to the interest maintenance reserve in 2015 and 2014, respectively)	<u>2,539,254</u>	<u>(253,885)</u>
Net income	<u>\$ 75,367,092</u>	<u>69,251,896</u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Capital and Surplus

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Capital and surplus, beginning of year	\$ 380,373,295	342,671,304
Net income	75,367,092	69,251,896
Change in net unrealized capital gains, net of tax benefit (expense) of \$460,208 and 103,997 for 2015 and 2014, respectively	(957,954)	(211,345)
Change in net deferred taxes	10,913,745	4,634,749
Change in nonadmitted assets	(17,390,290)	(3,514,894)
Change in asset valuation reserve	(4,035,360)	(3,071,279)
Dividends to stockholder	(35,000,000)	(35,000,000)
Change in liability for reinsurance in unauthorized companies	(488,392)	264,076
Correction of error (note 1)	—	4,733,000
Other changes	(284,620)	615,788
Net change in capital and surplus	<u>28,124,221</u>	<u>37,701,991</u>
Capital and surplus, end of year	<u>\$ 408,497,516</u>	<u>380,373,295</u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Statutory Statements of Cash Flow

Years ended December 31, 2015 and 2014

	<u>2015</u>	<u>2014</u>
Premiums and annuity considerations, net of reinsurance	\$ 957,714,918	818,905,483
Allowances and reserve adjustments on reinsurance ceded	(3,156,671)	(2,571,281)
Investment income received	171,805,186	163,132,957
Other income	38,409,872	55,332,562
Life and accident and health claims paid	(321,908,000)	(335,810,367)
Surrender benefits and other fund withdrawals paid	(107,192,389)	(99,377,891)
Other benefits to policyholders paid	(9,180,472)	(9,656,903)
Commissions and other expenses paid	(347,550,794)	(338,758,795)
Federal income taxes paid	(46,764,729)	(39,575,000)
Dividends paid to policyholders	<u>(532,662)</u>	<u>(414,598)</u>
Net cash from operations	<u>331,644,259</u>	<u>211,206,167</u>
Proceeds from investments sold, matured, or repaid:		
Bonds	386,364,794	324,181,892
Stocks	1,388,423	4,838,273
Mortgage loans	52,010,657	69,147,281
Other	<u>111,955</u>	<u>4,836,875</u>
Total investment proceeds	<u>439,875,829</u>	<u>403,004,321</u>
Cost of investments acquired:		
Bonds	(595,564,334)	(451,769,072)
Stocks	(4,000,000)	—
Mortgage loans	(90,693,750)	(83,690,000)
Other	<u>(5,683,388)</u>	<u>(1,636,073)</u>
Total investments acquired	<u>(695,941,472)</u>	<u>(537,095,145)</u>
Net change in policy loans and loans on fund deposits	<u>(745,181)</u>	<u>(7,952,273)</u>
Net cash from investing	<u>(256,810,824)</u>	<u>(142,043,097)</u>
Borrowed money	(57,918)	(59,116)
Other cash provided	14,176,337	5,348,788
Dividends paid to stockholder	(35,000,000)	(35,000,000)
Other cash applied	<u>(11,739,900)</u>	<u>(28,612,547)</u>
Net cash from financing and miscellaneous sources	<u>(32,621,481)</u>	<u>(58,322,875)</u>
Net change in cash and short-term investments	42,211,954	10,840,195
Cash and short-term investments, beginning of year	<u>132,976,274</u>	<u>122,136,079</u>
Cash and short-term investments, end of year	<u>\$ 175,188,228</u>	<u>132,976,274</u>

See accompanying notes to statutory financial statements.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2015 and 2014

(1) Significant Accounting Policies

(a) *Business*

American Fidelity Assurance Company (AFA or the Company) provides a variety of financial services. AFA is a wholly owned subsidiary of American Fidelity Corporation (AFC), a Nevada insurance holding company. AFA is domiciled in the state of Oklahoma. The Company is subject to state insurance regulations and periodic examinations by state insurance departments.

AFA is licensed in 49 states, as well as the District of Columbia, American Samoa, Puerto Rico, and Guam, with approximately 40% of direct premiums written in Oklahoma, Texas, and California. Activities of AFA are largely concentrated in the group disability income, group and individual annuity, supplemental health, and individual medical markets. In addition, individual and group life business is also conducted. The main thrust of AFA's sales is worksite marketing of voluntary products through the use of payroll deduction. The Company sells these voluntary products through a salaried sales force that is broken down into two primary divisions: the Association Worksite Division (AWD) and American Fidelity Educational Services (AFES). AWD specializes in voluntary disability income insurance programs aimed at selected groups and associations whose premiums are funded by employees through payroll deductions. AFES focuses on marketing to public school employees with voluntary insurance products such as disability income, tax-sheltered annuities, life insurance, dread disease, and accident only. These premiums are also funded by employees through payroll deductions. The expertise gained by the Company in worksite marketing of voluntary products is used by the Strategic Alliances Division in developing products to meet special situations. The Life Division was formed upon the acquisition of a block of life business in 2000. This division is marketing individual life products through independent brokers in the United States of America and Latin America.

These statutory financial statements were prepared for the purpose of filing with the various state insurance departments.

(b) *Basis of Presentation*

The accompanying statutory financial statements of the Company have been prepared in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, which is a comprehensive basis of accounting other than U.S. generally accepted accounting principles (GAAP). Effective January 1, 2001, the National Association of Insurance Commissioners (NAIC) and the Oklahoma Insurance Department required that insurance companies domiciled in the state of Oklahoma prepare their statutory basis financial statements in accordance with the NAIC Accounting Practices and Procedures Manual Statements of Statutory Accounting Principles (SSAP) subject to any deviations prescribed or permitted by the Insurance Commissioner of the state of Oklahoma (the Commissioner). There are no material differences between the accounting practices prescribed or permitted by the Oklahoma Insurance Department and the accounting practices prescribed and permitted by the NAIC. There have been no permitted practices granted to the Company for 2015 and 2014 by the Oklahoma Insurance Department.

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

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SSAP differ from GAAP in several respects, which cause differences in reported assets, liabilities, stockholder's equity (statutory capital and surplus), net income, and cash flows. The principal SSAP that differ from GAAP include the following:

- The financial statements of subsidiaries are not consolidated and are accounted for as investments in common stock.
- Investments in bonds and preferred stocks are carried amortized cost, cost, or the lower of cost or fair value; under GAAP, investments in bonds and preferred stock, other than those classified as held-to-maturity, are carried at fair value.
- Certain assets (principally certain deferred taxes, furniture, equipment, prepaid expenses, and premiums due from policyholders, agents' balances, and amounts recoverable from reinsurers over 90 days) have been designated as nonadmitted assets and excluded from assets by a charge to statutory surplus. Under GAAP, such amounts are carried at amortized cost with the appropriate valuation allowance, when necessary.
- Aggregate reserves for life, annuities, and accident and health are based on statutory mortality and interest requirements without consideration for anticipated withdrawals. Morbidity assumptions are based on the statutory morbidity requirements or Company's experience where allowed. Under GAAP, the reserves are based on either (i) the present value of future benefits less the present value of future net premiums based on mortality, morbidity, and other assumptions that were appropriate at the time the policies were issued or acquired, or (ii) the account value for certain contracts without significant life contingencies.
- The interest maintenance reserve (IMR) represents the deferral of interest-related realized gains and losses, net of tax, on primarily fixed maturity investments, which are amortized into income over the remaining life of the investment sold. No such reserve is required under GAAP.
- Deferred income taxes are recognized for both SSAP and GAAP; however, the amount permitted to be recognized is generally more restrictive under SSAP and the change in deferred taxes is reported as a direct charge to surplus.
- The asset valuation reserve (AVR) represents a contingency reserve for credit-related risk on most invested assets of the Company, and is charged to statutory surplus. No such reserve is required under GAAP.
- Policy acquisition costs are expensed as incurred, while under GAAP, successful acquisition costs are deferred and recognized over either (1) the expected premium-paying period or (2) the estimated life of the contract.
- Reserves are reported net of ceded reinsurance; under GAAP, reserves are reported gross with a corresponding reinsurance receivable.
- A 100% provision is established for unsecured reinsurance recoverable balances from unauthorized reinsurers. The change in this provision is credited or charged to unassigned surplus. Under GAAP, a provision is established for uncollectible reinsurance balances with any changes to this provision reflected in earnings for the period.

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- The statements of operations are different in certain respects, with life and annuity premiums being recognized as revenue when the policies and contracts are issued. Under GAAP, premiums on life insurance policies are recognized when due; premiums on annuity contracts are not recognized as revenue, but as deposits.
- Revenues for universal life policies and investment products consist of the entire premium received, and benefits represent the death benefits paid and the change in policy reserves, unless the products do not incorporate mortality or morbidity risk. Under GAAP, premiums received in excess of policy charges are not recognized as premium revenue, and benefits represent the excess of benefits paid over the policy account values and interest credited to the account values.
- The statements of cash flow differ in certain respects from the presentation required under GAAP, including the presentation of the changes in cash and short-term investments instead of cash and cash equivalents. Short-term investments include securities with maturities, at the time of acquisition, of one year or less. For statutory purposes, there is no reconciliation between net income and cash from operations.
- A statement of comprehensive income is not required for SSAP reporting.

(c) *Use of Estimates*

The preparation of financial statements in conformity with accounting practices prescribed or permitted by the Oklahoma Insurance Department, Annual Statement Instructions, and NAIC Manual requires management to make estimates and assumptions that affect the reported amounts of admitted assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period.

Management evaluates its estimates and assumptions on an ongoing basis using historical experience and other factors, including the current economic environment, which management believes to be reasonable under the circumstances. The Company adjusts such estimates and assumptions when facts and circumstances dictate. As future events and their effects cannot be determined with precision, actual results could differ significantly from these estimates. Changes in those estimates resulting from continuing changes in the economic environment will be reflected in the financial statements in future periods. Principal estimates that could change in the future are the fair value of investments, whether an available-for-sale security is other-than-temporarily impaired, and the actuarial assumptions used in establishing policy liabilities.

(d) *Investments in Affiliates, Joint Ventures, Partnerships, or Limited Liability Companies*

The statutory financial statements include the Company's investment in its wholly owned subsidiaries. Intercompany accounts and transactions have not been eliminated in the statutory financial statements. The Company's wholly and majority-owned subsidiaries at December 31, 2015 and 2014 are noninsurance entities that have no significant ongoing operations other than to hold assets that are primarily for the direct or indirect benefit or use of the Company or its affiliates, and are carried at the underlying equity of the respective entity's financial statements adjusted to a statutory basis of accounting.

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The Company's investments in joint ventures, partnerships, and limited liability companies are recorded at cost, adjusted for the Company's share of the GAAP basis earnings or losses of the investee, net of any distributions received. Such investments are reported as other invested assets and the related adjustments are reported as unrealized capital gains or losses in surplus.

(e) Investments

The investment portfolio includes bonds, preferred stocks, common stocks, mortgage loans, real estate, policy loans, other invested assets, and short-term investments.

Investments are carried in accordance with rules established by the NAIC. Bonds are carried at cost, adjusted where appropriate for accretion of premium or amortization of discount using the scientific interest method and taking into consideration stated interest and principal provisions. Additionally, bonds rated as NAIC 6 are carried at the lower of their cost or fair market value. Preferred stocks are carried at the lower of cost or fair value since there is no premium or discount. Common stocks are carried at fair value. Policy loans are stated at their aggregate unpaid balances. Mortgage loans on real estate are stated at their aggregate unpaid balances. Real estate held for investment is carried at cost less accumulated depreciation and encumbrances. Encumbrances as of December 31, 2015 and 2014 were \$14,486,000 and \$15,080,000, respectively. The promissory note bears interest at 4.32% and is due in monthly installments of approximately \$103,000 (including interest) to 2022. Property occupied by the Company is carried at cost, less accumulated depreciation.

Realized gains or losses are determined on the specific identification basis. Unrealized gains and losses on common stocks of affiliates and nonaffiliates are accounted for as direct increases or decreases in surplus.

Because the Company's primary business is in the insurance industry, the Company holds a significant amount of assets that it intends to match with its liabilities in relation to maturity and interest margin. In order to maximize earnings and minimize risk, the Company invests in a diverse portfolio of investments. The portfolio is diversified by geographic region, investment type, underlying collateral, maturity, and industry. Management does not believe that the Company has any significant concentrations of credit risk in its investments.

The Company generally does not invest in any low investment-grade high-yield investment bonds (junk bonds). Certain bonds are guaranteed by the U.S. government. The Company limits its risks by investing in bonds and stocks of rated companies, mortgage loans adequately collateralized by real estate, selective real estate supported by appraisals, and policy loans collateralized by policy cash values. In addition, the Company performs due diligence procedures prior to making mortgage loans. These procedures include evaluations of the credit worthiness of the mortgagees and/or tenants and independent appraisals.

The maximum and minimum lending rates for mortgage loans originated during 2015 were 4.660% and 4.125%, respectively. The maximum and minimum lending rates for mortgage loans originated during 2014 were 6.875% and 4.125%, respectively. The maximum percentage of any one loan to the value of security at the time of the loan, exclusive of insured or guaranteed or purchase money mortgages was 80% during 2015 and 2014. During 2015 and 2014, the Company did not reduce

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interest rates on any outstanding mortgage loans. The Company held no mortgages with interest more than 180 days past due or impaired mortgage loans.

For loan-backed securities, the Company has elected to use the carrying value as of January 1, 1994 as the cost for applying the retrospective adjustment method to securities purchased prior to that date. In 2015 and 2014, the Company had no changes from the retrospective to prospective methodology due to negative yield on specific securities. Prepayment assumptions for single class and multiclass mortgage-backed/asset-backed securities were obtained from broker-dealer survey values or internal estimates.

The Company periodically reviews its investment portfolio to determine if provisions for possible losses or provisions for other-than-temporary impairment (OTTI) are necessary. In connection with this determination, management reviews published market values, credit ratings, independent appraisals, expected cash flows, and other valuation information. Securities with impairments are written down to the present value of expected cash flows to be collected rather than fair value unless the Company has the intent to sell or inability to retain the security until recovery of amortized cost. For the year ended December 31, 2015, the Company recorded \$0 OTTI. For the year ended December 31, 2014, the Company recorded approximately \$533,000 OTTI on two securities. While management believes that no additional provisions for OTTI are currently necessary, adjustments may be necessary in the future due to changes in economic conditions. In addition, regulatory agencies periodically review investment valuation as an integral part of their examination process. Such agencies may require the Company to recognize adjustments based upon available information and judgments of the regulatory examiners at the time of their examination.

(f) *Equipment*

Equipment consists of electronic data processing equipment and is stated at cost less accumulated depreciation. Equipment is depreciated on a straight-line basis using estimated lives of five to ten years. Additions, renewals, and betterments are capitalized. Expenditures for software, maintenance, and repairs are expensed. Upon retirement or disposal of an asset, the asset and related accumulated depreciation are eliminated and any related gain or loss is included in income.

(g) *Company-Owned Life Insurance*

The Company is the owner of three single premium insurance policies and one group variable life insurance policy for certain current executives of the Company, where the Company is the beneficiary. These policies, accounted for using the investment method, were purchased in 2010 and in 2014. The policies are recorded in other assets at their net cash surrender values, as reported by the four issuing insurance companies, whose Standard & Poor's financial strength ratings range are AA+ for the single premium insurance policies and A for the group variable life insurance policy. The net cash surrender values totaled approximately \$32,929,000 and \$31,935,000 as of December 31, 2015 and 2014, respectively, and are included in other assets. The face value (death benefit) of the life insurance policies underlying the contracts was approximately \$80,511,000 and \$80,217,000 as of December 31, 2015 and 2014, respectively.

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(h) Premiums

Life premiums are recognized as revenue when the policy is written and on each anniversary date thereafter. Accident and health premiums are recognized when due from the policyholder. Both life and accident and health premiums are increased by reinsurance premiums assumed and reduced by reinsurance premiums ceded. Contracts issued that do not incorporate mortality or morbidity risk are not accounted for as insurance contracts. Amounts received as payments for such contracts are recorded as direct increases to the policy reserves.

The Company estimates accrued retrospective premium adjustments (premium rate stabilization) for certain contracts in its group health and group life business based on contractually determined formulas by group. The amount of net premiums written by the Company for the years ended December 31, 2015 and 2014 that were subject to retrospective rating features was approximately \$226,000 and \$245,000, respectively, which represented approximately 0.07% of net premiums written for group health and group life products in 2015 and 2014. No other net premiums written by the Company were subject to retrospective rating features.

(i) Reinsurance

The Company accounts for reinsurance transactions as prescribed by the applicable accounting standards, which require the reporting of reinsurance transactions relating to the statements of admitted assets, liabilities, and capital and surplus on a net basis and precludes immediate gain recognition on reinsurance contracts.

(j) Income Taxes

Current income taxes incurred includes current income taxes for the amount of federal income taxes paid or payable for the current year. These amounts are determined based on estimates of federal income taxes for the current year, including tax contingencies and benefits. The Company's current tax recoverable is reported as a component of other assets and current tax payable is reported as a component of other liabilities. The changes in current taxes are reflected in the statutory statements of operations.

Deferred income tax assets and liabilities are determined based on differences between statutory financial statement carrying amounts of existing assets and liabilities and their respective tax bases, as well as operating loss, capital loss, and tax credit carryforwards. Temporary differences related to AVR and IMR are not included in the determination of gross deferred income taxes while temporary differences for unrealized gains/losses and nonadmitted assets are included. Gross deferred tax assets are reduced by a valuation allowance if it is more likely than not (i.e. greater than 50% likelihood) that some portion or all of the gross deferred tax assets will not be realized. The deferred tax assets and liabilities are measured using federal enacted tax rates. Deferred income tax assets are limited as to their admissibility. The changes in net deferred tax assets and liabilities are reflected in surplus. The Company's net admitted deferred tax assets are reported as a component of other assets.

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(k) Policy Liabilities

Aggregate reserves for life policies and contracts include reserve amounts principally for life insurance policies, payout annuity policies, and disability insurance policies. The life insurance reserves are principally based on the 1941, 1958, 1980, and 2001 Commissioners Standard Ordinary (CSO) mortality tables, and are established with interest rate assumptions ranging from 2.0% to 6.0%. Annuity insurance reserves are established with interest rate assumptions ranging from 3.0% to 8.8%. Disability reserves are principally based on the 1987 Group Life Disability Table, with adjustments for actual Company experience. The tabular interest, tabular less actual reserves released, and the tabular cost have been determined by formula. Aggregate reserves for accident and health policies include the present value of amounts not yet due on claims, additional reserves, and unearned premiums.

Policy and contract claims reserves include a provision for reported claims and claims incurred but not reported. The provision for claims incurred but not reported is estimated based primarily on Company experience. Although these provisions are the Company's best estimate of the ultimate value, the actual results may vary from these values.

Liability for premiums and other deposit funds include reserves for qualified before tax annuities and other accumulation policies that do not subject the Company to any risks from policyholder mortality and morbidity. Such reserves are established using guaranteed interest rates of 3.0% to 7.5%.

The Company has a significant amount of allocated deferred annuity contracts with life contingencies. The liability for these contracts is recorded as aggregate reserves for life policies and contracts. The Company also has annuities certain without life contingencies. The liability for these contracts is recorded as a liability for premiums and other deposit funds.

There were no changes made to the valuation basis for reserves in 2015 and 2014, other than the addition of the 2001 CSO table for life products where approved.

The Company waives deduction of deferred fractional premiums upon death of the insured, and returns any portion of the final premium beyond the month of death for policies developed and issued subsequent to December 1977.

Surrender values are not promised in excess of the legally computed reserves.

Extra premiums are charged for substandard lives in addition to the regular gross premium for the true age.

Mean reserves are determined by computing the regular mean reserve for the plan at the true age and holding in addition one-half of the extra premium charge for the year.

The Company had approximately \$1,408,812,000 and \$12,754,023,000 of insurance in force (after reinsurance ceded) for which the gross premiums are less than the net premiums according to the standard valuation set by the state of Oklahoma at December 31, 2015 and 2014, respectively.

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The Company had approximately \$215,549,000 and \$114,637,000 as of December 31, 2015 and 2014, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at book value less current surrender charge of 5% or more. As of December 31, 2015 and 2014, the Company has approximately \$554,421,000 and \$643,936,000, respectively, of annuity actuarial reserves and deposit liabilities that were subject to discretionary withdrawal at market value where the withdrawal of the funds is payable at the current market value of the assets supporting the liabilities. Annuity reserves and deposit liabilities that were subject to discretionary withdrawal at book value without adjustment were approximately \$1,407,710,000 and \$1,307,917,000 as of December 31, 2015 and 2014, respectively. There were approximately \$64,444,000 and \$66,025,000 of annuity reserves and deposit liabilities that are not subject to discretionary withdrawal at December 31, 2015 and 2014, respectively. At December 31, 2015 and 2014, the total gross annuity actuarial reserves and deposit liabilities were approximately \$2,242,124,000 and \$2,132,515,000, respectively, and the net annuity actuarial reserves and deposit liabilities were approximately \$2,236,228,000 and \$2,126,753,000, respectively. The ceded amount of annuity actuarial reserves and deposit liabilities was approximately \$5,896,000 and \$5,762,000 as of December 31, 2015 and 2014, respectively. The Company's earnings related to these products are impacted by conditions in the overall interest rate environment.

(l) Capital and Surplus

Capital and surplus of the Company is restricted as to payment of dividends by statutory limitations applicable to insurance companies. Without prior approval of the respective state insurance department, dividends that can be paid are generally limited to the greater of 10% of statutory capital and surplus or the statutory net gain from operations before net realized capital gains/losses reported for the previous calendar year. The maximum dividend payout, which may be made without prior approval in 2015, is approximately \$72,828,000.

The Oklahoma Insurance Department has adopted Risk-Based Capital (RBC) requirements for life insurance companies. The RBC calculation serves as a benchmark for the regulation of life insurance companies by state insurance regulators. RBC provides for surplus formulas similar to target surplus formulas used by commercial rating agencies. The formulas specify various weighting factors that are applied to statutory financial balances or various levels of activity based on the perceived degree of risk, and are set forth in the RBC requirements. The Company has calculated RBC in accordance with the NAIC's Model Rule and RBC rules as adopted by the Oklahoma Insurance Department. The RBC, as calculated by the Company, exceeds levels requiring Company or regulatory action at December 31, 2015 and 2014.

(m) Separate Accounts

The Company maintains a separate account under Oklahoma insurance law designated as American Fidelity Separate Account A (Account A). Account A was formerly known as American Fidelity Variable Annuity Fund A, and operated as an open-end diversified management investment company from 1968 to 1998. Effective January 1, 1999, it was converted to a unit investment trust separate account, and it transferred its investment portfolio to the American Fidelity Dual Strategy Fund, Inc. (the Fund), an open-end investment company sponsored by AFA, in exchange for shares of the Fund.

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On November 25, 2014, Account A's investment in the Fund was substituted with the Vanguard Total Stock Market Index Fund. Under Oklahoma law, the assets of Account A are segregated from the Company's assets, are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The Company also maintains separate accounts under Oklahoma insurance law designated as American Fidelity Separate Account B (Account B) and American Fidelity Separate Account C (Account C). Account B and Account C are registered as unit investment trusts under the Investment Company Act of 1940, as amended. Under Oklahoma law, the assets of each of the ten (10) segregated subaccounts of Account B and the ten (10) segregated subaccounts of Account C are held for the exclusive benefit of the variable annuity contract owners, and are not chargeable with liabilities arising out of the business conducted by any other account or by the Company.

The separate accounts maintained by the Company represent funds for nonguaranteed variable annuities. The assets of these accounts are carried at market value. The net investment experience of the separate account is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of the account value or the premium paid. The minimum guaranteed death benefit reserve is held in the Company's general account. For the years ended December 31, 2015 and 2014, the amount of premiums, considerations, or deposits for the year was approximately \$74,568,000 and \$103,338,000, respectively.

(n) Reclassification

Certain prior year amounts have been reclassified to conform to the current year presentation.

(2) Admitted and Nonadmitted Assets

Assets in the statutory statements of admitted assets, liabilities, and capital and surplus are stated at admitted asset values, which are the values permitted to be reported in the annual report to the Oklahoma Insurance Department. All other assets are "nonadmitted assets" and are excluded from the statutory statements of admitted assets, liabilities, and capital and surplus by a charge to surplus. Nonadmitted assets as of December 31 are as follows:

	<u>2015</u>	<u>2014</u>
Prepays, deposits, and other receivables	\$ 5,853,047	3,308,702
Agents' balances	1,598,451	77,841
Deferred tax asset	44,146,314	36,509,900
Leasehold improvements	8,772,480	3,083,559
	<u>\$ 60,370,292</u>	<u>42,980,002</u>

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(3) Fair Value of Financial Instruments

A summary of the Company's financial instruments and the fair value estimates, methods, and assumptions is set forth below:

	Estimated fair value as of December 31, 2015				
	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3
Financial assets:					
Cash and short-term investments	\$ 175,188,228	175,188,228	175,188,228	—	—
Investment income due and accrued	39,990,590	39,990,590	39,990,590	—	—
Bonds	3,798,014,131	3,720,637,147	1,150,731	3,440,489,361	356,374,039
Common and preferred stock	29,379,796	29,232,816	24,391,316	90,171	4,898,309
Mortgage loans	412,812,228	393,280,807	—	—	412,812,228
Financial liabilities:					
Certain policy liabilities	1,649,538,704	1,647,163,360	—	—	1,649,538,704
Borrowed money	540,249,319	522,915,427	—	540,249,319	—
	Estimated fair value as of December 31, 2014				
	Aggregate fair value	Admitted assets	Level 1	Level 2	Level 3
Financial assets:					
Cash and short-term investments	\$ 132,976,274	132,976,274	132,976,274	—	—
Investment income due and accrued	38,592,265	38,592,265	38,592,265	—	—
Bonds	3,766,794,670	3,502,505,616	1,182,724	3,441,322,963	324,288,983
Common and preferred stock	25,391,676	25,325,804	24,513,684	97,286	780,706
Mortgage loans	384,680,910	354,597,714	—	—	384,680,910
Financial liabilities:					
Certain policy liabilities	1,449,967,843	1,447,897,929	—	—	1,449,967,843
Borrowed money	547,756,206	522,973,345	—	547,756,206	—

(a) Cash and Short-Term Investments and Investment Income Due and Accrued

The carrying amounts of the financial instruments listed immediately above approximate their fair values because they mature within a relatively short period of time, and do not present unanticipated credit concerns.

(b) Bonds, Common Stocks and Preferred Stocks

For fixed maturities and marketable equity securities, for which market quotations generally are available, the Company primarily uses independent pricing services to assist in determining fair value measurements. When the fair value of certain securities is not readily available, the fair value estimates are based on quoted market prices of similar instruments adjusted for the differences between the quoted instruments and the instruments being valued, or fair value is estimated using discounted cash flow analysis. Interest rates used in this analysis are similar to currently offered contracts with comparable maturities as the investments being valued. The Company's investments also include

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certain less liquid or private fixed maturity debt securities, such as private placements and certain structured notes. Valuations are estimated based on nonbinding broker prices or valuation models discounted cash flow models and other similar techniques that use observable or unobservable inputs and are considered Level 3.

The fair value of equity securities investments of the Company is based on quotations from independent pricing services, bid prices published in financial newspapers, or bid quotations received from securities dealers.

(c) *Mortgage Loans on Real Estate*

Fair values are estimated for portfolios of loans with similar characteristics. Commercial mortgage loans have average net yield rates of 5.17% and 5.52% for December 31, 2015 and 2014, respectively. The fair value of mortgage loans was calculated by discounting scheduled cash flows to maturity using estimated market discount rates of 4.24% and 3.81% for December 31, 2015 and 2014, respectively. These rates reflect the credit and interest rate risk inherent in the loans. Assumptions regarding credit risk, cash flows, and discount rates are judgmentally determined using available market information and specific borrower information. The fair value of certain residential loans is based on the approximate fair value of the underlying real estate securing the mortgages.

(d) *Policy Loans*

Policy loans have average interest yields of 6.07% and 6.54% as of December 31, 2015 and 2014, respectively, and have no specified maturity dates. These loans typically carry an interest rate that is tied to the crediting rate applied to the related policy and contract reserves. Policy loans are an integral part of the life insurance policies that the Company has in force and cannot be valued separately.

(e) *Certain Policy Liabilities*

Certain policies sold by the Company are investment-type contracts. These liabilities are segregated into two categories: premiums and other deposit funds and immediate annuities. These liabilities are further defined to segregate the deferred annuity contract with life contingencies, which are reported as aggregate reserves for life policies and contracts. The fair value of aggregate reserves for life policies and contracts is estimated as the fund value of each policy less applicable surrender charges. The fair value of the immediate annuities without life contingencies and premiums and other deposit funds is estimated as the discounted cash flows of expected future benefits less the discounted cash flows of expected future premiums, using the current pricing assumptions.

	2015		2014	
	Carrying amount	Estimated fair value	Carrying amount	Estimated fair value
Aggregate reserves for life policies and contracts	\$ 1,621,780,913	1,620,357,076	1,420,981,477	1,419,544,216
Annuities	25,382,447	29,181,628	26,916,452	30,423,627

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(f) Borrowed Money

The fair value of the Company's notes payable is estimated by the present value of a stream of future expected cash flows using an appropriate discount rate. Discount factors are based on the LIBOR/Swap curve.

(g) Limitations

Fair value estimates are made at a specific point in time, based on relevant market information and information about the financial instrument. These fair value estimates do not reflect any premium or discount that could result from offering for sale at one time the Company's entire holdings of a particular financial instrument, nor do they reflect income taxes on differences between fair value and tax basis of the assets. Because no established exchange exists for a significant portion of the Company's financial instruments, fair value estimates are based on judgments regarding future expected loss experience, current economic conditions, risk characteristics of various financial instruments, and other factors. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect the fair value estimates.

(h) Fair Value Hierarchy

The following are the levels of hierarchy and a description of the type of valuation inputs that are used to establish each level:

Level 1 inputs are quoted in active markets for identical securities.

Level 2 inputs are other significant observable inputs (including quoted prices for similar securities, interest rates, prepayment speeds, credit risk, etc.).

Level 3 inputs are significant unobservable inputs (including the Company's own assumptions used to determine the fair value of investments).

Assets that are recorded at fair value are categorized into a three-level fair value hierarchy as required by SSAP No. 100, *Fair Value Measurements*. The balances of these assets as of December 31, 2015 are as follows:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Assets recorded at fair value:				
Bonds – industrial and miscellaneous	\$ —	2,368,173	1,758,289	4,126,462
Common stock – unaffiliated	24,230,887	—	—	24,230,887
Common stock – affiliated	—	790,709	—	790,709
	<u>—</u>	<u>790,709</u>	<u>—</u>	<u>790,709</u>
Total assets at fair value	\$ <u>24,230,887</u>	<u>3,158,882</u>	<u>1,758,289</u>	<u>29,148,058</u>

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The following table presents the change for the year ended December 31, 2014 in the assets measured at fair value using unobservable inputs (Level 3):

	Loan-Backed securities	
	<hr/>	
Beginning balance	\$	4,948,157
Transfers in		—
Transfers out		—
Total gain (loss) included in net income		18,512
Total gain (loss) included in surplus		71,439
Purchases		520,840
Issuances		—
OTTI		—
Sales		(30,830)
Settlements		—
		<hr/>
Ending balance	\$	<u>5,528,118</u>

(4) Investments

Investment income for the years ended December 31 is summarized below:

	2015		2014	
	<hr/>		<hr/>	
Interest on bonds	\$	172,190,442		169,023,064
Dividends on preferred and common stocks		72,327		9,620
Interest on mortgage loans		23,408,487		22,448,739
Investment real estate income		4,414,194		4,134,816
Interest on policy loans		3,176,054		3,134,992
Interest on cash and short-term investments and other		2,478,731		589,808
		<hr/>		<hr/>
		205,740,235		199,341,039
Less investment expenses		<hr/>		<hr/>
		32,611,100		34,122,550
Net investment income	\$	<u>173,129,135</u>		<u>165,218,489</u>

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Realized gains (losses) for the years ended December 31 consisted of the following:

	2015	2014
Bonds	\$ 9,467,453	4,512,838
OTTI	—	(532,701)
	9,467,453	3,980,137
Common stocks of nonaffiliates	546,474	1,657,197
Real estate	61,765	—
Other capital loss	(191,003)	—
Total realized gains before federal income taxes and IMR transfers	9,884,689	5,637,334
Federal income tax expense	1,408,332	1,422,611
Less IMR transfers	5,937,103	4,468,608
Net realized gains (losses)	\$ 2,539,254	(253,885)

The gross unrealized gains on common stocks of nonaffiliates were approximately \$8,675,000 and \$7,926,000 in 2015 and 2014, respectively. The gross unrealized losses on common stocks of nonaffiliates were approximately \$10,000 and \$0 in 2015 and 2014, respectively.

The carrying value and estimated fair value of bonds at December 31 are as follows:

	2015			
	Carrying value	Gross unrealized gains	Gross unrealized losses	Fair value
U.S. Treasury securities	\$ 1,076,489	75,346	(1,105)	1,150,730
U.S. government agency obligations	7,105,463	829,647	—	7,935,110
Special revenue	408,936,095	17,001,982	(7,230,572)	418,707,505
States, territories, and political subdivisions	407,547,918	38,635,259	(454,833)	445,728,344
Foreign government	33,352,181	2,293,080	(146,747)	35,498,514
Corporate bonds	2,104,888,861	89,938,369	(99,326,105)	2,095,501,125
Loan-backed securities	757,730,140	41,861,978	(6,099,315)	793,492,803
Total	\$ 3,720,637,147	190,635,661	(113,258,677)	3,798,014,131

AMERICAN FIDELITY ASSURANCE COMPANY

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	2014			
	<u>Carrying value</u>	<u>Gross unrealized gains</u>	<u>Gross unrealized losses</u>	<u>Fair value</u>
U.S. Treasury securities	\$ 1,086,679	97,153	(1,107)	1,182,725
U.S. government agency obligations	8,813,983	1,040,662	—	9,854,645
Special revenue	341,183,544	22,178,306	(5,167,158)	358,194,692
States, territories, and political subdivisions	401,639,306	49,196,871	(167,045)	450,669,132
Foreign government	33,408,576	3,017,339	—	36,425,915
Corporate bonds	1,881,091,907	168,766,314	(18,375,725)	2,031,482,496
Loan-backed securities	<u>835,281,621</u>	<u>52,294,075</u>	<u>(8,590,631)</u>	<u>878,985,065</u>
Total	<u>\$ 3,502,505,616</u>	<u>296,590,720</u>	<u>(32,301,666)</u>	<u>3,766,794,670</u>

The NAIC fair value of total bonds is approximately \$14,571,000 and \$6,739,000 more than the estimated fair value in the tables above at December 31, 2015 and 2014, respectively.

The carrying value and estimated fair value of investments in bonds at December 31, 2015, by contractual maturity, are shown below. Expected maturities will differ from contractual maturities because the issuers of such securities may have the right to call or prepay obligations with or without call or prepayment penalties.

	<u>Carrying value</u>	<u>Fair value</u>
Due in one year or less	\$ 40,376,165	40,688,853
Due after one year through five years	382,658,078	403,640,946
Due after five years through ten years	1,085,362,627	1,070,314,353
Due after ten years	1,454,510,137	1,489,877,176
Loan-backed securities	<u>757,730,140</u>	<u>793,492,803</u>
	<u>\$ 3,720,637,147</u>	<u>3,798,014,131</u>

Proceeds from sales of bonds during 2015 and 2014 were approximately \$146,704,000 and \$150,101,000, respectively. Gross realized gains of approximately \$9,167,000 and \$6,814,000 and gross realized losses of approximately \$4,024,000 and \$3,889,000, respectively, were realized on those sales. In addition, the Company realized net gains of approximately \$4,324,000 and \$1,588,000 on bonds that were called or prepaid in 2015 and 2014, respectively.

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Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2015 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
U.S. Treasury securities	\$ —	—	498,457	(1,105)	498,457	(1,105)
States and territories	15,046,238	(261,860)	11,067,027	(192,973)	26,113,265	(454,833)
Special revenue	67,413,724	(1,254,879)	149,550,379	(5,975,693)	216,964,103	(7,230,572)
Foreign government	4,847,810	(146,747)	—	—	4,847,810	(146,747)
Corporate bonds	592,292,202	(41,823,076)	340,287,158	(57,503,029)	932,579,360	(99,326,105)
Loan-backed securities	55,835,499	(715,111)	75,438,901	(5,384,204)	131,274,400	(6,099,315)
Total	\$ 735,435,473	(44,201,673)	576,841,922	(69,057,004)	1,312,277,395	(113,258,677)

Gross unrealized losses on investment securities and the fair value of the related securities, aggregated by investment category and length of time that individual securities have been in a continuous unrealized loss position, at December 31, 2014 were as follows:

	Less than 12 months		12 months or longer		Total	
	Fair value	Unrealized losses	Fair value	Unrealized losses	Fair value	Unrealized losses
U.S. Treasury securities	\$ 497,930	(1,107)	—	—	497,930	(1,107)
States and territories	—	—	11,596,858	(167,045)	11,596,858	(167,045)
Special revenue	2,998,683	(1,317)	161,849,490	(5,165,841)	164,848,173	(5,167,158)
Corporate bonds	72,387,672	(1,335,966)	331,700,116	(17,039,759)	404,087,788	(18,375,725)
Loan-backed securities	7,069,603	(71,573)	98,142,581	(8,519,058)	105,212,184	(8,590,631)
Total	\$ 82,953,888	(1,409,963)	603,289,045	(30,891,703)	686,242,933	(32,301,666)

The unrealized losses in U.S. Treasury securities, obligations of U.S. government agencies and states and territories, and foreign government securities are due to interest rate fluctuations, which result in a decline in market values from original purchase price. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. The Company expects the unrealized losses to reverse as the securities shorten in duration and mature, and because the Company has the ability to hold these investments and does not intend to sell until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in states, territories, and political subdivisions are high-grade investment quality and have unrealized losses due to an increase in interest rates since acquisition. Because the decline in fair value is attributable to changes in interest rates and not credit quality, and because the Company has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

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The investments included in special revenue securities are comprised of general obligations of U.S. government sponsored agencies for which the U.S. government is indirectly obligated. The unrealized loss is due to interest rate fluctuations, which result in a decline in market values from original purchase price. Because the securities were acquired during a period of low interest rates, unrealized losses may continue and may become more severe in a rising interest rate environment. The Company expects the unrealized losses to reverse as the securities shorten in duration and mature and because the Company has the ability to hold these investments to maturity and does not intend to sell until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in corporate securities are comprised of corporate bonds. The unrealized loss is due to the current market and economic environment, which is affecting corporate credit ratings and changes in sector spreads. The unrealized loss may continue and may become more severe if the economy continues to trend downward or interest rates rise. Because the decline in fair value is attributable to economic changes and a slight decline in credit quality, and because the Company expects all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired.

The investments included in loan-backed securities are comprised of U.S. government-sponsored agency mortgage-backed securities for which the U.S. government is not directly obligated, and private label whole loan collateralized mortgage obligations. The unrealized losses on these securities are a result of the current market and economic conditions that are affecting the mortgage-backed sector. The credit quality on some mortgage-backed bonds has declined due to the larger number of home defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and the Company believes all contractual cash flows will be received and has the ability and intent to hold these investments until a market price recovery or maturity, these investments are not considered other-than-temporarily impaired. When the Company believes it will not receive all contractual cash flows, the securities are considered other-than-temporarily impaired.

At December 31, 2015 and 2014, investments with carrying values of approximately \$2,904,000 and \$2,903,000, respectively, were on deposit with state insurance departments as required by statute.

The Company has no direct exposure to subprime mortgage loans. An extensive pre-purchase analysis is performed on every loan-backed security. By purchasing only AAA agency mortgage-backed securities and AAA collateralized mortgage-backed whole loan securities, direct exposure to sub-prime mortgages is virtually eliminated. The unrealized losses on these securities are a result of the current market and economic conditions that are affecting the mortgage-backed sector. The credit qualities on some mortgage-backed bonds have begun to decline due to the large number of home mortgage defaults. Because the decline in fair value is attributable mainly to changes in market and economic conditions and only due slightly to a lessening of credit, the Company believes most contractual cash flows will be received.

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(5) Separate Accounts

The Company utilizes Separate Accounts to record and account for variable annuity business. In accordance with the Insurance Code of the State of Oklahoma, variable annuities are supported for separate account classification by Title 36, Chapter 2, Section 6061. As of December 31, 2015 and 2014, the Company Separate Account statement included legally insulated assets of approximately \$558,315,000 and \$648,749,000, respectively, attributed to variable annuity contracts. The Separate Accounts held by the Company represent nonguaranteed variable annuity funds. The Company does not have a securities lending program.

The assets of these accounts are carried at fair market value. The net investment experience of the Separate Accounts is credited directly to the policyholder and can be positive or negative. These variable annuities generally provide an incidental death benefit of the greater of account value or premium paid. The minimum guaranteed death benefit reserve is held in Exhibit 5, Miscellaneous Reserves Section, of the Company's general account annual statement.

	<u>2015</u>	<u>2014</u>
1. Premiums, considerations, or deposits for year ended December 31	\$ 74,568,350	103,338,113
2. Reserves at December 31:		
For accounts with assets at:		
a. Fair market value	\$ 558,314,969	648,749,195
b. Amortized cost	—	—
c. Total reserves	<u>\$ 558,314,969</u>	<u>648,749,195</u>
3. By withdrawal characteristics:		
a. Subject to discretionary withdrawal	\$ —	—
b. With market value adjustment	—	—
c. At book value without market value adjustment and with current surrender charge of 5% or more	—	—
d. At fair market value	558,314,969	648,749,195
e. At book value without market value adjustment and with current surrender charge of 5%	—	—
f. Subtotal	<u>558,314,969</u>	<u>648,749,195</u>
g. Not subject to discretionary withdrawal	—	—
h. Total	<u>\$ 558,314,969</u>	<u>648,749,195</u>
4. Reserves for Asset Default Risk in Lieu of AVR	\$ —	—

AMERICAN FIDELITY ASSURANCE COMPANY

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Reconciliation of net transfers to or (from) Separate Accounts.

	<u>2015</u>	<u>2014</u>
1. Transfers as reported in the Summary of Operations of the Separate Accounts statements:		
a. Transfers to Separate Accounts	\$ 75,102,615	103,964,789
b. Transfers from Separate Accounts	<u>150,019,091</u>	<u>96,045,522</u>
c. Net transfers to or (from) Separate Accounts (a) – (b)	(74,916,476)	7,919,267
2. Reconciling adjustments:		
a. Plus Net Investment Income (Expense)	(7,439,427)	56,931,791
b. Less Increase (Decrease) in Liability for Premiums	(90,434,224)	55,922,283
c. Plus Change in Expense Allowance	(919,357)	3,931,866
d. Less fees for investment management and administration	8,078,321	8,928,775
3. Transfers as Report in the Summary of Operations of the Life, Accident & Health Annual Statement:		
a. (1c) + (2)	\$ <u>(919,357)</u>	<u>3,931,866</u>

(6) Liability for Accident and Health Reserves

Accident and health reserve activity for the years ended December 31, 2015 and 2014 was as follows:

	<u>2015</u>	<u>2014</u>
Liability beginning of year, net of reinsurance	\$ 447,297,390	438,667,648
Incurred related to:		
Current year	364,072,525	355,472,414
Prior years	<u>(61,471,669)</u>	<u>(54,175,989)</u>
Total incurred	<u>302,600,856</u>	<u>301,296,425</u>
Paid related to:		
Current year	173,031,400	167,881,485
Prior years	<u>120,302,975</u>	<u>124,785,198</u>
Total paid	<u>293,334,375</u>	<u>292,666,683</u>
Liability end of year, net of reinsurance	\$ <u>456,563,871</u>	<u>447,297,390</u>

Reinsurance recoverable on paid losses was approximately \$2,946,000 and \$874,000 at December 31, 2015 and 2014, respectively.

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The provision for accident and health benefits pertaining to prior years decreased approximately \$61,472,000 in 2015 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$54,179,000 for group medical and disability and approximately \$7,293,000 for cancer business. The decreases are due to conservative estimate in prior year reserves followed by subsequent better than expected claim experience.

The provision for accident and health benefits pertaining to prior years decreased approximately \$54,176,000 in 2014 from the prior year estimate. This decrease overall includes better than expected experience of approximately \$52,183,000 for group medical and disability and approximately \$1,993,000 for cancer business. The decreases are due to conservative estimate in prior year reserves followed by subsequent better than expected claim experience.

The Company paid approximately \$614,000 and \$825,000 in 2015 and 2014, respectively, to settle claims related to extra contractual obligations or bad faith claims stemming from lawsuits.

(7) Borrowed Money

AFA has borrowed approximately \$521,500,000 on the line of credit with the Federal Home Loan Bank of Topeka (FHLB) at December 31, 2015 and 2014. The line of credit is secured by investment securities and cash pledged as collateral by AFA with a carrying amount of approximately \$539,739,000 and \$573,243,000 at December 31, 2015 and 2014, respectively, which exceeds the collateral required for this line of credit. The pledged securities are held in the Company's name in a custodial account at United Missouri Bank, N.A. to secure current and future borrowings. To participate in this available credit, AFA has acquired 238,673 shares of FHLB common stock with a total carrying value of approximately \$23,867,300 at December 31, 2015.

FHLB Capital Stock

	2015		
	General account	Separate accounts	Total
Membership stock – class A	\$ 500,000	—	500,000
Membership stock – class B	23,367,300	—	23,367,300
Total	<u>\$ 23,867,300</u>	<u>—</u>	<u>23,867,300</u>
Activity stock	\$ 23,467,500	—	23,467,500
Excess stock	399,800	—	399,800
Total	<u>\$ 23,867,300</u>	<u>—</u>	<u>23,867,300</u>
Actual or estimate borrowing capacity as determined by the insurer			\$ 534,926,151

AMERICAN FIDELITY ASSURANCE COMPANY

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	2014		
	General account	Separate accounts	Total
Membership stock – class A	\$ 500,000	—	500,000
Membership stock – class B	23,367,600	—	23,367,600
Total	\$ 23,867,600	—	23,867,600
Activity stock	\$ 23,467,600	—	23,467,600
Excess stock	400,000	—	400,000
Total	\$ 23,867,600	—	23,867,600
Actual or estimate borrowing capacity as determined by the insurer			\$ 574,206,149

FHLB Membership Stock (Class A and B) Eligible for Redemption

	Current year total	Not eligible for redemption	Less than 6 months	6 months to 1 year	1 to 3 years	3 to 5 years
Class A	\$ 500,000	500,000	—	—	—	—
Class B	23,367,300	23,367,300	—	—	—	—

FHLB Borrowings

FHLB has the option to convert the initial rate of interest to an adjustable rate of interest on many of these lines of credit on the dates listed in the following table. At any time after FHLB exercises its conversion option, the Company may prepay the advance in full or in part without a fee.

The Company has no unused lines of credit as of December 31, 2015.

AFA had no Structured Note borrowings as of December 31, 2015 and 2014.

AMERICAN FIDELITY ASSURANCE COMPANY

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Information regarding the terms of the funds borrowed from FHLB are as follows:

<u>Interest rate</u>	<u>Interest rate subject to conversion to adjustable rate</u>	<u>Date issued</u>	<u>Maturity date</u>	<u>Balance at December 31</u>	
				<u>2015</u>	<u>2014</u>
0.310%	—	04/25/14	04/25/15	\$ —	5,000,000
4.270	April 2011	04/28/05	04/28/15	—	5,000,000
4.040	May 2011	05/20/05	05/20/15	—	5,000,000
0.320	—	05/21/14	05/21/15	—	25,000,000
0.320	—	06/05/14	06/05/15	—	25,000,000
4.360	July 2012	07/27/05	07/27/15	—	20,000,000
4.200	August 2011	08/29/05	08/31/15	—	20,000,000
0.360	—	09/12/14	09/12/15	—	10,000,000
3.950	January 2008*	01/13/06	01/13/16	10,000,000	10,000,000
4.090	January 2009*	01/13/06	01/13/16	5,000,000	5,000,000
4.430	January 2011*	01/13/06	01/13/16	10,000,000	10,000,000
4.690	October 2011*	10/31/06	10/31/16	25,000,000	25,000,000
4.630	November 2011*	11/21/06	11/21/16	10,000,000	10,000,000
4.640	March 2012	03/12/07	03/13/17	10,000,000	10,000,000
5.060	May 2013	05/22/07	05/22/17	10,000,000	10,000,000
3.900	December 2012	12/04/07	12/04/17	25,000,000	25,000,000
3.520	January 2013	01/28/08	01/29/18	10,000,000	10,000,000
3.460	February 2013	02/01/08	02/01/18	15,000,000	15,000,000
3.490	February 2013	02/04/08	02/05/18	6,500,000	6,500,000
4.020	March 2009	03/07/08	03/07/18	25,000,000	25,000,000
3.460	March 2013	03/12/08	03/12/18	10,000,000	10,000,000
4.100	April 2009	04/28/08	04/30/18	5,000,000	5,000,000
4.100	May 2009	05/19/08	05/19/17	25,000,000	25,000,000
4.140	May 2009	05/20/08	05/22/17	5,000,000	5,000,000
4.290	July 2009	07/28/08	07/30/18	25,000,000	25,000,000
3.270	—	02/08/10	02/10/20	10,000,000	10,000,000
3.630	—	03/25/10	03/25/22	10,000,000	10,000,000
3.710	—	03/25/10	03/25/20	10,000,000	10,000,000
3.440	—	03/25/10	03/25/20	10,000,000	10,000,000
3.500	—	03/25/10	03/25/21	10,000,000	10,000,000
3.770	—	04/13/10	04/13/22	15,000,000	15,000,000
3.230	—	05/07/10	05/06/16	10,000,000	10,000,000
4.190	—	05/07/10	05/07/20	10,000,000	10,000,000
2.870	—	04/20/11	04/20/17	15,000,000	15,000,000
2.570	—	03/27/12	03/26/21	12,500,000	12,500,000

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Interest rate	Interest rate subject to conversion to adjustable rate	Date issued	Maturity date	Balance at December 31	
				2015	2014
2.080%	—	11/19/13	11/20/23	\$ 10,000,000	10,000,000
1.980	—	3/12/14	3/12/24	12,500,000	12,500,000
3.110	—	5/23/14	5/23/24	15,000,000	15,000,000
1.930	—	11/19/14	11/19/24	25,000,000	25,000,000
0.410	July 2015	4/24/15	4/22/16	5,000,000	—
2.300	—	4/28/15	4/28/23	5,000,000	—
2.590	—	5/20/15	5/29/23	5,000,000	—
2.740	—	5/21/15	5/21/24	25,000,000	—
0.600	September 2015	6/5/15	6/3/16	25,000,000	—
2.060	—	8/10/15	8/8/25	20,000,000	—
0.540	November 2015	8/31/15	8/31/16	20,000,000	—
0.730	December 2015	9/11/15	9/9/16	10,000,000	—
				<u>521,500,000</u>	<u>521,500,000</u>
Interest payable				<u>1,415,427</u>	<u>1,473,345</u>
				<u>\$ 522,915,427</u>	<u>522,973,345</u>

* These lines of credits have interest rates subject to conversion to an adjustable rate at the date specified above, as well as quarterly thereafter.

Interest paid in 2015 and 2014 was approximately \$17,212,000 and \$17,808,000, respectively, and is included in investment expense in net investment income in the accompanying statutory statements of operations.

Scheduled maturities (excluding interest) of the above indebtedness at December 31, 2015 are as follows:

2016	\$ 130,000,000
2017	90,000,000
2018	96,500,000
2019	—
2020	40,000,000
2021 and thereafter	<u>165,000,000</u>
	<u>\$ 521,500,000</u>

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(8) Income Taxes

The Company's net deferred tax assets (liabilities) at December 31 and the change from the prior year are comprised of the following components:

	2015			2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax assets	\$ 105,766,632	6,869,137	112,635,769	92,427,829	9,481,416	101,909,245	13,338,803	(2,612,279)	10,726,524
Statutory valuation allowance adjustments	—	—	—	—	—	—	—	—	—
Adjusted gross deferred tax assets	105,766,632	6,869,137	112,635,769	92,427,829	9,481,416	101,909,245	13,338,803	(2,612,279)	10,726,524
Deferred tax assets nonadmitted	39,771,137	4,375,177	44,146,314	29,984,327	6,525,573	36,509,900	9,786,810	(2,150,396)	7,636,414
Sub-total net admitted deferred tax assets	65,995,495	2,493,960	68,489,455	62,443,502	2,955,843	65,399,345	3,551,993	(461,883)	3,090,110
Deferred tax liabilities	27,553,114	2,493,960	30,047,074	27,738,660	2,955,843	30,694,503	(185,546)	(461,883)	(647,429)
Net admitted deferred tax assets (liabilities)	\$ 38,442,381	—	38,442,381	34,704,842	—	34,704,842	3,737,539	—	3,737,539

Management has reviewed whether a valuation allowance is needed on its total gross deferred tax assets reported above based on factors such as past history and trends, projected taxable income, and expiration of carryforwards. Management believes that in 2015 and 2014 it is more likely than not that the results of operations will generate sufficient taxable income to realize its gross deferred tax assets on ordinary items. Additionally, in 2015 and 2014, management believes that there are sufficient capital gains available in its capital assets portfolio and that holding its fixed debt securities in a loss position to maturity or recovery substantiates the Company's ability to realize its gross deferred tax assets on capital items.

AMERICAN FIDELITY ASSURANCE COMPANY

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The Company's admission calculation components at December 31, 2015 and 2014 are as follows:

	2015			2014			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
(a) Federal income taxes paid in prior years recoverable through loss carrybacks	\$ 38,442,381	—	38,442,381	34,704,842	—	34,704,842	3,737,539	—	3,737,539
(b) Adjusted gross deferred tax assets expected to be realized (excluding the amount of deferred tax assets from (a) above) after application of the threshold limitation. (The lesser of (b)1 and (b)2 below):									
1. Adjusted gross deferred tax assets expected to be realized following the balance sheet date	—	—	—	—	—	—	—	—	—
2. Adjusted gross deferred tax assets allowed per limitation threshold	—	—	55,508,270	—	—	51,850,268	—	—	3,658,002
Lesser of b(1) or b(2)	—	—	—	—	—	—	—	—	—
(c) Adjusted gross deferred tax assets (excluding the amount of deferred tax assets from (a) and (b) above) offset by gross deferred tax liabilities	<u>27,553,114</u>	<u>2,493,960</u>	<u>30,047,074</u>	<u>27,738,660</u>	<u>2,955,843</u>	<u>30,694,503</u>	<u>(185,546)</u>	<u>(461,883)</u>	<u>(647,429)</u>
(d) Deferred tax assets admitted Total ((a) + (b) + (c))	<u>\$ 65,995,495</u>	<u>2,493,960</u>	<u>68,489,455</u>	<u>62,443,502</u>	<u>2,955,843</u>	<u>65,399,345</u>	<u>3,551,993</u>	<u>(461,883)</u>	<u>3,090,110</u>

	<u>2015</u>	<u>2014</u>
Ratio percentage used to determine recovery period and threshold limitation amount	740%	732%
Amount of adjusted capital and surplus used to determine recovery period and threshold limitation in (b)2 above	\$ 396,638,640	368,216,598

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December 31, 2015 and 2014

As of December 31, the change in net deferred income taxes is comprised of the following:

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Gross deferred tax assets	\$ 112,635,769	101,909,245	10,726,524
Gross deferred tax liabilities	<u>30,047,074</u>	<u>30,694,503</u>	<u>(647,429)</u>
Net deferred tax assets/liabilities	82,588,695	71,214,742	11,373,953
Statutory valuation allowance adjustment	<u>—</u>	<u>—</u>	<u>—</u>
Net deferred tax assets/liabilities after statutory valuation allowance	82,588,695	71,214,742	11,373,953
Tax effect of unrealized (gains) losses	(2,083,934)	(2,544,142)	460,208
Statutory valuation allowance adjustment allocated to unrealized	<u>—</u>	<u>—</u>	<u>—</u>
Change in net deferred income taxes	\$ <u><u>84,672,629</u></u>	<u><u>73,758,884</u></u>	<u><u>10,913,745</u></u>

The impact of the Company's tax planning strategies as of December 31 is as follows:

	<u>2015</u>		<u>2014</u>		<u>Change</u>	
	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>	<u>Ordinary</u>	<u>Capital</u>
Adjusted gross DTAs	\$ 105,766,632	6,869,137	92,427,829	9,481,416	13,338,803	(2,612,279)
Percentage of adjusted gross DTAs attributable to the impact of tax planning strategies	—%	6.1%	—%	9.3%	—%	(3.2)%
Net admitted adjusted gross DTAs	\$ 65,995,495	2,493,960	62,443,502	2,955,843	3,551,993	(461,883)
Percentage of net admitted adjusted gross DTAs attributable to the impact of tax planning strategies	—%	3.6%	—%	4.5%	—%	(0.9)%

None of the Company's tax-planning strategies include the use of reinsurance.

There are no temporary differences for which deferred tax liabilities are not recognized.

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As of December 31, current income taxes incurred consist of the following major components:

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Current federal income tax – operations	\$ 41,960,713	35,212,048	6,748,665
Foreign income tax	—	—	—
Subtotal	41,960,713	35,212,048	6,748,665
Current federal income tax on capital gains	1,408,332	1,422,611	(14,279)
Federal and foreign income taxes incurred	<u>\$ 43,369,045</u>	<u>36,634,659</u>	<u>6,734,386</u>

As of December 31, deferred income tax assets and liabilities consist of the following major components:

	<u>2015</u>	<u>2014</u>	<u>Change</u>
Deferred tax assets:			
Ordinary:			
Discounting of unpaid losses	\$ 6,291,456	6,384,300	(92,844)
Policyholder reserves	28,525,020	23,713,608	4,811,412
Deferred acquisition costs	49,810,115	46,628,951	3,181,164
Fixed assets	3,051,169	2,870,037	181,132
Compensation and benefits accrual	10,118,086	8,887,495	1,230,591
Receivables – nonadmitted	5,938,539	2,431,026	3,507,513
Other	2,032,247	1,512,412	519,835
Subtotal	105,766,632	92,427,829	13,338,803
Statutory valuation allowance adjustment	—	—	—
Nonadmitted	39,771,137	29,984,327	9,786,810
Admitted ordinary deferred tax assets	<u>65,995,495</u>	<u>62,443,502</u>	<u>3,551,993</u>
Capital:			
Investments	6,869,137	9,481,416	(2,612,279)
Net capital loss carry-forward	—	—	—
Subtotal	6,869,137	9,481,416	(2,612,279)
Statutory valuation allowance adjustment	—	—	—
Nonadmitted	4,375,177	6,525,573	(2,150,396)
Admitted capital deferred tax assets	<u>2,493,960</u>	<u>2,955,843</u>	<u>(461,883)</u>
Admitted deferred tax assets	<u>68,489,455</u>	<u>65,399,345</u>	<u>3,090,110</u>

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	<u>2015</u>	<u>2014</u>	<u>Change</u>
Deferred tax liabilities:			
Ordinary:			
Deferred and uncollected premium	\$ 26,778,433	26,952,344	(173,911)
Other	774,681	786,316	(11,635)
Subtotal	<u>27,553,114</u>	<u>27,738,660</u>	<u>(185,546)</u>
Capital:			
Investments	2,493,960	2,955,843	(461,883)
Subtotal	<u>2,493,960</u>	<u>2,955,843</u>	<u>(461,883)</u>
Deferred tax liabilities	<u>30,047,074</u>	<u>30,694,503</u>	<u>(647,429)</u>
Net deferred tax assets	\$ <u>38,442,381</u>	<u>34,704,842</u>	<u>3,737,539</u>

The Company's income tax incurred and change in deferred tax differ from the amount obtained by applying the federal statutory rate of 35% to income before income taxes and net realized capital gains (losses) as follows:

	<u>2015</u>	<u>Effective 2015 tax rate</u>	<u>2014</u>	<u>Effective 2014 tax rate</u>
Income before taxes and realized capital gains (losses)	\$ 114,788,551	—%	\$ 104,717,829	—%
Income tax expense at 35% statutory rate	\$ 40,175,992	35.0%	\$ 36,651,240	35.0%
Increase (decrease) in tax resulting from:				
Dividends received deduction	(1,386,395)	(1.2)	(660,092)	(0.6)
Nondeductible expenses for meals and other items	808,606	0.7	1,847,560	1.8
Management fees	(3,815,000)	(3.3)	(4,346,185)	(4.1)
School bond and low income housing tax credits	(1,829,320)	(1.6)	(1,775,320)	(1.8)
Tax-exempt income	(2,240)	—	(2,741)	—
Tax adjustment for IMR	(1,331,024)	(1.2)	(1,123,380)	(1.1)
Deferred tax benefit on nonadmitted assets	(3,507,513)	(3.1)	289,339	0.3
Timing differences on realized gains and losses	2,051,308	1.8	550,455	0.5
Prior year adjustment to current and deferred taxes	<u>(117,446)</u>	<u>(0.1)</u>	<u>(853,577)</u>	<u>(0.8)</u>
Total income tax expected	\$ <u>31,046,968</u>	<u>27.0%</u>	\$ <u>30,577,299</u>	<u>29.2%</u>

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	<u>2015</u>	<u>Effective 2015 tax rate</u>	<u>2014</u>	<u>Effective 2014 tax rate</u>
Current income taxes incurred (excludes tax on net realized gains and losses)	\$ 41,960,713	36.5%	\$ 35,212,048	33.7%
Net change in deferred income taxes (excludes tax on unrealized gains and losses)	<u>(10,913,745)</u>	<u>(9.5)</u>	<u>(4,634,749)</u>	<u>(4.5)</u>
Total income tax reported	<u>\$ 31,046,968</u>	<u>27.0%</u>	<u>\$ 30,577,299</u>	<u>29.2%</u>

As of December 31, 2015, there are no operations loss deductions, capital loss, or tax credit carryforwards available for tax purposes.

The following are income taxes incurred in the current and prior years that will be available for recoupment in the event of future net losses:

	<u>Ordinary</u>	<u>Capital</u>	<u>Total</u>
December 31, 2015	\$ 38,231,101	1,338,701	39,569,802
December 31, 2014	42,706,515	1,049,204	43,755,719
December 31, 2013	34,272,174	2,521,657	36,793,831

As of December 31, 2015, there were no deposits admitted under Section 6603 of the Internal Revenue Code.

The Company is included in a consolidated federal income tax return with the following entities:

American Fidelity Corporation	American Fidelity International Holdings, Inc.
American Public Life Insurance Company	Enrollcom, Inc.
American Fidelity Securities, Inc.	AF Apartments, Inc.
InvesTrust, N.A.	Market Place Realty Corporation
American Fidelity General Agency, Inc.	American Fidelity Property Services, LLC
AF Professional Employment Group, LLC	American Fidelity Community Services, Inc.
First Financial Securities of America, Inc.	Home Rentals Inc.
American Fidelity Property Company	Apple Creek Apartments, Inc.
American Fidelity Administrative Services, LLC	

The method of tax allocation between the companies is subject to a written agreement approved by the Board of Directors. Allocation is based on separate return calculations at the group's effective tax rate with current credit for net losses. Intercompany tax balances are settled annually.

The Company has no tax loss contingencies for which it is reasonably possible that the total liability will significantly increase within twelve months of the reporting date.

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The Company files income tax returns in the U.S. federal jurisdiction and various states. The Company is no longer subject to U.S. federal income tax examinations for years prior to 2012 and state and local income tax examinations for years prior to 2011. The Company is not currently under examination by any taxing authority.

(9) Reinsurance

Reinsurance contracts do not relieve the Company from its obligations to policyholders. Failure of reinsurers to honor their obligations could result in losses to the Company. The Company evaluates the financial condition of its reinsurers and monitors concentrations of credit risk arising from similar geographic regions, activities, or economic characteristics of the reinsurers to minimize its exposure to significant losses from reinsurer insolvencies. Management believes that all reinsurers presently used are financially sound and will be able to meet their contractual obligations; therefore, no significant allowance for uncollectible amounts has been included in the December 31, 2015 or 2014 statutory financial statements. Estimated amounts that reduce the reserves for future policy benefits at December 31, 2015 and 2014 for reinsurance ceded are approximately \$1,114,739,000 and \$1,108,283,000, respectively. At December 31, 2015 and 2014, amounts that reduced the reserves for future policy benefits of approximately \$748,059,000 and \$747,963,000, respectively, were associated with one reinsurer (note 14).

At December 31, 2015 and 2014, the Company had unsecured aggregate recoverable from the following reinsurers for policy and contracts claims, paid and unpaid, that exceeds 3.0% of the Company's surplus, as follows:

Group	2015	2014
Hannover Life Reassurance Company	\$ 1,526,535	381,924
Hannover Reassurance (Ireland) LTD	8,870,136	7,874,298
Total group	10,396,671	8,256,222
Gerber Life Insurance Company	7,927,089	14,695,944
Total	\$ 18,323,760	22,952,166

Reinsurance agreements in effect for life insurance policies vary according to the age of the insured and the type of risk. Retention amounts for life insurance are \$500,000 on individual life coverage and group life, with slightly lower limits on accidental death benefits. At December 31, 2015 and 2014, the face amounts of life insurance in force that are reinsured amounted to approximately \$8,988,000,000 and \$9,611,000,000, respectively (approximately 36.1% and 39.9% of total life insurance in force, respectively).

Reinsurance agreements in effect for accident and health insurance policies vary with the type of coverage. There are no accident and health reinsurance treaties subject to retention limits.

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The effects of reinsurance agreements on earned premiums, prior to deductions for benefits, and commission allowances are as follows for the years ended December 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Reinsurance ceded	\$ 221,196,842	234,797,928
Reinsurance assumed	43,545,541	45,056,342

Reinsurance agreements reduced benefits paid for life and accident and health policies by approximately \$187,656,000 and \$200,390,000 for the years ended December 31, 2015 and 2014, respectively.

(10) Employee Benefit Plans

The Company participates in a pension plan (the Plan), sponsored by AFC, and is not directly liable for obligations under the Plan. The Plan covers all employees who have satisfied longevity and age requirements. The Company's funding policy is to contribute annually the maximum amount that can be deducted for federal income tax purposes. Contributions are intended to provide not only for benefits attributed to service to date, but also for those expected to be earned in the future. The Company contributed approximately \$7,558,000 and \$10,193,000 to the Plan during the years ended December 31, 2015 and 2014, respectively. AFC also offers certain postretirement benefits other than the Plan.

The Company participates in a defined-contribution thrift and profit sharing plan as provided under Section 401(a) of the Code, which includes the tax deferral feature for employee contributions provided by Section 401(k) of the Code. The Company contributed approximately \$6,909,000 and \$3,293,000 to this plan during the years ended December 31, 2015 and 2014, respectively.

SSAP No. 102, *Accounting for Pensions, A replacement of SSAP No. 89*, is effective for years beginning January 1, 2013. The Company participates in a Consolidated/Holding Company plan for pension benefits and is not directly liable for obligations under the Plan. The accounting and reporting requirements of SSAP No. 102 have no impact on the Company's financial statements, as the applicable requirements under Paragraph 80 have not changed from past years.

(11) Leases

The Company leases various properties to nonaffiliates under operating lease agreements, which expire or are cancelable within one year. The properties leased are included in the statutory statements of admitted assets, liabilities, and capital and surplus as investment real estate. Rental income on these properties is included in the statutory statements of operations as net investment income.

Investment real estate held for lease is as follows at December 31:

	<u>2015</u>	<u>2014</u>
Land and buildings, net of encumbrances	\$ 15,611,849	15,450,022
Less accumulated depreciation	<u>(4,898,719)</u>	<u>(3,540,781)</u>
Net investment real estate	<u>\$ 10,713,130</u>	<u>11,909,241</u>

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In addition to the real estate held for lease, the Company also has approximately \$0 and \$46,000 of real estate held for sale, net of accumulated depreciation of approximately \$0 at December 31, 2015 and 2014, respectively.

The Company entered into a lease agreement with 9000 Broadway LLC, a related party, on December 31, 2012, and modified effective January 1, 2014. The balance due will be paid in monthly amounts of approximately \$714,000 over the 20 year term of the lease.

(12) Related-Party Transactions

The Company paid cash dividends to AFC in the amount of approximately \$35,000,000 during 2015 and 2014. There were no other transactions with affiliates in amounts, which exceeded one-half of one percent of the total admitted assets of the Company.

At December 31, 2015 and 2014, the Company reported approximately \$4,493,000 and \$3,330,000, respectively, as amounts due from AFC.

The Company leases office space from a subsidiary of AFC. The rent payments associated with this lease were approximately \$14,671,000 and \$12,461,000 in 2015 and 2014, respectively.

During 2015 and 2014, the Company entered into three-year software lease agreements with AFC. Lease expense related to these agreements was approximately \$5,449,000 and \$4,920,000 for the years ended December 31, 2015 and 2014, respectively, and is included in general insurance expenses.

The Company leases automobiles, furniture, and equipment from a partnership that owns a controlling interest in AFC. These operating leases are cancelable upon one month's notice. During the years ended December 31, 2015 and 2014, rentals paid under these leases were approximately \$9,374,000 and \$8,265,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFC provides certain services on a cost basis with no markup. During the years ended December 31, 2015 and 2014, the Company paid management fees to AFC totaling approximately \$6,316,000 and \$6,501,000, respectively.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Fidelity International (Bermuda) Ltd. (AFIBL) on a cost basis. During the years ended December 31, 2015 and 2014, AFIBL paid management fees to AFA of approximately \$2,103,000.

Under a service agreement approved by the Oklahoma Insurance Department, AFA provides certain services to American Public Life Insurance Company (APL) on a cost basis. During the years ended December 31, 2015 and 2014, APL paid management fees to AFA of approximately \$750,000.

During the years ended December 31, 2015 and 2014, the Company paid investment advisory fees to a partnership that owns a controlling interest in AFC totaling approximately \$9,988,000 and \$9,429,000, respectively.

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(13) Commitments and Contingencies

Rent expense for the years ended December 31, 2015 and 2014 was approximately \$28,001,000 and \$25,541,000, respectively. A portion of rent expense relates to leases that expire or are cancelable within one year. The approximate aggregate minimum annual rental commitments as of December 31, 2015 under noncancelable long-term leases for office space are as follows:

2016	\$	11,330,000
2017		11,219,000
2018		9,202,000
2019		8,975,000
2020		8,568,000
2021 and thereafter		144,234,000

The Company has outstanding mortgage loan commitments of approximately \$37,836,000 and \$34,365,000 at December 31, 2015 and 2014, respectively.

The Company is subject to state guaranty association assessments in all states in which it is licensed to do business. These associations generally guarantee certain levels of benefits payable to resident policyholders of insolvent insurance companies. Many states allow premium tax credits for all or a portion of such assessments, thereby allowing potential recovery of these payments over a period of years. However, several states do not allow such credits. The Company estimates its liabilities for guaranty association assessments by using the latest information available from the National Organization of Life and Health Insurance Guaranty Associations. The Company monitors and revises its estimates for assessments as additional information becomes available, which could result in changes to the estimated liabilities. As of December 31, 2015 and 2014, liabilities for guaranty association assessments totaled approximately \$5,128,000. Other operating expenses related to state guaranty association assessments were minimal for the years ended December 31, 2015 and 2014.

In the normal course of business, there are various legal actions and proceedings pending against the Company and its subsidiaries. In management's opinion, the ultimate liability, if any, resulting from these legal actions will not have a material adverse effect on the Company's financial position.

(14) Acquired Business – Mid-Continent Life Insurance Company

Effective December 31, 2000, the Company entered into an assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, in his capacity as receiver of Mid-Continent Life Insurance Company (MCL) of Oklahoma City, Oklahoma. Under this agreement, the Company assumed MCL's policies in force, with the exception of a small block of annuity policies that was assumed effective January 1, 2001. In a concurrent reinsurance agreement, the Company ceded 100% of the MCL policies assumed to Hannover Life Reassurance Company of America. In 2002, this agreement was then transferred to Hannover Life Reassurance Company of Ireland (HLR). The agreement with HLR is a funds withheld arrangement, with the Company ceding net policy assets and liabilities of approximately \$737,412,000 and \$736,705,000 to HLR and maintaining a funds withheld liability at December 31, 2015 and 2014, respectively.

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Under the terms of the agreement with the receiver, the Company has guaranteed that the amount of premiums charged under the assumed “Extra-Life” contracts will not increase during the 17-year period beginning December 31, 2000. The Company has also guaranteed that the current dividend scale on the assumed “Extra-Life” contracts shall not be reduced or eliminated during the five-year period beginning December 31, 2000. Beginning January 1, 2006, the dividends on the assumed “Extra-Life” contracts are no longer guaranteed pursuant to the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma.

As required by the terms of the assumption reinsurance agreement with the Commissioner of Insurance of the State of Oklahoma, the Company and HLR agreed that a Supplemental Policyholder Reserve (SPR) would be established. The initial SPR is equal to the net of the assets and liabilities received from MCL under the assumption agreement, less amounts ceded to other reinsurance carriers. The SPR is 100% ceded to HLR.

The purpose of the SPR is to provide additional protection to the MCL policyholders against premium increases and to ensure that profits are recognized over the lives of the underlying policies, rather than being recognized up front. The method for calculation of the initial SPR was specified precisely in the agreement with the receiver. The method for calculating the SPR for periods beyond the purchase date was developed by the Company, as this reserve is not otherwise required statutorily or under existing actuarial valuation guidance. The SPR is divided into two parts: (a) an additional reserve for future benefits, which is an estimate of the amount needed, in addition to the policy reserves and liability for future dividends, to fund benefits assuming there are no future premium rate increases, and (b) an additional reserve for future estimated profit, which represents the profit the Company expects to earn on this business over the lives of the underlying policies. The SPR is reprojected each year to recognize current and future profits as a level percentage of future projected required capital amounts each year, resulting in a level return on investment. Any remaining SPR will not automatically be released after the premium guarantee period of 17 years because the SPR is to be held until there is an actuarial certainty that premium rate increases will not be needed. The calculation of the SPR is subject to significant volatility, as it is highly dependent upon assumptions regarding mortality, lapse experience, and investment return. Small shifts in any of these underlying assumptions could have a dramatic impact on the value of the SPR. The SPR was approximately \$378,749,000 and \$378,454,000 for 2015 and 2014, respectively.

Under the terms of the agreement with HLR, HLR has agreed to share future profits on a 50/50 basis with the Company through an experience refund account. The experience refund account is calculated as premium income plus investment income less reserve increases (including the SPR), benefits paid, and administrative expense allowances paid to the Company and is settled on a quarterly basis. Losses are not shared on a 50/50 basis, except to the extent that a net loss in the experience account at the end of a quarter carries forward to future quarters. There was no experience refund earned by the Company in 2015 and 2014. Due to the nature of a funds withheld reinsurance arrangement, the components of the experience refund calculation are reported as separate components in the accompanying summary of operations. Premium income, reserve increases, and benefits paid related to this block are reported as reductions of premium income, changes in reserves, and benefits for reinsurance ceded, as required by the terms of the agreement. Investment income on the funds withheld is included in AFA’s investment income, and administrative expense allowances paid to AFA are reported as a reduction of AFA’s expense. The impact of ceding investment income on funds withheld is reported as a reduction of net investment income in the accompanying summary of operations.

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(15) Life Contracts – Premiums

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2015 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 14,111,011	1,837,286
Ordinary renewal	36,244,168	30,430,103
Group life	68,295	68,111
Total	<u>\$ 50,423,474</u>	<u>32,335,500</u>

Deferred and uncollected life insurance premiums and annuity considerations as of December 31, 2014 were as follows:

	<u>Gross</u>	<u>Net of loading</u>
Ordinary new business	\$ 12,852,534	1,674,303
Ordinary renewal	33,587,381	28,274,733
Group life	21,774	21,774
Total	<u>\$ 46,461,689</u>	<u>29,970,810</u>

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(16) Managing General Agents and Third-Party Administrators

Managing general agents (MGAs) and direct written contracts at December 31 were as follows:

<u>Name and address of managing general agent or third-party administrator</u>	<u>Federal employer identification number</u>	<u>Exclusive contract</u>	<u>Type of business written</u>	<u>Type of authority granted *</u>	<u>2015 Direct written premium</u>	<u>2014 Direct written premium</u>
TRU Services, LLC 200 Cummings Center, Ste. 272 D Beverly, MA 01915	04-3392571	No	Excess loss medical and group life	U, C, CA, R, P	\$ 37,684,320	40,074,609
Elite Brokerage Services, Inc. Suite 200 191 Sheree Blvd. Exton, PA 19341	23-2328659	No	Excess loss medical	U, C, CA, R, P	18,915,226	37,685,243
Excess Reinsurance UW Agency, Inc. Suite 101 307 South Evergreen Ave Woodbury, NJ 08096	22-2945293	No	Excess loss medical	U, C, CA, R, P	11,508,916	16,902,042
	Aggregate other				<u>24,800,260</u>	<u>20,510,891</u>
Total MGA and third-party administrator premium					<u>\$ 92,908,722</u>	<u>115,172,785</u>

* Abbreviations

U: Underwriting

C: Claims payment

CA: Claims adjustment

R: Reinsurance ceding

P: Premium collection

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(17) Affiliated Entities

The following is a summary of the significant ownership and affiliated entity relationships that existed at December 31, 2015:

Immediate parent	• American Fidelity Corporation
Other insurance affiliates	• American Public Life Insurance Company
	• American Fidelity International (Bermuda) Ltd.
Other affiliates	• American Fidelity International Holdings, Inc.
	• American Fidelity Property Company
	• 6303 Portland, LLC
	• Broadway Tech, LLC
	• Apple Creek Apartments, Inc.
	• American Fidelity General Agency, Inc.
	• American Fidelity Securities, Inc.
	• First Fidelity Bank, N.A. and its affiliates
	• INSURICA, Inc. and its affiliates
	• Cameron Enterprises, A Limited Partnership and its affiliates
	• InvesTrust Consulting, LLC
	• InvesTrust Retirement Specialists, LLC
	• InvesTrust N.A.
	• Enrollcom, Inc.
	• American Fidelity Property Services, LLC
	• Alcott HR Group, LLC
	• First Financial Securities of America, Inc.
	• AF Professional Employment Group, LLC
	• Hawaii Development, LLC
	• Home Rentals, Inc.
	• 9000 Broadway, LLC
	• Market Place Realty Corporation
	• Health Services Administration, LLC
	• American Fidelity Community Services, Inc.
	• AF Apartments, Inc.
	• Oklahoma Winery Partners, LLC
	• Vintage Oakville Cross, LLC
	• American Fidelity Administrative Services, LLC
	• First Financial Capital Corporation, Inc. and its affiliates

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(18) Reconciliations

Reconciliations of capital and surplus and net income on a GAAP basis to the amounts included in the accompanying statutory financial statements for the years ended December 31, 2015 and 2014 are as follows (in thousands):

	<u>Net income, year ended December 31</u>		<u>Capital and surplus, at December 31</u>	
	<u>2015</u>	<u>2014</u>	<u>2015</u>	<u>2014</u>
Amounts as reported on statutory basis	\$ 75,367	69,252	408,498	380,373
Adjustments:				
Deferred policy acquisition costs	39,733	38,241	549,370	496,907
Policy benefit reserves	(448)	23,753	(12,724)	(12,730)
Deferred federal income taxes	(5,471)	(13,914)	(153,763)	(180,353)
Due and deferred premiums	(2,126)	(777)	(19,229)	(16,519)
Nonadmitted assets	—	—	16,224	6,470
Asset valuation reserve	—	—	26,584	22,548
Invested assets	(72,431)	65,102	75,785	263,911
Funds withheld derivative	73,955	(64,566)	(42,246)	(116,201)
Other, net	(1,306)	(2,496)	19,559	17,862
	<u>107,273</u>	<u>114,595</u>	<u>868,058</u>	<u>862,268</u>
Amounts on a GAAP basis for consolidated presentation	\$ <u>107,273</u>	<u>114,595</u>	<u>868,058</u>	<u>862,268</u>

(19) Guaranty Assessments

As of December 31, 2015, American Fidelity Assurance Company did not receive notice of any assessments that would have a material financial impact.

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The amount of recognized liabilities under SSAP No. 35R is \$1,050,000 and the related asset for premium tax credits is \$194,000. The Company expects that the assessments would be billed and paid over the next year and the majority of the premium tax offsets would be realized over the next five years after that.

Assets recognized from paid and accrued premium tax offsets and policy surcharges prior year-end	\$	975,922
Decreases current year:		
Premium tax offset applied	\$	299,250
Payments on insolvencies which were set up as payables prior to the current year		146,530
Reduction in the estimated liability based on new projections at the end of the current year		123,498
Adjusted the liability to remove payments on insolvencies which are no longer part of the projected liability		(50,131)
Increases current year:		
Assessment payments less refunds on insolvencies billed during the current year	\$	239,201
Increase in estimated liability based on the new projections at the end of the current year		484,097
Assets recognized from paid and accrued premium tax offsets and policy surcharges current year-end	\$	1,079,811

(20) Reconciliation to Annual Statement

The reconciling items between the annual statement filing and the audited financial statements for the year ended December 31, 2015 are as follows:

Statutory Statements of Cash Flow

	<u>Annual statement</u>	<u>Reclass</u>	<u>Audited financials</u>
Premiums and annuity considerations, net reinsurance	\$ 960,201,329	(2,486,411)	957,714,918
Investment income received	184,878,650	(13,073,464)	171,805,186
Life and accident and health claims paid	(325,587,128)	3,679,128	(321,908,000)
Commissions and other expenses paid	(360,789,479)	13,238,685	(347,550,794)
Net cash from operations	330,286,321	1,357,938	331,644,259
Other proceeds from investments sold, matured, or repaid	\$ 1,469,893	(1,357,938)	111,955
Total investment proceeds	441,233,767	(1,357,938)	439,875,829
Net cash from investing	(255,452,886)	(1,357,938)	(256,810,824)

AMERICAN FIDELITY ASSURANCE COMPANY

Notes to Statutory Financial Statements

December 31, 2015 and 2014

The reconciling items between the annual statement filing and the audited financial statements for the year ended December 31, 2014 are as follows:

Statutory Statements of Cash Flow

	<u>Annual statement</u>	<u>Reclass</u>	<u>Audited financials</u>
Life and accident and health claims paid	\$ (317,461,676)	(18,348,691)	(335,810,367)
Net cash from operations	229,554,858	(18,348,691)	211,206,167
Net (increase) in policy loans and loans on fund deposits	\$ (26,300,964)	18,348,691	(7,952,273)
Net cash from investing	(160,391,788)	18,348,691	(142,043,097)

(21) Subsequent Events

The Company evaluated events subsequent to December 31, 2015 and through February 19, 2016, the date on which the statutory financial statements were issued. The Company also evaluated events subsequent to December 31, 2015 and through May 16, 2016 the date on which the audited financial statements were issued.

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2015

Investment income earned:	
Government bonds	\$ 2,284,696
Other bonds (unaffiliated)	169,905,746
Preferred stocks (unaffiliated)	61,667
Common stocks (unaffiliated)	10,660
Mortgage loans	23,408,487
Real estate	4,414,194
Premium notes, policy loans, and liens	3,176,054
Cash on hand and on deposit	9,798
Other invested assets	350,221
Aggregate write-ins for investment income	2,118,712
Gross investment income	<u>\$ 205,740,235</u>
Real estate owned – book value	\$ 10,713,130
Mortgage loans – book value:	
Commercial mortgages	<u>\$ 393,280,807</u>
Total mortgage loans	<u>\$ 393,280,807</u>
Mortgage loans by standing – book value:	
Good standing	\$ 393,280,807
Other long-term invested assets – statement value	21,866,789
Bonds and stocks of parents, subsidiaries, and affiliates – book value:	
Common stocks	790,709
Bonds and short-term investments by class and maturity:	
Bonds and short-term investments by maturity – statement value:	
Due within 1 year	\$ 122,118,996
Over 1 year through 5 years	600,436,928
Over 5 years through 10 years	1,355,786,581
Over 10 years through 20 years	1,053,377,860
Over 20 years	588,916,782
Total by maturity	<u>\$ 3,720,637,147</u>
Bonds and short-term investments by class – statement value:	
Class 1	\$ 2,105,526,165
Class 2	1,518,729,280
Class 3	77,964,707
Class 4	10,570,953
Class 5	3,719,580
Class 6	4,126,462
Total by class	3,720,637,147
Total bonds and short-term investments publicly traded	<u>3,096,870,962</u>
Total bonds and short-term investments privately placed	<u>\$ 623,766,185</u>

AMERICAN FIDELITY ASSURANCE COMPANY

Selected Financial Data

December 31, 2015

Common stocks – fair value (investments in affiliates at equity value)	\$	25,021,596
Cash on hand and on deposit		175,188,228
Life insurance in force (net):		
Ordinary		15,114,999,000
Group life		821,958,000
Amount of accidental death insurance in force under ordinary policies (net)		1,965,321,000
Life insurance policies with disability provisions in force (net):		
Ordinary		1,799,954,000
Group life		46,504,000
Supplementary contracts in force (net):		
Ordinary – not involving life contingencies:		
Amount on deposit		138,530
Income payable		—
Ordinary – involving life contingencies (net):		
Income payable		52,983
Annuities:		
Ordinary:		
Immediate – amount of income payable	\$	8,567,387
Deferred – fully paid account balance		711,634,905
Group:		
Immediate – amount of income payable		474,010
Accident and health insurance – premiums in force:		
Ordinary		301,222,888
Group		512,083,621
Deposit funds and dividend accumulations:		
Deposit funds – account balance		4,917
Dividend and coupon accumulations – account balance		199,440
Claims payments:		
Other accident and health:		
2015		76,913,498
2014		27,684,759
2013		2,488,315
2012		1,016,707
2011		571,369
Prior		321,014
Group accident and health:		
2015		96,117,902
2014		61,972,205
2013		11,279,905
2012		5,114,748
2011		3,021,680
Prior		6,832,273

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2015

1. Total admitted assets, excluding separate accounts: \$4,622,796,507
2. The Company's 10 largest exposures to a single issuer/borrower/investment, excluding U.S. government, U.S. government agency securities, and those U.S. government money market funds listed in the Appendix to the NAIC SVO Purposes and Procedures Manual as exempt, property occupied by the Company, and policy loans at December 31, 2015 are as follows:

Investment category	Amount	Percentage of total admitted assets
Oracle Corporation	\$ 22,836,325	0.494%
Williams Companies, Inc.	21,962,115	0.475
Equifax, Inc.	15,346,851	0.332
Time Warner, Inc.	15,200,457	0.329
Comcast Corp.	15,184,750	0.328
Scripps Networks Inter-CLA	15,115,354	0.327
Electricite De France	15,100,201	0.327
Becton Dickinson & Co.	15,024,706	0.325
Commonwealth Bank Australia	15,000,000	0.324
WPP Finance 2010	14,811,235	0.320

3. The Company's investments in bonds, short-term investments, and preferred stocks by NAIC rating at December 31, 2015 are as follows:

Bonds, short-term investments, and preferred stocks	Amount	Percentage of total admitted assets
NAIC-1	\$ 2,105,526,165	45.547%
NAIC-2	1,518,729,280	32.853
NAIC-3	77,964,707	1.687
NAIC-4	10,570,953	0.229
NAIC-5	3,719,580	0.080
NAIC-6	4,126,462	0.089

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2015

4. Assets held in foreign investments:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Are assets held in foreign investments less than 2.5% of the reporting entity's total admitted assets?		Yes () No (X)
Total admitted assets held in foreign investment	\$ 473,333,824	10.239%
Foreign-currency-denominated investments	—	—
Insurance liabilities denominated in that same foreign currency	—	—

5. Aggregate foreign investment exposure categorized by NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC-1	\$ 442,654,323	9.575%
Countries rated NAIC-2 or below	30,679,501	0.664

6. Largest foreign investment exposures by country, categorized by the country's NAIC sovereign rating:

	<u>Amount</u>	<u>Percentage of total admitted assets</u>
Countries rated NAIC – 1:		
Country 1: Great Britain	\$ 113,995,402	2.466%
Country 2: Australia	74,623,217	1.614
Countries rated NAIC – 2 or below:		
Country 1: Mexico	\$ 27,679,501	0.599%
Country 2: Italy	3,000,000	0.065

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2015

7. Ten largest nonsovereign (i.e., nongovernmental) foreign issues:

Issuer	Amount	Percentage of total admitted assets
Electricite De France	\$ 15,100,201	0.327%
Commonwealth Bank of Australia	15,000,000	0.324
WPP France 2010	14,811,235	0.320
Petrobras Global Finance	14,480,576	0.313
France Telecom	10,905,291	0.236
Grupo Bimbo	10,894,786	0.236
Lotte Shopping Co	9,993,436	0.216
Anglo American Capital	9,965,519	0.216
Shelle International	9,952,274	0.215
Formento Economico Mexico	9,857,105	0.213

- 7a. The aggregate mortgage interest represents the combined value of all mortgages secured by the same property or same group of properties. Each of the Company's 10 largest aggregate mortgage interests at December 31, 2015 are as follows:

Type (commercial)	Amount	Percentage of total admitted assets
Kilkee, LLC	\$ 14,150,594	0.306%
Daboo, LLC	12,048,089	0.261
Susan A. Cox	10,590,683	0.229
Crown Equipment	7,625,158	0.165
Colonial Hickary/Rockingham/Clemmons	7,522,097	0.163
Locke Supply Co	7,060,309	0.153
Majestic Regence Woods, LLC	6,589,622	0.143
Lake Park Storage, LLC	6,383,274	0.138
Quick Trip Service Stations	6,330,362	0.137
CVS and O-Reilly Stores	6,199,882	0.134

AMERICAN FIDELITY ASSURANCE COMPANY

Schedule of Investment Risk Interrogatories

December 31, 2015

- 7b. The Company's mortgage loans have the following loan-to-value ratios as determined from the most current appraisal as of the annual statement date:

	Loan-to-value	Commercial	Percentage of total admitted assets
i.	above 95%	\$ —	—
ii.	91% to 95%	—	—
iii.	81% to 90%	—	—
iv.	71% to 80%	26,033,445	0.563%
v.	below 70%	367,247,362	7.944%

Items 8 through 9, 11 through 15, 17a, and 18 through 23 are not applicable to the Company.

See accompanying independent auditors' report.

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2015

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Bonds:				
U.S. Treasury securities	\$ 1,076,489	0.024%	1,076,489	0.024%
U.S. government agency obligations (excluding mortgage-backed securities):				
Issued by U.S. government agencies	7,105,463	0.161	7,105,463	0.161
Issued by U.S. government sponsored agencies	408,936,095	9.286	408,936,095	9.286
Non-U.S. government (including Canada, excluding mortgage-backed securities)	33,352,181	0.757	33,352,181	0.757
Securities issued by states, territories, and possessions and political subdivisions in the United States:				
States, territories, and possessions general obligations	276,375,942	6.276	276,375,942	6.276
Revenue and assessment obligations	131,171,976	2.979	131,171,976	2.979
Mortgage-backed securities (includes residential and commercial MBS):				
Pass-through securities:				
Issued or guaranteed by GNMA	2,609,477	0.059	2,609,477	0.059
Issued or guaranteed by FNMA and FHLMC	1,718,921	0.039	1,718,921	0.039
All other	14,147,156	0.321	14,147,156	0.321
CMOs and REMICs:				
Issued or guaranteed by GNMA, FNMA, FHLMC, and VA	585,041,381	13.285	585,041,381	13.285
All other	154,213,205	3.502	154,213,205	3.502
Other debt and other fixed income securities (excluding short-term):				
Unaffiliated domestic securities (includes credit tenant loans rated by the SVO)	1,562,313,919	35.476	1,562,313,919	35.476
Unaffiliated foreign securities	542,574,942	12.321	542,574,942	12.321
Equity interests:				
Preferred stocks:				
Unaffiliated	4,211,220	0.096	4,211,220	0.096
Publicly traded equity securities (excluding preferred stocks):				
Unaffiliated	273,417	0.006	273,417	0.006
Other equity securities:				
Affiliated	790,709	0.018	790,709	0.018
Unaffiliated	23,957,470	0.544	23,957,470	0.544

AMERICAN FIDELITY ASSURANCE COMPANY

Summary Schedule of Investments

December 31, 2015

Investment categories	Gross investment holdings		Admitted assets as reported in the annual statement	
	Amount	Percentage	Amount	Percentage
Mortgage loans:				
Commercial loans	\$ 393,280,807	8.931%	393,280,807	8.931%
Real estate investments:				
Property held for production of income (including \$0 of property acquired in satisfaction of debt)	10,713,130	0.243	10,713,130	0.243
Property held for sale (including \$0 property acquired in satisfaction of debt)				
Contract loans	52,673,645	1.196	52,673,645	1.196
Receivables for securities	844	—	844	—
Cash, cash equivalents, and short-term investments	175,188,228	3.978	175,188,228	3.978
Other invested assets	22,086,745	0.502	21,865,945	0.497
Total invested assets	\$ 4,403,813,362	100%	\$ 4,403,592,562	100%

See accompanying independent auditors' report.

	Response Form A - Scope of Service Questionnaire	Firm Response and Comments
1)	Provide background information about your company.	
	a. History	American Fidelity Assurance Company was established in 1960 and has been providing voluntary benefits and employer administrative services for the education community for 60 years. We offer benefits strategies that empower districts like yours to make benefits decisions to help your organization and your employees. Our goal is to act as an extension of your human resources department by providing employee education, enrollment, year-round administration, and compliance support.
	b. What percent of your business is in the education sector?	American Fidelity has a division solely dedicated to education community, meaning you will be served by an account team that is truly embedded within your industry's trends and benefit needs. Overall, the education sector makes up about 80% of our business.
	c. Organizational mission, brand, and market differentiators	American Fidelity's mission is to provide financial security and benefit solutions to meet the specific needs of employers and employees in our select market segments. We accomplish our mission by providing your employees with a personal approach focused on providing each of your employees with the proper education to help them understand the full scope of the benefits being offered and how they can be used to supplement their core benefits.
2)	Identify the number of IL public schools your company currently provides Section 125 administration services and employee benefit education and enrollment support.	We currently serve 240 public school districts in Illinois.
3)	Please summarize in 250 words or less why your company is the best candidate and the principal reasons your company should be selected over your competitors	American Fidelity is committed to providing your District with more than just a benefits package. We want to help you implement valuable, consistent benefit education to ensure your employees understand their benefit options and how each option fits into their overall benefits package. We do this by utilizing salaried account managers who provide a one-on-one guided enrollment experience for each eligible employee to answer questions and provide comprehensive benefits education. Additionally, we provide educational videos, a benefits website, emails, and customized print materials to ensure each employee can learn about their benefit options through the channels they prefer. We believe that with a true benefits education strategy, your employees will be more prepared to make benefits decisions, leading to higher overall participation in your benefits plan.
4)	Does your firm offer an Online Enrollment System? If so, please describe this system and how it is used in the enrollment process. Include the following information.	AFenroll® is American Fidelity's complete web-based enrollment, communication, and administration platform that can assist with your entire benefit enrollment process. With ease of administration and one central location for you and your carriers, AFenroll® is your enrollment solution. We'll provide you with a customized online benefits enrollment system with year-round features and maintenance. This includes: <ul style="list-style-type: none"> • Full benefits and system enrollment monitoring • Setup for mutually agreed upon plan functionality • Data and census analysis, pre-load, and setup • Testing and carrier review • Multiple product categories, plan options, and coverage levels • Administrative tools (reports, enrollment monitoring, etc.) • Post-enrollment data transfer to employer
	i. When was the system implemented?	We began using our current enrollment system in 2011.
	ii. Who has access to the information?	Access is granted to administrators and HR team members via a secure login to our system.
	iii. How is the information accessed?	Information is accessed through administrative login into our secure web based system.
	iv. Describe information and functions available via the system.	Employer Features: <ul style="list-style-type: none"> • Electronic payroll deduction upload • New Hire enrollments • View employee enrollment status • Employee benefit participation reports • Administrative changes, including terminations, leaves of absence, retirements and more • View employee coverage at any time • Electronic, historic record of employee data • View employee beneficiary information at any time • Customize your enrollment with company colors, logo, and photos Employee Features: <ul style="list-style-type: none"> • Accessible from any desktop browser • Customized enrollment based on demographic information and hire date • Enroll in all available benefits • View benefit confirmation statements • View benefit materials, brochures, and summary plan descriptions • Educational benefit videos • Enrollment preparation videos • Benefit calculators and Section 125 worksheets
5)	Define the number of plan customers using your Online Enrollment System, including (Illinois) school districts?	Approximately 7,200 clients currently use AFenroll, including 240 school districts throughout Illinois. We provide full benefit enrollments, including EDI data feeds to carriers, for 187 clients and eight clients in Illinois.
6)	Provide a sample project timeline that outlines the implementation process.	A sample implementation timeline is included in Section 2 of this response.

7)	What security standards do you implement to ensure participant privacy?	As an insurance company, American Fidelity is held to a high standard by Federal Government Regulations and other entities to protect the personal information of our clients. We have measures in place to continually meet these standards. These include: All American Fidelity colleagues are required to take a HIPAA class and have adopted work practices that emphasize confidentiality and security. American Fidelity provides a licensed attorney and certified PHR (Professional Human Resources) manager who ensure HIPAA compliance. Additionally, customer information is shredded and kept in locked binds. Our file server is backed up and stored offsite in a secured and monitored facility. Please see the Supporting Documents section of this response for our HIPAA Notice of Privacy Practices.
8)	Can the Online Enrollment System be programmed with complex eligibility rules? Is software programming done in-house or by third party?	Yes – AFenroll® can be programmed with complex eligibility rules. All programming is done in-house by a tech assigned specifically to your district. Our team will work with you during implementation to determine your needs and build your enrollment to meet those needs.
9)	Do employees have 24/7 access to login and view benefit choices items?	Yes – Employees have 24/7 access to manage their benefits through our secure online portal.
10)	Is the system capable of exporting enrollment data to plan providers in acceptable electronic formats?	Yes – American Fidelity has more than 18 years of experience providing EDI files to carriers. We have been successful because we take the time and make the effort to continually verify all carrier details and revise data specs to ensure their accuracy. This is done through conference calls with the carriers and through our secure test file process. We work back and forth with the carrier to make sure they are receiving what they expect and can load the file accurately. Once the test phase is complete and the enrollment is conducted, we can quickly provide the carrier files with the confidence that they are produced accurately.
11)	Is the system capable of generating employee deduction files for upload to the district's payroll program?	Yes – We can provide a file of plan year enrollments directly into the District's payroll system.
12)	Is the system used to educate employees on the benefits offered? If so, please describe.	Yes – AFenroll® can be customized to incorporate benefit materials, brochures, educational videos, and summary plan descriptions to assist employees during the enrollment experience. Employees may also utilize the custom benefits website for quick web access to educational material for each of the benefit options.
13)	Are there any fees to the district associated with the Online Benefit System?	We are offering our online enrollment platform and payroll integration at no additional charge to Community Unit School District # 300 in exchange for: •Access to offer our portfolio of voluntary benefits to District employees through payroll deduction; and •Access to school sites for group and individual enrollment meetings.
14)	Please provide the details on the Account Management staff, including key personnel whom would have primary responsibility of supporting the District. As well as who will be enrolling the employees.	Your District will be served year-round by a team of our salaried account managers that live and work in Illinois. This team includes Mary Hatfield, Audra Bussard, Whitney Dyson, and Tammy Hinkle. We will provide additional account managers as needed during the open enrollment process.
15)	Please describe the training provided to your field staff.	Our account managers are required to attend training year-round to help ensure they are up-to-date on benefits management trends. New account managers are required to attend over 100 hours of training, complete 11 online courses, and must pass multiple exams within the first six months. Annually, all our account managers are trained on: •Industry benefit trends •Compliance requirements •Section 125 Plan regulations •Reimbursement account regulations •Patient Protection and Affordable Care Act (ACA) •Data security •Fraud detection •HIPAA regulations
16)	Describe your Section 125 Administration.	American Fidelity is one of the leading Section 125 Plan providers nationwide with nearly 40 years of experience providing these Plans to school districts like yours. When you choose American Fidelity as your Plan provider, we will help you properly implement and maintain your Section 125 Plan. This includes helping you establish your Plan Document. Our business model is convenient, IRS compliant, and will help to relieve your organization of the administrative burden. We provide our Section 125 services at no additional cost.
	a. Who is responsible for the employer risk? If the account is negative at the end of the plan year when the account is reconciled (i.e., employee leaves plan with negative unreimbursed medical balance), who is responsible?	Because of the potential loss to the employer, American Fidelity provides insurance to cover the Health FSA risk. The risk policy "insures" the employer's uniform coverage risk for the Health FSA, up to \$2,750 per participant for shortages in the account due to termination of employment. American Fidelity will provide this risk protection to the District at no additional cost.
	b. Through which methods can employees submit claims for reimbursement?	We offer several convenient ways for employees to submit claims for reimbursement: Benefits Debit Card - Allows employees to pay for eligible medical expenses directly from their accounts. Our system is tied to an inventory information approval system (IIAS) allowing us to verify that a transaction is valid at the point-of-sale for most retail locations without further documentation. Mobile App – Employees can file a claim by snapping a photo of the expense receipt and submit using a smartphone. Online – Employees can file a claim and upload their expense receipts through our Online Service Center. Mail & Fax – Employees can file a claim manually by mail or fax. Printable claim forms are available on our website.

17)	Describe your online service center for employees and the District	<p>Our Employee Online Service Center allows your employees to easily manage their American Fidelity benefits in one place.</p> <p>Employees can:</p> <ul style="list-style-type: none"> • File a new claim through an online submission form • Check the status of an existing claims • Check reimbursement account balance and track account activity • Update account information • Download and print insurance policies • Set up account notifications and view statements <p>Our Employer Online Service Center is a secure portal that allows you to manage your entire benefits program and reconcile your bill in one place.</p> <p>Employers can:</p> <ul style="list-style-type: none"> • Review or terminate employees from their plan • Update organization's contact information • Download sick pay reports • Create and manage employer account logins • Access employee election forms • Upload census data • Download reports
18)	Describe your firm's service model including claims' services.	<p>At American Fidelity, we work hard to exceed your expectations by providing excellent customer service and claims processing for your employees and efficient plan administration tools and support for your human resources department. We are available throughout the year to assist you and your employees with any questions or need, both from our headquarters in Oklahoma City, OK and through our local account managers.</p> <p>We make claim submission fast and easy for your employees with options to submit online through our Online Service Center or through our mobile app. We pay claims in an average of five business days from the time a claim is received</p>
19)	Describe the process for completing annual employee election form requirements.	<p>During enrollment, all elections are captured electronically and documented on the employee's Section 125 election form, which are printed and provided to the employee. At the end of the enrollment, American Fidelity provides the employer with access to these forms, as well as the opportunity for American Fidelity to automatically upload employee elections to your payroll system. This eliminates the need for your administrative staff to key in all changes manually.</p>
20)	Describe your process for onboarding new employees.	<p>As previously discussed, we can meet in person or virtually with all new hires on set dates twice a month or when district requests. During this time, we can fully complete the onboarding process and collect all necessary forms and items on behalf of your HR department. All benefit elections can be processed through AFenroll®, making enrollment notifications to carriers and billing updates seamless.</p>
21)	What measurements does your company have in place to ensure all employees are educated equally on the Section 125 options available to them?	<p>We focus on providing a one-on-one, in-person enrollment experience for each employee. This approach allows our account managers to help educate and enroll your employees in all their benefit options. We also provide a variety of pre-enrollment marketing materials, including emails, posters, flyers, postcards, and brochures to ensure your employees understand their benefit options and know when it's time to enroll.</p>
22)	How are employee elections provided back to the District?	<p>Your District will be provided with complete enrollment documentation following the enrollment. This information can be provided by paper and/or we can provide an electronic "upload" of election changes directly into your payroll system, eliminating the need for manual data entry.</p>
23)	Describe post-enrollment services.	<p>We will coordinate a meeting with your District to review enrollment successes, participation by benefit and service, and improvement opportunities for the following plan year. In addition, we will meet with the payroll administrator to provide one-on-one training for our online billing and administration system and assist with the first billing. Complete tasks include:</p> <ul style="list-style-type: none"> •Review Payroll Deduction Report •Upload payroll deductions •Walk through the first bill and ongoing support •Training for American Fidelity's Online Service Center •Review year-round support mode
24)	How would your company work with the district to develop a communication campaign?	<p>Your benefits enrollment period is a unique opportunity to engage your employees about your benefit offerings and ensure they are choosing the benefits that meet their needs. If executed properly, your employees will better appreciate and understand the benefits you offer, leading to higher satisfaction and retention.</p> <p>American Fidelity will work with you during the planning meetings to develop and execute a communication strategy that removes much of the administrative burden on your organization while also ensuring your employees are educated on their benefit options.</p>

25)	Describe the process to educate employees on the employee benefits available at open enrollment. Include a description of your print and digital resources, including benefits website	<p>We will work with your District to develop a communication and education strategy that may include the following options:</p> <p>One-on-One Benefit Reviews - Employees can meet individually with one of our experienced account managers to receive customized guided enrollment education; get their questions answered; and help ensure they select the benefit that best meet their needs.</p> <p>Group Meetings - We educate your employees on their benefit options in a group setting to prepare them for their annual enrollment.</p> <p>Pre-Enrollment Materials - We can provide emails, posters, flyers, postcards, and brochures to ensure your employees understand their benefits and know when it's time to enroll.</p> <p>Educational Videos -We have an expansive video library that includes enrollment preparation tips, product information, testimonials, and self-service support options.</p> <p>Benefits Website - We can work with you to create a custom benefits website with up-to-date plan information and an enrollment appointment scheduler.</p>
26)	How are employees able to access in-person resources to assist with the enrollment process?	Your employees can sign up to attend one-on-one benefit reviews and group meetings with one of our account managers in-person during the enrollment process.
	Other Services:	
27)	Describe the benefits compliance resources your company can offer to the district and its employees.	American Fidelity recognizes that staying on top of changes in the law is imperative for a successful benefits program. We have an entire compliance team dedicated to monitoring and educating our customers through lunch-and-learns, VIP email notifications, newsletters, our Benefits Blog, and personal benefit reviews with our account managers. These resources help give employers a head start with trying to understand new rules. We have in-house benefit attorneys and compliance experts who continually monitor both state and federal requirements. We want to be your partner and primary resource for managing the challenges and changes resulting from the ACA. We understand the requirements and how those responsibilities can impact employers and employees. We provide a variety of services to educate employers on the developing law, assist with implementation and ongoing compliance, and communicate plan changes to employees.
28)	Does your company have other services or technology that could be offered?	<ul style="list-style-type: none"> • We offer our mobile app, AFmobile®, for submitting and managing claims for our voluntary benefits and reimbursement accounts (FSA, HSA, and HRA). • Our online enrollment platform can assist with your entire enrollment. • We offer a GoToMeeting enrollment option that allows your employees to meet face-to-face with one of our account managers from anywhere.
29)	Please describe any additional services or support that would be available to the District.	<p>American Fidelity can provide the following additional services to the District:</p> <ul style="list-style-type: none"> •Section 125 Compliance •Administration of Flexible Spending Accounts (FSAs) and Health Savings Accounts (HSAs) •Dependent Verification Reviews •Group Dental and Vision Insurance •Retirement Readiness Seminars •ACA Compliance Support
30)	What are the hours of operation for the live customer service office?	Our experienced customer care team and department specialists are available Monday through Friday, 7:00 am-7:00 pm CST. Customers may contact us via email using our contact form at americanfidelity.com or through phone. We also have voicemail capabilities.
31)	Does your customer service staff support other languages? What policies and procedures are in place to accommodate these needs?	American Fidelity employs both English and Spanish speaking customer service representatives to assist with customer questions.

Technology Questionnaire		
1	What sets your product apart from the others?	<p>We believe that our focus on the education market and our individualized guided enrollment experience set us apart from the competition.</p> <p>According to a survey we conducted of more than 12,000 education employees, more than 90% responded that they favored our one-on-one approach as opposed to only 7% that preferred to self-educate and enroll on their own.</p>
2	Does your firm accept terms of deferred billing?	There are no costs associated with our enrollment platform.
3	Does the product support SSO Implementation?	Yes
4	Is SSO implementation available via SAML?	Yes
5	Is SSO implementation included in base cost?	There are no costs associated with our enrollment platform.
6	What type of support is provided and what hours is it available (CST)?	Technical support for our enrollment system is available 24/7.
7	Is technical support 24/7 available?	Yes
8	Is technical support 24/7 included in base price?	There are no costs associated with our enrollment platform.
9	Do you partner with a hosting provider (ex: AWS) and does you have data center redundancy?	Our site is hosted on premise with data center redundancy in two geographically separate locations.
10	List the products uptime over last 6 months:	99% +/-
11	List the products uptime over last 12 months:	99% +/-
12	List the products uptime over last 24 months:	99% +/-
13	Does the products license include continuous updates to the software?	Contractually, there are two maintenance windows a week for software/hardware updates – Wednesday evening through Thursday morning (8:00 p.m. – 12:00 a.m. CST) and Sunday evening through Monday morning (8:00 p.m. – 12:00 a.m. EST). Notification is sent out if there is emergency maintenance required outside of the maintenance window.

14	Does the product integrate with Google?	AFenroll® is web-based and is supported on the most used versions of any web browser, including Google Chrome.
15	Is there a Chromebook app?	AFenroll® is web-based and can be accessed from a Chromebook.
16	Does the product run in the Chrome web browser (Chromebooks)?	Yes – AFenroll® can be access from the Chrome web browser.
17	How is the content delivered on a Chromebook (web/app/other)?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
18	If the content is delivered through the web, how is it delivered (HTML5/Flash)?	HTML5
19	If there is flash-based content, when will it be converted to HTML5?	N/A
20	Is Chromebook Kiosk mode supported?	Yes
21	Is an ebook/etext included?	We have electronic enrollment education materials and account managers available to assist with enrollment.
22	Is the ebook/etext available offline?	We have electronic enrollment education materials and account managers available to assist with enrollment.
23	Is there a client/app needed for teachers?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
24	Is the product for teachers compatible on Windows devices?	Yes
25	Is the product supported on Windows 10?	Yes
26	Is the client/app for teachers deployable to Windows machines via MSI?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
27	Does the client/app for teachers require custom configurations based on user?	N/A
28	Is an ebook/etext included?	We have electronic enrollment education materials and account managers available to assist with enrollment.
29	Is the ebook/etext available offline?	We have electronic enrollment education materials and account managers available to assist with enrollment.
30	Is there a client/app needed for teachers?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
31	Is the product for teachers compatible on Windows devices?	Yes
32	Is the product supported on Windows 10?	Yes
33	Is the client/app for teachers deployable to Windows machines via MSI?	AFenroll® can be accessed from the web by visiting www.afenroll.com .
34	Does the client/app for teachers require custom configurations based on user?	N/A



COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD of EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Colleen O’Keefe
Chief Legal Counsel

Presented at the following Board Meetings	Date
Board Operations Committee	
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Review and approval of revisions to Board policies

Background

According to policy 2:240, *Board Policy Development*, “the Board will monitor its policies and consider whether any modifications are required.” Policies with modifications are referred to as Draft Updates and policies under a five-year review are referred to as Review and Monitoring.

The following Board policies are presented to the Board for review:

- 1:10, *School District Legal Status*
- 1:20, *District Organization, Operations, and Cooperative Agreements*
- 1:30, *School District Philosophy*
- 2:10, *School District Governance*
- 2:120-E2 Exhibit, *Website Listing of Development and Training Completed by Board Members*
- 2:130, *Board-Superintendent Relationship*
- 2:220-E4 Exhibit, *Open Meeting Minutes*
- 2:220-E7 Exhibit, *Access to Closed Meeting Minutes and Verbatim Recordings*
- 3:30, *Chain of Command*
- 4:90, *Student Activity and Fiduciary Funds*
- 4:180, *Pandemic Preparedness; Management; and Recovery*
- 5:20-E Exhibit, *Resolution to Prohibit Sexual Harassment*
- 5:270, *Employment At-Will, Compensation, and Assignment*
- 7:40, *Nonpublic School Students, Including Parochial and Home-Schooled Students*
- 7:90, *Release During School Hours*
- 7:130, *Student Rights and Responsibilities*
- 7:140, *Search and Seizure*
- 7:300, *District Sponsored Extra-Curricular Athletic Programs*
- 7:325, *Student Fundraising Activities*
- 8:80, *Gifts to the District*
- 8:110, *Public Suggestions and Concerns*

Administrative Recommendation

It is recommended to approve the revisions to Board policies as presented.

Fiscal Impact

None

Document Status: Review and Monitoring

SCHOOL DISTRICT ORGANIZATION

1:10 School District Legal Status

The [Illinois Constitution](#) requires the State to provide for an efficient system of high quality public educational institutions and services in order to achieve the educational development of all persons to the limits of their capabilities.

The General Assembly has implemented this mandate through the creation of school districts. The District is governed by the laws for school districts serving a resident population of not fewer than 1,000 and not more than 500,000.

The Board of Education constitutes a body corporate that possesses all the usual powers of a corporation for public purposes, and in that name may sue and be sued, purchase, hold and sell personal property and real estate, and enter into such obligations as are authorized by law.

LEGAL REF.:

[Ill. Constitution, Art. X](#), Sec. 1.

[105 ILCS 5/10-1](#) *et seq.*

CROSS REF.: 2:10 (School District Governance), 2:20 (Powers and Duties of the Board of Education: Indemnification)

Commented [OC1]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Document Status: Review and Monitoring

SCHOOL DISTRICT ORGANIZATION

1:20 District Organization, Operations, and Cooperative Agreements

The District is organized and operates as a Unit District serving the needs of children in grades Pre-kindergarten to 12 and others as required by the School Code.

The District enters into and participates in joint programs and intergovernmental agreements with units of local government and other school districts as approved by the Board of Education in order to jointly provide services and activities in a manner that will increase flexibility, scope of service opportunities, cost reductions, and/or otherwise benefit the District and the community. The Superintendent or designee shall manage these activities to the extent the program or agreement requires the District's participation, and shall provide periodic implementation or operational data and/or reports to the Board of Education concerning these programs and agreements.

The District shall develop and maintain an organizational chart, which shall be updated annually prior to the start of each school year.

LEGAL REF.:

[23-III-Admin Code § 1.210](#)

[Ill. Constitution, Art. VII, Sec. 10,](#)
[5 ILCS 220/, Intergovernmental Cooperation Act.](#)

Commented [OC2]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. The legal references are updated with a minor style change only.

Document Status: Review and Monitoring

SCHOOL DISTRICT ORGANIZATION

1:30 School District Philosophy

Mission

District 300's mission is to provide engaging and inclusive educational experiences that empower and equip all students to discover, innovate, and succeed now and in the future.

To achieve this, District 300's academic department focuses on a progressive and rigorous curriculum, relevant assessments, and continuous improvement of instruction and student learning. We strive to offer students many opportunities to discover their passions and skills in order to enable them to achieve this mission.

Vision Statement

To empower and equip each student to reach their highest potential in their chosen pathway.

Goal Areas and Objectives

Goal 1: Develop the whole child

Goal 2: Ensure individual student growth and achievement

Goal 3: Develop great staff leaders

Goal 4: Engage all stakeholders

Goal 5: Use District resources equitably and efficiently

Core Values and Guiding Principles

Community: We believe in creating and maintaining an emotionally and physically safe environment where all individuals feel a sense of belonging. Therefore, we will uphold a welcoming culture where we listen to understand and respect the viewpoint of each stakeholder.

Commented [OC3]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Courage: We believe it is vital to innovate and make decisions framed by what is best for all students. Therefore, we challenge what we do and how we do it to make needed changes.

Excellence: We believe it is imperative to cultivate an environment where everyone strives to be their best. Therefore, we will hold ourselves to high expectations where failing and excuses are not an option but serve as an opportunity for growth.

Growth Mindset: We believe it is essential to create an environment where we are open to new ideas, change, and the belief that we are always learning. Therefore, we will approach challenges with curiosity and remain open to all ideas and solutions to accomplish our goals.

Teamwork: We believe building trust and working together with integrity, intentionality, and collaboration is essential to achieving desired outcomes. Therefore, we will break down barriers to engage with all stakeholders using an active listening mindset, where collaboration and engagement are our top priorities.

Key Measures

Comprehensive measurement profile for all goals.

Action Plans

- District 300 Strategic Plan
- Individual School Improvement Plans

Every District 300 school has a team that meets throughout the year to develop and monitor their school plan. The team may include administrators, certified staff, non-certified staff, and parents. School Improvement Plan goals include a focus on the academic areas of mathematics, English language arts, and science.

Our individual building school improvement efforts, combined with our District 300 Strategic Plan, represent our district's ongoing commitment to continuous improvement.

CROSS REF: 2:10 (School District Governance), 3:10 (Goals and Objectives), 6:10 (Educational Philosophy and Objectives)

Document Status: Review and Monitoring

BOARD OF EDUCATION

2:10 School District Governance

The District is governed by a Board of Education consisting of seven members. The Board's powers and duties include the authority to adopt, enforce, and monitor all policies for the management and governance of the District's schools.¹

Official action by the Board of Education may only occur at a duly called and legally conducted meeting. Except as otherwise provided by the Open Meetings Act, a quorum must be physically present at the meeting.

As stated in the Board member oath of office prescribed by the School Code, a Board member has no legal authority as an individual.

LEGAL REF.:

[5 ILCS 120/](#), Open Meetings Act.

[105 ILCS 5/10-1](#), [5/10-10](#), [5/10-12](#), [5/10-16.5](#), [5/10-16.7](#), and [5/10-20.5](#).

CROSS REF.: 1:10 (School District Legal Status), 2:20 (Powers and Duties of the Board of Education; Indemnification), 2:80 (Board Member Oath and Conduct), 2:120 (Board Member Development), 2:200 (Types of Board of Education Meetings, 2:220 (Board of Education Meeting Procedure

REVISED: December 11, 2006; February 10, 2003; December 11, 2006; January 9, 2012, October 26, 2021

Commented [OC4]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Document Status: Draft Update

Board Member Development

2:120-E2 Exhibit - Website Listing of Development and Training Completed by Board Members

Each Illinois school board member who is elected or appointed to fill a vacancy of at least one year's duration must complete State-mandated *professional development* and *leadership training* (PDLT) and *Open Meetings Act* (OMA) training. State-mandated training is also required for board members who want to vote upon a dismissal based upon the *Performance Evaluation Reform Act*. For additional information, see Board policy 2:120, *Board Member Development*.

State-mandated training requirements and other professional development activities that were completed by each Board member can be found on the District's website.[2](#)

DATED: October 26, 2021

Commented [OC5]: Updated for continuous improvement.
No substantive change has been made.

Document Status: Draft Update

BOARD OF EDUCATION

2:130 Board-Superintendent Relationship

The Board of Education directs, through policy, the Superintendent in his or her charge of the administration of the District by delegating its authority to operate the District and provide leadership to staff. The Board employs and evaluates the Superintendent and holds him or her responsible for the operation of the District in accordance with Board policies and State and federal law

The Board-Superintendent relationship is based on mutual respect for their complementary roles. The relationship requires clear communication of expectations regarding the duties and responsibilities of both the Board and Superintendent.

The Board hires, evaluates, and seeks the recommendations of the Superintendent as the District **C**hief **E**xecutive **O**fficer. The Board adopts policies necessary to provide **general** direction for the District and to encourage achievement of District goals. The Superintendent develops plans, programs, and procedures needed to implement the policies and directs the District's ~~day-to-day~~ operations.

Commented [OC6]: Updated for continuous improvement. No substantive change has been made.

LEGAL REF.:

[105 ILCS 5/10-16.7](#) and [5/10-21.4](#).

CROSS REF.: 3:40 (Superintendent)

ADOPTED: February 10, 2003

REVISED: December 11, 2006; October 26, 2021;

2:220-E4 Exhibit-Open Meeting Minutes

Meeting Minutes Protocol

1. Meeting minutes are the permanent record of the proceedings during a School Board meeting. All Board action must be recorded in the minutes; thus, the minutes focus on Board action.
2. The minutes only include information provided at the meeting. Information may not be corrected or updated in the minutes unless it was discussed at the meeting.
3. Minutes include a summary of the Board’s discussion on an agenda topic; the minutes do not state what is said verbatim. The minutes do not repeat the same point made by different individuals. If appropriate, the minutes include a brief background and an explanation of the circumstances surrounding an issue discussed. The minutes do not include the names of **Board** members making specific points during discussion. Requests from individual Board members to include their vote or an opinion **in the minutes** are handled according to Board policy 2:220, *School Board Meeting Procedure*.
4. The minutes include the topic of reports that are made to the Board including reports from the Superintendent or a Board committee. Written reports are filed with the minutes but do not become part of the minutes.
5. The minutes note when a member is not present for the entire meeting due to late arrival and/or early departure.
6. Although items may be considered by the Board in a different order than appeared on the agenda, items in the minutes are generally recorded in the same order as they appeared on the agenda. When a meeting is reconvened on a different date, the minutes must describe what happened on each meeting date.
7. The minutes should be recorded in an objective ~~but positive/constructive~~ tone. Answers and explanations, rather than questions, are recorded. Writing style, including choice of words and sentence structure, is at the discretion of the individual recording the minutes.
8. The minutes include individuals’ names who speak during the meeting’s public participation segment as well as the topics they address. All written documents presented at a Board meeting are filed with the minutes but do not become part of the minutes.
9. The following template generally governs meeting minutes.

Commented [OC7]: Updated for continuous improvement. No substantive change has been made.

Open Meeting Minutes

Date: _____ Time: _____

Location: _____

Type of meeting: Regular Special Reconvened or rescheduled Emergency

Name of person taking the minutes: _____

Name of person presiding: _____

Members in attendance:

- 1.
- 2.
- 3.
- 4.
- 5.
- 6.
- 7.

Members absent:

- 1.
- 2.
- 3.

Members in attendance remotely (by audio or video conference):

- 1.
- 2.
- 3.

Approval of Agenda

List any items removed from the consent agenda:

Motion made by: _____

- Motion: To approve
 To add items as follows: *(No action may be taken on new agenda items.)*

Motion seconded by: _____

Action: Passed Failed

Approval of Previous Meeting Minutes *(Needed only if this item is not on the consent agenda.)*

Minutes from the Board meeting held on: _____

Motion made by: _____

- Motion: To approve
 To approve subject to incorporation of the following amendment(s):

Motion seconded by: _____

Action: Passed Failed

Approval of Items on Consent Agenda *(Delete if the Board does not use a consent agenda. This may include expense advancements, reimbursements, and/or purchase orders regulated by the Local Government Travel Expense Control Act (see Board policies 2:125, Board Member Compensation; Expenses, and 5:60, Expenses))*

Summary of discussion:

Motion to approve the consent agenda made by: _____

Motion seconded by: _____

Roll Call: *(Needed when consent agenda contains an item involving the expenditure of money.)*

“Yeas”

“Nays”

Action: Passed Failed

Public Comments *(Reproduce this section for each individual making a comment.)*

The following individual appeared and commented on the topic noted below: *(Include the title of any documents presented to the Board.)*

Name: _____

Topic: _____

Remaining Agenda Items *(Reproduce this section for each agenda item.)*

Agenda item: _____

Summary of discussion: _____

Motion made by: _____

Motion to: _____

Motion seconded by: _____

Action: Passed Failed

(If a roll call vote occurred, record the vote of individual Board members.)

“Yeas”

“Nays”

If Applicable, Approval of Motion to Adjourn to Closed Meeting *(Insert exhibit 2:220-E2, Motion to Adjourn to Closed Meeting.)*

Approval of Motion to Adjourn

Motion to adjourn made by: _____

Motion seconded by: _____

Action: Passed Failed

Time of adjournment: _____

Post-Meeting Action

Date minutes approved: _____

Date minutes were available for public inspection: _____

Date minutes were posted on District website: _____

DATED: September 2013, September 28, 2021

Document Status: Draft Update

Board of Education Meeting Procedure

2:220-E7 Exhibit - Access to Closed Meeting Minutes and Verbatim Recordings

Commented [OC8]: Updated for continuous improvement. No substantive change has been made.

The Board must allow its duly elected officials or appointed officials filling a vacancy of an elected office access to closed session minutes and verbatim recordings. [5 ILCS 120/2.06](#)(e). The following subheads implement the logistics of granting this access.

Access to Closed Meeting Minutes

Duplicate this section for each grant of access to closed meeting minutes.

Date: _____ Time: _____ Storage Location: _____
Name of person(s) responsible for storing the closed meeting minutes:

Access granted

Date access occurred: _____ Start time: _____ End time: _____

Requesting Board member's name (Please print) _____

In the presence of: (Check appropriate box and insert name ~~on line~~.)¹

- Recording Secretary _____
- Superintendent or designated administrator _____
- Elected Board member _____

For requesting Board member: (Read the following and sign below.)

While the Open Meetings Act does not provide a cause of action against me or the Board for disclosing closed session discussions (*Swanson v. Bd. of Police Commissioners*, 197 Ill.App.3d 592 (2nd Dist. 1990)), I acknowledge and understand that any disclosures by me of information in the closed session minutes not yet released to the public could subject me to a possible civil action alleging that I created harm to another, i.e., an intentional tort(s).

Requesting Board Member Signature

Date

Verbatim Recording Access

Duplicate this section for each grant of access to verbatim recordings.

Date: _____ Time: _____ Storage Location: _____
Name of person(s) responsible for storing the verbatim recording:

Access granted

Date access occurred: _____ Start time: _____ End time: _____

Requesting Board member's name (*Please print*) _____

In the presence of: (*Check appropriate box and insert name on line.*)

Recording Secretary _____

Superintendent or Designated Administrator _____

Elected Board member _____

Access denied **Access unavailable.** Verbatim recording requested is older than 18 months and was destroyed pursuant to [5 ILCS 120/2.06](#)(c).

For requesting Board member: (*Read the following and sign below.*)

While the Open Meetings Act does not provide a cause of action against me or the Board for disclosing closed session discussions (*Swanson v. Bd. of Police Commissioners*, 197 Ill.App.3d 592 (2nd Dist. 1990)), I acknowledge and understand that any disclosures by me of information in the closed session verbatim recordings could subject me to a possible civil action alleging that I created harm to another, i.e., an intentional tort(s).

Requesting Board Member Signature

Date

Document Status: Review and Monitoring

GENERAL SCHOOL ADMINISTRATION

3:30 Chain of Command

The Superintendent shall develop an organizational chart indicating the channels of authority and reporting relationships for school personnel. These channels should be followed, and no level should be by-passed except in unusual situations.

All personnel should refer matters requiring administrative action to the responsible administrator, and may appeal a decision to a higher administrative officer. Whenever possible, each employee should be responsible to only one immediate supervisor. Where this is not possible, the division of responsibility must be clear.

CROSS REF.: 1:20 (District Organization, Operations, and Cooperative Agreements), 2:140 (Communications To and From the Board), 3:70 (Succession of Authority), 8:110 (Public Suggestions and Concerns)

ADOPTED: February 10, 2003

REVISED: July 1, 2006; July 13, 2009; September 28, 2021

Commented [OC9]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Document Status: Review and Monitoring

OPERATIONAL SERVICES

4:90 Student Activity and Fiduciary Funds

The District Treasurer and other appropriate staff will oversee all those employees who are responsible for student activity funds. Such employees shall be bonded in accordance with the School Code. The Board, upon the Superintendent or designee's recommendation, also establishes fiduciary funds to be supervised by the Superintendent or designee. The District has custodial responsibilities for fiduciary funds but no direct involvement in the management of such funds.¹

Student Activity Funds

Unless otherwise instructed by the Board, a student activity fund's balance will carry over to the next fiscal year. An account containing student activity funds that is inactive for 12 consecutive months shall be closed and its funds transferred to another student activity fund or authorized fund with a similar purpose.

Commented [OC10]: Language added to reflect current practice.

Fiduciary Funds

The Superintendent or designee shall be responsible for supervising fiduciary funds in accordance with Board policy 4:80, *Accounting and Audits*; State law; and ISBE rules for fiduciary funds. The Board will appoint a treasurer for each fund to serve as the fund's sole custodian and be bonded in accordance with the School Code. The treasurer shall have all of the responsibilities specific to the treasurer listed in the ISBE rules for fiduciary funds.

LEGAL REF.:

[105 ILCS 5/8-2](#) and [5/10-20.19](#).
[23 Ill.Admin.Code §§100.20](#), [100.80](#), and [100.85](#).

CROSS REF.: 4:80 (Accounting and Audits), 7:325 (Student Fundraising Activities)

ADOPTED: February 10, 2003

REVISED: October 25, 2010, August 11, 2014; September 24, 2019; January 26, 2021

Document Status: Review and Monitoring

OPERATIONAL SERVICES

4:180 Pandemic Preparedness; Management; and Recovery

The Board of Education recognizes that the District will play an essential role along with the local health department and emergency management agencies in protecting the public's health and safety during a pandemic.

A pandemic is a global outbreak of disease. Pandemics happen when a new virus emerges to infect individuals and, because there is little to no pre-existing immunity against the new virus, it spreads sustainably.

To prepare the School District community for a pandemic, the Superintendent or designee shall: (1) learn and understand how the roles that the federal, State, and local government function; (2) form a pandemic planning team consisting of appropriate District personnel and community members to identify priorities and oversee the development and implementation of a comprehensive pandemic school action plan; and (3) build awareness of the final plan among staff, students, and community.

Emergency School Closing

In the case of a pandemic, the Governor may declare a disaster due to a public health emergency that may affect any decision for an emergency school closing. Decisions for an emergency school closing will be made by the Superintendent in consultation with and, if necessary, at the direction of the Governor, Ill. Dept. of Public Health, District's local health department, emergency management agencies, and/or Regional Office of Education.

During an emergency school closing, the Board President and the Superintendent may, to the extent the emergency situation allows, examine existing Board policies pursuant to Policy 2:240, *Board Policy Development*, and recommend to the Board for consideration any needed amendments or suspensions to address mandates that the District may not be able to accomplish or implement due to a pandemic.

Board Meeting Procedure: No Physical Presence of Quorum and Participation by Audio or Video

A disaster declaration related to a public health emergency may affect the Board's ability to meet in person and generate a quorum of members who are physically present at the location of a meeting. Policy 2:220, *Board of Education Meeting Procedure*, governs Board meetings by video or audio conference without the physical presence of a quorum.

Commented [OC11]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Payment of Employee Salaries During Emergency School Closures

The Superintendent shall consult with the Board to determine the extent to which continued payment of salaries and benefits will be made to the District's employees, pursuant to Board policies 3:40, *Superintendent*, 3:50, *Administrative Personnel Other Than the Superintendent*, 5:35, *Compliance with the Fair Labor Standards Act*, 5:200, *Terms and Conditions of Employment and Dismissal*, and 5:270, *Employment At-Will, Compensation, and Assignment*, and consistent with: (1) applicable laws, regulations, federal or State or local emergency declarations, executive orders, and agency directives; (2) collective bargaining agreements and any bargaining obligations; and (3) the terms of any grant under which an employee is being paid.

Suspension of In-Person Instruction; Remote and/or Blended Remote Learning Day Plan(s)

When the Governor declares a disaster due to a public health emergency pursuant to [20 ILCS 3305/7](#), and the State Superintendent of Education declares a requirement for the District to use *Remote Learning Days* or *Blended Remote Learning Days*, the Superintendent shall approve and present to the Board for adoption a Remote and/or Blended Remote Learning Day Plan (Plan) that:

1. Recommends to the Board for consideration any suspensions or amendments to curriculum-related policies to reduce any Board-required graduation or other instructional requirements in excess of minimum curricular requirements specified in School Code that the District may not be able to provide due to the pandemic;
2. Implements the requirements of [105 ILCS 5/10-30](#); and
3. Ensures a plan for periodic review of and/or amendments to the Plan when needed and/or required by statute, regulation, or State guidance.

LEGAL REF.:

[105 ILCS 5/10-16.7](#), [5/10-20.5](#), [5/10-20.56](#), and [5/10-30](#).

[5 ILCS 120/2.01](#) and [120/7\(e\)](#), Open Meetings Act.

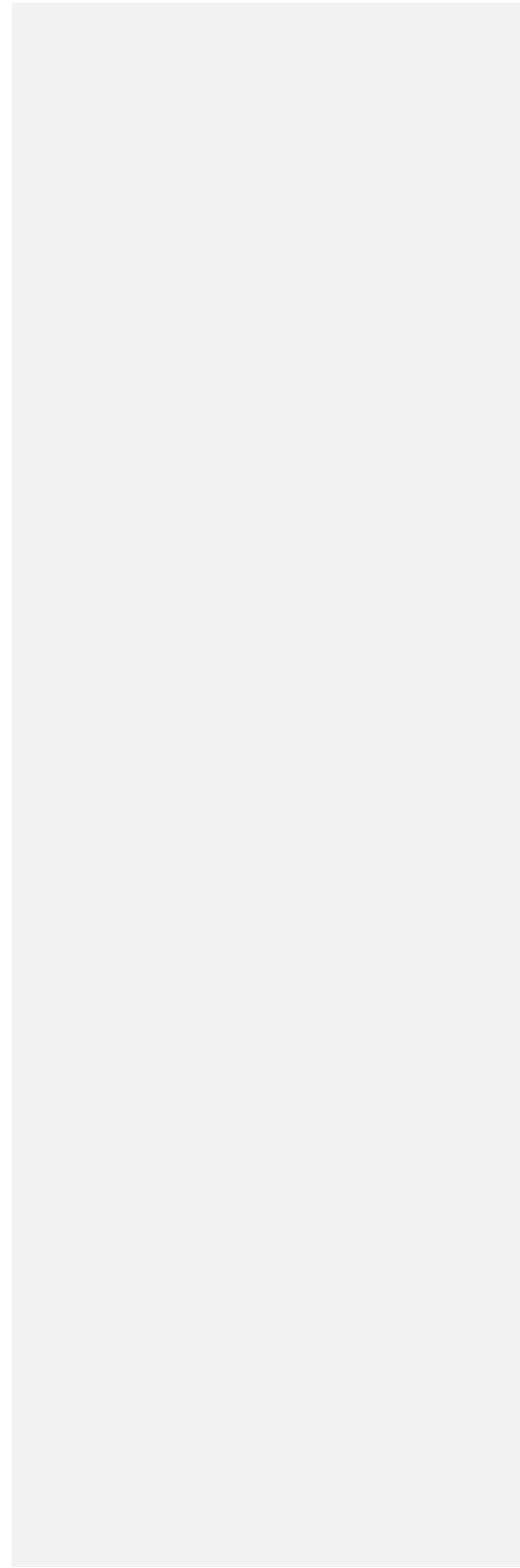
[20 ILCS 2305/2\(b\)](#), Ill. Dept. of Public Health Act (Part 1).

[20 ILCS 3305/](#), Ill. Emergency Management Agency Act.

[115 ILCS 5/](#), Ill. Educational Labor Relations Act.

CROSS REF.: 1:20 (District Organization, Operations, and Cooperative Agreements), 2:20 (Powers and Duties of the Board of Education; Indemnification), 2:220 (Board of Education Meeting Procedure), 2:240 (Board Policy Development), 3:40 (Superintendent), 3:50 (Administrative Personnel Other Than the Superintendent), 3:70

(Succession of Authority), 4:170 (Safety), 5:35 (Compliance with the Fair Labor Standards Act), 5:200 (Terms and Conditions of Employment and Dismissal), 5:270 (Employment At-Will, Compensation, and Assignment), 6:20 (School Year Calendar and Day), 6:60 (Curriculum Content), 6:300 (Graduation Requirements), 7:90 (Release During School Hours), 8:100 (Relations with Other Organizations and Agencies)



Document Status: Review and Monitoring

Workplace Harassment Prohibited

5:20-E Resolution to Prohibit Sexual Harassment

WHEREAS, Section 10-20 of the School Code ([105 ILCS 5/10-20](#)) grants school boards other powers that are not inconsistent with their duties;

WHEREAS, Section 1-5 of the State Officials and Employees Ethics Act ([5 ILCS 430/1-5](#)) includes school districts within the definition of a *governmental entity*;

WHEREAS, Section 5-65 of the State Officials and Employees Ethics Act ([5 ILCS 430/5-65](#)) provides that all persons have a right to work in an environment free from sexual harassment;

WHEREAS, Section 70-5 of the State Officials and Employees Ethics Act ([5 ILCS 430/70-5](#)) requires governmental entities to adopt an ordinance or resolution establishing a policy to prohibit sexual harassment which, at a minimum, includes: (1) a prohibition on sexual harassment; (2) details on how an individual can report an allegation of sexual harassment, including options for making a confidential report to a supervisor, ethics officer, Inspector General, or the Ill. Dept. of Human Rights; (3) a prohibition on retaliation for reporting sexual harassment allegations, including availability of whistleblower protections under the Act, the Whistleblower Act ([740 ILCS 174/](#)), and the Ill. Human Rights Act ([775 ILCS 5/](#)); (4) the consequences: (a) of a violation of the prohibition on sexual harassment; and (b) for knowingly making a false report; and (5) a mechanism for reporting and independent review of allegations of sexual harassment made against a Board member by a fellow Board member or other elected official;

THEREFORE, BE IT RESOLVED, by the Board of Education of Community Unit School District 300, Cook, DeKalb, Kane, and McHenry Counties County, Illinois, as follows:

Section 1: The Board adopts Board policies 2:105, *Ethics and Gift Ban*, and 5:20, *Workplace Harassment Prohibited*, attached as Exhibit A, which collectively contain the following: (1) a prohibition on sexual harassment; (2) detail regarding how an individual can report an allegation of sexual harassment, including options for making a confidential report to an immediate supervisor, the Building Principal, an administrator, the Nondiscrimination Coordinator, a Complaint Manager, or the Ill. Dept. of Human Rights; (3) a prohibition on retaliation for reporting sexual harassment allegations and a statement regarding the availability of whistleblower protections under the State Officials and Employees Ethics Act, the Whistleblower Act, and the Ill. Human Rights Act; and (4) the consequences: (a) of a violation of the prohibition on sexual harassment; and (b) for knowingly making a false report,

Commented [OC12]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

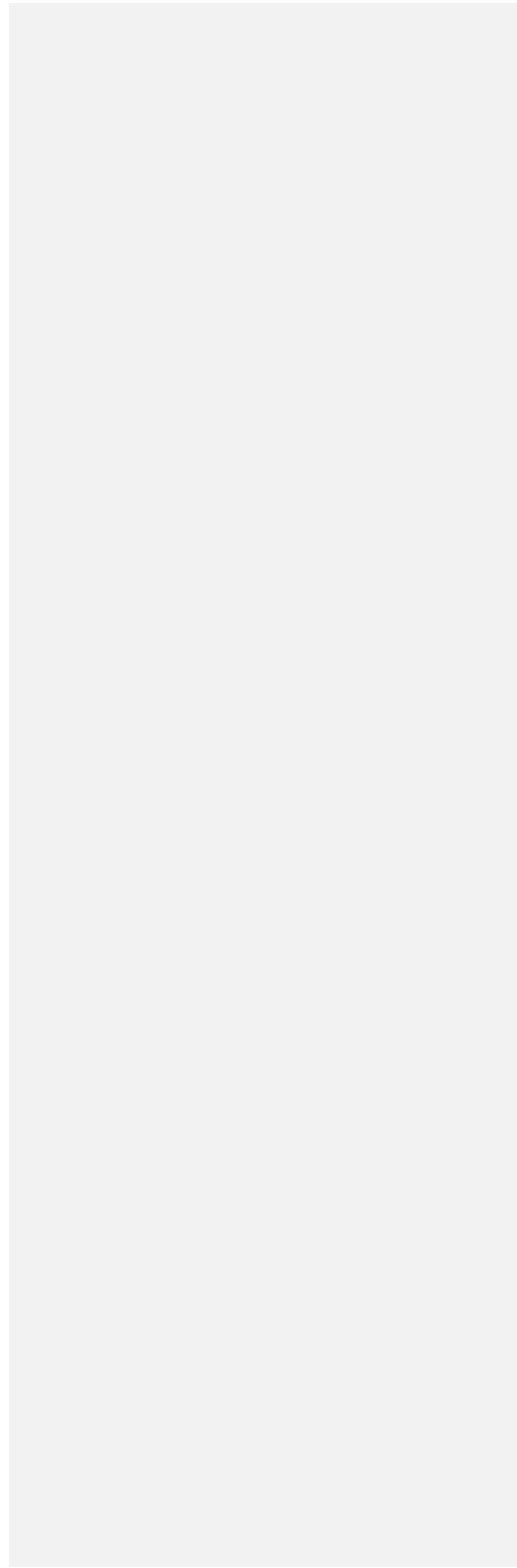
and (5) a mechanism for reporting and independent review of allegations of sexual harassment made against a Board member by a fellow Board member or other elected official.

Section 2: Any prior versions of Board policies 2:105, *Ethics and Gift Ban*, and 5:20, *Workplace Harassment Prohibited*, adopted by the Board are superseded by this Resolution.

Adopted this 28th day of ~~October~~January, 2025~~0~~.

Attested by: _____ Board President

Attested by: _____ Board Secretary



Document Status: Review and Monitoring

EDUCATIONAL SUPPORT PERSONNEL

5:270 Employment At-Will, Compensation, and Assignment

Employment At-Will

Unless otherwise specifically provided, District employment is at-will, meaning that employment may be terminated by the District or employee at any time for any reason, other than a reason prohibited by law, or no reason at all. Nothing in School Board policy is intended or should be construed as altering the employment at-will relationship.

Exceptions to employment at-will may include employees who are employed annually, have an employment contract, or are otherwise granted a legitimate interest in continued employment. The Superintendent is authorized to make exceptions to employing nonlicensed employees at-will but shall maintain a record of positions or employees who are not at-will.

Compensation

Please refer to the current agreements with recognized representatives of employees who may be affected by policy in this area.

Assignment/Transfer/Promotion

Please refer to the current agreements with recognized representatives of employees who may be affected by policy in this area.

LEGAL REF.:

[105 ILCS 5/10-22.34](#) and [5/10-23.5](#).

CROSS REF.: 5:10 (Equal Employment Opportunity and Minority Recruitment) 5:35 (Compliance with the Fair Labor Standards Act), 5:290 (Employment Termination and Suspensions), 5:310 (Compensatory Time-Off)

Commented [OC13]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

Document Status: Review and Monitoring

STUDENTS

7:40 Nonpublic School Students, Including Parochial and Home-Schooled Students

Commented [OC14]: Policy has been updated for continuous improvement and to align with current practices. No substantive changes have been made.

Part-Time Attendance

The District accepts nonpublic school students, including parochial and home-schooled students, who live within the District for part-time attendance in the District's regular education program on a space-available basis. Requests for part-time attendance must be submitted to the principal of the school in the school attendance area where the student resides. All requests for attendance in the following school year should be submitted before May 1.

~~A s~~Students accepted for partial enrollment must comply with all discipline and attendance requirements established by the school. ~~He or she may participate A private school student may attend in~~ any co-curricular activity associated with a District class in which he or she is enrolled. The parent(s)/guardian(s) of a student accepted for partial enrollment part-time attendance is responsible for must pay all fees, pro-rated on the basis of a percentage of full-time fees. Transportation to and/or from school is provided ~~to non-public school students~~ on regular bus routes to or from a point on the route nearest or most easily accessible to the non-public school or student's home. This transportation shall be on the same basis as the District provides transportation for its full-time students. Transportation on other than established bus routes ~~is shall be~~ the responsibility of the parent(s)/guardian(s).

Students with a Disability

The District accepts for part-time attendance those children for whom it has been determined that special education services are needed, are enrolled in nonpublic schools, and otherwise qualify for enrollment in the District. Requests must be submitted by the student's parent(s)/guardian(s). Special educational services shall be provided to such students as soon as possible after identification, evaluation, and placement procedures provided by State law, but no later than the beginning of the next school semester following the completion of such procedures. Transportation for such students shall be provided only if required in the child's individualized educational program on the basis of the child's disabling condition or as the special education program location may require.

Extracurricular Activities, Including Interscholastic Competition

A nonpublic school student is eligible to participate: (1) in interscholastic competition, provided his or her participation adheres to the regulations established by any association in which the School District maintains a membership, and (2) non-athletic extracurricular activities, provided the student attends a District school for at least one-half of the regular school day, excluding lunch. A nonpublic student who participates in an extracurricular activity is subject to all policies, regulations, and rules that are applicable to other participants in the activity.

Assignment When Enrolling Full-Time in a District School

Grade placement by, and academic credits earned at, a nonpublic school will be accepted if the school has a Certificate of Nonpublic School Recognition from the Illinois State Board of Education, or, if outside Illinois, if the school is accredited by the state agency governing education.

A student who, after receiving instruction in a non-recognized or non-accredited school, enrolls in the District will: (1) be assigned to a grade level according to academic proficiency, and/or (2) have academic credits recognized by the District if the student demonstrates appropriate academic proficiency to the school administration. Any portion of a student's transcript relating to such instruction will not be considered for placement on the honor roll or computation in class rank.

Notwithstanding the above, Recognition of grade placement and academic credits awarded by a nonpublic school is at the sole discretion of the District. All school and class assignments will be made according to Board policy 7:30, *Student Assignment and Intra-District Transfer*, as well as administrative procedures implementing this policy.

LEGAL REF.:

[105 ILCS 5/10-20.24](#) and [5/14-6.01](#).

CROSS REF.: 4:110 (Transportation), 6:170 (Title I Programs), 6:190 (Extracurricular and Co-Curricular Activities), 6:320 (High School Credit for Proficiency), 7:30 (Student Assignment and Intra-District Transfer), 7:300 (Extracurricular Athletics)

Document Status: Review and Monitoring

STUDENTS

7:90 Release During School Hours

For safety and security reasons, a prior written or oral consent of a student's custodial parent/guardian is required before a student is released during school hours (1) at any time before the regular dismissal times or at any time before the instructional school day ends, and/or (2) to any person other than a custodial parent/guardian.

Voting

The Superintendent or designee shall specify the hours during which students who are entitled to vote at a primary, general, or special election, or any election at which propositions are submitted to a popular vote in Illinois, may be absent from school for a period of two hours to vote. Students are entitled to be absent from school to vote beginning the 15th day before the primary, general, or special election, or any election at which propositions are submitted to a popular vote in Illinois, or on the day of such election.

LEGAL REF.:

[10 ILCS 5/7-42\(b\)](#) and [5/17-15\(b\)](#), Election Code.

CROSS REF.: [4:170 \(Safety\)](#)

Commented [OC15]: Legal references only have been updated.

Document Status: Review and Monitoring

STUDENTS

7:130 Student Rights and Responsibilities

All students are entitled to enjoy the rights protected by the [U.S.](#) and [Illinois Constitutions](#) and laws for persons of their age and maturity in a school setting. Students should exercise these rights reasonably and avoid violating the rights of others. Students who violate the rights of others or violate District policies or rules will be subject to disciplinary measures.¹

Students may, during the school day, during noninstructional time, voluntarily engage in individually or collectively initiated, non-disruptive prayer or religious-based meetings that, consistent with the Free Exercise and Establishment Clauses of the [U.S.](#) and [Illinois Constitutions](#), are not sponsored, promoted, or endorsed in any manner by the school or any school employee. *Noninstructional time* means time set aside by a school before actual classroom instruction begins or after actual classroom instruction ends.

LEGAL REF.:

[20 U.S.C. §7904.](#)

~~[105 ILCS 20/5.](#)~~

~~[Tinker v. Des Moines Independent Cmty. School District, 393 U.S. 503 89 S.Ct. 733 \(1969\).](#)~~

~~[105 ILCS 20/5.](#)~~

CROSS REF.: 7:140 (Search and Seizure), 7:150 (Agency and Police Interviews), 7:160 (Student Appearance), 7:190 (Student Behavior), 7:330 (Student Use of Buildings - Equal Access)

Commented [OC16]: Legal references only have been updated.

Document Status: Draft Update

STUDENTS

7:140 Search and Seizure

To maintain order and security in the schools, school authorities are authorized to conduct reasonable searches of school property and equipment, as well as of students and their personal effects. "School authorities" includes school liaison police officers.

Commented [OC17]: Policy has been updated for clarity and to remove redundancy. Legal references have also been updated.

School Property and Equipment as well as Personal Effects Left ~~There~~ On School Property by Students

School authorities may inspect and search school property, ~~and school~~ equipment owned or controlled by the school (such as lockers, desks, and ~~school~~ parking lots), ~~as well as and~~ personal effects left there by a student, without notice to or the consent of the student. Students have no reasonable expectation of privacy in these places or areas or in their personal effects left there.

~~This paragraph applies to student vehicles parked on school property.~~ In addition, Building Principals shall require each high school student, in return for the privilege of parking on school property, to consent in writing to school searches of his or her vehicle, and personal effects therein, without notice and without suspicion of wrongdoing.

The Superintendent or designee may request the assistance of law enforcement officials to conduct inspections and searches of lockers, desks, parking lots, and other school property and equipment for illegal drugs, weapons, or other illegal or dangerous substances or materials, including searches conducted through the use of specially trained dogs.

Students

School authorities may search a student and/or the student's personal effects in the student's possession (such as purses, wallets, knapsacks, book bags, lunch boxes, etc.), with or without the assistance of metal detectors, when there is a reasonable ground for suspecting that the search will produce evidence the particular student has violated or is violating ~~either the any State or federal law, local ordinance, policy of the Board of Education,~~ or the District's student conduct rules. "Reasonable grounds" may be based on direct observations of the student by school officials or on information provided to them by others. However, neither a mere hunch nor a generalized suspicion is a sufficient basis for searching a student. The search itself must be conducted in a manner that is reasonably related to its objectives and not excessively intrusive in light of the student's age and sex, and the nature of the infraction.

When feasible, the search should be conducted as follows:

1. Outside the view of others, including students;
2. In the presence of a school administrator or adult witness; and
3. By a ~~certificated~~ licensed employee or liaison police officer of the same sex as the student.

Immediately following a search, a written report shall be made by the school authority who conducted the search, and given to the Superintendent. The administrator or school official who conducted the search will notify the parent/guardian for the reason of the search and the outcome of the search, including any disciplinary action taken.

Seizure of Property

If a search produces evidence that the student has violated or is violating either the law or the District's policies or rules, such evidence may be seized and impounded by school authorities, and disciplinary action may be taken. When appropriate, such evidence may be transferred to law enforcement authorities.

Notification Regarding Student Accounts or Profiles on Social Networking Websites

The Superintendent or designee shall notify students and their parents/guardians of each of the following in accordance with the Right to Privacy in the School Setting Act, [105 ILCS 75/](#):

1. School officials may not request or require a student or his or her parent/guardian to provide a password or other related account information to gain access to the student's account or profile on a social networking website.
2. School officials may conduct an investigation or require a student to cooperate in an investigation if there is specific information about activity on the student's account on a social networking website that violates a school disciplinary rule or policy. In the course of an investigation, the student may be required to share the content that is reported in order to allow school officials to make a factual determination.

LEGAL REF.:

T.L.O. v. New Jersey, 469 U.S. 325 (1985).

Vernonia Sch. ~~ee~~ Dist. 47J v. Acton, 515 U.S. 646 (1995).

Safford Unified Sch. ~~ee~~ Dist. No. 1 v. Redding, 557 U.S. 364 (2009).

105 ILCS 5/10-20.14, 5/10-22.6, and 5/10-22.10a.

~~Right to Privacy in the School Setting Act, 105 ILCS 75/~~ Right to Privacy in the School Setting Act.

Cornfield v. Consolidated High Sch. ~~601~~ Dist. No. 230, 991 F.2d 1316 (7th Cir. 1993).

People v. Dilworth, 169 Ill.2d 195 (1996), *cert. denied*, ~~116 S.Ct. 1692~~ 517 U.S. 1197 (1996).

People v. Pruitt, 278 Ill.App.3d 194 (1st Dist. 1996), *app. denied*, 167 Ill.2d 564 ~~667 N.E. 2d 1064~~ (~~Ill.App.1~~, 1996).

~~T.L.O. v. New Jersey, 469 U.S. 325 (1985).~~

~~Vernonia School Dist. 47J v. Acton, 515 U.S. 646 (1995).~~

~~Safford Unified School Dist. No. 1 v. Redding, 557 U.S. 364 (2009).~~

CROSS REF.: 7:130 (Student Rights and Responsibilities), 7:150 (Agency and Police Interviews), 7:190 (Student Behavior)

ADOPTED: February 10, 2003

REVISED: July 28, 2008; June 25, 2012; May 12, 2014; June 28, 2016; January 26, 2021; June 25, 2024

Document Status: Draft Update

STUDENTS

7:300 District Sponsored Extra-Curricular Athletic Activities

Student participation in District sponsored Extra-Curricular Athletic Activities is contingent upon the following:

1. The student must meet the academic criteria set forth in Board policy 6:190, *Extracurricular and Co-Curricular Activities*.
2. A parent/guardian of the student must provide written permission for the student's participation, giving the District full waiver of responsibility of the risks involved.
3. The student must present a current certificate of physical fitness issued by a licensed physician, an advanced practice registered nurse, or a physician assistant. The **Pre-Participation Physical Examination Form**, offered by the Illinois High School Association and the Illinois Elementary School Association, is the preferred certificate of physical fitness.
4. The student must show proof of accident insurance coverage either by a policy purchased through the District-approved insurance plan or a parent/guardian written statement that the student is covered under a family insurance plan.
5. The student must agree to follow all conduct rules and the coaches' instructions.

The student and his or her parent(s)/guardian(s) must: (a) comply with the eligibility rules of, and complete any forms required by, any sponsoring association (such as, the Illinois Elementary School Association, the Illinois High School Association, or the Southern Illinois Junior High School Athletic Association), and (b) complete all forms required by -the District including, without limitation, signing an acknowledgment of receiving information about the Board's concussion policy 7:305, *Student Athlete Concussions and Head Injuries*.

The Superintendent or designee (1) is authorized to impose additional requirements for a student to participate in extracurricular athletics, provided the requirement(s) comply with Board policy 7:10, *Equal Educational Opportunities*, and (2) shall maintain the necessary records to ensure student compliance with this policy.

LEGAL REF.:

105 ILCS 5/10-20.30, ~~5/10-20.54~~, 5/22-80, and 25/2.

[23 Ill.Admin.Code §1.530\(b\)](#).

Commented [OC18]: Legal references only have been updated. No substantive changes have been made.

CROSS REF.: 4:100 (Insurance Management), 4:170 (Safety), 6:190 (Extracurricular and Co-Curricular Activities), 7:10 (Equal Educational Opportunities), 7:20 (Harassment of Students Prohibited), 7:240 (Conduct Code for Participants in Extracurricular Activities), 7:305 (Student Concussions and Head Injuries), 7:340 (Student Records)

ADOPTED: February 10, 2003

REVISED: March 14, 2005, December 12, 2011; January 13, 2014; June 28, 2016; January 26, 2021

Document Status: Review and Monitoring

STUDENTS

7:325 Student Fundraising Activities

No individual or organization is allowed to ask students to participate in fundraising activities while the students are on school grounds during school hours or during any school activity. Exceptions are:

1. School-sponsored student organizations; and
2. Parent organizations and booster clubs that are recognized pursuant to policy 8:90, *Parent Organizations and Booster Clubs*.

The Superintendent or designee shall manage student fundraising activities in alignment with the following directives:

1. Fundraising efforts shall not conflict with instructional activities or programs.
2. For any school that participates in the School Breakfast Program or the National School Lunch Program, fundraising activities involving the sale of food and beverage items to students during the school day while on the school campus must comply with the Ill. State Board of Education rules concerning the sale of competitive food and beverage items.
3. Participation in fundraising efforts must be voluntary.
4. Student safety must be paramount, and door-to-door solicitations are discouraged.
5. For school-sponsored student organizations, a school staff member must supervise the fundraising activities and the student activity funds treasurer must safeguard the financial accounts.
6. The fundraising efforts must be to support the organization's purposes and/or activities, the general welfare, a charitable cause, or the educational experiences of students generally.
7. The funds shall be used to the maximum extent possible for the designated purpose.
8. Any fundraising efforts that solicit donor messages for incorporation into school property, e.g., tiles or bricks, or placement upon school property, e.g., posters or placards, must:
 - a. Develop viewpoint neutral guidelines for the creation of messages;
 - b. Inform potential donors that all messages are subject to review and approval, and that messages that do not meet the established guidelines must be resubmitted or the donation will be returned; and
 - c. Place a disclaimer on all fundraising information and near the completed donor messages that all messages are "solely the expression of the individual donors and not an endorsement by the District of any message's content."

Commented [OC19]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

LEGAL REF.:

[105 ILCS 5/10-20.19\(3\)](#).

[23 Ill.Admin.Code Part 305](#), School Food Service.

CROSS REF.: 4:90 (Student Activity and Fiduciary Funds), 4:120 (Food Services), 8:80 (Gifts to the District), 8:90 (Parent Organizations and Booster Clubs)

Document Status: Draft Update

COMMUNITY RELATIONS

8:80 Gifts to the District

The Board of Education appreciates gifts from any education foundation, other entities, or individuals. All gifts must adhere to each of the following:

1. Be accepted by the Board or, if less than \$500.00 in value, the Superintendent or designee. Individuals should obtain a pre-acceptance commitment before identifying the District, any school, or school program or activity as a beneficiary in any fundraising attempt, including without limitation, any Internet fundraising attempt.
2. Be given without a stated purpose or with a purpose deemed by the party with authority to accept the gift to be compatible with the Board's educational objectives and policies.
3. Be consistent with the District's mandate to provide equal educational and extracurricular opportunities to all students in the District as provided in Board policy 7:10, *Equal Educational Opportunities*. State and federal laws require the District to provide equal treatment for members of both sexes to educational programming, extracurricular activities, and athletics. This includes the distribution of athletic benefits and opportunities.
4. Permit the District to maintain resource equity among its learning centers.
5. Be viewpoint neutral when the gift involves the incorporation of any messages. The Superintendent or designee shall manage a process for the review and approval of donations involving the incorporation of messages into or placing messages upon school property.
6. Comply with all laws applicable to the District including, without limitation, the Americans with Disabilities Act, the Prevailing Wage Act, the Health/Life Safety Code for Public Schools, and all applicable procurement and bidding requirements.

The District will provide equal treatment to all individuals and entities seeking to donate money or a gift. Upon acceptance, all gifts become the District's property. The acceptance of a gift is not an endorsement by the Board, District, or school of any product, service, activity, or program. The method of recognition is determined by the party accepting the gift.

LEGAL REF.:

[20 U.S.C. §1681](#) *et seq.*, Title IX of the Education Amendments; ~~implemented by~~ [34 C.F.R. Part 106](#).

Commented [OC20]: Policy has been reviewed and updated for continuous improvement. Legal references have been updated. No substantive changes have been made.

[105 ILCS 5/16-1.](#)

[23 Ill.Admin.Code §200.40.](#)

CROSS REF.: 4:60 (Purchases and Contracts), 4:150 (Facility Management and Building Programs), 6:10 (Educational Philosophy and Objectives), 6:210 (Instructional Materials), 7:10 (Equal Educational Opportunities)

Document Status: Review and Monitoring

COMMUNITY RELATIONS

8:110 Public Suggestions and Concerns

Please refer to the current agreements with recognized representatives of employees who may be affected by policy in this area.

For employees not covered by any bargaining agreement or by an agreement that does not address this area:

The Board of Education is interested in receiving valid suggestions and concerns from members of the community. Any individual may make a suggestion or express a concern by contacting any District or School office. Community members who e-mail the District or any District employee or board member are expected to abide by the standards in Board policy 6:235, *Access to Electronic Networks*, and should, to the extent possible, limit their communications to relevant individuals. All suggestions and/or concerns will be referred to the appropriate level staff member or District administrator who is most able to respond in a timely manner. Each concern or suggestion shall be considered on its merit.

An individual who is not satisfied after following the channels of authority, may file a grievance under the Board policy 2:260, *Uniform Grievance Procedure*. Neither this policy nor the *Uniform Grievance Procedure* creates an independent right to a hearing before the Board.

LEGAL REF.:

[115 ILCS 5/14](#)(c-5), III. Educational Labor Relations Act.

CROSS REF.: 2:140 (Communications To and From the Board), 2:260 (Uniform Grievance Procedure), 3:30 (Chain of Command), 6:235 (Access to Electronic Networks), 6:260 (Complaints About Curriculum, Instructional Materials and Programs)

Commented [OC21]: Policies are reviewed every five years irrespective of any changes in the law to determine if revisions or updates are needed to align with District practice. This policy was reviewed and no changes are recommended at this time.

**Freedom of Information
Board Report
October 14, 2025**

FOIA#	Date of Request	Requestor	Subject	Date Completed/ STATUS	Time to complete in hours
106-2025	9/2/2025	CT Mills Public Info Access, LLC	Commercial Purpose - Requesting copies of records related to district purchases and contracts, as outlined below. Please include (1) vendor name, (2) product or service description, (3) purchase/contract amount, and (4) contract start and end dates. 1. Core Curriculum Purchases - Records of core curriculum purchases for Math, English Language Arts (ELA), and Science. 2. Instructional Technology - Records of purchases or contracts for instructional technology platforms, specifically including (but not limited to): Nearpod, Edpuzzle, Pear Deck, Newsela, Magic School, Quizlet, and IXL. 3. Common Assessment Software - Records of purchases or contracts for assessment software, specifically including (but not limited to): Performance Matters, Formative, Pear Assessment, Mastery Connect, Renaissance DnA, Eduphoria, DMAC, and Linkit	Completed 10/8/2025	6
108-2025	9/4/2025	Leona Burke Community Member	Requesting all emails and documents to and from Kelly Ray containing GSA, GSA Club, Gender & Sexuality Alliance, After School Meetings and events: From August 1, 2024 to September 2, 2025.	Completed 9/18/2025	4
115-2025	9/12/2025	Aaron Kelly Aaron for Education	Requesting any and all raw survey data from the community cell phone survey that was used to create the Hanover Research Cell Phone Study report that was presented to the Board of Education on August 12, 2025.	Completed 9/15/2025	1
116-2025	9/12/2025	Kristina Konstanty Community Member	Requesting all emails 9/10/2025-9/12/2025 to/from/containing: board@d300.org, Nancy Zettler, Patrick Malia, Leslie Lamarca, Tola Makinde, Stephen Fiorentino, Christine Birkett, Alisa Lindmark, Charlie Kirk. Please also include any and all photos and attachments.	Completed 9/24/2025	4
117-2025	9/12/2025	Kristina Konstanty Community Member	Requesting all communication on 9/12/2025 11:30am-1 pm. (including but not limited to on personal and district issue devices) texts, photos videos, emails, call Logs, to/from Gosia Rejmer, Donna Seghi, Eberto Mora, Mark Wetzel, Joseph PRZYBYLA, officers Krystal and Dykstra. Requesting a copy of the posted D300 building schedule for the entire day 9/12/202, including a detailed account of the 12pm meeting referenced in the attached video. Please include subject and all attendees (invited and who attended). Requesting a copy of the FOIA request and results referenced being made by the member of the public in the attached video.	Completed 9/24/2025	3
118-2025	9/12/2025	Michael Kilbourne Community Member	Requesting emails generated by Nancy Zettler over the past FIVE years.	Completed 9/19/2025	1
119-2025	9/15/2025	Andrea Collier Community Member	Requesting the following records from [School Name] for August 12, 2025, between 7:30 a.m. and 8:30 a.m.: 1. Video recordings from the school entrance, the hallways leading to my child's classroom, and the exterior of her classroom (including the cubby area). 2. Any written notes, emails, incident reports, or internal communications created by Principal Buchanan or other staff regarding interactions with my child during this timeframe. 3. Any documentation or communication in which Principal Buchanan references my family or my child during this timeframe.	Completed 9/18/2025	1
120-2025	9/16/2025	Holly Jarovsky Community Member	Requesting emails from all board members to each other and/or district 300 administration regarding the following terms: special meeting, special session, protests, MAGA, social media, Charlie Kirk	Completed 9/29/2025	4
121-2025	9/18/2025	Woo Park Data Branch	Commercial Purpose - Requesting the most recent executed contract or agreement with EduStaff for the provision of substitute teacher staffing services. Please include the document's effective date and expiration date, and any amendments or renewals currently in effect.	Completed 9/18/2025	1
122-2025	9/19/2025	Sherri Hyson Community Member	Requesting all notes, redacted statements, evidence, emails, communication, documentation, interviews, and any other information relating to XXX disciplinary actions during the current school year which began 8/12/2025. Please provide all FOIA allowed communication from and to Johnathan Sanchez, Dean of Students, at Jacob's High School relating to XXX. I am requesting all of the information that was used to determine the out of school suspension for Bullying as well as the bullying contract. I am also requesting all information between staff, administration, or anyone regarding XXX behavior, IEP, ability to take breaks, the lunchroom indecent where XXX was questioned by Mr. Sanchez and that entire process. Documentation supporting that investigation as well as why he was assigned a lunch detention after showing Mr. Sanchez after watching the video with XXX in which he had told XXX he would not be in trouble if he told the truth and this should include the removal of the lunch detention due to mine and XXX request for review. Upon removing the lunch detention any communication Johnathan Sanchez addressed XXX and/or parents to resolve the inaccurate accusations, as well as any other information that can be provided by district 300 and Jacobs high school regarding XXX behavior management.	Completed 9/22/2025	2

**Freedom of Information
Board Report
October 14, 2025**

FOIA#	Date of Request	Requestor	Subject	Date Completed/ STATUS	Time to complete in hours
123-2025	9/22/2025	Kayle Hitt FOIA Professional Services	Commercial Purpose - Requesting records for Durham School Services transportation: (1) The current transportation contract & any amendments;, (2) Detailed transportation invoices for the school year of 2024/2025; (3) The most recent T-2 C Report.	Completed 10/2/2025	3
124-2025	9/23/2025	Rob Propst Waste Management	Commercial Purpose - Requesting the following information: (1) Copy of the most recent service agreement for waste and recycling service for all locations, (2) Copy of the last two months of waste and recycling invoices.	Completed 10/1/2025	3
125-2025	9/23/2025	Anonymous	Requesting the text messages between board members of district 300 between the dates of September 10th, 2025 12:00am through September 23rd, 2025 6:29pm, that were made reference to during the board meeting on September 23rd, 2025 that contain any mention of keywords "social media", "Facebook", "Kirk", "post", "karma".	Completed 10/7/2025	3
126-2025	9/24/2025	Kailey Ackmann Community Member	Requesting Nancy Zettler's statement at the board meeting on 9/23/25.	Completed 9/24/2025	1
127-2025	9/24/2025	Anonymous	Commercial Purpose - Requesting Contract register, summary list, database export, or equivalent record maintained by the school district showing all contracts, agreements, or purchase orders entered into between January 1, 2024 and the present (through 2025, as available). Please include the following fields if available: Vendor/Contract name, Total dollar amount, Effective date, and Expiration date. I am requesting only the compiled list/report used for tracking purposes, not full copies of the contracts.	Pending	
128-2025	9/24/2025	Jacqueline Jaco Community Member	Requesting a copy of Nancy Zettler's personal statement from the 9/23 board meeting. Where she addressed what she posted on social media regarding Charlie Kirk's murder.	Completed 9/25/2025	1
129-2025	9/25/2025	Ashley Martinez Community Member	Requesting a copy of Nancy Zettler's statement made at the public meeting on 9/23.	Completed 9/25/2025	1
130-2025	9/25/2025	Michael Clayton Community Member	Requesting (1) Salary, Retirement, and Benefits information for Nancy Zettler. (2) Disciplinary records for Nancy Zettler. (3) Any emails to or from Nancy Zettler's district email account with subjects that contain "Charlie", "Kirk", "Trump", "MAGA", or "Karma"	Completed 9/30/2025	4
131-2025	9/26/2025	Kristi Kittel Community Member	Requesting all emails and phone calls from Jen Nolan at Hampshire Elementary School and Edu staff and CUSD 300 pertaining to my time as a substitute teacher from August 2024–December 2024.	Completed 10/2/2025	4
132-2025	9/26/2025	Andrea Collier Community Member	Request access to and copies of the following records: All records—letters, emails, incident reports, logs, and internal directives—identifying individuals who were issued trespass notices, "no trespass" directives, or otherwise barred from entering any school buildings, campuses, administrative offices, or property owned/operated by Community Unit School District 300 from January 1, 2019 to the present. For each instance, please provide (as available and not exempt): (1) Name of the individual, (2) Date issued, (3) Issuing official (name/title), (4) Reason/incident summary, (5) Duration/terms of the restriction, (6) Any appeal, review, rescission, or modification.	Completed 10/8/2025	
133-2025	9/29/2025	Politics Gossip Girl Community Member	Requesting any communication between the ROE and the D300 Board of Education.	Completed 10/6/2025	1
134-2025	9/29/2025	Mike Barry Community Member	During the board meeting on 9/23/2025, Nancy Zettler claimed she received death threats. I believe this to be untrue. I request her communication records be released to verify this claim.	Completed 10/1/2025	2
135-2025	9/29/2025	Mike Barry Community Member	Requesting to be made aware of the cost of the school boards attorney and her colleagues for attending the meeting on 9/23/25. The total cost should include but may not be limited to costs to prepare for the meeting, travel expenses, cost to attend, cost for follow up, and costs to counsel individual members.	Completed 10/1/2025	1
136-2025	9/29/2025	Holly Jarovsky Community Member	Requesting any text messages, emails, Google meets, or any electronic or manual form of communication between board members regarding: Social media posts, Charlie Kirk, Facebook post, MAGA, or freedom of speech between the dates of September 10, 2025 and September 29, 2025.	Pending	

**Freedom of Information
Board Report
October 14, 2025**

FOIA#	Date of Request	Requestor	Subject	Date Completed/ STATUS	Time to complete in hours
137-2025	9/29/2025	Kyria DeGrow Mackinac Center for Public Policy	Request the following information: Union dues report and/or collective bargaining agreements containing the following information: - The number of people (union members) who are having dues withdrawn from their paycheck. - The total number of people covered by collective bargaining agreements (union contracts). - Please provide this information for the first pay period in May of 2025 (or most recent pay period in which all unions paid dues).	Completed 10/2/2025	2
138-2025	9/30/2025	Kristina Konstanty Community Member	Requesting the specific statistics of how many points of contact (including but not limited to: emails, phone calls, voice messages, private messages, in person visits to the D300 admin office, attendance at 9/23/2025 board meeting, speakers, posts and comments on D300 official social media pages from the community) were made TO D300 school district (to ANY staff member, board member, and/or others contracted/employed by the district), referring/concerning/regarding the comment: 1) Nancy Zettler made (see the attachment) during the dates of: a) 9/10/2025 through 9/22/2025 b) 9/23/2025 through 9/30/2025. 2) Steve Fiorentino's public post (see attachment) during the dates: a) 9/10/2025 through 9/22/2025 b) 9/23/2025 through 9/30/2025. Please give the actual separate numbers during each time frame, example: xx emails, xx phone calls, xx community xx present at board meeting , xx speakers in reference to above criteria 1a, 2b etc.	Completed 10/7/2025	1
139-2025	9/30/2025	Sheri Reid Smart Procure	Commercial Purpose - Requesting for general purchasing records from 6/30/2025 to the current request date of 9/30/2025. To be specific, we are looking for a report comparable in format and content to the attached report from an older request.	Pending	
140-2025	10/1/2025	Mike Barry Community Member	On September 12,2025 the board received an email threatening the safety of a board member from a man named Greg Hopkins. Please provide confirmation that a police report was filed and the name of the police station it was filed with. Also, please provide a copy of the police report.	Completed 10/8/2025	1
141-2025	10/1/2025	Yvonne Tovar Illinois Education Association	Requesting all Certified Staff Employees who are employed in the following job descriptions and/or job classifications: Speech Language Pathologists (SLP), School Psychologists, and Hearing Itinerants. Kindly provide all of the following information: a) First and last name of each employee, b) Current title, c) Distinguish whether they are district employees or contracted (third party) employees, d) Employees rate of pay, salary or daily per diem rate, e) Employees benefits received, a. Insurance, b. Sick Leave, c. Vacation, d. Personal leave, e. TRS, f. 401K	Completed 10/7/2025	2
142-2025	10/1/2025	Kristi Kittel Community Member	Requesting all emails from Kathryn Balcazar at D300 and Sarah Orloff at Hampshire Elementary School from October 2024-Decmeber 2024, regarding my time as a substitute teacher and false accusations about a social media post. Looking for evidence in this matter.	Completed 10/8/2025	3
143-2025	10/1/2025	Mike Barry Community Member	I believe that board members are violating the open meetings act by colluding with each other in order to save Nancy. I would like you to release all of their communication records including but not limited to, text messages, WhatsApp, phone calls, social media messages, and FaceTime calls.	Completed 10/8/2025	1
144-2025	10/1/2025	Alicia Fabbre Daily Herald	Requesting copies of any written resolutions that the board may vote on at 10/2/2025 BOE meeting. Also, requesting a copy of the statement read at the last meeting by Steve Fiorentino.	Completed 10/3/2025	1
145-2025	10/2/2025	Steve Watts Community Member	Requesting public records for all current employees at Community Unit School District 300. Specifically, I'm looking for the following information: (1) Full legal name, (2) Job title or role, (3) Official work email address, (4) Assigned worksite or campus, and (5) Current annual salary	Completed 10/7/2025	2
147-2025	10/6/2025	Shawn Collins Community Member	Requesting video footage from the morning bus drop off on Friday, October 3rd. Specifically showing my XXX who was wearing a green Minecraft shirt with the logo on the back, gray shorts and black Minecraft shoes. I am unsure of the exact time the bus arrived in the morning. I believe the bus number is XXX but I could be wrong on that.	Pending	
148-2025	10/7/2025	Kristina Konstanty Community Member	Requesting the list of speakers for the October 2 , 2025 special meeting	Completed 10/8/2025	1
149-2025	10/7/2025	Jeffrey Monteleone Community Member	Requesting all emails and text messages sent or received by Jason Ziols (jason.ziols@d300.org), Jenna Rizzo (jenna.rizzo@d300.org), and Kailyn Nuttall (Kailyn.nuttall@d300.org) concerning either the Varsity or JV Jacobs cheerleading team from September 8, 2025 through October 7, 2025.	Pending	

**Freedom of Information
Board Report
October 28, 2025**

<u>FOIA#</u>	<u>Date of Request</u>	<u>Requestor</u>	<u>Subject</u>	<u>Date Completed/ STATUS</u>	<u>Time to complete in hours</u>
127-2025	9/24/2025	Anonymous	Commercial Purpose - Requesting Contract register, summary list, database export, or equivalent record maintained by the school district showing all contracts, agreements, or purchase orders entered into between January 1, 2024 and the present (through 2025, as available). Please include the following fields if available: Vendor/Contract name, Total dollar amount, Effective date, and Expiration date. I am requesting only the compiled list/report used for tracking purposes, not full copies of the contracts.	Completed 10/20/2025	4
136-2025	9/29/2025	Holly Jarovsky Community Member	Requesting any text messages, emails, Google meets, or any electronic or manual form of communication between board members regarding: Social media posts, Charlie Kirk, Facebook post, MAGA, or freedom of speech between the dates of September 10, 2025 and September 29, 2025.	Completed 10/9/2025	1
139-2025	9/30/2025	Sheri Reid SmartProcure	Commercial Purpose - Requesting for general purchasing records from 6/30/2025 to the current request date of 9/30/2025. To be specific, we are looking for a report comparable in format and content to the attached report from an older request.	Completed 10/20/2025	4
147-2025	10/6/2025	Shawn Collins Community Member	Requesting video footage from the morning bus drop off on Friday, October 3rd. Specifically showing my XXX who was wearing a green Minecraft shirt with the logo on the back, gray shorts and black Minecraft shoes. I am unsure of the exact time the bus arrived in the morning. I believe the bus number is XXX but I could be wrong on that.	Completed 10/9/2025	1.5
149-2025	10/7/2025	Jeffrey Monteleone Community Member	Requesting all emails and text messages sent or received by Jason Ziols (jason.ziols@d300.org), Jenna Rizzo (jenna.rizzo@d300.org), and Kailyn Nuttall (Kailyn.nuttall@d300.org) concerning either the Varsity or JV Jacobs cheerleading team from September 8, 2025 through October 7, 2025.	Completed 10/22/2025	4
150-2025	10/14/2025	Gerard Eric Monastrial Atta Community Member	Requesting Special Education Records including all Case Study Components, I.E.P.'s and MDC Reports, Psychological Evaluations	Completed 10/14/2025	1
151-2025	10/16/2025	Leona Burke Community Member	Requesting copies of all student surveys that included questions about gender and gender identity, including but not limited to the following questions: What is your current gender identity? What best describes your gender? Is your gender the same as the sex you were given at birth? What are your pronouns? To which gender identity do you most identify with? How do you describe your gender identity? What is your Gender? What is your sexual orientation? Survey questions that have multiple choice answers of Cisgender man/boy Cisgender woman/girl Transgender man/boy Transgender women/girl Nonbinary I'm not sure/I'm questioning Genderqueer Surveys including questions about gender identity administered within the district in the last 7 years, including but not limited to those conducted: * At the state level (by the district office, administration, or school board), * At the district level (by the district office, administration, or school board), * At the school level (by individual schools), and * At the classroom level (by individual teachers or staff). This request includes: 1. The survey instruments themselves (i.e., the questions or forms given to students), 2. Any instructions or cover letters provided with the surveys, 3. Collected responses or aggregated results (with personally identifiable information redacted, if necessary), 4. Purpose or rationale documents explaining the goal of the surveys, and 5. Any third-party involvement (e.g., if a survey was conducted by or in partnership with an outside organization or vendor).	Completed 10/21/2025	1
152-2025	10/17/2025	Mark Krog Community Member	Requesting access to the following public records related to Harry D. Jacobs High School: 1. Aggregated daily attendance and absence totals by grade for October 14–17, 2025. 2. Any emails, memoranda, or internal messages among administrators, deans, attendance staff, or communications staff that reference student absences or rumors regarding a "Snapchat" or "threat" incident during those dates. 3. Any parent notifications, robocalls, or written communications distributed by the district or school regarding a safety concern, social media threat, or similar descriptor during those dates.	Completed 10/21/2025	2



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Jonathan Mickle,
Director of Facilities

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Parkview Addition Bid (Asphalt Paving)

Background

On April 22, 2025, the Board of Education approved the schematic design phase for the Parkview addition and renovation project. The approved scope of work includes comprehensive design services, civil, landscape, structural, architectural, electrical, mechanical, fire protection, plumbing, and technology.

The project features a new addition of approximately 16,200 square feet on the south side of the existing building, connecting both north-south corridors. This addition will comprise eight classrooms, a Media Center, and a Main Office Suite, featuring a new main entrance. Additionally, a 300-square-foot storage room will be added to the south side of the existing gymnasium. Interior renovations include the installation of a fire protection system, new mechanical systems, upgrades to electrical systems, and other minor improvements. The project also consists of a renovation of the courtyard.

In August 2025, bids were released based on the approved designs. Asphalt work on this project was not included in the original bid package. More information was needed during the design phase. On September 18th, trade bid package 32A-1 was released.

Administrative Recommendation

The administration recommends that Bid Package 32A-1, Asphalt Paving for Parkview Elementary, be approved for Schroeder Asphalt Services of \$177,000.

Fiscal Impact

The cost of Bid Package 32A-1, of \$177,000, will be funded from the Capital Improvement Fund 60.



460 N. Grove Ave.
Elgin, IL 60120
www.lampinc.net

O: 847.741.7220
F: 847.741.9677

September 19, 2025

Dr. Frank Williams
Chief Financial Officer
Community Unit School District 300
2550 Harnish Road
Algonquin, IL 60102

RE: Letter of Bid Compliance
Parkview Elementary School - Addition & Renovations
32A-1 Asphalt Paving

Dear Dr. Williams,

On September 18, 2025 (Bid Release 1), trade package 32A-1 Asphalt Paving bids were received for the Community Unit School District 300 - Parkview Elementary School Addition & Renovations project. Listed below is the proposed contract amount for trade package 32A-1 Asphalt Paving. Lamp Incorporated has conducted a work scope review meeting with the trade contractor to confirm compliance with the Bid Documents. Please confirm we are authorized to issue this contract.

32A-1 Asphalt Paving

Schroeder Asphalt Services, Inc.

Base Bid: \$	177,000.00
Proposed Contract Amount: \$	177,000.00

Should you have any questions, or require any additional information, please do not hesitate to contact me at your convenience.

Respectfully,

LAMP INCORPORATED

Chad Alexander
Vice President of Operations

Construction Management
General Construction
Design/Build



Community Unit School District 300



Parkview Elementary School - Addition & Renovation

Budget - Bid Release 1

September 19, 2025

PKG #	TRADE PACKAGE	ALLOWANCES	BUDGET	BIDS
02A-1	Demolition	\$ 20,000	\$ 210,893	\$ 281,000
02B-3	Asbestos Abatement	\$ 10,000		
03A-1	Building & Site Concrete	\$ 100,000	\$ 1,371,870	\$ 1,095,400
	Winter Conditions			
04A-1	Masonry	\$ 100,000	\$ 1,052,620	\$ 1,239,800
	Winter Conditions			
05A-1	Structural Steel	\$ 30,000	\$ 731,220	\$ 497,400
06A-1	General Trades (incl. Doors, Frames, & F.H., Drywall, Athletic Equip. & Fencing)	\$ 200,000	\$ 1,649,308	\$ 1,716,450
07A-1	Roofing	\$ 30,000	\$ 481,780	\$ 379,500
08B-1	Aluminum, Glass, & Glazing	\$ 20,000	\$ 351,800	\$ 343,000
09D-1	Acoustical Ceiling	\$ 30,000	\$ 607,152	\$ 297,000
09F-1	Flooring	\$ 20,000	\$ 297,857	\$ 349,000
	Moisture Mitigation/Floor Prep Allowance			
09G-1	Painting	\$ 10,000	\$ 69,075	\$ 107,105
	Existing Building Touch-Up			
21A-1	Fire Protection	\$ 20,000	\$ 340,286	\$ 190,641
22A-1	Plumbing	\$ 30,000	\$ 422,821	\$ 565,500
23A-1	HVAC	\$ 100,000	\$ 3,813,315	\$ 4,299,000
	Alternate - Temperature Controls (tentative Trane)		\$ 800,000	\$ 465,000
23B-1	Test and Balance	\$ 10,000	\$ 59,453	\$ 52,250
26A-1	Electrical & Low Voltage	\$ 100,000	\$ 3,122,963	\$ 3,189,930
	Relocate/Modify Existing Communication Box/Line Allowance			
31A-1	Excavation	\$ 100,000	\$ 635,086	\$ 460,017
	Soil Remediation/Stabilization Allowance			
32A-1	Asphalt Paving	\$ 30,000	\$ 220,601	\$ 177,000
32F-1	Landscaping	\$ 20,000	\$ 395,000	\$ 110,900
33A-1	Site Utilities	\$ 30,000	\$ 522,665	\$ 372,502
		\$ 1,010,000	\$ 17,155,764	\$ 16,188,395

Community Unit School District 300

Parkview Elementary School Addition & Renovation Bid Release 1

Thursday, September 18, 2025, at 2:00 PM



32A-1 Asphalt Paving

Trade Contractor	Base Bid	Addenda 1, 2, 3, 4, 5, 6, 7 Bond or Cert. Check Labor Rate Sheet Public Certificates				Combination Bid	Notes
Abbey Construction Co., Inc.	\$ 199,345.00	X	X	X	X		
Accu-Paving Company	\$ 226,225.00	X	X	X	X		
Chadwick Contracting Company	\$ 178,125.00	X	X	X	X		
Maneval Construction	no bid						
Schroeder Asphalt Services, Inc.	\$ 177,000.00	X	X	X	X		
Troch-McNeil Paving Co., Inc.	\$ 194,169.00	X	X	X	X		



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Jonathan Mickle,
Director of Facilities

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Rooftop Unit Bids (Jacobs High & Hampshire Middle Schools)

Background

Jacobs High School currently utilizes three ninety-ton (90-ton) rooftop units that provide heating and cooling for the school’s fieldhouse and main competition gym. These units were originally installed in 2006 and have experienced increasing repair needs, component wear, and occasional system failures in recent years. To ensure reliable operation and maintain appropriate environmental conditions in these large spaces, the District will replace the existing equipment with three new Trane ninety-ton (90-ton) rooftop units. The replacement units will be installed in the same locations and will continue to serve the same areas, providing improved energy efficiency, reliability, and comfort for students and staff.

Hampshire Middle School’s main gym is currently served by two interior, ceiling-suspended air handling units installed in 1976. The existing system has reached the end of its useful life, with obsolete components, reduced efficiency, and diminished cooling capacity. The replacement project will remove the existing ceiling-mounted units and install new rooftop units to serve the main gym, providing enhanced energy efficiency, reliability, and comfort for students and staff.

In September 2025, bids were released based on the approved project designs. Bids were opened on October 7, 2025, with nine vendors submitting proposals ranging from \$2,923,979 to \$3,348,779. DeKalb Mechanical submitted the lowest responsible and responsive bid at \$2,923,979.

Both projects were approved as part of the 2026 Summer Capital Maintenance Plan. Installation is scheduled to begin after the conclusion of the 2025–2026 school year and will be completed prior to the start of the 2026–2027 school year.

Administrative Recommendation

The administration recommends DeKalb Mechanical be approved as the lowest responsive, responsible bidder at \$2,923,979.

Fiscal Impact

The total cost of the Bid Package will be funded from the Capital Improvement Fund 60.



D300 2026 Summer Renovations

BID RELEASE #1

JHS (260001) & HMS (260020) HVAC Replacement

Project Budget

October 8, 2025

PKG #	DESCRIPTION	TRADE CONTRACTOR	ALLOWANCES	BUDGET	BIDS
23A-1	HVAC	DeKalb Mechanical, Inc.	\$ 50,000	\$ 2,323,322	\$ 2,180,000
23B-1	Temperature Controls			\$ 120,000	\$ 120,000
			\$ 50,000	\$ 2,443,322	\$ 2,300,000
		Preconstruction	\$ 5,000	\$ 5,000	\$ 5,000
		General Conditions	\$ 45,644	\$ 45,644	\$ 45,644
		Lamp Total CM Fee (3.50%)	\$ 87,289	\$ 82,273	\$ 82,273
		SUBTOTAL		\$ 2,581,255	\$ 2,432,917
		Contingency		\$ 244,332	\$ 230,000
		SUBTOTAL		\$ 2,825,587	\$ 2,662,917
		Architectural & Engineering Fees (9.0%)	\$ 232,313	\$ 218,963	\$ 218,963
		Architectural & Engineering Reimbursables	\$ 2,100	\$ 2,100	\$ 2,100
		SUBTOTAL		\$ 234,413	\$ 221,063
		Reimbursables (Construction Testing, Inspections, etc.)	\$ 20,000	\$ 20,000	\$ 20,000
		Owner Costs	\$ 20,000	\$ 20,000	\$ 20,000
		TOTAL		\$ 3,100,000	\$ 2,923,979
				PROJECT BUDGET	\$ 3,100,000
				VARIANCE OVER/(UNDER)	\$ (176,021)



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F: 847.741.9677

October 8, 2025

Dr. Frank Williams
Chief Financial Officer
Community Unit School District 300
2550 Harnish Road
Algonquin, IL 60102

RE: Letter of Bid Compliance
2026 BR1 JHS & HMS HVAC Replacement
23A-1 HVAC

Dear Dr. Williams,

On October 7, 2025, bids were received for trade package 23A-1 HVAC for the Community Unit School District 300 - 2026 BR1 JHS & HMS HVAC Replacement project. Listed below is the proposed contract amount. Lamp Incorporated has conducted a work scope review meeting with the trade contractor for compliance with the Bid Documents. Please confirm we are authorized to issue this contract.

23A-1 HVAC

Dekalb Mechanical, Inc.

Base Bid: \$ 2,180,000.00

Proposed Contract Amount: \$ 2,180,000.00

Should you have any questions, or require any additional information, please do not hesitate to contact me at your convenience.

Respectfully,

LAMP INCORPORATED

A handwritten signature in blue ink, appearing to read 'Chad Alexander', is written over a white background.

Chad Alexander
Vice President of Operations

Construction Management
General Construction
Design/Build

Building a tradition of quality construction since 1932



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Jonathan Mickle,
Director of Facilities

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Elevator Maintenance Contract (Colley Elevator)

Background

District 300 is partnering with Colley Elevator to provide contracted time-and-materials services for the district's eighteen (18) elevators. This agreement establishes set rates for testing, maintenance, and repair services, as well as on-site assistance during village-required inspections. Colley Elevator has been a long-standing and reliable partner, consistently delivering timely and high-quality service to all District 300 facilities. This service contract is exempt from the Illinois procurement Request for Proposal (RFP) process, as elevator maintenance and inspection services fall under a specialized trade requiring technical expertise and certified personnel.

Contracted Rates:

- Mechanic (Weekdays, 8:00 a.m.–4:00 p.m.): \$240.00 per hour designated for calls not covered under the Full Maintenance Agreement and all Oil & Grease calls
- Mechanic (After-hours and Saturdays): \$297.00 per hour
- Mechanic (Sundays & Holidays): \$319.00 per hour

The contract term is from November 1, 2025, through October 31, 2026, with the possibility of a one-year contract extension.

Administrative Recommendation

Colley Elevator, Bensenville, IL - Award contract for elevator testing, maintenance, and repair with an estimated annual amount of \$37,573.00

Fiscal Impact

The use of contractors' services is paid from the Operations and Maintenance budget (Fund 20)



DISTRICT 300

Community Unit School District 300

2605 BUNKER HILL DRIVE

ALGONQUIN, IL 60102

Diane C. White, Director of Purchasing

PHONE: 847-551-8460 · FAX 847-551-8463

October 03, 2025

Mr. Alex Macias
Colley Elevator Co.
226 William Street
Bensenville, Illinois 60106

Bid – Elevator Maintenance Extension offer letter
Via email: Alex@colleyelevator.com

Dear Mr. Macias,

D300 would like to offer a contract the Elevator Maintenance contract with Colley Elevator Co. Pricing will be based on the attached proposal. This contract would be from Nov 1, 2025 through OCT 31, 2026.

This signed letter along with the attached documents – original Bid specifications, addenda, response and your extension offer serve as the contract for this project.

Please sign this letter electronically via Contract Works by October 10th 2025.

Please submit your Certificate of Insurance naming the District, the Board of Education and its members individually, and its employees and agents as additional named insured prior to 10/10/2025.

Diane White
8375D43E716D90C09E2DBCBD5C76FBD7 contractworks
2025-10-03
OWNER (Signature)

Alex Macias
2835D2B90FB9AF3280DA697A1B2BE3E1 contractworks
2025-10-03
CONTRACTOR (Signature)

Diane C. White, Director of Purchasing

Alex Macias **Craig Zomchek**
(Printed name and title)

If you have any further questions regarding this contract, please feel free to contact me at (847) 551-8460.

Sincerely,

Diane C. White

Diane C. White, Director of Purchasing



226 William Street
Bensenville, Illinois 60106

Phone: 630.766.7230

Fax: 630.766.7568

Web: www.colleyelevator.com

Email: Alex@colleyelevator.com

September 11th, 2025

Community Unit School District 300
2550 Harnish Dr.
Algonquin, IL 60102

Re: Elevator Maintenance Account Overview – Community Unit School District 300

To whom this may concern,

We appreciate you as a valued customer. The following is a layout of current account and associated charges (testing, service rates etc.) for clarification. Please let me know if there are any question upon review.

Maintenance Breakdown-

	Regularity of Visits (Type of Contract)	Maintenance (Currently)	Annually
1600 Big Timber Rd, Hampshire, IL	MFM	\$ 142.00	\$ 1,704.00
1600 Big Timber Rd, Hampshire, IL	MFM	\$ 142.00	\$ 1,704.00
2601 Bunker Hill Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
1500 Kings Rd, Carpentersville, IL	MFM	\$ 142.00	\$ 1,704.00
2550 Harnish Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
1500 Ketchum Rd, Hampshire, IL	MFM	\$ 142.00	\$ 1,704.00
100 Cleveland Ave, Carpentersville, IL	MFM	\$ 142.00	\$ 1,704.00
1401 Compton Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
500 Harvest Gate, Lake in the Hills, IL	MFM	\$ 142.00	\$ 1,704.00
1100 Huntington Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00

A STANDARD OF EXCELLENCE SINCE 1908

September 11, 2025

520 Longwood Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
540 Longwood Dr, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
6500 Miller Rd, Carpentersville, IL	MFM	\$ 142.00	\$ 1,704.00
729 Paperbark Ln, Gilberts, IL	MFM	\$ 142.00	\$ 1,704.00
1651 Ravine Ln, Carpentersville, IL	MFM	\$ 142.00	\$ 1,704.00
2100 Sleepy Hollow Rd, Algonquin, IL	MFM	\$ 142.00	\$ 1,704.00
560 S State St, Hampshire, IL	MFM	\$ 142.00	\$ 1,704.00
1400 Ridgecrest Dr, Hampshire, IL	QM	\$ 585.00	\$ 2,340.00
			\$ 31,308.00

*Rate increase August of 2022

*Rate increase August of 2025

Testing Breakdown-

	2025		2024	
	Inspection Direct Invoice	What Colley Charged	Inspection Direct Invoice	What Colley Charged
1600 Big Timber Rd, Hampshire, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1600 Big Timber Rd, Hampshire, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
2601 Bunker Hill Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1500 Kings Rd, Carpentersville, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
2550 Harnish Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1500 Ketchum Rd, Hampshire, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
100 Cleveland Ave, Carpentersville, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1401 Compton Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
500 Harvest Gate, Lake in the Hills, IL	\$ 230.00	\$ 330.00	\$ 230.00	\$ 330.00
1100 Huntington Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 470.00	\$ 570.00
520 Longwood Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
540 Longwood Dr, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
6500 Miller Rd, Carpentersville, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
729 Paperbark Ln, Gilberts, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1651 Ravine Ln, Carpentersville, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00

September 11, 2025

2100 Sleepy Hollow Rd, Algonquin, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
560 S State St, Hampshire, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00
1400 Ridgecrest Dr, Hampshire, IL	\$ 235.00	\$ 335.00	\$ 235.00	\$ 335.00

** Standard \$100 mark up (per inspection) for scheduling & processing (back office work)

Inspection Agencies-

	Inspection Agency	Why we use agency	Additional notes:
1600 Big Timber Rd, Hampshire, IL	Thompson Elevator	Municipality Directed	
1600 Big Timber Rd, Hampshire, IL	Thompson Elevator	Municipality Directed	
2601 Bunker Hill Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	
1500 Kings Rd, Carpentersville, IL	Thompson Elevator	Municipality Directed	
2550 Harnish Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	
1500 Ketchum Rd, Hampshire, IL	Thompson Elevator	Municipality Directed	
100 Cleveland Ave, Carpentersville, IL	Thompson Elevator	Municipality Directed	
1401 Compton Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	
500 Harvest Gate, Lake in the Hills, IL	ESG	Open territory	
1100 Huntington Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	** Charged for two hours in 2024
520 Longwood Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	
540 Longwood Dr, Algonquin, IL	Thompson Elevator	Municipality Directed	
6500 Miller Rd, Carpentersville, IL	Thompson Elevator	Municipality Directed	
729 Paperbark Ln, Gilberts, IL	Thompson Elevator	Municipality Directed	
1651 Ravine Ln, Carpentersville, IL	Thompson Elevator	Municipality Directed	
2100 Sleepy Hollow Rd, Algonquin, IL	Thompson Elevator	Municipality Directed	
560 S State St, Hampshire, IL	Thompson Elevator	Municipality Directed	
1400 Ridgecrest Dr, Hampshire, IL	Thompson Elevator	Municipality Directed	

2025 Hourly Rates -

Mechanic (8am-4pm) - \$240.00 per hour

- Uncovered calls in Full Maintenance agreement and any calls under Oil & Grease

Mechanic (afterhours and Saturday's) - \$297.00 per hour

Mechanic (Sunday's & Holiday's) - \$319.00 per hour

If you should have any questions or require any additional information, please call me at extension 112 or on my cell phone at 224-535-1742.

Sincerely,



Alex Macias

Account Manager



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Kellie Mainolfi,
Assistant Superintendent of Schools

SUBJECT: **Graduation Venue Contract (Renewal)**

Presented at the following Board Meetings	Date
Board Operations Committee	
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

Background

The current contract for high school graduation ceremonies at the NOW Arena expires in May of 2026. As District 300 is up for renewal, we are requesting that the Board approve another two-year contract for the Class of 2027 and Class of 2028.

For the next two-year contract, we have reserved the NOW Arena for May 22, 2027 and May 20, 2028 for our ceremonies.

The NOW Arena has seen much higher rates from vendors for cleaning, security, traffic control, and the setup/breakdown of our ceremonies, and has increased our rental rates to align with rental rates being paid by other school districts. Rent will increase to a maximum of \$77,640 in 2027 and \$87,345 in 2028. The three high schools will evenly split the cost through their building budgets as has been the case in previous school years.

Administrative Recommendation

The administration recommends that the Board authorize the contract to secure the NOW Arena for our Class of 2027 and Class of 2028 graduation ceremonies.

Fiscal Impact

The contract will be paid for out of the building budgets.

**LICENSE AGREEMENT
NOW ARENA**

THIS LICENSE AGREEMENT (the "Agreement") is made and entered into this _____ day of _____, 2025, by and between the Village of Hoffman Estates, an Illinois Home Rule municipal corporation (hereinafter "Licensor"), **Community Unit School District 300**, a **public high school** organized under the laws of the State of **Illinois** (hereinafter "Licensee").

WITNESSETH:

WHEREAS, Licensor is the owner of a multi-sports and entertainment facility in the Village of Hoffman Estates located at 5333 Prairie Stone Parkway, Hoffman Estates, Illinois 60192 known as the NOW Arena; and

WHEREAS, Global Spectrum, L.P. d/b/a OAKVIEW GROUP is the Operator of the NOW Arena and is only executing this Agreement on behalf of Licensor and is not responsible for or guaranteeing any performance under the terms of this Agreement.

WHEREAS, the Village of Hoffman Estates for the purposes of this Agreement is defined to include, its elected and appointed officials, employees, and agents.

WHEREAS, Licensor has the power and authority to license the use thereof to others for the purpose of holding and presenting certain events; and

WHEREAS, Licensee desires to license the use of the NOW Arena and its facilities from Licensor, and Licensor desires to license the use thereof to Licensee, for the purpose of holding and presenting **Community Unit School District 300 High School Graduations in 2027 & 2028** (the "Event"), all subject to the terms and conditions set forth below.

NOW, THEREFORE, in consideration of the covenants and agreements contained herein, and intending to be legally bound hereby, the parties agree as follows:

1. Grant Of License; Licensed Premises. Licensor hereby grants to Licensee license to use, and Licensor shall make available to Licensee, that portion of the NOW Arena and its facilities as may be necessary for the presentation of the Event (the "Arena"), including the Arena's floor, seating facilities, access areas, public address and scoreboard, sound systems, dressing rooms, press rooms, corridors, stairways, parking areas, walks and lavatories in or about the Arena, and such other areas or parts of the Arena as may be necessary for the presentation of the Event, all upon the terms and conditions set forth herein. The License granted hereby does not extend to or include the non-public areas in and around the Arena, unless otherwise specifically designated by Licensor. Licensee hereby agrees to, and shall, use the Arena to hold and present the Event as contemplated by this Agreement.

2. Term.

A. Term of Use. Unless this Agreement is earlier terminated pursuant to the provisions hereof, the periods of use described below in this Subsection 2.A. are referred to collectively in this Agreement as the “Term.” If the Event (or any session thereof) shall run beyond the times specified in this section on any of the Event nights, or if load-out shall run beyond the times specified in this section, Licensee shall be liable for any additional expenses incurred by Licensor, including but not limited to payments to union labor, if applicable.

EVENT SPACE				
Date	Start (incl. Load In)	End (incl. Load Out)	Event Space Description	Event Start Time(s)
5/22/27 (Saturday)	6:00AM	8:15PM	Arena	Faculty Arrives: 6:00AM DOORS – HAMPSHIRE : 9:00AM EVENT START: 10:00AM EVENT ENDS: 11:45AM BUILDING CLEAR: 12:15PM DOORS – JACOBS : 1:00PM EVENT START: 2:00PM EVENT ENDS: 3:45PM BUILDING CLEAR: 4:15PM DOORS- DUNDEE CROWN : 5:00PM EVENT START: 6:00PM EVENT END: 7:15PM BUILDING CLEAR: 8:15PM
5/20/28 (Saturday)	6:00AM	8:15PM	Arena	Faculty Arrives: 6:00AM DOORS – DUNDEE CROWN : 9:00AM EVENT START: 10:00AM EVENT ENDS: 11:45AM BUILDING CLEAR: 12:15PM DOORS – HAMPSHIRE : 1:00PM EVENT START: 2:00PM EVENT ENDS: 3:45PM BUILDING CLEAR: 4:15PM DOORS- JACOBS : 5:00PM EVENT START: 6:00PM EVENT END: 7:15PM BUILDING CLEAR:8:15PM

B. Doors Open. Licensor agrees to open the Arena to the public at least one hour before the Event (or each session thereof).

3. Duties of Licensee. In connection with the presentation of the Event, Licensee shall, at Licensee's cost, provide (or cause to be provided) and/or procure the following:

A. Performers and Staffing; Equipment and Other Items.

(1) All participants and staff required for the proper presentation of the Event, including but not limited to **Graduation Ceremony, faculty, students**, performer medical staff, and any other staff required for the proper presentation of the Event and, where specified by Licensee, sound system, lighting, staging, technical, catering and set-up personnel regularly employed by Licensee in presenting the Event, together with Workers' Compensation Insurance with respect to such personnel; and

(2) All tangible items of property necessary for the proper presentation of the Event, including but not limited to **full produced production**; and

B. Licenses and Permits. In accordance with Section 9.B. below, all licenses and permits, including ASCAP, BMI, SESAC and similar performance licenses, required for the use of copyrighted or licensed music in connection with the presentation of the Event, and otherwise required in connection with the use of the Arena for the Event, all of which shall be procured by Licensee prior to commencement of the Term and presented to Licensor;

Licensee ASCAP Account #: _____

Licensee BMI Account #: _____

Licensee SESAC Account #: _____

_____ (Initial to accept) Licensee elects to have Licensor utilize Licensor royalty agreements and to reimburse Licensor for associated fees through event settlement;

C. Promotion. The advertising, promotion and publicity campaign necessary and desirable to promote the Event. Licensor shall not have any responsibility whatsoever for the advertising campaign unless otherwise agreed to by the parties in writing;

D. Event Delivery and Move-Out Coordination. Coordination of any and all deliveries for the Event (or each session thereof) and timely move-out following the Event.

E. Tickets. Licensee is required to issue tickets to gain entry to the Event. Licensor and Licensee must mutually agree on the number of tickets issued to each graduate. Licensor reserves the right to refuse entry to anyone without a ticket to the Event.

Initial _____

Initial _____

4. Duties of Licensor. In connection with the presentation of the Event, Licensor shall provide (or cause to be provided) the following. Unless otherwise expressly indicated, Licensor's cost of providing the below items and services shall constitute a reimbursable expense, payable by

Licensee in addition to the Base License Fee (as defined in Subsection 6.A.(1) below):

A. Arena Premises. The Arena, including the general concourse area, public address systems and such other parts or areas of the Arena as may be necessary for Licensee to present and produce (if applicable) the Event (the costs of which shall be included within the Base License Fee);

B. Utilities. Electricity and other utilities for lighting, heating, air conditioning and other services used in conjunction with the Event and the set-up and removal related thereto;

C. Cleaning. Cleaning and janitorial service during and after the Event;

D. Support Personnel. All necessary support services, including, but not limited to, all ancillary staff necessary to hold the Event at the Arena (other than those being provided by Licensee pursuant to Subsection 3A(1) above), including ushers, doormen, emergency medical technicians (for patrons only), security guards and supervisors, change-over and set-up crew, ticket takers and box office services for the day or evening of each session of the Event;

E. Additional Requested Items and Sources. Additional items, personnel and services, other than those set forth above, which Licensee requests to be provided in connection with the Event and which Licensor is reasonably able to provide, such as stagehands for set-up, take down and productions, additional production requirements, catering, and lighting and/or sound equipment other than the current sound or lighting system in Arena, all of which shall be subject to the approval of Licensor; and

F. Parking. **Zero Dollars (\$0.00) per vehicle will be collected at the lot;** and

5. Event Marketing and Sponsorships.

A. Marketing Campaign.

(1) Licensee, at its expense, shall provide the necessary personnel to, and shall use its reasonable best efforts to, market and promote the Event.

(2) All advertisements for the Event shall be developed by Licensee (including, but not limited to, all advertising publicity material, promotions material, press releases, posters, flyers and handbills) and shall be produced at the sole cost and expense of Licensee.

(3) Licensee shall make mention of the name "NOW Arena" as the site of the Event in connection with any advertising or promotion thereof. All promotional materials shall contain the standard "NOW Arena" logo positioned full width across the bottom.

(4) All advertisements for the Event presented pursuant to the provisions of this Agreement (including but not limited to, all advertising, publicity material, promotions material, press releases, posters, flyers, handbills and radio and television commercials) shall be submitted by Licensee to Licensor for its prior approval before use.

(5) Licensee acknowledges and agrees that, notwithstanding any marketing or other related assistance which may be provided to Licensee by Licensor (although Licensor is not obligated to provide same), Licensor has made no and disclaims any purported or actual representation or warranty as to the results or success which can be expected from the Event, including without limitation, ticket sales or the profitability of the Event, and thus Licensee acknowledges and agrees that Licensor shall in no way be responsible for the actual results from or success of the Event.

B. Advertising and Sponsorships.

(1) Without the prior written approval of Licensor, which approval may be withheld in Licensor's sole discretion, Licensee shall not permit any commercial banner, signage, advertisement, promotional announcement, or inflatables to be posted, made or displayed outside or inside the Arena. Licensee will not permit the sale or distribution of helium balloons or other inflatable items, bumper stickers or any other items with adhesive surfaces at, in or near the Arena.

6. Compensation.

A. License Fee. In consideration of the license granted hereby and Licensor's agreement to provide the items set forth in Paragraph 4 hereof, Licensee shall pay Licensor the following sums (collectively, the "License Fee"):

(1) An "All in" fee of **Seventy-Seven Thousand and Six Hundred and Forty Dollars (\$77,640)** in 2027 and **Eight-Seven Thousand and Three Hundred and Forty-Five Dollars (\$87,345)** for 2028 (the "Base License Fee") which includes: set up/break down, security, ushers, cleaning, streaming and patron EMS, if necessary; **PLUS event insurance, and music royalty fees (ASCAP/BMI/SESAC - see Section 3.B).** plus

(2) Reimbursable expenses as listed in Subsection 4E, inclusive.

(3) **Should COVID-19 or any other pandemic create the need to check vaccination records of customers or working staff prior to entering the event, and/or COVID testing records of customers or working staff prior to entering the event or create additional expenses, the Licensee will be 100% responsible for these expenses including additional staffing, ushers, police, security and cleaning.**

B. Non-Refundable Deposit. A non-refundable deposit and final payment schedule in the stated amounts shall be due and payable to Licensor on or before the stated dates:

YEAR	DEPOSIT	DATE DUE	FINAL	DATE DUE
2027	\$38,820	Execution of Agreement	\$38,820	January 4, 2027
2028	\$43,672.50	August 5, 2027	\$43,672.50	January 4, 2028

C. Minimum Wage. If the State, County or Federal minimum wage increases at any time prior to the Term of this Agreement Licensors retain the sole right to reassess and amend the “All-in” Base License Fee. Licensors shall notify Licensee, in writing, with as much prior notice of such amendment as is reasonably practicable under the circumstances.

D. Minimum Rent: Additionally, Licensee acknowledges that the Non-Refundable Deposit is considered Minimum Rent held in consideration of Licensors entering into this Agreement and holding the Facilities available for the Event as set forth herein and that the Minimum Rent is fully earned as of the date hereof; provided, however, if fourteen (14) days out from the event, if there are not sufficient funds being held to cover the building expenses as defined in Section 4, Licensee will be required to deposit the shortfall, as calculated by Licensors, as additional Minimum Rent. The Licensors shall retain the right to postpone or cancel the Event if the additional Minimum Rent is not promptly deposited and provide Licensee with as much prior notice of such postponement or cancellation as is reasonably practicable under the circumstances.

E. Settlement. Upon conclusion of the Event (or each session of the Event, if applicable), Licensors and Licensees shall conduct a settlement respecting all items of income and expense which are the subject of this Agreement. At such settlement, Licensors and Licensee shall account to the other for all items of income and expense which are the subject of this Agreement, and make payment to the other (if applicable) of any and all sums due to the other in accordance with this Section 6. In the case of a multi-session Event, in addition to settlement following each session of the Event, a final settlement shall be made by the parties within seven (7) business days following the expiration of the Term. Any amounts due and payable to Licensors which are not paid within two (2) business days after the conclusion of an Event shall accrue interest from the date due until paid at the highest rate allowed by the laws of the State of Illinois. Any net payment that may be due and owing to Licensee shall be made by way of check, draft, or wire transfer.

F. Licensors Reserved Revenues. Licensee acknowledges that use of all Suites and other Premium Seating areas in the Arena are not hereby licensed or provided by Licensors to Licensee and agrees that any revenue derived from the utilization or license of such Suites and other Premium Seating areas in connection with the Event shall be for the sole account of Licensors.

- Initial _____
- Initial _____

G. No Set-Off. Licensee shall pay Licensors the License Fee and any and all additional amounts due hereunder without abatement, deduction or set-off.

7. Concessions; Merchandising; Programs.

A. Concessions Reserved to Licensors. Licensors specifically reserves to itself, and to its assigned or designated concessionaires and agents, the right to sell, and proceeds from the sale of, food, refreshments and beverages, parking privileges, novelties, and all other concessions at the Event (except as otherwise provided in Subsection 8B below). Licensee shall not sell or

distribute, whether or not on a complimentary basis, any food, beverage or other merchandise and shall have no right to operate a concession during the Event, without obtaining Licensor's prior written approval.

B. Souvenir and Merchandise Concessions. **With respect to souvenir and merchandise concessions, including programs, Licensor has One Hundred percent (100%) exclusivity to sell merchandise and souvenirs during event, or persons designated by Licensor shall sell such merchandise and all proceeds from the sale thereof, after deduction of applicable taxes and city licenses and inspections charges, shall be retained by Licensor.** Prior to the commencement of the Term, Licensor shall deliver, or cause to be delivered, all souvenirs and merchandise to be sold by Licensor hereunder. Licensor shall insure against and bear the risk of damage, theft or other loss of such merchandise, whether or not such merchandise is in the possession or control of Licensor at the time of such loss, and shall be responsible for all freight and transportation of such merchandise to and from the Arena. Contents of any programs Licensee wished to provide for sale at the Event shall be subject to Licensor's reasonable approval.

8. Permits and Licenses.

A. Governmental Permits. Licensee shall secure in advance, prior to commencement of the Term, all licenses, permits and approvals that may be required in connection with the use of the Arena for the Event, including, without limitation, those required by ordinances, rules, regulations of governmental authorities. In the event that any minor or foreign national is scheduled to appear in the Event which is the subject of this Agreement, Licensee shall, in advance of such Event, obtain all necessary Employment Certificates and other permits and authorizations as may be required by any governmental authority.

B. Music Performance Licenses. Licensee shall procure, in advance, all licenses required by any music performance societies, such as ASCAP, BMI and SESAC, for music or other works to be utilized or displayed in connection with the Event. Licensee agrees to make direct payment and accounting to ASCAP, BMI, SESAC and any other similar organizations for the use of musicians and/or musical works in the Event and at the request of Licensor to furnish proof of payment.

C. Performer Releases and Employment. Licensee shall not use the name, likeness or image of any player, performer or other attraction in connection with the Event or the advertising thereof unless Licensee shall have entered into a license or similar agreement with such party respecting such rights. Licensee shall furnish Licensor with evidence satisfactory to Licensor of Licensee's employment of the Performer(s) at least thirty (30) days prior to the Event Date. If, on the Event Date, Licensor has a reasonable basis to believe that the Performer(s) will not appear at the Event at any time prior to the time when spectators are scheduled to be permitted to enter the Facilities for the Event, Licensor may deny spectators admission to the Facilities and cancel the Event. If Licensor cancels the Event pursuant to this Section, then the rights and obligations of Licensor shall be as set forth in Section 13(A) hereof.

9. Broadcasting and Recording. Subject to Licensor's prior written approval to the extent of Licensor's rights therein, and subject further to any third parties with which Licensee contracts to transmit or broadcast the Event securing in advance and maintaining insurance acceptable to

Licensor, Licensee may film, videotape, broadcast or transmit the Event in any and all media from the Arena (the "Media Rights"), but excluding the use of the image of the Arena, the Arena's name or logo or Licensor's name or logo, unless expressly approved by Licensor in writing. Licensee shall be solely responsible for all costs and expenses related to the use or exercise of the Media Rights. A location/origination fee, in an amount to be determined by Licensor in its sole discretion, may be charged by Licensor to Licensee for the Media Rights, which fee shall be payable in advance. Licensee shall cause all entities with which Licensee contracts to broadcast the Event to arrange with Licensor in advance of the Term the terms and conditions (which must be satisfactory to Licensor in its sole discretion) under which such entities may have access to, and the use made by such parties of, the Arena.

10. Insurance.

A. CGL Coverage. Licensee shall obtain, at its own cost and expense, commercial general liability insurance in the name of Licensee that names the Village of Hoffman Estates, Global Spectrum, L.P. d/b/a OAKVIEW GROUP, and NOW Foods (and their respective members, managers, officers, directors, agents and employees) as additional insureds as to the ownership, management, and operations of the NOW Arena, and which insures all operations of Licensee (including the operations of Licensee contemplated by this Agreement), and Licensee's contractual undertaking of the liability of another and Licensee's assumption of liability, as set forth in this Agreement. Such insurance shall be written with a limit of at least Two Million Dollars (\$2,000,000.00) combined single limit for bodily injury, property damage and personal injury. Licensee shall cause such insurance to be endorsed with an endorsement that the insurance issued to the Village of Hoffman Estates, Global Spectrum, L.P. d/b/a OAKVIEW GROUP and NOW Foods, shall be primary to and not contributory with any insurance coverage or self-insured program of the Village of Hoffman Estates, Global Spectrum, L.P. d/b/a, OAKVIEW GROUP, and NOW Foods, or any of the other additional named insureds, and include a waiver of subrogation, and that such insurance shall be excess to any insurance issued to Licensee. Insurance effected or procured by Licensee hereunder will not reduce or limit Licensee's contractual obligation to indemnify and defend the Village of Hoffman Estates, Global Spectrum, L.P. d/b/a OAKVIEW GROUP and NOW Foods pursuant to Section 12 hereof.

B. Workers' Compensation Coverage. Licensee shall also maintain, at its own cost and expense, workers' compensation insurance in respect of all employees, players, performers and any borrowed, leased or other person to whom such compensation may be payable by Licensee.

C. Certificates of Insurance. Licensee, at least thirty (30) days prior to the commencement of the Term (or immediately upon execution hereof, if less than thirty (30) days remain before the Term's commencement), shall provide to Licensor evidence of the insurance required (including certificates of insurance and endorsements) pursuant to Subsections 11.A. and 11.B. above. The policies shall also provide, and the certificate shall so note, that the coverages may not be canceled or that a major change in coverage may not be implemented without at least thirty (30) days' prior written notice given to Licensor. All insurance policies shall be issued by insurance companies rated no less than A VIII in the most recent "Bests" insurance guide, and licensed in the State of Illinois or as otherwise agreed by the parties. All such policies shall be in such form and contain such provisions as are generally considered standard for the type of

insurance involved.

D. Failure to Obtain Insurance. Licensor shall also have the right to prohibit Licensee or any subcontractor of Licensee from entering the Arena until such certificates or other evidence that insurance has been obtained in complete compliance with this Agreement is received by Licensor. Licensee's failure to maintain the insurance required herein may, at the sole discretion of Licensor, result in termination of this Agreement. IN THE EVENT OF SUCH TERMINATION BY LICENSOR, THERE SHALL BE NO FURTHER LIABILITY OF ANY KIND OR NATURE WHATSOEVER BY THE VILLAGE OF HOFFMAN ESTATES OR GLOBAL SPECTRUM L.P. D/B/A OAKVIEW GROUP TO LICENSEE, AND LICENSOR SHALL RETAIN THE RIGHT TO PROCEED WITH A LEGAL ACTION AGAINST LICENSEE TO RECOVER ANY AND ALL DAMAGES (INCLUDING WITHOUT LIMITATION LOSS OF PROFITS) SUSTAINED BY LICENSOR BY REASON OF LICENSEE'S DEFAULT HEREUNDER.

E. Coverage by Licensor. In the event that Licensee fails to procure and present the aforesaid insurance, Licensor shall have the right, but not the obligation, to do so on Licensee's behalf and at Licensee's expense and shall be entitled to reimbursement for the costs thereof as part of the License Fee due and payable hereunder.

F. Spectator Security. Before any spectators are admitted to the Facilities on the Event Date, (i) all security personnel to be provided for the Event shall be at the Facilities and (ii) all security related plans shall have been approved by Licensor and implemented. If the foregoing requirements are not complied with, Licensor may deny spectators admission to the Facilities and cancel the Event. If Licensor cancels the Event pursuant to this Section, then the rights and obligations of Licensor shall be as set forth in Paragraph 13(A) hereof.

11. Indemnity; Release of Liability.

A. Indemnification. Licensee hereby agrees to indemnify, defend, save and hold harmless the Arena, Global Spectrum, L.P., Village of Hoffman Estates, Now Foods and any other present or future lender providing financing to Village of Hoffman Estates in connection with the construction or operation of the Facility, and their respective successors and assigns, and each of their respective partners, agents, officers, directors, employees and representatives (collectively, "Indemnitees") from and against any and all claims, suits, losses, injuries, damages, liabilities and expenses, including, without limitation, reasonable attorneys' fees and expenses ("Claims or Costs"), occasioned in connection with, arising or alleged to arise from, wholly or in part, (i) any breach of this Agreement by Licensee, or (ii) the exercise by Licensee of the privileges herein granted, or (iii) the acts or omissions, or violation of any applicable law, rule, regulation or order, of or by Licensee or any of its agents, owners, officers, directors, members, managers, representatives, contractors, exhibitors, employees, servants, players, guests, or invitees, participants or artists appearing in the Event (including support personnel in connection with the presentation of the Event), persons assisting Licensee (whether on a paid or voluntary basis) or any person admitted to the Facility by Licensee, during the Term or any other time while the Facility (or any part thereof) is used by or are under the control of Licensee, which shall include any and all COVID-19 related Claims or Costs asserted or alleged against Indemnitees arising out

of the Event. Licensee shall be obligated to indemnify, defense, save and hold harmless Indemnitees for COVID-19 related Claims or Costs. It is further the intent of this Agreement that this indemnity provision shall apply to any claims made by employees of Licensee against the Venue, and this Agreement is deemed a written agreement for indemnity under the workers' compensation laws of the state where the Facility is located. The provisions of this Section 10 shall survive any expiration or termination of this Agreement.

B. Condition of Licensed Premises. Except as expressly set forth herein, Licensor makes no warranty or representation to Licensee of any kind (express or implied) regarding the suitability of or compliance with applicable laws by the Arena, or any portion thereof, as built, for any aspect of the use Licensee expects or intends to make of the Arena. Accordingly, Licensee acknowledges and agrees that it has made an adequate investigation and inspection of the Arena and has made its own determination regarding the suitability of the Arena for Licensee's proposed use and is satisfied with the condition, fitness and order thereof. Licensee further agrees that the Arena shall be delivered by Licensor to Licensee "AS IS", "WHERE IS" and "WITH ANY AND ALL FAULTS" and without warranty, express or implied, as to the merchantability or fitness for the use thereof for any particular purpose. Licensee hereby waives any claims against Licensor and the Indemnitees for defects in the Arena, including latent defects. Commencement of the use of the Arena by Licensee shall be conclusive that the Arena was in good repair and satisfactory condition, fitness and order when such use commenced.

C. Liens and Encumbrances. Licensee acknowledges and agrees that Licensee has no authority to, and that Licensee shall not, cause or permit any lien or encumbrance of any kind (including material men's or mechanics' liens) to attach to the Facilities or any other property of LICENSOR or the City. If any such lien shall so attach, Licensee shall promptly cause such lien to be released, or shall obtain a commitment from a title insurance company designated by, and in form satisfactory to, LICENSOR to protect LICENSOR and the Village of Hoffman Estates against loss by reason of such lien. If any such lien shall so attach, Licensee shall also indemnify and reimburse LICENSOR and the Village of Hoffman Estates for all expenditures by LICENSOR and the Village of Hoffman Estates in discharging such lien, including all costs and attorneys' fees associated therewith.

D. Risk of Loss. None of Licensor, Global Spectrum L.P. d/b/a OAKVIEW GROUP, nor any of their respective officers, partners, employees or agents shall be responsible or liable for any loss or damage to the personal property of Licensee or its employees, players, performers or agents in connection with Licensee's use of the Arena hereunder. Licensee acknowledges and agrees that all of its property or property of others in the Arena shall be used and/or stored in the Arena at the sole risk of Licensee, and Licensee hereby waives and releases Licensor and the Indemnitees from any and all Claims or Costs related thereto to the fullest extent permitted by law.

12. Default; Remedies Upon Breach.

A. Default by Licensee. The following events shall constitute a "Default" by Licensee under this Agreement:

(1) breach by Licensee of any material representation, warranty, covenant, condition or obligation set forth in this Agreement and not otherwise specifically addressed in subsections 13.A(2) through 13.A(8) below, which breach is not cured within ten (10) days following notice to Licensee of such breach, provided that in the event Licensor may suffer irreparable harm as a result of Licensee's breach, it shall not be required to give notice or wait any period of time before pursuing any remedies hereunder or under applicable law;

(2) material violation of the Arena's rules and regulations;

(3) any misrepresentation by Licensee to Licensor regarding the subject matter of the Event or materials used in connection with the Event;

(4) partial or total abandonment by Licensee of the Arena, or failure of Licensee to use the Arena on a performance day as contemplated herein;

(5) failure of Licensee to obtain the insurance or any license or permit required hereunder;

(6) the return of any Licensee check for insufficient funds;

(7) cessation by Licensee of its business as a going concern, or the insolvency or bankruptcy of Licensee or the initiation of any bankruptcy or other insolvency proceedings by or against Licensee, or the appointment of a receiver or trustee for Licensee or Licensee's property; or

(8) any attempt by Licensee to assign this Agreement in violation of Subsection 18.C. below.

(9) failure to enforce or properly manage staff or participants in accordance with Illinois Department of Public Health (IDPH) guidelines as relates to COVID-19

In the event of a Default by Licensee, Licensor may terminate this Agreement upon notice to Licensee, and all monies held hereunder may be applied by Licensor for the payment of the License Fee, sales or amusement taxes, or other charges due and payable to Licensor at the date of the Default. Licensor may, after the occurrence of an event of Default, enter and remove all persons from the Arena and all or any property therefrom, and sell such property as a setoff against monies owed to Licensor hereunder. In the event of a breach or threatened breach by Licensee of any of its agreements or obligations hereunder, Licensor shall have the right of injunction and the right to invoke any other remedy allowed at law or in equity. Licensor's rights and remedies set forth in the paragraph in connection with a Licensee Default shall be cumulative, and shall be non-exclusive of all other right and remedies under this Agreement, at law or in equity, including without limitation the right to recover all damages suffered by Licensor.

B. Default by Licensor. In the event that Licensor fails to perform or observe any of

the covenants, conditions or obligations in this Agreement, Licensee shall provide Licensor with written notice specifying the failure with particularity, and Licensor shall have at least ten (10) business days from its receipt of such written notice to cure such failure. If such failure is not cured within such ten (10) business day period, Licensee's sole and exclusive remedy shall be to seek an action for actual damages (but not special, incidental, consequential, punitive, or exemplary damages or lost profits) in an amount not to exceed the License Fee paid to Licensor hereunder, together with reasonable attorney's fees and court costs.

13. Compliance With Laws and Arena Rules.

A. Legal Compliance. Licensee shall fully abide by, conform to and comply with, and shall cause every person under its direction or control who is connected with the performance of any aspect of this Agreement to fully abide by, conform to and comply with all applicable laws, rules, regulations and ordinances of the United States of America, the State of Illinois, the Village of Hoffman Estates, and their respective agencies, as well as all rules and regulations of Licensor for the use, occupancy and operation of the Arena. If Licensee is controlling any sale or distribution of tickets, Licensee will comply with all federal, state and municipal laws, statutes, ordinances or regulations relating to the payment of taxes or charges on tickets, admissions or reservations, and file returns and pay all such taxes or charges immediately when due.

B. Morals Clause. Licensee shall not use or attempt to use any part of the Arena for any use or proposed use which would be contrary to law, common decency or good morals or otherwise improper or detrimental to the reputation of Licensor.

C. Non-Discrimination. Licensee agrees not to discriminate against any employee or any applicant for employment for any reason prohibited by law, and further agrees not to discriminate against any person relative to admission, services or privileges offered to or enjoyed by the general public for any reason prohibited by law.

14. Use of Premises.

A. Return of Premises. Licensee agrees not to do any act or suffer any act to be done during the Term of this Agreement which shall mar, deface or injure any part of the Arena. Upon expiration of the Term, Licensee shall deliver up to Licensor the premises in as good condition and repair and in the condition received at the beginning of the Term, excepting usual wear and tear.

B. No Combustibles. If Licensee brings into the Arena any displays, props, decorations, materials or other personal property, it must fully comply with the Fire Code of the Village of Hoffman Estates, *i.e.*, all wiring on booths or display fixtures must meet the rules and standards of the Village of Hoffman Estates Fire Department. Among other precautions, cloth, paper decorations, pine boughs, leaves, tree branches and all other decorations must be flameproofed. Use of combustible material is forbidden.

(1) Licensee understands that approval and permits from the Fire Department

must be obtained before bringing into the Arena explosives, gasoline, kerosene, acetylene or other fuel or combustibles. Such a permit shall be submitted for review to Licensor upon receipt and prior to the commencement of the Term.

(2) Licensee understands that the fire fighting equipment in the buildings, such as fire extinguishers and fire hose cabinets and exits, shall not be covered or concealed in any manner whatsoever from public view or access.

C. Hazardous Substances. Licensee, its employees and agents, and any exhibitors, patrons, invitees or other participants in the Events covered by this Agreement are prohibited from allowing any hazardous substance to be brought into the Arena or surrounding property. If any governmental authority or other third party demands that a cleanup plan be prepared and that a cleanup be undertaken because of any release of hazardous substances that occurs as a result of Licensee's use of the Arena or entry on the surrounding property, Licensee shall, at Licensee's expense, prepare and submit the required plan and all related bonds and other financial assurances, and Licensee shall carry out all such cleanup plans. Licensee agrees to indemnify Licensor and the Indemnitied against any claims, costs and expenses of any kind, whether direct or indirect, incurred voluntarily or pursuant to any state or federal law, statute, regulation or order, for the cleanup, extraction, detoxification or neutralization of any release of any hazardous substance associated with or arising from the Licensee's use of the Arena or entry onto the surrounding property. Licensee's obligations under this paragraph survive termination or expiration of this Agreement.

D. No Vehicles or Live Animals. No gasoline motor driven vehicles will be permitted to enter into the building, and no live animals will be permitted to enter or remain in the Arena (other than a properly and safely muzzled "seeing eye" dog accompanying a blind person), except at Licensor's discretion.

E. Duty of Care. Licensee shall use the Arena in a safe and careful manner.

F. Licensor Access.

(1) Licensor and its authorized representatives shall have the right at all times to enter upon and have access to the Arena.

(2) A duly authorized representative of Licensee shall be in attendance at the Arena when the doors are opened and throughout the Event scheduled hereunder. Licensee shall provide all of its representatives and working personnel to be admitted to any part of the Arena with distinctive, visual identification which shall be approved by Licensor prior to the commencement of the Term.

G. Licensor Control. In licensing the use of the Arena to Licensee, it is understood that Licensor does not relinquish the right to control the management thereof and to enforce all necessary rules and regulations. The decision of Licensor's representative as to the number of persons that can safely and freely move about in the Arena shall be final.

H. Entrances, Etc. All portions of the sidewalks, entries, doors, passages, vestibules, halls, corridors, stairways, passageways and all ways of access to public utilities of the Arena shall be kept unobstructed by Licensee and not used for any other purpose other than ingress or egress.

I. Disorderly Persons. Licensor reserves the right at all times to control any and all employees, agents and contractors of Licensee, and Licensee hereby appoints Licensor, or any servant, employee or agent of Licensor, Licensee's agent to refuse admission to or to cause to be removed from the Arena any disorderly or undesirable person, including Licensee's employees, agents and contractors, as determined by Licensor in its sole discretion, and in the event of the exercise of such authority, Licensee hereby waives any and all claims for damages against Licensor and the Indemnitees on account thereof. If the Event is cancelled by Licensor, in its sole discretion, as a result of the disorderly conduct of the artist, participant, performer or other person appearing at the Event, or for any of such party's refusal to perform (except in cases where the immediate safety of such parties is concerned), Licensee shall be in breach of this Agreement. Licensee shall be solely responsible to Licensor for the (i) conduct and activities of artists, participants, performers or exhibitors participating in the Event which, for purposes of this Agreement, shall be deemed to be the conduct and activities of Licensee, and (ii) for any and all Claims or Costs arising as a result of any such conduct or activity or refusal to perform (except in cases where the immediate safety of such parties is concerned).

J. No Solicitations. No collections, solicitations, raffles or lotteries, whether for charity or otherwise, shall be made, attempted, authorized, conducted or announced, as applicable, by Licensee at or around the Arena without the prior written consent of Licensor, which consent Licensor may withhold in its sole discretion.

K. Safety Precautions. Licensee acknowledges and agrees that Licensor shall have the power to extinguish all utilities and order the evacuation of all or any portion of the Arena, or cause to be removed therefrom any person or group of persons, any materials, equipment or other items if, in its sole judgment, danger is imminent or dangerous circumstances have already occurred and such action is necessary to secure the safety and welfare of persons or property. In such event, Licensee hereby waives and releases Licensor and the Indemnitees from any and all Claims or Costs related thereto, irrespective of whether such Claims or Costs arise out of the negligence (whether ordinary or gross) of Licensor or the Indemnitees.

L. Assurance of Compliance. Not less than seven (7) days prior to the Event Date, Licensee shall submit to Licensor satisfactory evidence that all of the arrangements made and contemplated for the Event and called for in this Agreement (unless greater or lesser notice is specifically required by any of the provisions of this Agreement) have been accomplished or provided for as required herein, including the Licensee's financial ability to pay for the Event Costs as described herein. No approval or acceptance by Licensor of any such arrangements, whether pursuant to this Section or any other provision herein, shall in any way constitute an opinion, representation or warranty of or by Licensor with respect to the quality, design, safety or fitness for any particular purpose of any aspect of such arrangements; nor shall any acceptance or approval constitute a waiver of, or diminish, the obligations of Licensee set forth in this Agreement and

Licensor's right to insist on strict performance thereof.

15. Arena Marketing. Licensee shall cause each performer or artist appearing at the Event (each referred to herein as a "Performer") to grant to Licensor and the Arena, and their respective successors and assigns (collectively, "Arena Marketing Entities") the worldwide, perpetual, and irrevocable right and permission to use or appropriate the Performer's name, likeness, signature, photograph, voice, performing persona, or other "indicia of identity" for the purpose of (i) providing information about events at the Arena, (ii) to advertise and promote the performance of Performer at the Arena, and to sell, solicit or promote the purchase of tickets for such performance or any merchandise, goods, or services associated with such performance, and (iii) general promotion of the Arena Marketing Entities, such as in providing information about past, as well as future, performances at the Arena.

16. Loss of Use of Arena; Force Majeure.

A. Casualty Loss or Force Majeure Affecting the Arena or Licensor. Should the Arena or any material part thereof be destroyed or damaged by fire or by any other cause, or if any Event of Force Majeure (defined below) shall render the fulfillment of this Agreement by Licensor impracticable, this Agreement shall cease and terminate and Licensor shall not be liable or responsible to Licensee for any damage or loss caused thereby. In such event, and provided that such casualty loss of Event of Force Majeure was not caused by an act or omission of Licensee or its employees, agents, representatives or affiliated parties, Licensor shall return the Deposit to Licensee, less any out-of-pocket costs incurred by Licensor in connection with the Event (for which Licensee shall remain liable). Licensee hereby waives and releases Licensor and the Indemnites from any and all Claims or Costs on account of such termination; irrespective of whether such Claims or Costs arise out of the negligence (whether ordinary or gross) of Licensor or the Indemnites.

B. Force Majeure Affecting Licensee. Should Licensee be unable to take possession of the Licensed Premises or present the Event due to an Event of Force Majeure, without limiting the terms of Section 17.A above, neither Licensor nor Licensee shall have any liability under the Agreement and Licensee, as its sole remedy and relief, shall receive a refund of any uncommitted or cancelable advance payments with the exception of the Deposit, which is nonrefundable.

C. Definition of Event of Force Majeure. The term "Event of Force Majeure" shall mean any and all acts of God, strikes, lock-outs, other industrial disturbances, acts of the public enemy, laws, rules and regulations of governmental or quasi-governmental entities, wars or warlike action (whether actual, impending, or expected and whether de jure or de facto), arrest or other restraint of government (civil or military), blockades, insurrections, riots, vandalism, terrorism, epidemics, lightning, earthquakes, hurricanes, storms, floods, washouts, fire or other casualty, civil disturbances, explosions, breakage or accidents to equipment or machinery, threats of bombs or similar interruptions, confiscation or seizure by any government or public authority, nuclear reaction, radioactive contamination, accidents, or any other causes, whether of the kind herein enumerated or otherwise that are not reasonably within the control or caused by the party claiming the right to delay the performance on account of such occurrence; provided, however, in

no circumstances shall the monetary inability of a party to perform any covenant, agreement or other obligation contained in this Agreement be construed to be an Event of Force Majeure. Upon removal or cessation of the Event of Force Majeure, the parties' respective rights and obligations hereunder shall be reinstated for any and all subsequent sessions of the Event remaining in the Term (if any). The parties specifically agree that an Event of Force Majeure may include an epidemic or pandemic such as COVID-19 and that government mandates or restrictions in place on the scheduled date of the Event related to such an epidemic or pandemic may result in the Arena becoming unavailable for the Event or Licensee being unable to present the Event. Such mandates and/or restrictions may relate to: social distancing, the permitted size of public gatherings, quarantines, or domestic and international travel.

D. COVID-19 Mitigation Measures and Restrictions. Should the State of Illinois, Cook County, Village of Hoffman Estates or Federal Government increase or alter the COVID-19 mitigation measures or restrictions during or prior to the Term of this Agreement Licensor retains the sole right to terminate this Agreement without penalty. In the event of termination, Licensor will apply any deposits paid by Licensee to the following year's Event less any expenses incurred directly related to Licensee's.

17. Miscellaneous.

A. Entire Agreement. This Agreement (including any and all exhibits hereto) reflects the entire agreement between the parties respecting the subject matter hereof and supersedes any and all prior agreements, understandings or commitments, written or oral, between the parties hereto. No representation, inducements or agreements, oral or otherwise, between the parties not contained, expressly incorporated or embodied herein shall be of any force and affect. In the event of a conflict between the terms of this Agreement and the terms set forth in any exhibits, the terms of this Agreement shall govern. This Agreement may only be modified or amended by a subsequent written agreement signed by both parties hereto.

B. Notices. Notices by Licensor and Licensee to each other shall be deemed duly given if (i) delivered personally with a signed receipt evidencing such delivery, (ii) transmitted by telecopier with confirmation of transmission, (iii) mailed by certified mail, return receipt requested, postage prepaid, or (iv) delivered by duly recognized air courier service to the following addresses:

Licensee: Community Unit School District 300
 2550 Harnish Drive
 Algonquin, IL 60102
 Attn: Dr. Frank Williams
 PH: 847-551-8300
 Email: frank.williams@d300.org

Licensor: The Village of Hoffman Estates

1900 Hassell Road
Hoffman Estates, Illinois 60169
Attn: Arena Contract Administrator
Fax: 847-781-2623

With Copy to:

NOW Arena
5333 Prairie Stone Parkway
Hoffman Estates, Illinois 60192
Attn: Ben Gibbs, General Manager
Email: ben.gibbs@nowarena.com

C. Assignment. This Agreement shall not be assigned nor shall Licensee's right to use the Arena be sublicensed by Licensee without the prior written consent of Licensor in each instance, which may be withheld in Licensor's sole discretion. Any attempt by Licensee to assign this Agreement or sublicense its right to use the Arena without the prior written consent of Licensor shall be null and void and shall constitute a Default by Licensee under this Agreement. In the event that Licensor permits such an assignment or sublicense, Licensee shall cause the assignee or sublicensee to enter into an agreement, acceptable to Licensor, whereby such assignee or sublicensee agrees to abide by all the terms, obligations and conditions of this Agreement. The term "assignment" or "sublicense" as used in this Agreement shall include any and all transfers of Licensee's interest in this Agreement, whether voluntary or involuntary. Licensor may assign this Agreement at any time and without the prior consent of Licensee, to any party including, without limitation, any operator, or successor owner of the Arena.

D. No Agency. The relationship between Licensor and Licensee is that of independent contractors and not agents or employees. Under no circumstances shall this license be considered a contract of partnership or joint venture. Neither party shall be liable for any of the debts, accounts, obligations or other liabilities of the other party, its agents or employees, and neither party shall have any authority to obligate or bind the other party in any manner except as may be expressly provided herein. Further, no agent, servant or employee of Licensee or any of its subcontractors shall under any circumstances be deemed an agent, servant or employee of Licensor.

E. Attorneys Fees. In case any suit or action is instituted by Licensor to enforce compliance with this Agreement, including all appeals, Licensor shall be entitled to recover reasonable attorney fees and expenses from Licensee, in addition to the costs and disbursements provided by statute.

F. Governing Law and Choice of Forum. This Agreement is entered into in the State of Illinois and, in the event of any controversy or litigation, shall be governed by and construed in accordance with the laws of the State of Illinois, without regard to its principles of conflicts of laws. Any action arising out of or in connection with this Agreement or the conduct, acts or

activities of the parties hereunder shall be brought in the federal or state courts located in Cook County, and the parties hereby submit to the exclusive jurisdiction of those courts and consent to venue in those courts for any such actions or proceedings.

G. Waivers. No waiver shall be effective unless in writing and executed by the party to be charged with such waiver. No waiver shall be deemed a continuing waiver in respect of any subsequent breach or default, whether similar or dissimilar nature, unless expressly so stated in writing.

H. Severability. The invalidity or unenforceability of any particular provision of this Agreement shall not affect the other provisions hereof, and this Agreement shall be construed in all respects as if such invalid or unenforceable provision were omitted.

I. Headings. Any headings preceding the text of the several sections, paragraphs or subparagraphs hereof are inserted solely for convenience of reference and shall not constitute a part of this Agreement, nor shall they affect its meaning, construction or effect.

J. No Third Party Beneficiaries. Any agreement to pay an amount and any assumption of liability herein contained, expressed or implied, shall be only for the benefit of the undersigned parties and their respective successors and permitted assigns (as herein expressly permitted), and such agreements and assumptions shall not inure to the benefit of the obligee or any other party whomsoever (except for the Indemnitees), it being the intention of the undersigned that (except with respect to the Indemnitees), no other party shall be or be deemed to be a third party beneficiary of this Agreement.

K. Counterparts. This Agreement may be executed in multiple counterparts, each of which shall be deemed an original but together shall constitute one and the same instrument.

L. Power and Authority. Licensee represents and warrants to Licensor that it has the full right, power and authority to enter into and perform this Agreement, and that the person whose signature appears below is duly authorized to execute and deliver this Agreement on behalf of Licensee.

M. Withholding. Licensee acknowledges that, in the event Licensor believes, in its sole discretion, that any of the artist(s) or performer(s) that are the subject of the Event may be “non-resident aliens” (as defined in Section 7701(b)(1)(B) of the United States Internal Revenue Code (“IRC”)), then Licensor shall have the right, notwithstanding any provision of this Agreement to the contrary, to withhold up to thirty percent (30%) of any amounts owed by Licensor to Licensee hereunder, for purposes of remitting such amounts to the United States Treasury in compliance with IRC Section 1441; provided, however, Licensor shall not withhold any amounts in the event either (i) Licensee provides to Licensor prior to the Event a written certification, in a form acceptable to Licensor in its sole discretion, that there are no “non-resident aliens” (as defined under the IRC) performing at the Event, and Licensor has no reasonable basis to believe otherwise, or (ii) such artist(s) or performer(s) have, prior to the Event, entered into a Central Withholding Agreement (“CWA”) with the IRS and a withholding agent, and Licensor has

been provided with a copy of the CWA prior to the Event.

N. Agent of Licensor. Licensee acknowledges that Global Spectrum L.P. is a disclosed agent of the Licensor solely for the purpose of signing this Agreement at the direction and on behalf of the Licensor and, further, that Global Spectrum L.P. is not responsible or obligated for or guaranteeing any performance or payments pursuant to this Agreement, and Licensee hereby covenants not to sue, releases, and waives any such claims against Global Spectrum, L.P., and its members, managers, officers, directors, agents and employees.

(See Next Page)

IN WITNESS WHEREOF, the parties hereto have duly executed this Agreement the day and year first above written.

Licensee:

School District D300

By: _____

Name: _____

Title: _____

Licensor:

THE VILLAGE OF HOFFMAN ESTATES

By its agent Global Spectrum L.P.
d/b/a OAKVIEW GROUP

By: _____

Name: BEN GIBBS

Its: GENERAL MANAGER



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Mark Wetzel, Deputy Superintendent

Presented at the following Board Meetings	Date
Board Operations Committee	
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Leadership Development Services Contract (Renewal)

Background

District 300 has partnered with EAB Global’s District Leadership Forum to provide district leaders and their staff with innovative solutions to their biggest strategic and management challenges since 2022. From helping to educate key stakeholders across the district to accelerating consensus to supporting the implementation of breakthrough ideas, the District Leadership Forum aims to achieve a tangible impact for District 300.

The District Leadership Forum program includes complete, unlimited access to the services listed below:

Strategy and Best Practice Research Studies: Comprehensive reports containing detailed profiles of dozens of innovative practices and strategies, implementation road maps, and advice. Organization facilities have unlimited access to studies.

Executive Briefings: Condensed studies meant for broad distribution to key leadership constituencies at Organization districts. Briefings will be available in unlimited quantity.

Superintendent Roundtables: Sessions designed for EAB staff to present the major research findings, facilitate discussion amongst superintendents on how to introduce these ideas to their own districts, and to allow networking among peers. Held several times throughout the year at multiple locations.

Virtual District Leadership Summit: Open to district leaders to engage with EAB research and content and to network with peers.

On-Demand Research: Organization may assign our staff short-answer research projects on topics of interest to their districts. Organization may request as many projects as they like across the year, though the Forum requires that Organization allow us to complete a project before assigning the next.

Dedicated Advisor: An EAB staff member who serves as a primary point of contact and oversees ongoing value delivery. Your Dedicated Advisor will help you navigate EAB resources and achieve your goals for the Program.

Access to Our Experts: Forum research staff is available for unlimited telephone consultations on the terrains covered in our reports, providing hands-on support for implementation and troubleshooting. Researcher time is available at no additional cost.

Private Webinars: Customized educational intensives for Forum organizations on any best practice study, research topic, or implementation challenge.

Partner Intensive: Organization may invite EAB research staff to present insights or facilitate interactive sessions on a related topic or terrain to the campus audience of your choosing up to one time per year. Session is delivered virtually or in person dependent on Organization's needs and EAB staff availability.

Online Research Database: Dedicated website for subscribing organizations, providing full access to all District Leadership Forum research as well EAB's online archive of the more than 50 best practice studies, 2,100 research briefs, 100+ webconferences, and dozens of toolkits we have completed for postsecondary institutions.

Administrative Recommendation

The Administration recommends approval of the contract as presented.

Fiscal Impact

The contract commences on December 20, 2025, and expires on December 19, 2028. The total cost for three years is \$91,043.22. This will be paid from the Superintendent's Budget. Fees per year are as follows:

2025-2026

District Leadership Forum: \$27,425
Travel Fee: \$1,500
Total Cost: \$28,952.25

2026-2027

District Leadership Forum: \$28,824.86
Travel Fee: \$1,500
Total Cost: \$30,324.86

2027-2028

District Leadership Forum: \$30,266.11
Travel Fee: \$1,500 travel fee
Total Cost: \$31,766.11



Program Order Form - Renewal

Organization: Community Unit School District 300
Attn: Mark Wetzel
2550 Harnish Dr
Algonquin, IL 60102

Date: 8/15/2025

Program and Program Fees:

Organization will have access to the Program services set forth below (the “Services”), which are as described in greater detail in each applicable Program Scope available here:

Research - <https://scopes.eab.com/research>

During the Program Term, the Services will be delivered in all material respects as described in each applicable Program Scope.

Program Term: December 20, 2025 - December 19, 2026	Quantity	Fees	
District Leadership Forum (EDIL)		USD	27,452.25
Total Administrative & Travel Fee		USD	1,500.00
Total		USD	28,952.25

Program Term: December 20, 2026 - December 19, 2027	Quantity	Fees	
District Leadership Forum (EDIL)		USD	28,824.86
Total Administrative & Travel Fee		USD	1,500.00
Total		USD	30,324.86

Program Term: December 20, 2027 - December 19, 2028	Quantity	Fees	
District Leadership Forum (EDIL)		USD	30,266.11
Total Administrative & Travel Fee		USD	1,500.00
Total		USD	31,766.11

The fees offered in this Program Order Form are based on the Program(s) above and any other existing Programs you may have purchased from us. In the event you terminate or discontinue any Program, including any Program in this Program Order Form, prior to the expiration of its Program Term, the Fees may be subject to increase. Any Fees, unless denoted as one-time, reflect the annual price for each year of the Program Term or any portion thereof (each, a “Year”).

This Program Order Form is made pursuant to the Master Agreement dated as of 12/17/2021, which along with the applicable Program Scope which are incorporated herein by reference, form the entire agreement between the parties with respect to the Programs (and together with any other applicable agreements or supplements, the “Agreement”).

Invoicing:

Services will commence on the initial date of the first Program Term (the "Start Date"). Organization will be invoiced in advance of Services and payment is due within 30 days of the invoice date. Any One-Time Fees will be invoiced at 100% with the Program Fees on the initial invoice of each Year of this Agreement as outlined below.

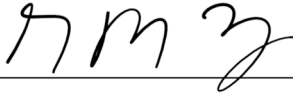
All Program Fees for the first Year will be billed and due within 30 days of the signature of this Agreement or Start Date, whichever is later. In subsequent years, all Program Fees will be billed and due on or before the start of each Year.

Each party represents and warrants to the other that the individual signing below on its behalf is authorized to enter into this Agreement and bind such party. The parties agree and acknowledge that any purchase order or other document subsequently provided by Organization with respect to the Programs above that contain additional, conflicting, or different term and condition or otherwise would amend, modify, or supplement this Agreement are unenforceable and shall be deemed null and void.

Please sign this Program Order Form and return it to Lauren Hogge lhogge@eab.com to initiate your participation in the Program(s) **no later than 12/19/2025** (after which fees and terms set forth above are subject to change).

EAB Global, Inc.:

Community Unit School District 300:

Signature: 
Name: Gregory Quantz
Title: Managing Director
Date: 8/15/2025

Signature: _____
Name: Dr. Frank Williams
Title: Chief Financial Officer
Date: _____

OPTIONAL FOR BILLING PURPOSES ONLY

Invoices should be sent to this Email Address: accounts.payable@d300.org
Billing Contact Name: Accounts Payable
Billing Contact Email Address: 2550 Harnish Dr Algonquin, IL 60102
Billing Contact Phone: 847-551-8300
Purchase Order No. (if applicable): _____



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: John Hummel,
Chief Technology Officer

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Technology Related Service Addendum (Ivanti)

Background

Ivanti has been a core component of the district’s technology operations for over 13 years, supporting critical functions such as:

- Imaging new machines with district configurations
- Repairing malfunctioning devices
- Patching computers to protect against security vulnerabilities
- Remotely installing software packages, reducing the need for in-person technology support

The current Ivanti software system (which is not cloud-based) has reached the end of its lifecycle, requiring us to upgrade to a new platform. Ivanti is offering a significant 40% discount, in addition to our existing educational pricing, to transition to their cloud-based system. This upgrade will enhance our network security and efficiency - particularly by allowing us to patch third-party software vulnerabilities remotely, a process that currently must be handled individually on each computer. This improvement represents an important step forward in maintaining a secure and reliable technology environment across the district.

The cost for the new system is \$125,172 per year for three years (totaling \$375,516). For comparison, our legacy solution, now being discontinued, cost \$66,769.36 per year (\$200,308.08 for three years). The increase in cost is justified, as switching to an entirely new software system would be cost-prohibitive, require extensive retraining, and significantly disrupt current operations.

Administrative Recommendation

We recommend upgrading our legacy system to the new Ivanti cloud-based solution.

Fiscal Impact

Year 1: \$58,402.64 (\$125,172 - \$66,769.36 credit because we already paid our standard renewal)

Year 2: \$125,172

Year 3: \$125,172

Total of \$308,746.64 from the technology budget

SALES QUOTE

GovConnection, Inc.
732 Milford Road
Merrimack, NH 03054

Account Executive: Christopher Nilles
Phone: (800) 800-0019 ext. 75570
Fax: (603) 683-0347
Email: chris.nilles@connection.com

25808767.01
PLEASE REFER TO THE ABOVE QUOTE # WHEN ORDERING
Date: 9/15/2025
Valid Through: 10/15/2025
Account #:

Customer Contact: Gary Krause
Email: gary.krause@d300.org

Phone: (847) 551-8311
Fax:

QUOTE PROVIDED TO: AB#: 13242201 COMMUNITY UNIT SCHOOL DISTRICT 300 2550 HARNISH DRIVE ALGONQUIN, IL 60102 US (847) 551-8311	SHIP TO: AB#: 14012317 COMMUNITY UNIT SCHOOL DISTRICT 300 GARY KRAUSE INFORMATION TECHNOLOGY 2605 BUNKER HILL DR ALGONQUIN, IL 60102 US (847) 551-8311
--	--

DELIVERY	FOB	SHIP VIA	SHIP WEIGHT	TERMS	CONTRACT ID#
5-30 Days A/R/O	Destination	Small Pkg Ground Service Level	.00 lbs	Net 30	

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Company's Standard Terms of Sale, which describe important legal rights and obligations. You may review the Company's Standard Terms of Sale on the Company's website: <https://www.govconnection.com/content/about/legal/terms-and-conditions-sale>, or you may request a copy via fax, e-mail, or mail by calling your account representative. The only exception to this policy is if your order is being placed under any one of our many national, state, educational or cooperative Agreements, in which case the Terms and Conditions of your Purchase Order are already pre-negotiated and stated in that Agreement. No other Terms and Conditions shall apply and any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. Due to the industry-wide constraints and fluctuations, we reserve the right to change pricing at any time. Please refer to our Quote Number in your order.

* Line #	Qty	Item #	Mfg. Part #	Description	Mfg.	Price	Ext
1				Year 1			\$ -
2	3,600	41831525	IN-DEX-MIG-EPM-C	Corp. Neurons for Digital Experience Device Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 19.40	\$ 69,840.00
3	3,600	41831526	IN-PATCH-MIG-EPM-C	Corp. Neurons for Patch Management Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 15.15	\$ 54,540.00
4	1	41836857	UEM-CSA-S	Corp. Virtual Cloud Services Application Subscription	Ivanti Software, Inc.	\$ 792.00	\$ 792.00
5				Year 2			\$ -
6	3,600	41831525	IN-DEX-MIG-EPM-C	Corp. Neurons for Digital Experience Device Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 19.40	\$ 69,840.00
7	3,600	41831526	IN-PATCH-MIG-EPM-C	Corp. Neurons for Patch Management Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 15.15	\$ 54,540.00
8	1	41836857	UEM-CSA-S	Corp. Virtual Cloud Services Application Subscription	Ivanti Software, Inc.	\$ 792.00	\$ 792.00
9				Year 3			\$ -
10	3,600	41831525	IN-DEX-MIG-EPM-C	Corp. Neurons for Digital Experience Device Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 19.40	\$ 69,840.00
11	3,600	41831526	IN-PATCH-MIG-EPM-C	Corp. Neurons for Patch Management Cloud Migration Bundle for EPM	Ivanti Software, Inc.	\$ 15.15	\$ 54,540.00
12	1	41836857	UEM-CSA-S	Corp. Virtual Cloud Services Application Subscription	Ivanti Software, Inc.	\$ 792.00	\$ 792.00
Subtotal							\$ 375,516.00
Fee							\$ 0.00
Shipping and Handling							\$ 0.00
Tax							Exempt!
Total							\$ 375,516.00



ORDERING INFORMATION
GovConnection, Inc. DBA Connection

Please contact your account manager with any questions.

Ordering Address GovConnection, Inc. 732 Milford Road Merrimack, NH 03054	Remittance Address GovConnection, Inc. Box 536477 Pittsburgh, PA 15253-5906
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Please reference the Contract # on all purchase orders.

TERMS & CONDITIONS

Payment Terms:	NET 30 (subject to approved credit)
FOB Point:	DESTINATION (within Continental US)
Maximum Order Limitation:	NONE
FEIN:	52-1837891
DUNS Number:	80-967-8782
Cage Code:	OGTJ3
Business Size:	LARGE
Erate Spin Number:	143026005

WARRANTY: Manufacturer's Standard Commercial Warranty

NOTE: It is the end user's responsibility to review, understand and agree to the terms of any End User License Agreement (EULA).

Important Notice: --- THIS QUOTATION IS SUBJECT TO THE FOLLOWING Terms of Sale: All purchases from GovConnection, Inc. are subject to the Company's Standard Terms of Sale, which describe important legal rights and obligations. You may review the Company's Standard Terms of Sale on the Company's website: www.govconnection.com or you may request a copy via fax, e-mail, or mail by calling your account representative. The only exception to this policy is if your order is being placed under any one of our many national, state, educational or cooperative Agreements, in which case the Terms and Conditions of your Purchase Order are already pre-negotiated and stated in that Agreement. No other Terms and Conditions shall apply and any other terms and conditions referenced or appearing in your Purchase Order are considered null and void. Due to the industry-wide constraints and fluctuations, we reserve the right to change pricing at any time. Please refer to our Quote Number in your order.

If you require a hard copy invoice for your credit card order, please visit the link below and click on the Proof of Purchase/Invoice link on the left side of the page to print one: <https://www.govconnection.com/web/Shopping/ProofOfPurchase.htm>

Please forward your Contract or Purchase Order to: SLEDOPS@connection.com
QUESTIONS: Call 800-800-0019
FAX: 603.683.0374

Connection™

PUBLIC SECTOR SOLUTIONS

GovConnection, Inc.
2275 Research Blvd
Suite 360
Rockville MD 20855

REMIT TO ADDRESS

GOVCONNECTION, INC.
DBA CONNECTION
PO BOX 536477
PITTSBURGH PA 15253-5906

PLEASE ENCLOSE ATTACHED REMITTANCE
RECEIPT WITH YOUR PAYMENT

Federal ID No.	Invoice No.	Invoice Date
52-1837891	76935558	10/05/2025

Company retains a purchase money security interest in
Equipment until payment is made in full.

Sold To:

COMMUNITY UNIT SCHOOL DISTRICT 300
2550 HARNISH DRIVE
ALGONQUIN IL 60102

Shipped To:

COMMUNITY UNIT SCHOOL DISTRICT 300
GARY KRAUSE
2605 BUNKER HILL DR
ALGONQUIN IL 60102

CORP. SALES (800)800-0019

CREDIT DEPT (888)294-0268

CUSTOMER SERV (800)800-0019

Date of Order	Order No.	Customer Purchase Order No.	Account No.	Terms	Date Shipped	Shipped Via
10/03/2025	30150943	978326000004	13242201	Net 30	10/05/2025	
Quantity			Item No.	Description	Unit Price	Extension
Ordered	Back Ordered	Shipped				
-1		-1	41836857	Ivnt Virtl Cld Svc App Sub MFG# UEM-CSA-S	791.8600	-791.86
-2315		-2315	41778172	IVNT TUM Bndle Mnt MFG# LDTUM-M	28.5000	-65,977.50

***** PLEASE NOTE EFT INSTRUCTIONS *****

For electronic funds transfer, please remit to Citizens Bank:
ACH Payments: ABA # 2110-70175, Account # 1310873272
WIRE Payments: ABA #0115-00120, Account # 1310873272
Please include invoice number(s) in the transmitted information.
PLEASE SEND remit information to REMIT@CONNECTION.COM

"We provide more timely and accurate information to the business community by sharing our accounts receivable information with credit bureaus"
For your security, do not change remittance details without valid written and verbal authorization from our company.

Merchandise	Sales Tax	Shipping/Packaging
-66,769.36		

Backordered items will be shipped and
Invoiced to you as soon as they are available.

Page # 1

Invoice Total
-66,769.36

MORGANO, LEAH

Ordered By

Order No.	Company	Account No.	Invoice No.	Invoice Total
30150943	00005	13242201	76935558	-66,769.36

GOVCONNECTION, INC.
DBA CONNECTION
PO BOX 536477
PITTSBURGH PA 15253-5906

PLEASE ENCLOSE THIS REMITTANCE
RECEIPT WITH YOUR PAYMENT

00005 13242201 769355580006676936

STANDARD TERMS AND CONDITIONS OF SALE

All purchases from PC Connection, Inc. and its subsidiaries, including PC Connection Sales Corporation, GovConnection, Inc. and MoreDirect, Inc., all doing business as Connection, (referred to herein, individually or collectively, as "Connection") are subject to these Standard Terms and Conditions of Sale ("Terms"), which may be modified from time to time by Connection without notice.

Please see <https://www.govconnection.com/content/about/legal/terms-and-conditions-sale/> for the most current and complete Terms.



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD OF EDUCATION MEMO

DATE: October 14, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: John Hummel,
Chief Technology Officer

Presented at the following Board Meetings	Date
Board Operations Committee	10/14/2025
BOE 1 st Reading	10/14/2025
BOE 2 nd Reading	10/28/2025

SUBJECT: Telecommunication Services Contract

Background

Currently, Peerless provides and services our seven Primary Rate Interfaces (PRI), which support our voice lines. As these contracts conclude, we are proposing a transition of our telecommunication services from Peerless to B&B Network to further enhance service reliability and achieve cost efficiencies. B&B Network's proposal offers an opportunity to strengthen our infrastructure while maintaining fiscal responsibility. This transition also builds upon our strong partnership with B&B, who already support several of our key systems, and will provide us with a dedicated technical representative for continued support. In accordance with the Illinois School Code and state procurement requirements, utilities such as telecommunication services are exempt from the competitive bidding process, allowing the District to select a provider that best meets operational and service needs.

We currently pay \$14,667.80 per month for our Peerless contracts. This amounts to \$176,013.60 per year. 3 years at current rates would be \$528,040.60

In comparison, B&B Network proposes a monthly cost of \$5,220.00, totaling \$62,640 per year. With implementation costs and a 3-year contract, the total comes out to:

Year 1 (w/ implementation): \$76,698.78
 Year 2: \$62,640
 Year 3: \$62,640

Total contract: \$201,978.78

The anticipated savings from switching to B&B are roughly \$326,062.02 over three years.

Administrative Recommendation

We recommend switching from Peerless Communications PRI connections to B&B Network SIP Trunk connections.

Fiscal Impact

Year 1 (w/ implementation): \$76,698.78

Year 2: \$62,640

Year 3: \$62,640

Total contract: \$201,978.78

All of this would come out of the technology budget.



B&B Networks, Inc.
245 W. Roosevelt Road
Building 3, Suite 16
West Chicago IL 60185
Phone No: 630-293-0000

Revision 3
BBHV SIP Trunking, EFAX and Mitel Licensing
Prepared for
District 300
On 9/30/2025
Prepared by Sylvia Hasty
Phone: (630) 957-4111
Email: shasty@bb-networks.com

**BBHV SIP Trunking, EFax and Mitel Licensing
Prepared for District 300**

Proposal: 4294R3

5/30/2025

Proposed Solution:

SIP Trunking and EFax for the District:

- SIP Trunking with Failover to Diverse and Redundant Core Central Offices across the USA
- Diverse IP Connections across the USA
- Phased Deployment to Coincide with existing Carrier Contract Expirations
- Hampshire High School (50) SIP Trunks
- Dundee Crown High School (50) SIP Trunks
- Jacobs High School (50) SIP Trunks
- EFAX District-wide (75)

Mitel SIP Trunk Licensing (One time charge):

- One time charges include applying (140) new SIP Trunk licenses to Mitel Voice Network plus utilize and deploy (10) existing SIP Trunk licenses for a total of (150). Don will work with Brandon to configure, provision and maintain routing as required for SIP Trunk enablement and decommissioning of PRI routing. District's block of hours will be utilized for Don's time.
- Mitel Licensing quote is based on the Mitel Sourcewell Contract #120122-MBS

**BBHV SIP Trunking, EFax and Mitel Licensing
Prepared for District 300**

Proposal: 4294R3

5/30/2025

Monthly Recurring BBHV Service Costs – 36 Month Term

Item Id	Description	Qty	Unit Price	Extended
WCPBGA	CommPortal Administration	1	\$12.00	\$12.00
WIPTL1	SIP Trunk (Unlimited LD in the continuous 48 States)	150	\$12.00	\$1,800.00
E911A	E911 Service (per Account)	1	\$3.00	\$3.00
WDIDNN	Direct Inward Dial (DID)	5200	\$0.25	\$1,300.00
WHFAX	Inbound & Outbound Cloud based Fax service. Can be set to browser based for HIPAA. 1,000 pages maximum per month. Includes DID number.	75	\$12.00	\$900.00

Total Monthly Recurring \$4,015.00
Estimated Taxes & Surcharges \$1,205.00

*Year One Estimated Service Fees \$48,180.00
*Year Two Estimated Service Fees \$48,180.00
*Year Three Estimated Service Fees \$48,180.00

*Not including Taxes and Surcharges

Professional Services – Implementation-Non-Recurring Costs for Deploying SIP Trunk Service

Item Id	Description	Qty	Unit Price	Extended
LNP2	LNP Implementation for Porting and Provisioning	5200	\$1.25	\$6,500.00
FAXNRC	EFax Provisioning	75	\$6.00	\$450.00

Total Services One-Time Non-Recurring \$6,950.00

Mitel Software One Time Non- Recurring

Item Id	Description	Qty	Unit Price	Extended
54005401	MiVoice Business SIP Trunks x50	2	\$2,412.00	\$4,824.00
54012626	SWA MiVBus UC Advantage 1y	33	\$3.86	\$127.38
54005400	MiVoice Business SIP Trunks x10	4	\$539.35	\$2,157.40

Total Mitel Licensing One-Time Non-Recurring \$7,108.78

**BBHV SIP Trunking, EFax and Mitel Licensing
Prepared for District 300**

Proposal: 4294R3

5/30/2025

Prices are firm until 12/31/2025

Terms: 36 - Month

Quoted by: Sylvia Hasty shasty@bb-networks.com

Accepted by: _____

Date: _____

BBHV SIP Trunking, EFax and Mitel Licensing Prepared for District 300

BBHV TERMS AND CONDITIONS:

1. In the event that the Customer cancels this order after orders have been placed by B&B Networks, all non-recurring charges, whether the charge has been waived or not, will be the responsibility of the Customer.
2. Early Termination Charge ---In consideration for fixed rates for the term of the agreement which are lower than B&B Networks normal monthly rates or normal usage rates, the Customer agrees to the following early termination charges:
 - a. The early termination charge for the B&B Networks services listed on the Service Activation Form is equal to one hundred percent (100%) of the monthly rate multiplied by the months remaining in the minimum term after termination.
 - b. Early Termination Charges for an individual service are billable at the time of termination of the individual service and due within thirty (30) days after the bill date.
 - c. Early Termination Charges will be waived for an individual service in the event that the Customer signs a new agreement with B&B Networks for services equal to or greater than one hundred percent (100%) of the remaining value of the individual service under this agreement.
 - d. On Month-to-Month term Agreements, the Customer may terminate service with 30 days written notice to B&B Networks with no Early Termination liability.
 - e. This agreement will auto-renew at the end of term for an additional 1 year at the same rate. Customer may end or modify this agreement with 90 day written notice prior to the contract anniversary to B & B Networks.
3. Initial service availability and implementation timeframes are subject to infrastructure availability and cannot be guaranteed. Charges apply when B&B Networks completes installation and make the service(s) available to the Customer for use.
4. The Customer understands that cancelling services currently provided by its existing provider, it may be assessed termination, disconnection or other charges by such existing service provider. Payment of such termination, disconnection or other charges shall be the sole responsibility of Customer.
5. Customer may not sell, transfer or assign this contract without the prior, written consent of B&B Networks. Any assignment in derogation of the foregoing sentence is null and void and does not relieve Customer of its obligations under this contract. In the event Customer sells or otherwise transfers its business and/or assets to a new or existing entity, Customer shall continue to be obligated under this contract (including, without limitation, the early termination provisions), unless and until the new or existing entity expressly assumes the contract and B&B Networks consents to such assumption.
6. Customer may cancel this agreement within the first ninety (90) days of the installation date without incurring termination liability if Customer experiences service interruptions or service related problems that B&B Networks is unable to correct within thirty (30) days of written notice by Customer.
7. A B&B Networks Customer with an existing service contract with B&B Networks may request to move their services to a new location within the B&B Networks service area, without incurring termination liability charges, if the entire set of service subject to the contract are moved to the new location.
8. The term of this contract shall begin on the date that all services contracted for are installed.
9. Billing will commence on the date of installation. Ported telephone numbers will commence billing on the actual due date of the port request. The B&B Networks Service Activation Form will set forth the applicable non-recurring charges and recurring charges for the Service. Unless otherwise expressly specified on the Service Activation Form, any non-recurring charges shall be invoiced by B&B Networks to Customer upon the Service Commencement Date. Invoices are delivered monthly. B&B Networks bills in advance for Service to be provided during the upcoming month, except for charges that are dependent upon usage of Service, which are billed in arrears. Billing for partial months is prorated based on a calendar month. All invoices are due twenty (20) days after the date of invoice. Unless otherwise specified on the particular invoice, all payments shall be due and payable in U.S. Dollars. Past due amounts bear interest at a rate of 1.5% per month (or the highest rate allowed by law, whichever is less) beginning from the date first due until paid in full. All BBHV invoices are required to be paid via credit card. Customer agrees to set up their account on the Self Care portal with a valid credit card for auto-payment monthly. B&B Networks will provide Customer with login credentials to set up their Self Care portal account. If ACH payment is preferred,

BBHV TERMS AND CONDITIONS continued

Customer must request so prior to the first BBHV invoice.

10. B&B Networks may hire or pay a third party for collection of charges under this contract in the event Customer does not pay by the due date for charges. Customer will pay B&B Networks amounts past due plus B&B Network's attorney's fees, collection fees and other legal expenses including, but not limited to court costs. Liability for legal expenses and attorney fees applies notwithstanding collection efforts may be settled prior to an actual legal proceeding.

11. In the event that changes to regulatory requirements or conditions increase B&B Networks costs of providing service, then B&B Networks reserves the right upon thirty (30) days written notice to Customer to increase the price of any service provided under this contract by an amount sufficient to enable B&B Networks to recover its increased costs resulting from said changed regulatory requirements or conditions. In the alternative, B&B Networks reserves the right to discontinue service to Customer upon thirty (30) days written notice if its costs of providing service increase as a result of changes to regulatory requirements or conditions. In the event that B&B Networks increases any rate pursuant to this provision, then Customer may discontinue the affected service without payment of any early termination payment requirement otherwise applicable, provided that Customer affords B&B Networks not less than thirty (30) days written notice of its intent.

12. The customer acknowledges that title to the subject property and the right of possession thereto shall be and remain that of B&B Networks until the full purchase price is paid or until the completion of the full rental term or lease term other than month-to-month.

13. In no way will B&B Networks be held responsible for indirect, special or consequential damages resulting from the use of the above described property or implementation of this agreement.

14. All provisions of this contract shall be considered as separate terms and conditions. In the event any one provision is deemed illegal, invalid or unenforceable, all of the other provisions shall remain lawful and enforceable as if the illegal, invalid or unenforceable provision were not a part hereof.

15. All contracts are subject to the approval of an officer of B&B Networks, Inc.

16. Facilities and supplemental equipment such as local area network infrastructure and power are not a part of this agreement unless otherwise specified.

17. **WARRANTY** ----B&B Networks hereby guarantee any equipment listed on the Service Activation Form against defective material or workmanship for one year from the date of said property is delivered. This guarantee will be void and will not apply to any equipment repaired by personnel other than an authorized representative of B&B Networks, or which has been tampered with or damaged by the customer or its representatives in any manner.

18. **MAINTENANCE AND REPAIR SERVICE** will be available on a twenty-four (24) hour per day basis and can be obtained by contacting the B&B Networks offices via telephone or email. Service after normal business hours may incur additional costs. A B&B Networks service representative will respond to a service request within one (1) business day for normal repair service and within three (4)hours in the case of a complete failure or emergency service request.

19. **Impact on Pricing:** In the event that tariffs, import/export duties, or similar governmental charges are enacted, increased, or changed, either directly or indirectly affecting the goods or services provided under this Agreement, the Seller reserves the right to adjust the prices to reflect the additional costs incurred as a result of such changes. The Buyer agrees to accept such adjustments, provided that the Seller provides written notice of the tariff adjustment, along with the applicable documentation substantiating the increase, within a reasonable time frame.



DISTRICT 300

COMMUNITY UNIT SCHOOL DISTRICT NO. 300 BOARD of EDUCATION MEMO

DATE: October 28, 2025

TO: Dr. Martina Smith, Superintendent
Board of Education

FROM: Dr. Niki Burkey,
Assistant Superintendent

SUBJECT: Out of District Student Travel

Presented at the following Board Meetings	Date
Board Operations Committee	
BOE 1 st Reading	10/28/2025
BOE 2 nd Reading	10/28/2025

Background

Per Board Policy 6:240, all field trips must have the Superintendent or designee’s prior approval, except that field trips beyond a 200-mile radius of the school or extending overnight must have the prior approval of the School Board. Each trip authorization shall be based on the written rationale of the travel’s educational value and the safety and welfare of the students involved.

Administrative Recommendation

The administration recommends approval of the request as presented for student travel as follows:

- Algonquin Middle School, Washington D.C. trip, April 9-11, 2026
- Carpentersville Middle School, Washington D.C. trip, June 4 -6, 2026
- Dundee Middle School - Washington D.C. trip, March 19-21, 2026
- Hampshire Middle School - Washington D.C. trip, April 15-17, 2026
- Westfield Middle School - Washington D.C. trip, April 16-18, 2026