

PUTNAM COUNTY CUSD #535
BOARD OF EDUCATION MEETING AGENDA
PUTNAM COUNTY PRIMARY SCHOOL - MEDIA CENTER
January 20, 2015
6:00 PM

“WHERE ALL STUDENTS WILL LEARN AND SUCCEED AND ALL MEANS **ALL**”

DISTRICT GOALS:

Demonstrate increased academic achievement for all students.

Improve communications among all stakeholders in the Putnam County School District and communities.

Maintain strong fiscal responsibility in the Putnam County School District.

I. Discuss Contracts:

- | | |
|------------------------|----|
| A. Liability Insurance | 2 |
| B. Auditor | 22 |
| C. Legal Services | 29 |

Policy Number: **AW 2245780 05**

PUTNAM COUNTY CUSD 535
402 E SILVERSPoon AVE
GRANVILLE IL 61326-9697

ATTACHED ARE DOCUMENTS FOR THE FOLLOWING NAMED INSURED:

PUTNAM COUNTY CUSD 535
402 E SILVERSPoon AVE
GRANVILLE IL 61326-9697

05-29-14

PAYMENT PLAN OPTIONS

As a COUNTRY Mutual Insurance Company[®] or COUNTRY Casualty Insurance Company[®] policyholder, you may qualify for one of our many convenient payment plans or our Preferred Payment rate if you pay your premium in one payment. Additional charges are included when paying by installments such as quarterly or monthly.

Please contact your COUNTRY[®] Insurance & Financial Services agent if you're interested in learning more about these payment plan options.

COUNTRY Mutual Insurance Company

COUNTRY Casualty Insurance Company

COUNTRY

FINANCIAL

Privacy StatementPO Box 2000
Bloomington, IL 61702-2000**Our Commitment to Protecting Your Privacy**

At COUNTRY Financial^{®1}, your privacy has always been important to us. We understand how important your privacy is to you, and we believe protecting your confidential information is a fundamental part of doing business. That's why at COUNTRY we take steps to ensure:

- We will never sell your personal information to anyone.
- We will not share your information with non-affiliated third parties that might use it to contact you for their own marketing purposes.
- We will restrict our employees' access to your information to only those who need to know information to provide products or services to you and for other reasons permitted by law.
- We maintain physical, electronic, and procedural safeguards to protect your confidential information.
- Personally identifiable medical information and information about personal trust accounts held at COUNTRY Trust Bank[®] will only be disclosed as allowed by law or with your written consent.

Categories of Information We Collect

In an effort to provide the highest quality client service possible and to ensure we are meeting your insurance and financial service needs to the best of our ability, we collect certain information about you by mail, in person, electronically, or by phone, depending on the types of products and services you are requesting or currently own. The information we gather about you may include information:

- From You: on applications or other forms, by phone and online, including your name, address, telephone and driver's license number;
- About Your Transactions: with us, our affiliates or others, including the products and services you have purchased from us in the past, payment history, and account and policy information; and
- From Others: including consumer reporting agencies and other third-parties such as your creditworthiness, credit history, demographic data and other related data.

How We Share Your Information

COUNTRY considers the types of information listed above confidential. However, from time to time and as allowed by law we may share the information mentioned above:

- Within our COUNTRY Financial family of affiliated companies and with our business partners for everyday business purposes such as to service your transactions, fulfill your claims, and maintain your account(s). We would only share that which is required to complete the service or transaction.
- As required or permitted by law to others, such as in response to court orders and legal investigations, or to consumer reporting agencies. Information sharing is limited to only that permitted or required by law.
- Within our COUNTRY Financial family of affiliated companies, or with your COUNTRY Financial representative or our other affiliates, to provide you with outstanding products and services. For example, we may share information to provide better service to you in presenting products and services that meet your needs.
- With companies that perform marketing services on our behalf. If we have joint marketing agreements, we may share information to offer financial products that might be of interest to you. Again we would limit the information shared to that which is needed to perform the transaction, such as name and address for a mailing.
- In the future should your relationship with our companies end, we will continue to adhere to the privacy policies and practices described in this Privacy Statement as amended from time to time.

Your Files

We strive to keep our records of your information completely accurate. If you see any error in any of our communications to you with respect to insurance or investments products, please call us at 1-866-COUNTRY, and we will promptly address any inaccuracy that may have occurred.

¹ This Privacy Statement covers the following companies: COUNTRY Mutual Insurance Company[®], COUNTRY Casualty Insurance Company[®], COUNTRY Preferred Insurance Company[®], COUNTRY Life Insurance Company[®], COUNTRY Investors Life Assurance Company[®], COUNTRY[®] Capital Management Company, COUNTRY Trust Bank[®], COUNTRY[®] Mutual Funds Trust, Cotton States Life Insurance CompanySM, Cotton States Mutual Insurance CompanySM, Shield Insurance Company, Modern Service Insurance Company and CC Services, Inc.



Billing Number: 3031632
Policy Number: AW 2245780 05

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY
INSURANCE POLICY INFORMATION PAGE**

INSURER:

COUNTRY Mutual Insurance Company
1701 Towanda Ave.
P.O. Box 2100, Bloomington Illinois 61702-2100

AW 2245780 04

Effective Date: 07-01-2014
NCCI Company No: 16284
RISK ID #120131931

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

PUTNAM COUNTY CUSD 535
402 E SILVERSPON AVE
GRANVILLE IL 61326-9697

AGENT NAME AND ADDRESS:

HOSTETTER MATTHEW
108 S MCCOY ST
PO BOX 85
GRANVILLE IL 61326
(815) 339-6136

PRODUCER NO.: 11925

NAMED INSURED BUSINESS: SCHOOL

LEGAL ENTITY: SCHOOL

OTHER WORKPLACES NOT SHOWN ABOVE: (See Workers Compensation Classification Schedule)

ITEM 2. POLICY PERIOD: From: 07-01-2014 To: 07-01-2015

Effective 12:01 A.M. Standard Time at the Insured's mailing address.

ITEM 3. COVERAGE:

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
IL

B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of liability under Part Two are:

Bodily Injury by Accident:	\$	100,000	each accident
Bodily Injury by Disease:	\$	500,000	policy limit
Bodily Injury by Disease:	\$	100,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

AL AK AZ AR CA CO CT DE DC FL GA HI ID IN IA KS KY LA ME MD MA MI
MN MS MO MT NE NV NH NJ NM NY NC OK OR PA RI SC SD TN TX UT VT VA
WI

D. This Policy includes these Endorsements and Schedules:
See Schedule of Forms and Endorsements.

ITEM 4. PREMIUM: The premium for this Policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required on the Workers Compensation Classification Schedule is subject to verification and change by audit.

Minimum Premium: \$ 1,000 Total Estimated Annual Premium: \$ 29,699

Audit Period: Annual

Payment Plan: Annual

Countersigned by Douglas M Bova

TO REPORT A CLAIM ANY TIME OF DAY OR NIGHT, CALL 1-800-846-0100

COUNTRY Mutual Insurance Company

Policy Number
AW 2245780 05

**EXTENSION OF INFORMATION PAGE
WORKERS COMPENSATION CLASSIFICATION SCHEDULE**

State of: ILLINOIS

Risk ID # 120131931

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-2014

12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

Classification of Operation	Code No.	Annual Remuneration	Total Estimated Per \$100 of Remuneration	Estimated Annual Premium
0001-01				
School: Professional Employees & Clerical	8868	\$ 4,867,400	.65	\$ 31,638.00
School: All Other Employees	9101	\$ 338,300	7.03	\$ 23,782.00
Total Class Premium				\$ 55,420.00
Total Subject Premium				\$ 55,420.00
Experience Premium .83	9898			\$ -9,421.00
Total Modified Premium				\$ 45,999.00
Premium Modifications				\$ -20,001.00
Standard Total				\$ 27,599.00
Expense Constant	0900			\$ 280.00
Terrorism .05	9740			\$ 2,603.00
Catastrophe (Other Than Certified Acts of Terrorism) .01	9741			\$ 521.00
Total Estimated Premium				\$ 29,402.00
IL WC Comm Operations Fund Surcharge 1.0101	0000			\$ 296.96
Final Total				\$ 29,698.96
Policy Total Estimated Cost				\$ 29,698.96

Policy Number AW 2245780 05



ENDORSEMENT

COUNTRY Mutual Insurance Company

Insured Name PUTNAM COUNTY CUSD 535

Policy Effective Date: 07-01-2014
12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

EXPERIENCE MODIFICATION HAS BEEN MODIFIED TO 0.83 FOR THE STATE(S):
IL.

THE FOLLOWING FORM(S) HAS BEEN ADDED:

AWC DS 01	06-06	WORKERS COMP INFORMATION PAGE
AWC DS 02	06-06	EXT OF INFO. PAGE WORKER COMPENSATION
N AIL 01	06-06	PAYMENT PLAN OPTIONS
N AIL 02	09-12	PRIVACY STATEMENT NOTICE

THE FOLLOWING FORM(S) HAS BEEN DELETED:

N AIL 01	05-14	PAYMENT PLAN OPTIONS
N AIL 02	05-14	PRIVACY STATEMENT NOTICE

Coverage Parts Affected

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
All other terms and conditions of this Policy remain unchanged.
(The information below is required to be completed only when this endorsement is issued subsequent to the policy effective date.)

Endorsement Effective Date 07-01-14 , this endorsement forms part of Policy Number AW 2245780 05

Insured Name: PUTNAM COUNTY CUSD 535

Return Premium: \$ 317.17

Policy Effective Date: 07-01-2014

NCCI Carrier Code: 16284

Endorsement No 001

Policy Number
AW 2245780 05

COUNTRY Mutual Insurance Company

SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-2014
12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

WORKERS COMPENSATION FORMS AND ENDORSEMENTS

AWC DS 01	06-06	WORKERS COMP INFORMATION PAGE
AWC DS 02	06-06	EXT OF INFO. PAGE WORKER COMPENSATION



Billing Number: 3031632
Policy Number: AW 2245780 05

**WORKERS COMPENSATION AND EMPLOYERS' LIABILITY
INSURANCE POLICY INFORMATION PAGE**

INSURER:

COUNTRY Mutual Insurance Company
1701 Towanda Ave.
P.O. Box 2100, Bloomington Illinois 61702-2100

Renewal Of: AW 2245780 04
Effective Date: 07-01-2014
NCCI Company No: 16284
RISK ID #120131931

ITEM 1. NAMED INSURED AND MAILING ADDRESS:

PUTNAM COUNTY CUSD 535
402 E SILVERSPoon AVE
GRANVILLE IL 61326-9697

AGENT NAME AND ADDRESS:

HOSTETTER MATTHEW
108 S MCCOY ST
PO BOX 85
GRANVILLE IL 61326
(815) 339-6136

PRODUCER NO.: 11925

NAMED INSURED BUSINESS: SCHOOL

LEGAL ENTITY: SCHOOL

OTHER WORKPLACES NOT SHOWN ABOVE: (See Workers Compensation Classification Schedule)

ITEM 2. POLICY PERIOD: From: 07-01-2014 To: 07-01-2015

Effective 12:01 A.M. Standard Time at the Insured's mailing address.

ITEM 3. COVERAGE:

A. Workers Compensation Insurance: Part One of the policy applies to the Workers Compensation Law of the states listed here:
IL

B. Employers' Liability Insurance: Part Two of the policy applies to work in each state listed in Item 3.A. The limits of liability under Part Two are:

Bodily Injury by Accident:	\$	100,000	each accident
Bodily Injury by Disease:	\$	500,000	policy limit
Bodily Injury by Disease:	\$	100,000	each employee

C. Other States Insurance: Part Three of the policy applies to the states, if any, listed here:

AL AK AZ AR CA CO CT DE DC FL GA HI ID IN IA KS KY LA ME MD MA MI
MN MS MO MT NE NV NH NJ NM NY NC OK OR PA RI SC SD TN TX UT VT VA
WI

D. This Policy includes these Endorsements and Schedules:
See Schedule of Forms and Endorsements.

ITEM 4. PREMIUM: The premium for this Policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required on the Workers Compensation Classification Schedule is subject to verification and change by audit.

Minimum Premium: \$ 1,000 Total Estimated Annual Premium: \$ 30,016
Audit Period: Annual
Payment Plan: Annual

Countersigned by Douglas M Bova

TO REPORT A CLAIM ANY TIME OF DAY OR NIGHT, CALL 1-800-846-0100

COUNTRY Mutual Insurance Company

Policy Number
AW 2245780 05

**EXTENSION OF INFORMATION PAGE
WORKERS COMPENSATION CLASSIFICATION SCHEDULE**

State of: ILLINOIS

Risk ID # 120131931

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-2014

12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

Classification of Operation	Code No.	Annual Remuneration	Total Estimated Per \$100 of Remuneration	Estimated Annual Premium
0001-01				
School: Professional Employees & Clerical	8868	\$ 4,867,400	.65	\$ 31,638.00
School: All Other Employees	9101	\$ 338,300	7.03	\$ 23,782.00
Total Class Premium				\$ 55,420.00
Total Subject Premium				\$ 55,420.00
Experience Premium .84	9898			\$ -8,867.00
Total Modified Premium				\$ 46,553.00
Premium Modifications				\$ -20,241.00
Standard Total				\$ 27,932.00
Expense Constant	0900			\$ 280.00
Terrorism .05	9740			\$ 2,603.00
Catastrophe (Other Than Certified Acts of Terrorism) .01	9741			\$ 521.00
Total Estimated Premium				\$ 29,716.00
IL WC Comm Operations Fund Surcharge 1.0101	0000			\$ 300.13
Final Total				\$ 30,016.13
Policy Total Estimated Cost				\$ 30,016.13

CATASTROPHE (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREMIUM ENDORSEMENT

This endorsement is notification that your insurance carrier is charging premium to cover the losses that may occur in the event of a Catastrophe (other than Certified Acts of Terrorism) as that term is defined below. Your policy provides coverage for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism). This premium charge does not provide funding for Certified Acts of Terrorism contemplated under the Terrorism Risk Insurance Program Reauthorization Act Disclosure Endorsement (WC 00 04 22 A), attached to this policy.

For purposes of this endorsement, the following definitions apply:

- Catastrophe (other than Certified Acts of Terrorism): Any single event, resulting from an Earthquake, Noncertified Act of Terrorism, or Catastrophic Industrial Accident, which results in aggregate workers compensation losses in excess of \$50 million.
- Earthquake: The shaking and vibration at the surface of the earth resulting from underground movement along a fault plane or from volcanic activity.
- Noncertified Act of Terrorism: An event that is not certified as an Act of Terrorism by the Secretary of Treasury pursuant to the Terrorism Risk Insurance Act of 2002 (as amended) but that meets all of the following criteria:
 - a. It is an act that is violent or dangerous to human life, property, or infrastructure;
 - b. The act results in damage within the United States, or outside of the United States in the case of the premises of United States missions or air carriers or vessels as those terms are defined in the Terrorism Risk Insurance Act of 2002 (as amended); and
 - c. It is an act that has been committed by an individual or individuals as part of an effort to coerce the civilian population of the United States or to influence the policy or affect the conduct of the United States Government by coercion.
- Catastrophic Industrial Accident: A chemical release, large explosion, or small blast that is localized in nature and affects workers in a small perimeter the size of a building.

The premium charge for the coverage your policy provides for workers compensation losses caused by a Catastrophe (other than Certified Acts of Terrorism) is shown in Item 4 of the Information Page or in the Schedule below.

Schedule		
State	Rate	Premium
IL	.01	\$ 521

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective **07-01-14** Policy No. **AW 2245780 05** Endorsement No.

Insured **PUTNAM COUNTY CUSD 535** Premium \$ **Incl.**

Insurance Company **COUNTRY Mutual Insurance Company**

Countersigned By _____

Policy Number
AW 2245780 05

COUNTRY Mutual Insurance Company

SCHEDULE OF FORMS AND ENDORSEMENTS

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-2014
12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

WORKERS COMPENSATION FORMS AND ENDORSEMENTS

AWC 10 07	08-12	ILLINOIS PREMIUM AUDIT ENDORSEMENT
AWC DS 01	06-06	WORKERS COMP INFORMATION PAGE
AIL 10 09	08-09	MUTUAL POLICY CONDITIONS
AWC DS 02	06-06	EXT OF INFO. PAGE WORKER COMPENSATION
WC 00 04 21 C	09-08	CATASTROPHE (OTHER THAN CERT ACTS) ENDT
WC 00 00 00 B	07-11	INSURANCE POLICY
WC 00 04 14	07-90	NOTIFICATION OF CHANGE IN OWNERSHIP ENDT
WC 00 04 22 A	09-08	TERRORISM RISK PGM REAUTH ACT DISCL ENDT
DISCLOSURE	06-03	IL INDUSTRIAL COMMISSION
WC 00 04 06 A	08-95	PREMIUM DISCOUNT ENDT
WC 00 04 19	01-01	PREMIUM DUE DATE ENDORSEMENT
WC 12 06 01 D	07-11	IL AMENDATORY ENDORSEMENT
AIL 10 67	08-11	NOTICE OF CANCEL TO CERTIFICATE HOLDERS
AIL 10 37	06-06	NO ACTION AGAINST RELATED ENTITIES

Schedule

State	Rate	Premium
IL	.05	\$ 2,603

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 07-01-14 Policy No. AW 2245780 05 Endorsement No.

Insured PUTNAM COUNTY CUSD 535 Premium \$ Incl.

Insurance Company COUNTRY Mutual Insurance Company

Countersigned By _____

Policyholder Disclosure
Illinois Industrial Commission Operations Fund Surcharge

Your policy has been surcharged as a result of the Illinois Industrial Commission Operations Fund Surcharge effective June 20, 2003. The establishment of this Fund provides that every insurance company, authorized or licensed by the Illinois Insurance Department and insuring employer's liabilities arising under the Workers' Compensation Act or the Workers' Occupational Disease Act, must remit a surcharge equal to 1.01% of the direct written premium for insuring employers' liability under the Workers' Compensation Act or Workers' Occupational Diseases Act.

The portion of your annual premium that is attributable to this surcharge is \$ 300.13 .

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.

(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 07-01-14 Policy No. **AW 2245780 05**

Endorsement No.

Insured **PUTNAM COUNTY CUSD 535**

Premium \$ **Incl.**

Insurance Company **COUNTRY Mutual Insurance Company**

Countersigned By _____

PREMIUM DISCOUNT ENDORSEMENT

The premium for this policy and the policies, if any, listed in Item 3 of the Schedule may be eligible for a discount. This endorsement shows your estimated discount in Items 1 or 2 of the Schedule. The final calculation of premium discount will be determined by our manuals and your premium basis as determined by audit. Premium subject to retrospective rating is not subject to premium discount.

SCHEDULE

		ESTIMATED ELIGIBLE PREMIUM \$			27,932
1. STATE	FIRST \$10,000	NEXT \$190,000	NEXT \$1,550,000	BALANCE	
IL	0	.091	.113	.123	

2. AVERAGE PERCENTAGE DISCOUNT: 5.80 %

3. OTHER POLICIES:

4. If there are no entries in Items 1, 2 and 3, of the Schedule see the Premium Discount Endorsement attached to your policy number:

This endorsement changes the policy to which it is attached and is effective on the date issued unless otherwise stated.
(The information below is required only when this endorsement is issued subsequent to preparation of the policy.)

Endorsement Effective 07-01-14 Policy No. AW 2245780 05

Endorsement No.

Insured PUTNAM COUNTY CUSD 535

Premium \$ Incl.

Insurance Company COUNTRY Mutual Insurance Company

Countersigned By _____



FINANCIAL

Opt-out Notice

PO Box 2000
Bloomington, IL 61702-2000

Federal law provides you with choices to limit how we share certain Personal Information for marketing purposes within our family of companies. "Personal Information" includes information about your income, certain financial information provided on COUNTRY® applications, or credit worthiness.

You may tell us not to share this Personal Information with our affiliated companies for marketing purposes. By "opting out" of this sharing, you are letting us know not to share your Personal Information with our other companies to market to you.

If you do choose to opt out, your financial representative and any of our companies that have you as a client may continue to send you information about products or services provided by any of our affiliated companies.

We will honor your opt out request until you tell us to change it. If you have already opted out, you don't need to opt out again.

You may submit an "opt out" request for yourself by completing the information requested below and mailing the form to us or by accessing our online "opt out" form at the following website: www.countryfinancial.com/privacyPolicyOptOut

First Name	Middle Initial	Last Name		
Current Address Street		City	State	ZIP Code
Policy or Account Number(s)				

You may mail the completed form to:

COUNTRY
Financial® Attn:
Data Integrity Unit
P.O. Box 2020
Bloomington, IL 61702-2020



Billing Number: 3031632
Policy Number: AB 2245780 05

COMMON POLICY DECLARATIONS

COUNTRY Mutual Insurance Company

1701 Towanda Ave., P.O. Box 2100, Bloomington Illinois 61702-2100

Item 1. Named Insured and Mailing Address
PUTNAM COUNTY CUSD 535
402 E SILVERSPoon AVE
GRANVILLE IL 61326-9697

Agent Name and Address
HOSTETTER MATTHEW
108 S MCCOY ST
PO BOX 85
GRANVILLE IL 61326

Agent No. 11925
Agent Phone No.: (815) 339-6136

Item 2. Policy Period From: 07-01-2014 To: 07-01-2015
at 12:01 A.M., Standard Time at your mailing address shown above.

Item 3. Business Description: SCHOOL
Form of Business: SCHOOL

Item 4. In return for the payment of the premium, and subject to all the terms of this policy, we agree with you to provide the insurance as stated in this policy.

This policy consists of the following coverage parts for which a premium is indicated. Where no premium is shown, there is no coverage. This premium may be subject to adjustment.

Coverage Part(s)	Premium
COMMERCIAL PROPERTY COVERAGE PART	\$ 36,973.00
COMMERCIAL GENERAL LIABILITY COVERAGE PART	\$ 8,136.00
COMMERCIAL CRIME COVERAGE PART	\$ 105.00
COMMERCIAL INLAND MARINE COVERAGE PART	\$ 185.00
COMMERCIAL AUTOMOBILE COVERAGE PART	\$ 6,311.00

TAX OR SURCHARGE	
Total Policy Premium / Total Advance Premium	\$ 51,710.00
Standard Payment Plan Charges	
Policy Grand Total	\$ 51,710.00
Payment Plan Annual	

If you wish to request a copy of your policy, contact your COUNTRY Financial® representative or call our Customer Service Center at 1-888-211-2555.

Item 5. Forms and Endorsements

Form(s) and Endorsement(s) made a part of this policy at time of issue:

See Schedule of Forms and Endorsements

Countersigned:

Date: 05-28-14

By: Matthew M. Bura
Authorized Representative

TO REPORT A CLAIM ANY TIME DAY OR NIGHT, CALL 1-800-846-0100.

THIS COMMON POLICY DECLARATION AND THE SUPPLEMENTAL DECLARATION(S), TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART(S), COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, COMPLETE THE ABOVE NUMBERED POLICY.

AIL DS 03 08 07



Policy Number

AB 2245780 05

SCHEDULE OF FORMS AND ENDORSEMENTS

COUNTRY Mutual Insurance Company

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-14
12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

COMMON POLICY FORMS AND ENDORSEMENTS

AIL DS 03	08-07	COMMON RENEWAL POLICY DECLARATION
FORM-SCHED	01-97	SCHEDULE OF FORMS AND ENDORSEMENTS
LOC-SCHED	01-97	SCHEDULE OF LOCATIONS
AIL 10 09	08-09	MUTUAL POLICY CONDITIONS
IL 00 03	09-08	CALCULATION OF PREMIUM
IL 00 17	11-98	COMMON POLICY CONDITIONS
IL 00 21	09-08	NUCLEAR ENERGY LIABILITY EXCLUSION ENDT
IL 01 62	10-13	ILLINOIS CHANGES - DEFENSE COSTS
IL 02 84	12-05	ILLINOIS CHANGES-CANC & NONRENL
IL 09 03	07-02	MINE SUBSIDENCE SCHEDULE
IL 09 35	07-02	EXCL OF CERTAIN COMPUTER- RELATED LOSSES
IL 09 52	01-08	CAP/LOSSES FROM CERTIFIED ACTS OF TERROR
IL 09 85	01-08	DISCLOSURE TERRORISM RISK INS ACT
IL 09 96	01-07	COND EXCL-NUC/BIO/CHEM (REL DISP/TRIA)
AIL 10 11	05-14	PUNITIVE DAMAGES EXCL
AIL 10 19	06-06	POLLUTION AMENDATORY ENDT
AIL 10 37	06-06	NO ACTION AGAINST RELATED ENTITIES
IL 01 18	10-10	ILLINOIS CHANGES
IL 01 47	09-11	ILLINOIS CHANGES - CIVIL UNION
AIL 10 67	08-11	NOTICE OF CANCEL TO CERTIFICATE HOLDERS

PROPERTY FORMS AND ENDORSEMENTS

PF-DEC	10-00	COMM PROPERTY COV PART SUPP DEC
PF-SCHED	10-00	COMM PROPERTY COV PART EXT OF SUPP DEC
AIL 10 31	06-06	STATEMENT OF VALUES
N ACP 3	01-12	DISCLOSURE FOR PROP COV INFLATION INDEX
CP 00 10	10-12	BUILDING & PERSONAL PROPERTY COVERAGE
CP 00 50	10-12	EXTRA EXPENSE COVERAGE FORM
CP 00 90	07-88	COMMERCIAL PROPERTY CONDITIONS
MAN-PF001	01-02	PROPERTY IN THE OPEN
CP 01 40	07-06	EXCL OF LOSS DUE TO VIRUS OR BACTERIA
CP 01 49	06-07	IL CHANGES-ARTIFICL GEN ELEC CURRENT EXC
CP 10 30	10-12	CAUSES OF LOSS - SPECIAL FORM
CP 10 34	10-12	EXCL OF LOSS DUE TO PROD OR PROC OPER
CP 10 40	10-12	EARTHQUAKE AND VOLCANIC ERUPTION ENDT
CP 99 93	10-90	TENTATIVE RATE
ACP 10 01	06-06	EQUIPMENT BREAKDOWN COVERAGE
ACP 10 10	08-13	COMMERCIAL PROP PLUS ENDT

GENERAL LIABILITY FORMS AND ENDORSEMENTS

ACG 10 66	08-12	ILLINOIS PREMIUM AUDIT ENDORSEMENT
ACG DS 01	12-01	COMM GENERAL LIABILITY COVERAGE SUPP DEC
ACG DS 02	01-97	COMM GENERAL LIABILITY COVERAGE SCHEDULE
CG 00 01	04-13	COMMERCIAL GENERAL LIABILITY COV FORM
CG 02 00	12-07	IL CHANGES - CANC & NONRENL
CG 20 10	04-13	ADDL INSD - OWNERS/LESSEES/CONTRACTORS
CG 21 67	12-04	FUNGI OR BACTERIA EXCLUSION
CG 21 70	01-08	CAP LOSSES FROM CERTIF ACTS OF TERRORISM
CG 21 88	01-07	COND EXCL-NUC/BIO/CHEM (DISP TRIA 2002)
CG 22 67	10-93	CORPORAL PUNISHMENT
CG 22 71	04-13	COLLEGES OR SCHOOLS (LIMITED FORM)

FORM-SCHED (01/97)



FINANCIAL

Policy Number

AB 2245780 05

SCHEDULE OF FORMS AND ENDORSEMENTS

COUNTRY Mutual Insurance Company

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-14

12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

ACG 10 07	08-13	ILLINOIS CHANGES-SEXUAL ABUSE OR MOLESTA
ACG 10 08	06-06	WHO IS INSURED - IL SCHOOLS
ACG 10 10	06-06	SEXUAL ABUSE OR MOLESTATION LIAB COV
ACG 10 18	06-06	CHANGES IN POLICY - TWO OR MORE POLICIES
ACG 10 32	06-06	WHO IS INSURED - CHURCHES
ACG 10 57	06-06	AUTO AND MOBILE EQUIPMENT CHANGES
AIL 10 26	08-13	ADDITIONAL INSURED - MULTIPLE INTERESTS
AIL 1039	07-08	PROF LIAB POLLUTION AMENDATORY ENDT

CRIME FORMS AND ENDORSEMENTS

CI-SCHED	03-14	COMMERCIAL CRIME COVERAGE SCHEDULE
CR 00 25	08-13	GOV'T CRIME COV FORM (LOSS SUSTAINED)
CR 02 02	10-10	ILLINOIS CHANGES
CR DS 03	03-14	CRIME & FIDELITY DEC (GOVRNMT ENTITIES)

INLAND MARINE FORMS AND ENDORSEMENTS

IM 7901	04-04	INLAND MARINE-DECLARATIONS RENEWAL CERT
CL 0100	03-99	COMMON POLICY CONDITIONS
CL 0600	01-08	CERTIFIED TERRORISM LOSS
CL 0605	01-08	CERT TERR LOSS DISCL-PREM/FED SHARE LOSS
CL 0700	10-06	VIRUS OR BACTERIA EXCLUSION
IM 1255	01-05	SCHED OF COV - MUSICAL INSTRUMENTS
CL 0120	10-08	AMENDATORY ENDORSEMENT - ILLINOIS
IM 2027	08-09	AMENDATORY ENDORSEMENT-ILLINOIS

AUTOMOBILE FORMS AND ENDORSEMENTS

ACA 10 34	05-14	ILLINOIS PREMIUM AUDIT ENDORSEMENT
ACA DS 01	11-11	SUPPLEMENTAL VEHICLE SCHEDULE
LOSS-PAYEE	05-97	SCHEDULE OF LOSS PAYEE(S)
ACA DS 04	05-14	BUSINESS AUTO COVERAGE FORM DECLARATIONS
ACA 10 07	05-14	PROP DMG LIAB DED SNOWPLOWING OPERATIONS
ACA 10 21	05-14	PHYSICAL DAMAGE DEDUCTIBLE AMENDMENT
ACA DS 02	05-14	SCHEDULE OF COVERED AUTOS YOU OWN
CA 00 01	10-13	BUSINESS AUTO COVERAGE FORM
CA 23 85	01-06	EXCL OF TERRORISM INVOLVING NUC/BIO/CHEM
CA 01 20	10-13	ILLINOIS CHANGES
CA 02 70	10-13	IL CHANGES - CANCELLATION AND NONRENEWAL
CA 21 30	10-13	ILLINOIS UNINSURED MOTORISTS COVERAGE
CA 21 38	10-13	IL UNDERINSURED MOTORISTS COV
CA 20 10	10-13	LEASING OR RENTAL CONCERNS - CONVERSION
CA 99 03	10-13	AUTO MEDICAL PAYMENTS COVERAGE
CA 99 44	10-13	LOSS PAYABLE CLAUSE
CA 99 48	10-13	POLLUTION LIAB BROAD COV FOR COV AUTO



Policy Number
AB 2245780 05

SCHEDULE OF LOCATIONS
COUNTRY Mutual Insurance Company

Named Insured PUTNAM COUNTY CUSD 535

Effective Date: 07-01-14
12:01 A.M., Standard Time

Agent Name HOSTETTER MATTHEW

Agent No. 11925

Loc. No.	Bldg. No.	Designated Locations (Address, City, State, Zip Code)	Occupancy
001	001	326 S 5TH ST, Hennepin, IL 61327	Elementary
001	002	326 S 5th St, Hennepin, IL 61327	Garage
002	001	13183 N 350TH AVE, Granville, IL 61326	Junior High
002	002	13183 N 350TH AVE, Granville, IL 61326	Sewage Plant
002	003	13183 N 350th Ave, McNabb, IL 61335	Concession Stan
002	004	13183 N 350th Ave, McNabb, IL 61335	Sand Bldg
003	001	400 SILVERSPoon, Granville, IL 61326	High School
003	002	400 SILVERSPoon, Granville, IL 61326	Storage Bldg
003	003	400 SILVERSPoon, Granville, IL 61326	Restroom/Storag
004	001	402 SILVERSPoon, Granville, IL 61326	Primary

LOC-SCHED (01/97)

MUTUAL POLICY CONDITIONS AND OTHER POLICY INFORMATION

The following conditions apply to COUNTRY Mutual Insurance Company[®]:

- A. Mutuality of Policy.** By accepting this policy, the policyholder becomes a member of COUNTRY Mutual Insurance Company with all the rights and privileges of a member. These rights and privileges are as provided in the COUNTRY Mutual Bylaws in force at the time this policy takes effect, or that may become effective during the continuance of this policy. When this policy is either lapsed or terminated, the policyholder will cease to be a member of COUNTRY Mutual and the policyholder's rights and interests in COUNTRY Mutual will end. All insureds must cooperate with us by doing all that is possible to prevent losses. The purpose is to reduce the cost of insurance to the lowest point consistent with solvency and sound insurance protection.
- B. Policy Non-Assessable.** This policy will be without contingent liability and is non-assessable.
- C. Annual Meeting.** The annual meeting of the members will be held at the principal location of COUNTRY Mutual unless a different place is fixed by the Board of Directors. The annual meeting will be held each year on a day and hour set by the Board of Directors. The notice of any meeting of members will fix the hour, day, and place of that meeting.

This policy is signed by the President and Secretary and countersigned on the declarations page by an authorized representative.



Philip Nelson
President
COUNTRY Mutual Insurance Company[®]



James M. Jacobs
Secretary
COUNTRY Mutual Insurance Company[®]
A Mutual Company

Should you have a complaint regarding this policy, you may contact:

Customer Relations
P.O. Box 2100
Bloomington, IL 61702-2100
(888) 211-2555

For Illinois customers only, you may also contact:

Illinois Department of Insurance
Consumer Division or Public Services Section
Springfield, IL 62767

Gorenz and Associates, Ltd.

Certified Public Accountants

*Thomas R. Peffer, CPA
Stephanie K. Ramsay, CPA*

*Tim C. Custis, CPA
Russell J. Rumbold II, CPA*

December 22, 2014

Regulatory Basis Engagement

Board of Education
Putnam County Community Unit School District No. 535
402 E. Silverspoon Ave., PO Box 607
Granville, IL 61326

We are pleased to confirm our understanding of the services we are to provide Putnam County Community Unit School District No. 535 for the year ended June 30, 2015. We will audit the financial statements, including the related notes to the financial statements, which collectively comprise the basic financial statements of Putnam County Community Unit School District No. 535 as of and for the year ended June 30, 2015.

We have also been engaged to report on supplementary information that accompanies Putnam County Community Unit School District No. 535's basic financial statements. We will subject the supplementary information to the auditing procedures applied in our audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America and will provide an opinion on it in relation to the basic financial statements as a whole, in a report combined with our auditor's report on the basic financial statements. Certain additional supplemental and statistical information is reported to the Illinois State Board of Education on the Annual Financial Report. This information will not be subjected to the auditing procedures applied in our audit of the basic financial statements, and for which our auditor's report will not provide an opinion or any assurance.

The basic financial statements of Putnam County Community Unit School District No. 535 are presently prepared on the basis of accounting that demonstrates compliance with the regulatory basis prescribed by the Illinois State Board of Education (ISBE). In addition, the basic financial statements are prepared on the cash basis, which is an other comprehensive basis of accounting. Accordingly, our opinion will be limited to an expression of opinion as to the fairness with which the basic financial statements present assets, liabilities, and fund balances arising from cash transactions and the related statements of revenue received and expenditures disbursed. Such statements do not purport to present financial position or results of operations in conformity with generally accepted accounting principles.

Since the District has elected to use the regulatory basis of accounting prescribed by ISBE and since the District has omitted disclosures required by GASB 45, which is a restricted use report and may be used by others, we expect the opinion on your basic financial statements to read as follows:

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

As described in Note #1, the basic financial statements are prepared by Putnam County Community Unit School District No. 535, on the basis of the financial reporting provisions of the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to comply with the requirements of the Illinois State Board of Education. The effects on the basic financial statements of the variances between the regulatory basis of accounting described in Note #1 and the accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" paragraph, the basic financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Putnam County Community Unit School District No. 535 as of June 30, 2015, for the fiscal year then ended.

Basis for Qualified Opinion

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the basic financial statements is not reasonably determinable.

Qualified Opinion on Regulatory Basis Accounting

In our opinion, except for the effects of the omissions described in the preceding paragraph, the basic financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Putnam County Community Unit School District No. 535 as of June 30, 2015, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of the financial reporting provisions of the Illinois State Board of Education as described in Note #1.

Audit Objectives

The objective of our audit is the expression of an opinion as to whether your basic financial statements are fairly presented, in all material respects, in conformity with the regulatory basis of accounting as prescribed by ISBE and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the basic financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States, and the Illinois State Board of Education's *Guide to Auditing and Reporting for Illinois Public Local Education Agencies*, and will include tests of the accounting records of Putnam County Community Unit School District No. 535 and other procedures we consider necessary to enable us to express such an opinion. We will issue a written report upon completion of our audit of Putnam County Community Unit School District No. 535's basic financial statements. Our report will be addressed to the Board of Education of Putnam County Community Unit School District No. 535. Circumstances may arise in which it is necessary for us to modify our opinion or add emphasis-of-matter or other-matter paragraphs. If our opinions on the basic financial statements are other than unmodified for reasons other than use of the regulatory basis of accounting, we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue reports, or may withdraw from this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the basic financial statements as required by *Government Auditing Standards*. The report on internal control and on compliance and other matters will include a paragraph that states (1) that the purpose of the report is solely to describe the scope of testing of internal control over financial reporting and compliance, and the result of that testing, and not to provide an opinion on the effectiveness of internal control on compliance, and (2) that the report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering internal control and compliance. The report will also state that the report is not suitable for any other purpose. If during our audit we become aware that Putnam County Community Unit School District No. 535 is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the basic financial statements, including the Annual Financial Report, and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your basic financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the basic financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the basic financial statements, including the Annual Financial Report, and related notes and that you have reviewed and approved the basic financial statements, including the Annual Financial Report, and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of the services; and accept responsibility for them. We will prepare the trial balance for use during the audit. Our preparation of the trial balance will be limited to formatting information into a working trial balance based on management's chart of accounts.

Management Responsibilities (cont'd.)

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles; and for the preparation and fair presentation of the basic financial statements in conformity with the regulatory basis of accounting as prescribed by ISBE, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

You are responsible for including all informative disclosures that are appropriate for the modified cash basis of accounting. Those disclosures will include (a) a description of the modified cash basis of accounting, including a summary of significant accounting policies, and how the modified cash basis of accounting differs from the regulatory basis of accounting as prescribed by ISBE; (b) informative disclosures similar to those required by GAAP; and (c) additional disclosures beyond those specifically required that may be necessary for the basic financial statements to achieve fair presentation.

Management is also responsible for making all financial records and related information available to us and for the accuracy and completeness of that information. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the basic financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the basic financial statements to correct material misstatements and confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the basic financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud could have a material effect on the basic financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud and noncompliance with provisions of laws, regulations, contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with the regulatory basis of accounting as prescribed by ISBE. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon OR make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (a) you are responsible for presentation of the supplementary information in accordance with GAAP; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (c) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (d) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Management Responsibilities (cont'd.)

With regard to using the auditor's report, you understand that you must obtain our prior written consent to reproduce or use our report in bond offering official statements or other documents.

With regard to the electronic dissemination of audited financial statements, including financial statements published electronically on your website, you understand that electronic sites are a means to distribute information and, therefore, we are not required to read the information contained in these sites or to consider the consistency of other information in the electronic site with the original document.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 basic financial statements. We will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the basic financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the basic financial statements. Our responsibility as auditors is limited to the period covered by our audit and does not extend to any later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the basic financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures – Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the basic financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the basic financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the basic financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance, internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the basic financial statements are free of material misstatement, we will perform tests of Putnam County Community Unit School District No. 535's compliance with the provisions of applicable laws, regulations, contracts, agreements and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

You may request that we perform additional services not addressed in this engagement letter. If this occurs, we will communicate with you regarding the scope of the additional services and the estimated fees. We also may issue a separate engagement letter covering the additional services. In the absence of any other written communication from us documenting such additional services, our services will continue to be governed by the terms of this engagement letter.

We will provide copies of our reports to Putnam County Community Unit School District No. 535; however, management is responsible for distribution of the reports and the basic financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Gorenz and Associates, Ltd. and constitutes confidential information. However, subject to applicable laws and regulations, audit documentation and appropriate individuals will be made available upon request and in a timely manner to the Illinois State Board of Education or its designee, a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Gorenz and Associates, Ltd. personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of five years after the report release date or for any additional period requested by the Illinois State Board of Education. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

In the interest of facilitating our services to your District, we may communicate by facsimile transmission, by sending electronic mail over the Internet, or use of electronic Internet portals. Such communications may include information that is confidential to your District. Our firm employs measures in the use of facsimile machines and computer technology designed to maintain data security. While we will use our best efforts to keep such communications secure in accordance with our obligations under applicable laws and professional standards, we have no control over the unauthorized interception of these communications once they have been sent.

We expect to begin our audit at a mutually agreed upon time in July or August 2015 and to issue our reports no later than October 15, 2015. Tom Peffer is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$10,350. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees are payable on presentation. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

Government Auditing Standards require that we provide you with a copy of our most recent external peer review report and any letter of comment, and any subsequent peer review reports and letters of comment received during the period of the contract. Our most recent peer review report accompanies this letter.

If the information you provide is not submitted in a timely manner or is incomplete or unusable, we reserve the right to charge additional fees and expenses for services required to correct the problem. If this occurs, we will contact your representative to discuss the matter and the anticipated delay in performing our services.

Engagement Administration, Fees, and Other (cont'd.)

We reserve the right to suspend or terminate our work. If we elect to suspend or terminate our services, our engagement will be deemed to have been completed upon written notification, even if we have not completed our report(s). You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of suspension or termination. You agree that we will not be responsible for your failure to meet government and other deadlines, or for any penalties or interest that may be assessed against you resulting from your failure to meet such deadlines.

We reserve the right to withdraw from this engagement without completing the audit if you fail to comply with the terms of this engagement letter. If any portion of this agreement is deemed invalid or unenforceable, the finding shall not operate to invalidate the remainder of the terms set forth in this engagement letter.

Our audit engagement ends on delivery of our audit report. Any follow-up services that might be required will be a separate, new engagement. The terms and conditions of that new engagement will be governed by a new, specific engagement letter for that service.

We appreciate the opportunity to be of service to Putnam County Community Unit School District No. 535 and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,

Gorenz and Associates, Ltd.

Gorenz and Associates, Ltd.
Certified Public Accountants

RESPONSE:

This letter correctly sets forth the understanding of Putnam County Community Unit School District No. 535.

By _____
Superintendent

Date _____

By _____
President, Board of Education

Date _____



Ellena, Pam <ellenap@pcschools535.org>

Fwd: Audit Bid

1 message

McCracken, Jay <mccrackenj@pcschools535.org>

Fri, Jan 16, 2015 at 11:25 AM

To: Pam Ellena <ellenap@pcschools535.org>

----- Forwarded message -----

From: **Joel Hopkins** <joelhopkins@msn.com>

Date: Mon, Nov 17, 2014 at 10:19 AM

Subject: Audit Bid

To: "mccrackenj@pcschools535.org" <mccrackenj@pcschools535.org>

Hi Jay,

I hope all is well, and that the school year has been good to you so far.

I would like the opportunity to bid on the school district audit again this year. We currently audit 15 school districts in the area, and have significant experience in this field. Obviously, it would be convenient for us to bring on the PC Schools as a client as we are in the same town. Also, I currently employ five PC graduates in my office, so a show of support from the school district would be greatly appreciated. I know when I sent you a bid last year, I was able to offer you some cost savings as compared to your current auditors. Please let me know if I can provide a bid to you for the fiscal 2015 audit. I appreciate your consideration.

Regards,

Joel Hopkins

**ROBBINS, SCHWARTZ, NICHOLAS, LIFTON & TAYLOR, LTD.
LAWYERS**

29 SOUTH LA SALLE STREET
CHICAGO, ILLINOIS 60603
(312) 332-7760
FAX (312) 332-7768

420 MILLIKIN COURT
DECATUR, ILLINOIS 62523
(217) 428-2100
FAX (217) 428-2186

116 NORTH CHICAGO STREET
JOLIET, ILLINOIS 60431
(815) 722-6560
FAX (815) 726-2605

105 EMERALD
CARBONDALE, ILLINOIS 62901
(618) 549-5582

205 SOUTH RANDOLPH STREET
MACOMB, ILLINOIS 61455
(309) 837-5055

FILE NUMBER:

Decatur, Illinois
November 12, 1997

Dr. Cliff Jones, Superintendent
Putnam County Community Unit School
District No. 535
400 East Silverspoon
Granville, Illinois 61326

RECEIVED
NOV 17 1997
PUTNAM COUNTY
COMM. UNIT 535

Dear Dr. Jones:

It is our pleasure to respond to your recent request regarding legal representation of Putnam County Community Unit School District No. 535. This letter summarizes the legal services our firm provides and describes the various methods by which these services are offered.

HISTORY AND BACKGROUND

Our firm has offices in Chicago, Decatur, Carbondale, Joliet and Macomb, Illinois, and consists of approximately twenty-two lawyers, who devote the vast majority of their time to the representation of educational clients. The firm represents more than two hundred fifty school districts, special education cooperatives, vocational cooperatives and community colleges throughout Illinois and several other states. We also serve as Legal Advisor to the American Association of School Administrators.

We frequently conduct workshops and clinics for organizations such as the Association of School Business Officials, the National Academy of School Executives, American Association of School Administrators, American Association of School Personnel Administrators, National School Boards Association, their respective state affiliates, and other college and educational institutions.

We believe that by combining our technical knowledge with a working knowledge of our school district client we are able to provide the highest level of legal service at the most reasonable price. By becoming acquainted with the philosophy of the district and its

Dr. Cliff Jones, Superintendent
November 12, 1997
Page 2

policies we are able to make our specialized knowledge of down-to-earth value to our clients.

THE FIRM'S METHOD OF PRACTICE

When retained by a school district we become legal counsel to the Board of Education. In the normal course of our representation we normally work closely with the Superintendent and other members of his administrative staff. In a number of instances we also work closely with local counsel to the Board of Education assisting them when either the Board or they feel it would be helpful. Where necessary we consult with the members of the Board of Education, individually or collectively.

It is our practice to assign a principal of the firm, of your choice, to work with the school district. In some instances, other members of the firm will also work with the school district in their areas of expertise. Each lawyer who works on a file must keep the principal lawyer assigned to the district informed of the status of a matter.

1. RETAINER AND FEES

We believe that we can best serve our clients by helping them avoid legal problems in the first instance. By encouraging clients to phone us in the early stages of a potential problem, we can often avoid significant legal problems later. Frequently the most innocent-appearing question contains seeds of expensive litigation or discord.

We encourage clients to contact us frequently by offering our services on a retainer basis. For a monthly fee we will:

- * Answer all routine telephone inquiries at no charge, including routine questions concerning collective bargaining negotiations and negotiations strategy.
- * Review board minutes and agenda material.
- * Send, free of charge, all our publications, including our "Client Newsletter" which, on a quarterly basis, addresses in an in-depth fashion current school law issues; our "Bulletin Board" which keeps clients posted about fast-breaking legal issues; and the "Collective Bargaining Newsletter" which reviews in detail the current trends in collective bargaining.

Dr. Cliff Jones, Superintendent
November 12, 1997
Page 3

- * Provide free attendance at our educational workshops for superintendents, business managers and school board members.
- * Provide reduced hourly rates for matters outside the retainer.

We propose a retainer as your school counsel of \$100.00 per month.

The retainer does not include formal legal opinions, litigation services, legal research, review of contracts or collective bargaining proposals, negotiations at the bargaining table, meeting attendance and similar services. (However, it does lower the rate at which these services are provided.) These services are available at our current retainer rate of \$75.00 to \$160.00 per hour. The rate will vary depending upon whether the work is performed by a paralegal, associate or principal.

Fees for opinions prepared in connection with tax anticipation warrants or bonds are based upon the size of the issue. You are, of course, invoiced for out-of-pocket expenses, such as travel and miscellaneous materials.

In short, we have found the retainer concept saves districts money by (1) heading off many preventable legal problems by making the phone call to our firm economically painless and (2) by providing many ancillary services and benefits at a lower billing rate.

2. SERVICES ON A PER ITEM BASIS (NON-RETAINER)

If the board prefers, we are willing to serve the district strictly on an hourly basis. Under this method, our current charges are \$85.00 to \$170.00 per hour, depending upon who performs the work, whether it is responding to telephone inquiries, preparing documents, or negotiating at the bargaining table.

PUBLICATIONS AND IN-SERVICE TRAINING

To help board members and administrators stay informed about new developments in the law, on a regular basis we send clients our in-house publications: The Bulletin Board, the Collective Bargaining Newsletter, and the Client Newsletter. These publications are sent at no charge to our retainer clients to update administrators and board members about important legislation, administrative and judicial decisions and collective bargaining trends.

As a part of our retainer services we also offer two legal workshops for superintendents each year, one for business managers

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and one for board members. Non-retainer clients may attend these meetings at a cost of \$75.00 per person per meeting.

SUMMARY OF THE FIRM'S SCHOOL LAW EXPERIENCE

A. School Code and Other Laws Applicable to School Districts

A substantial portion of our practice is devoted to advising clients on compliance with the provisions of The School Code and other laws which apply to school districts such as the Open Meetings Act, Investment of Public Funds Act, the Individuals with Disabilities Act, etc. Over the years we have dealt with virtually every provision of The School Code and other laws which may affect the operations of a school district.

B. Special Education

Our office is heavily involved in the special education area, representing a significant number of special education cooperatives. We regularly advise our clients concerning special education problems such as due process rights, identification, evaluation, placement and discipline. In this regard, we have been involved in Level I and II due process hearings and appeals.

C. Teacher and Other Employee Personnel Matters

An important aspect of our practice involves representation of our clients in personnel matters. Frequently these matters involve discipline up to and including dismissal. These cases have involved tenured teachers, non-tenured teachers, administrators and non-certificated employees and all types of legal issues, including incompetency, sexual misconduct, criminal acts, and insubordination. We consult with administrators concerning various teacher concerns, reviewing evaluations, drafting notices of remedial warning and assisting administrators and educational experts in monitoring and reviewing a teacher's performance.

We are also familiar with the intricate statutory requirements for honorably dismissing tenured teachers in a reduction-in-force and drafting the required dismissal resolutions.

With respect to the dismissal of administrators our firm has represented the board's interests in superintendent dismissal hearings and principal reclassification hearings. We have successfully negotiated settlements with many administrators without undue publicity and animosity between the parties.

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Our firm has had extensive experience defending school boards before the Illinois Human Rights Commission, the Equal Employment Opportunity Commission, the Office of Civil Rights and in the state and federal courts when employees have challenged administrative actions taken against them on various discrimination grounds. Often, we have succeeded in having the administrative agencies dismiss the charges prior to public hearing.

D. Students' Rights

With respect to student rights issues, we have participated in numerous student suspension and expulsion hearings in the role of either prosecutor or legal advisor to the Board of Education and have successfully defended clients' decisions in the courts. We have assisted districts in implementing equal access policies which protect both the district's and students' interests.

E. Property Transactions

Our firm has been heavily involved in the purchase, sale and leasing of school district property. In the sale and leasing of school buildings, we generally draft and negotiate the terms of the contract in consultation with our clients. We also advise our clients with respect to the application of local zoning laws and real estate, state and federal tax consequences when a school is purchased or leased. We often negotiate leases for school districts with local governmental units, other school districts, cooperatives, charitable organizations (such as hospitals and private educational institutions) and private businesses.

Recently municipal bodies have attempted to limit the right of school districts to construct improvements on their property through the application of local zoning laws and limited their right to collect certain tax monies through the establishment of TIF districts. We have advised districts in regard to both of these areas, frequently developing compromise solutions which benefit both parties.

F. Tax Matters and Donation Agreements

We have defended numerous tax objections filed against school districts and challenged tax assessments which school districts and other governmental bodies believed to be excessively low. In addition, we have prepared developer-donation agreements and advised our clients on the operation and applicability of these ordinances. In these matters we frequently have been able to substantially increase the revenues available to the school district for their educational programs.

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G. Construction Problems

We have handled many issues arising from school construction projects. These issues include remodeling and repairs under the life safety regulations, Section 504 of the Rehabilitation Act and the Environmental Barriers Act, as well as general construction problems. We regularly help districts develop construction contracts and draft complex joint-use and construction agreements between school districts and special education cooperatives. In implementing these agreements we assist districts with the various methods and requirements for funding such construction. When disputes have occurred after completion of a building, we have represented the district in litigation over defective design and/or construction of school buildings and their components, successfully requiring architects and contractors to repair defects or pay money damages.

H. Annexation/Consolidation

We have represented school districts in all types of detachment, annexation, school reorganization, consolidation and dissolution matters. These matters have involved hearings before regional boards of school trustees, regional superintendents, and the courts on judicial review of the administrative decisions.

I. Litigation

Much of our practice involves litigating matters in the state and federal courts and before administrative agencies. Some significant decisions in which our firm has been involved include the permissible scope of collective bargaining, the invalidation of agency shop, available remedies under the Open Meetings Act, sex and race discrimination issues, the statutory definition of sick leave, interpretation of the tenure law provisions with respect to reduction-in-force, imposition of fees for services rendered by school districts, extra-curricular duties, the rights of special education and gifted students, and due process rights of students in student discipline cases.

J. Public Employee Bargaining

We probably negotiate more educational collective bargaining agreements per year than any other firm in the state. Negotiations have been conducted with local teacher and employee groups at the table, as well as with state and national representatives of the National Education Association and the American Federation of Teachers, Illinois Service Employees Union, A.F.S.C.M.E., Teamsters, etc. In many districts which elect to negotiate using

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their own administrators and board members, we have served as labor consultants, frequently drafting the proposals submitted by the Board across the table.

We have achieved a high level of credibility with union representatives. They know we will adhere to the parameters of settlement given us by the Board, and that we seek to build a meaningful employer/employee relationship by pursuing the philosophy of "firm, but fair."

During negotiations we have worked with mediators from the United States Federal Mediation and Conciliation Service, those appointed through the American Arbitration Association and mediators agreed to privately by the parties. In connection with FMCS, we have dealt frequently with most of the mediators in not only the Chicago office, but those in Rockford, Indianapolis, Evansville and Iowa.

After a collective bargaining contract is concluded, we thoroughly brief and instruct the administrative staff on the changes in the contract and the general administration of the contract. We also work closely with the staff during the school year in order to ensure that the contract is administered in accordance with its terms, thus avoiding grievances and additional expenses.

K. Grievance Arbitration

As the board's advocate, we have handled hundreds of grievance arbitrations and on innumerable occasions consulted with administrators who have elected to handle their own arbitrations. These grievance arbitrations have involved a significant variety of contract interpretation and "just cause" discipline issues. In many cases we have been able to cite awards which we received in one district as evidence in a comparable case in another district.

In addition to our experience as an advocate and consultant for school districts defending grievances, several members of the firm have also served as arbitrators in the private sector. This experience is very helpful in ascertaining the type of evidence and arguments that are persuasive to arbitrators.

L. Model Policies

We regularly work with our clients in developing and reviewing new and existing board policies. In an attempt to anticipate future legal concerns, we regularly prepared model policies such as Employee Suspension, Student Records, Family Medical Leave Act, Americans with Disabilities Act, Unpaid Sick Leave and Inability to Evaluate, Minority Recruitment, Recording of Board Meetings,

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Student Discipline, Students and Employees with Chronic Communicable Diseases, Drug Free Schools, etc.

Enclosed are copies of resumes for members of our firm and some of our recent newsletters.

If you have any additional questions please do not hesitate to contact Everett Nicholas in our Decatur office.

Very truly yours,

Robbins, Schwartz, Nicholas, Lifton & Taylor, Ltd.

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EEN/slw
Enclosures
cc: Linda Kowalski