

PUTNAM COUNTY CUSD #535
BOARD OF EDUCATION MEETING AGENDA
PUTNAM COUNTY PRIMARY SCHOOL - MEDIA CENTER
January 17, 2017
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 | 24 |
| C. Legal Services | 31 |

EFFECTIVE DATE: 07/01/2016

Policy Number: CBP 8313991	Prior Policy:
Billing Type: DIRECT BILL	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY	
Named Insured and Mailing Address: PUTNAM COUNTY CUSD 535 400 EAST SILVERSPoon GRANVILLE IL 61326	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC 3300 HEDLEY RD SPRINGFIELD IL 62711-6384 IL 6 Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMON POLICY DECLARATIONS

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

POLICY PERIOD: From : 07/01/2016 To: 07/01/2017 at 12:01 AM Standard Time at your mailing address shown above.

FORM OF BUSINESS: SCHOOL

BUSINESS DESCRIPTION: SCHOOL

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
Commercial Property Coverage Part	\$ 24,200.00
Equipment Breakdown Coverage Part	INCLUDED
Commercial Crime Coverage Part	\$ 121.00
Commercial Inland Marine Coverage Part	\$ 262.00
Commercial General Liability Coverage Part	INCLUDED
School Leaders Errors and Omissions Liability Coverage Part	INCLUDED
Sexual Misconduct and Molestation Liability Coverage Part	INCLUDED
Total Premium for all Liability Coverage Parts	\$ 9,199.00
Terrorism Risk Insurance Act	\$ 1,251.00
 Total Policy Premium	 \$ 35,033.00
IL Mine Subsidence Coverage	\$ 1,283.00
Total Cost	\$ 36,316.00

COMMON POLICY DECLARATIONS (continued)

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy at time of issue:

Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations

Form Number	Description
CR1065	- 0598 EXCLUDE LOSS FROM CERTAIN COMPUTER ERRORS
IL0003	- 0907 CALCULATION OF PREMIUM
IL0017	- 1198 COMMON POLICY CONDITIONS
IL0118	- 1010 ILLINOIS CHANGES
IL0284	- 1205 ILLINOIS CHANGES-CANCELLATION AND NONRENEWAL
IL0903	- 0702 MINE SUBSIDENCE SCHEDULE
IL0912	- 0702 IL CHANGES - MINE SUBSIDENCE - NON-RESIDENTIAL BUILDING
IL0933	- 0702 IL CHANGES - MINE SUBSIDENCE LOSS ASSESSMENT
IL0934	- 0702 ILLINOIS CHANGES-MINE SUBSIDENCE-RESIDENTIAL BUILDING
IL0935	- 0702 EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
IL0952	- 0115 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CM0128	- 0399 ILLINOIS CHANGES - INTENTIONAL ACTS
IL0935	- 0701 EXCLUSION OF CERTAIN COMPUTER-RELATED LOSSES
17-169	- 0399 EXCL YR 2000 COMPUTER-RELATED/ELECTRONIC PROBLEMS
17-357	- 0115 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
17-363	- 0115 EXCLUSION OF PUNITIVE DAMAGES RELATED TO TERRORISM
17-366	- 1202 WAR LIABILITY EXCLUSION
17-400	- 0406 ILLINOIS CHANGES - DEFENSE EXPENSE
17-494	- 0911 ILLINOIS CHANGES-CIVIL UNION
CG0200	- 0705 ILLINOIS CHANGES - CANCELLATION AND NONRENEWAL
CG2170	- 0115 CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
CG2176	- 0115 EXCLUSION OF PUNITIVE DAMAGES
IL0021	- 0702 NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)
IL0147	- 0911 ILLINOIS CHANGES-CIVIL UNION
IL0162	- 1013 ILLINOIS CHANGES - DEFENSE COSTS

NEW BUSINESS

17-57 (06/94)

Forming a part of

Policy Number: CBP 8313991	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMON POLICY DECLARATIONS (continued)

Countersigned: By _____
Authorized Representative _____ Date _____

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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Date Issued: 07/14/2016



Forming a part of

Policy Number: CBP 8313991	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location Occupancy, Construction/Fire Protection
1	1	400 EAST SILVERSPoon GRANVILLE IL 61326 SCHOOL-PUBLIC-ELEM/KINDERGARTN JOISTED MASONRY
1	2	400 EAST SILVERSPoon GRANVILLE IL 61326 PROPERTY IN THE OPEN FRAME
1	3	400 EAST SILVERSPoon GRANVILLE IL 61326 GARAGE FRAME
2	1	13183 N 350 AVE MCNABB IL 61335 JUNIOR HIGH MASONRY NON-COMBUSTIBLE
2	2	13183 N 350 AVE MCNABB IL 61335 PROPERTY IN THE OPEN FRAME

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location Occupancy, Construction/Fire Protection
2	3	13183 N 350 AVE MCNABB IL 61335 SEWAGE PLANT FRAME
2	4	13183 N 350 AVE MCNABB IL 61335 CONCESSION STAND FRAME
2	5	13183 N 350 AVE MCNABB IL 61335 SAND BLDG FRAME
3	1	402 EAST SILVERSPoon GRANVILLE IL 61326 SCHOOL-PUBLIC-HIGH MASONRY NON-COMBUSTIBLE
3	2	402 EAST SILVERSPoon GRANVILLE IL 61326 PROPERTY IN THE OPEN FRAME
3	3	402 EAST SILVERSPoon GRANVILLE IL 61326 STORAGE BLDG FRAME
3	4	402 EAST SILVERSPoon GRANVILLE IL 61326 RESTROOM/STORAGE FRAME

21-7 (07/03)

INSURED COPY

07/01/2016

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Page

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NEW BUSINESS

Forming a part of

Policy Number: CBP 8313991	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS (continued)

DESCRIPTION OF PREMISES

Prem. No.	Bldg. No.	Location Occupancy, Construction/Fire Protection
4	1	326 S 5TH ST HENNEPIN IL 61327 SCHOOL-PUBLIC-ELEM/KINDERGARTN MASONRY NON-COMBUSTIBLE
4	2	326 S 5TH ST HENNEPIN IL 61327 PROPERTY IN THE OPEN FRAME

COVERAGES PROVIDED:

Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made. (The Coinsurance column reflects Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Symbol.)

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form	Coinsurance
***	***	COVERAGES - BLANKET 01:	\$ 42,000,600	SPECIAL	100%
1	1	BUILDING	BLANKET 01		
1	1	YOUR BUSINESS PERSONAL PROPERTY	BLANKET 01		
1	2	BUILDING	BLANKET 01		
1	3	BUILDING	BLANKET 01		
2	1	BUILDING	BLANKET 01		
2	1	YOUR BUSINESS PERSONAL PROPERTY	BLANKET 01		
2	2	BUILDING	BLANKET 01		
2	3	BUILDING	BLANKET 01		
2	4	BUILDING	BLANKET 01		
2	5	BUILDING	BLANKET 01		
3	1	BUILDING	BLANKET 01		
3	1	YOUR BUSINESS PERSONAL PROPERTY	BLANKET 01		

COVERAGES PROVIDED:

Insurance at the described premises applies only for coverages for which a limit of insurance is shown or for which an entry is made. (The Coinsurance column reflects Coinsurance %, Extra Expense %, Limits on Loss Payment or Value Reporting Symbol.)

Prem. No.	Bldg. No.	Coverage	Limit of Insurance	Causes of Loss Form	Coinsurance
3	2	BUILDING	BLANKET 01		
3	3	BUILDING	BLANKET 01		
3	4	BUILDING	BLANKET 01		
4	1	BUILDING	BLANKET 01		
4	1	YOUR BUSINESS PERSONAL PROPERTY	BLANKET 01		
4	2	BUILDING	BLANKET 01		

OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Agreed Value Amount Expiration Date	Replacement Cost	Inflation Guard
1	1	BUILDING	I NCLUDED 07/01/17	INCLUDED	
1	1	YOUR BUSINESS PERSONAL PROPERTY	I NCLUDED 07/01/17	INCLUDED	
1	2	BUILDING	I NCLUDED 07/01/17	INCLUDED	
1	3	BUILDING	I NCLUDED 07/01/17	INCLUDED	
2	1	BUILDING	I NCLUDED 07/01/17	INCLUDED	
2	1	YOUR BUSINESS PERSONAL PROPERTY	I NCLUDED 07/01/17	INCLUDED	
2	2	BUILDING	I NCLUDED 07/01/17	INCLUDED	
2	3	BUILDING	I NCLUDED 07/01/17	INCLUDED	
2	4	BUILDING	I NCLUDED 07/01/17	INCLUDED	
2	5	BUILDING	I NCLUDED 07/01/17	INCLUDED	
3	1	BUILDING	I NCLUDED 07/01/17	INCLUDED	
3	1	YOUR BUSINESS PERSONAL PROPERTY	I NCLUDED 07/01/17	INCLUDED	
3	2	BUILDING	I NCLUDED 07/01/17	INCLUDED	
3	3	BUILDING	I NCLUDED 07/01/17	INCLUDED	
3	4	BUILDING	I NCLUDED 07/01/17	INCLUDED	
4	1	BUILDING	I NCLUDED 07/01/17	INCLUDED	
4	1	YOUR BUSINESS PERSONAL PROPERTY	I NCLUDED 07/01/17	INCLUDED	
4	2	BUILDING	I NCLUDED 07/01/17	INCLUDED	

NEW BUSINESS

Forming a part of

Policy Number: CBP 8313991	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS (continued)

OPTIONAL COVERAGES:

Prem. No.	Bldg. No.	Coverage	Agreed Value Amount Expiration Date	Replacement Cost	Inflation Guard
* Replacement cost for Your Business Personal Property also applies to Stock if an asterisk (*) is present.					

DEDUCTIBLE: \$ 1,000

EQUIPMENT BREAKDOWN COVERAGE DEDUCTIBLE – Refer to Equipment Breakdown Coverage Schedule 41-14

MORTGAGE HOLDERS: NONE

FORMS AND ENDORSEMENTS

Forms and Endorsements applying to this Coverage Part and made part of this policy:

Form Number	Description
17-174 - 0108	SCHOOL EXTENSION ULTRA PLUS ENDORSEMENT
21-136B - 1210	DATA COMPROMISE COV-RESPONSE EXP AND DEFENSE AND LIAB
21-65 - 0703	EARTHQUAKE-VOLCANIC ERUPTION COVERAGE SCHEDULE
21-66 - 0703	FLOOD COVERAGE SCHEDULE
41-13 - 0599	EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT
41-14 - 0599	EQUIPMENT BREAKDOWN COVERAGE ENDORSEMENT SCHEDULE
41-47 - 0599	ILLINOIS CHANGES
CF175 - 0186	QUICK REFERENCE-COMMERCIAL PROPERTY COVERAGE PART
CP0010 - 0402	BUILDING AND PERSONAL PROPERTY COVERAGE FORM
CP0090 - 0788	COMMERCIAL PROPERTY CONDITIONS
CP0140 - 0706	EXCLUSION OF LOSS DUE TO VIRUS OR BACTERIA
CP0405 - 0402	ORDINANCE OR LAW COVERAGE
CP1030 - 0402	CAUSES OF LOSS - SPECIAL FORM
CP1041 - 0899	EARTHQUAKE INCEPTION EXTENSION
CP1045 - 0899	EARTHQUAKE AND VOLCANIC ERUPTION
CP1065 - 1000	FLOOD COVERAGE ENDORSEMENT
IL0284 - 1205	ILLINOIS CHANGES-CANCELLATION AND NONRENEWAL
IL0903 - 0702	MINE SUBSIDENCE SCHEDULE
IL0912 - 0702	IL CHANGES - MINE SUBSIDENCE - NON-RESIDENTIAL BUILDING
IL0933 - 0702	IL CHANGES - MINE SUBSIDENCE LOSS ASSESSMENT
IL0934 - 0702	ILLINOIS CHANGES-MINE SUBSIDENCE-RESIDENTIAL BUILDING

21-7 (07/03)

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COMMERCIAL PROPERTY COVERAGE PART DECLARATIONS (continued)

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Date Issued: 07/14/2016

EFFECTIVE DATE: 07/01/2016

Policy Number: CU 8314107	Prior Policy:
Billing Type: DIRECT BILL	
Coverage Is Provided In INDIANA INSURANCE COMPANY	
Named Insured and Mailing Address: PUTNAM COUNTY CUSD 535 400 EAST SILVERSPoon GRANVILLE IL 61326	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC 3300 HEDLEY RD SPRINGFIELD IL 62711-6384 IL 6 Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMON POLICY DECLARATIONS

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

POLICY PERIOD: From : 07/01/2016 To: 07/01/2017 at 12:01 AM Standard Time at your mailing address shown above.

FORM OF BUSINESS: SCHOOL

BUSINESS DESCRIPTION: SCHOOL

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
Commercial Umbrella Liability Coverage Part	\$ 3,815.00
Terrorism Risk Insurance Act	\$ 114.00
Total Policy Premium	\$ 3,929.00

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy at time of issue:

Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations

Form Number	Description
14-361	- 0911 ILLINOIS CHANGES - CIVIL UNION
IL0017	- 1198 COMMON POLICY CONDITIONS

COMMON POLICY DECLARATIONS (continued)

Countersigned: By _____
Authorized Representative _____ Date _____

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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Date Issued: 07/12/2016

EFFECTIVE DATE: 07/01/2016

Policy Number: CU 8314107	Prior Policy:
Billing Type: DIRECT BILL	
Coverage Is Provided In The INDIANA INSURANCE COMPANY	
Named Insured and Mailing Address: PUTNAM COUNTY CUSD 535 400 EAST SILVERSPoon GRANVILLE IL 61326	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC 3300 HEDLEY RD SPRINGFIELD IL 62711-6384 IL 6 Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMERCIAL UMBRELLA LIABILITY COVERAGE PART DECLARATIONS

LIMITS OF INSURANCE

Each Occurrence Limit	\$ 5,000,000	Any One Occurrence or Offense Subject To The General Aggregate and Products/Completed Operations Aggregate Limits
Aggregate Limits	\$ 5,000,000	General Aggregate Limit
	\$ 5,000,000	Products/Completed Operations Aggregate Limit

SELF INSURED RETENTION

Self Insured Retention	NIL	Any One Occurrence Or Offense
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UNDERLYING INSURANCE – Refer to Schedule of Underlying Insurance

PREMIUM

Total Premium	\$	3,815
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FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy:

Form Number	Description
14-107 - 0204	ILLINOIS CHANGES
14-118IL - 0204	ILLINOIS CHANGES-SCHOOL AMENDATORY ENDORSEMENT
14-148 - 1202	SCHEDULE OF UNDERLYING INSURANCE
14-149 - 1010	SCHOOL LEADERS ERRORS AND OMISSIONS FOLLOW FORM
14-155 - 0204	QUICK REFERENCE COMMERCIAL UMBRELLA LIAB COV PART
14-161 - 0204	SEXUAL MISCONDUCT & MOLESTATION LIABILITY
14-163 - 0204	EXCLUSION-YEAR 2000 COMPUTER-RELATED
14-186 - 0204	EXCLUSION - FUNGI OR BACTERIA
14-200 - 0115	CAP ON LOSSES FROM CERTIFIED ACTS OF TERRORISM
14-206 - 0115	EXCLUSION OF PUNITIVE DAMAGES
14-210 - 0204	COMMERCIAL UMBRELLA LIABILITY COVERAGE FORM
14-242 - 0204	NUCLEAR ENERGY LIABILITY EXCLUSION
14-249 - 0204	EXCLUSION - SILICA
14-257 - 0509	EXCL-RECORDING & DISTRIBUTION OF MATERIAL VIOLATION
14-261 - 0406	ILLINOIS CHANGES - DEFENSE COSTS
14-267 - 0107	NON-CUMULATION OF LIABILITY (SAME OCCURENCE)
14-356 - 0211	EXCLUSION - PERSONAL DATA COMPROMISE

14-211 (02/04)

UNDERLYING INSURANCE – Refer to Schedule of Underlying Insurance

PREMIUM

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy:

Form Number		Description
14-378	- 1112	EXCLUSION-TRAMPOLINES
14-68	- 0204	AUTO LIABILITY - FOLLOW FORM
14-82	- 0204	EMPLOYERS LIABILITY - FOLLOW FORM

Forming a part of

Policy Number: CU 8314107	
Coverage Is Provided In INDIANA INSURANCE COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

SCHEDULE OF UNDERLYING INSURANCE

Type of Insurance	Policy Number	Policy Period	Insurer
Commercial General Liability	CBP 8313991	07/01/2016 - 07/01/2017	CONSOLIDATED INSURANCE COMPANY
	Limits of Liability:		
	Each Occurrence:		\$ 1,000,000
	Personal and Advertising Injury:		\$ 1,000,000
	General Aggregate:		\$ 2,000,000
	Products/Completed Operations Aggregate:		\$ 2,000,000
Type of Insurance	Policy Number	Policy Period	Insurer
Employers Liability	WC 8313909	07/01/2016 - 07/01/2017	CONSOLIDATED INSURANCE COMPANY
	Limits of Liability:		
	Bodily Injury Each Accident:		\$ 500,000
	Bodily Injury by Disease Policy Limit:		\$ 500,000
	Bodily Injury by Disease Each Employee:		\$ 500,000
Type of Insurance	Policy Number	Policy Period	Insurer
Auto Liability	BA 8313925	07/01/2016 - 07/01/2017	NETHERLAND INSURANCE COMPANY
	Limits of Liability:		
	Each Accident:		\$ 2,000,000

SCHEDULE OF UNDERLYING INSURANCE (continued)

Type of Insurance	Policy Number	Policy Period	Insurer
School Leaders Errors and Omissions Liability	CBP 8313991	07/01/2016 - 07/01/2017	CONSOLIDATED INSURANCE COMPANY
	Limits of Liability:		
	Each Loss:		\$1,000,000
	Aggregate:		\$1,000,000

This is a claims made coverage. Read your coverage form carefully.

Retroactive Date: 07/01/2016

Type of Insurance	Policy Number	Policy Period	Insurer
SMM CLAIMS MADE	CBP 8313991	07/01/2016 - 07/01/2017	CONSOLIDATED INSURANCE COMPANY
	Limits of Liability:		
	EACH LOSS LIMIT		1,000,000
	AGGREGATE LIMIT		1,000,000

RETRO DATE: 07/01/2006

Date Issued: 07/12/2016

EFFECTIVE DATE: 07/01/2016

Policy Number: BA 8313925	Prior Policy:
Billing Type: DIRECT BILL	
Coverage Is Provided In THE NETHERLANDS INSURANCE COMPANY-A STOCK COMPANY	
Named Insured and Mailing Address: PUTNAM COUNTY CUSD 535 400 EAST SILVERSPON GRANVILLE IL 61326	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC 3300 HEDLEY RD SPRINGFIELD IL 62711-6384 IL 6 Agent Code: 0010076 Agent Phone: (217)-698-9000

COMMON POLICY DECLARATIONS

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

POLICY PERIOD: From : 07/01/2016 To: 07/01/2017 at 12:01 AM Standard Time at your mailing address shown above.

FORM OF BUSINESS: SCHOOL

BUSINESS DESCRIPTION: SCHOOL

This policy consists of the following coverage parts for which a premium is indicated. This premium may be subject to adjustment.

	PREMIUM
Commercial Auto Coverage Part	\$ 3,204.00
Terrorism Risk Insurance Act of 2002 and 2005 Coverage	\$ 0.00
Total Policy Premium	\$ 3,204.00

FORMS AND ENDORSEMENTS

Forms and Endorsements made a part of this policy at time of issue:

Applicable Forms and Endorsements are omitted if shown in specific Coverage Part/Coverage Form Declarations

Form Number	Description
IL0003	- 0907 CALCULATION OF PREMIUM
IL0017	- 1198 COMMON POLICY CONDITIONS
IL0021	- 0498 NUCLEAR ENERGY LIABILITY EXCLUSION (BROAD FORM)
IL0147	- 0911 ILLINOIS CHANGES - CIVIL UNION
IL0162	- 1013 ILLINOIS CHANGES - DEFENSE COSTS

COMMON POLICY DECLARATIONS (continued)

Countersigned: By _____
Authorized Representative Date

THESE DECLARATIONS TOGETHER WITH THE COMMON POLICY CONDITIONS, COVERAGE PART DECLARATIONS, COVERAGE PART COVERAGE FORM(S) AND FORMS AND ENDORSEMENTS, IF ANY, ISSUED TO FORM A PART THEREOF, COMPLETE THE ABOVE NUMBERED POLICY.

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Date Issued: 07/12/2016

NEW BUSINESS

Transaction Effective: 07/01/2016

INFORMATION PAGE

DIRECT BILL

Policy Number: WC 8313909		Prior Policy:	Date Issued: 07/12/2016
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY - A STOCK COMPANY			NCCI Number: 14052
1. Named Insured and Mailing Address: PUTNAM COUNTY CUSD 535 400 EAST SILVERSPoon GRANVILLE IL 61326		Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC 3300 HEDLEY RD SPRINGFIELD IL 62711-6384 IL 6 Agent Code: 0010076 Agent Phone: (217)-698-9000	
Federal Employer ID Number: 362580500		Filing Number:	SIC Code: 8211
Other Workplaces not shown above: NONE			
Entity of Insured - SCHOOL			

2. Policy Period:

The Policy Period is from 07/01/2016 to 07/01/2017, 12:01 AM Standard Time at the insured's mailing address.

3. A. Worker's Compensation Insurance:

Part One of the policy applies to Worker's 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 3.A. The limits of liability under Part Two are:

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

C. Other States Insurance:

Part Three of the policy applies to states, if any, listed here: All states except North Dakota, Ohio, Washington, Wyoming and states designated in item 3.A. on the Information Page;

D. Endorsements and Schedules:

This policy includes these endorsements and schedules: See Extension of Information Page

4. Premium:

The premium for this policy will be determined by our Manuals of Rules, Classifications, Rates and Rating Plans. All information required below is subject to verification and change by audit.

Code Number	Classifications	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
See Extension of Information Page				
POLICY PREMIUM TOTALS				
0900	Total Estimated Standard Premium		\$	28,329.00
	Expense Constant		\$	280.00
	Total Premium Discount		\$	-715.00
	Total Estimated Premium		\$	27,894.00
	Total Assessments/Funds/Surcharges		\$	282.00
	Total Estimated Cost		\$	28,176.00
Minimum Premium	\$ 1,000.00	Deposit Premium	\$ 28,176.00	Adjustment Period: ANNUAL

Date: _____

Countersigned by: _____

Authorized Signature

NEW BUSINESS

Transaction Effective: 07/01/2016

Policy Number: WC 8313909	Policy Period: From 12:01 AM 07/01/2016 To 12:01 AM 07/01/2017
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY - A STOCK COMPANY	NCCI Number: 14052
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076
Federal Employer ID Number: 362580500	Filing Number:

EXTENSION OF INFORMATION PAGE

Code Number	Classifications	Premium Basis Total Estimated Annual Remuneration	Rate Per \$100 of Remuneration	Estimated Annual Premium
IL				
8868	SCHOOL: PROFESSIONAL EMPLOYEES & CLERICAL	5,046,380	0.6300	31,792.00
9101	SCHOOL: ALL OTHER EMPLOYEES	350,786	7.6300	26,765.00
	Sub-Total		\$	58,557.00
9807	Premium for Increased Limits Part Two		\$	644.00
	Sub-Total		\$	59,201.00
9898	Experience Modification - using factor 0.78000		\$	-13,024.00
9887	Schedule Modification - using factor 0.5200		\$	-22,165.00
	State Total Estimated Standard Premium		\$	24,012.00
0063	State Premium Discount		\$	-715.00
9740	Terrorism		\$	3,238.00
9741	Catastrophe (other than Certified Acts of Terrorism)		\$	1,079.00
0000	Illinois Industrial Commission Operations Fund Surcharge		\$	282.00
	State Total Estimated Cost		\$	27,896.00

Date Issued: 07/12/2016

NEW BUSINESS

Transaction Effective: 07/01/2016

Policy Number: WC 8313909	Policy Period: From 12:01 AM 07/01/2016 To 12:01 AM 07/01/2017	
Coverage Is Provided In	CONSOLIDATED INSURANCE COMPANY - A STOCK COMPANY	NCCI Number: 14052
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076	
Federal Employer ID Number: 362580500	Filing Number:	

ENDORSEMENT SCHEDULE

Form Number	Description
25-191 - 0694	EXTENSION OF INFORMATION PAGE
WC000000C - 0115	WORKERS COMPENSATION AND EMPLOYERS LIABILITY INSURANCE
WC000403 - 0484	EXPERIENCE RATING MODIFICATION FACTOR
WC000406A - 0895	PREMIUM DISCOUNT
WC000414 - 0790	NOTIFICATION OF CHANGE IN OWNERSHIP
WC000421D - 0115	CAT (OTHER THAN CERTIFIED ACTS OF TERRORISM) PREM END'T
WC000422B - 0115	TERRORISM RISK INSURANCE PROGRAM REAUTHORIZATION ACT
WC120306 - 0408	WC AND EMPLOYERS LIABILITY INS POLICY EXCLUSION END'T
WC120601E - 0115	ILLINOIS AMENDATORY ENDORSEMENT

Date Issued: 07/12/2016

Policy Number: WC 8313909	
Coverage Is Provided In CONSOLIDATED INSURANCE COMPANY - A STOCK COMPANY	
Named Insured: PUTNAM COUNTY CUSD 535	Agent: AMERICAN CENTRAL INSURANCE AGE NCY INC Agent Code: 0010076 Agent Phone: (217)-698-9000

WORKERS' COMPENSATION AND EMPLOYERS' LIABILITY INSURANCE POLICY

WC 00 04 06 A

PREMIUM DISCOUNT ENDORSEMENT

This endorsement changes the policy to which it is attached effective on the inception date of the policy unless a different date is indicated below.

(The following "attaching clause" need be completed only when this endorsement is issued subsequent to preparation of the policy.)

This endorsement, effective on 07/01/2016 at 12:01 A. M. standard time, forms a part of

Policy No. WC 8313909

of the **CONSOLIDATED INSURANCE COMPANY - A STOCK COMPANY**

issued to PUTNAM COUNTY CUSD 535

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 item 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

1. State	Estimated Eligible Premium			
	First \$10,000	Next \$190,000	Next \$1,550,000	Balance
ILLINOIS	NIL	5 . 1 %	6 . 5 %	7 . 5 %
2. Average percentage discount:	%			
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:				

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, 2016

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, 2017. 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, 2017.

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 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, 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, 2017, or changes in financial position for the fiscal year then ended.

Opinion on Regulatory Basis Accounting

In our opinion, 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, 2017, 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 opinion on the basic financial statements is 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.

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 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.

Audit Procedures – General (cont'd)

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*.

Other Services

We will also assist in preparing the financial statements and related notes of Putnam County Community Unit School District No. 535 in conformity with U.S. generally accepted accounting principles based on information provided by you. 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*. We will perform the services in accordance with applicable professional standards. The other services are limited to the financial statement services previously defined. We, in our sole professional judgement, reserve the right to refuse to perform any procedure or take any action that could be construed as assuming management responsibilities.

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 written 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 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, which we have been engaged to report on, 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, as modified by the cash basis of accounting when applicable; (b) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP, as modified by the cash basis of accounting when applicable; (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 and providing report copies of 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.)

You agree to assume all management responsibilities relating to the 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 financial statements and related notes and that you have reviewed and approved the financial statements 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, with suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

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.

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 2017 and to issue our reports no later than October 15, 2017. Tom Pepper is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them.

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

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 \$10,995. 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.

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 _____



May, Cocagne & King, P.C.

Certified Public Accountants and Consultants

1353 E. MOUND ROAD, SUITE 300 DECATUR, ILLINOIS 62526-9344 217/875-2655 FAX 217/875-1660

ANDREW D. THOMAS
HELGA J. TOWLER
WILLIAM R. MOSS
CATHERINE J. MANSUR
STEVEN R. GROHNE
MARK S. WOOD
CHRISTIE K. STINSON
CRAIG T. NEGANGARD
DAVID S. BROWN

SYSTEM REVIEW REPORT

To the Shareholders of
Gorenz and Associates, Ltd.
and the Peer Review Committee of the
Illinois CPA Society

We have reviewed the system of quality control for the accounting and auditing practice of Gorenz and Associates, Ltd. (the firm) in effect for the year ended June 30, 2015. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants. As a part of our peer review, we considered reviews by regulatory entities, if applicable, in determining the nature and extent of our procedures. The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review. The nature, objectives, scope, limitations of, and the procedures performed in a System Review are described in the standards at www.aicpa.org/prsummary.

As required by the standards, engagements selected for review included engagements performed under *Government Auditing Standards* and audits of employee benefit plans.

In our opinion, the system of quality control for the accounting and auditing practice of Gorenz and Associates, Ltd. in effect for the year ended June 30, 2015, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiencies* or *fail*. Gorenz and Associates, Ltd. has received a peer review rating of *pass*.

May, Cocagne & King, P.C.

December 18, 2015

**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

Dr. Cliff Jones, Superintendent
November 12, 1997
Page 4

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