

New Issue

Date of Sale: Tuesday, November 14, 2017
Between 11:15 A.M. and 11:30 A.M., C.S.T.
(Open Speer Auction)

Investment Rating:

S&P Global Ratings ... AA/Stable Outlook

Official Statement

Subject to compliance by the Township with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX EXEMPTION" herein for a more complete discussion.



\$12,250,000*
CAMPTON TOWNSHIP
Kane County, Illinois
General Obligation Refunding Bonds, Series 2017

Dated Date of Delivery**Book-Entry****Non-Callable****Due Serially December 15, 2018-2025**

The \$12,250,000* General Obligation Refunding Bonds, Series 2017 (the "Bonds"), are being issued by Campton Township, Kane County, Illinois (the "Township"). Interest is payable semiannually on June 15 and December 15 of each year, commencing June 15, 2018. Interest is calculated based on a 360-day year of twelve 30-day months. The Bonds will be issued using a book-entry system. The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Bonds. The ownership of one fully registered Bond for each maturity will be registered in the name of Cede & Co., as nominee for DTC and no physical delivery of Bonds will be made to purchasers. The Bonds will mature on December 15 in the following years and amounts.

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

Principal Amount*	Due Dec. 15	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due Dec. 15	Interest Rate	Price or Yield	CUSIP Number(1)
\$1,335,000	2018	_____ %	_____ %	_____	\$ 500,000	2022	_____ %	_____ %	_____
1,515,000	2019	_____ %	_____ %	_____	465,000	2023	_____ %	_____ %	_____
1,705,000	2020	_____ %	_____ %	_____	2,380,000	2024	_____ %	_____ %	_____
1,900,000	2021	_____ %	_____ %	_____	2,450,000	2025	_____ %	_____ %	_____

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

OPTIONAL REDEMPTION

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

PURPOSE, LEGALITY AND SECURITY

Bond proceeds will be used to currently refund the Township's outstanding General Obligation Bonds, Series 2008B, and General Obligation Refunding Bonds, Series 2014, and to pay the costs of issuing the Bonds. See "PLAN OF FINANCING" herein.

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

The Township **does not** intend to designate the Bonds as "qualified tax-exempt obligations" pursuant to the small issuer exception provided by Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

This Official Statement is dated November 2, 2017, and has been prepared under the authority of the Township. An electronic copy of this Official Statement is available from the www.speerfinancial.com web site under "Debt Auction Center/Competitive Official Statement Sales Calendar". Additional copies may be obtained from Mr. John M. Kuper, Township Supervisor, Campton Township, 4N498 Town Hall Road, St. Charles, Illinois 60175, or from the Independent Public Finance Consultants to the Township:

Speer Financial, Inc.
INDEPENDENT MUNICIPAL ADVISORS • ESTABLISHED 1954
ONE NORTH LASALLE STREET, SUITE 4100 • CHICAGO, ILLINOIS 60602
Telephone: (312) 346-3700; Facsimile: (312) 346-8833
www.speerfinancial.com

*Subject to change.

(1) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Global Ratings. The Township is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the Bonds or as set forth on the cover of this Official Statement.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the Township from time to time (collectively, the “Official Statement”), may be treated as an Official Statement with respect to the Bonds described herein that is deemed near final as of the date hereof (or the date of any such supplement or correction) by the Township.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts and interest rates of the Bonds, together with any other information required by law or deemed appropriate by the Township, shall constitute a “Final Official Statement” of the Township with respect to the Bonds, as that term is defined in Rule 15c2-12. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled “Final Official Statement” rather than through supplementing the Official Statement by an addendum or addenda.

No dealer, broker, salesman or other person has been authorized by the Township to give any information or to make any representations with respect to the Bonds other than as contained in the Official Statement or the Final Official Statement and, if given or made, such other information or representations must not be relied upon as having been authorized by the Township. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the Township and, while believed to be reliable, is not guaranteed as to completeness. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE OFFICIAL STATEMENT AND THE FINAL OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE OFFICIAL STATEMENT OR THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE TOWNSHIP SINCE THE RESPECTIVE DATES THEREOF.

References herein to laws, rules, regulations, ordinances, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Official Statement or the Final Official Statement, they will be furnished on request. This Official Statement does not constitute an offer to sell, or solicitation of an offer to buy, any securities to any person in any jurisdiction where such offer or solicitation of such offer would be unlawful.

TABLE OF CONTENTS

	<u>Page</u>
BOND ISSUE SUMMARY	1
CAMPTON TOWNSHIP - Township Trustees, Township Officials and Staff	2
DESCRIPTION OF THE BONDS	2
RISK FACTORS	3
Finances of the State of Illinois	3
State Actions	3
Local Economy	3
Declining Equalized Assessed Valuations	3
Loss or Change of Bond Rating	4
Secondary Market for the Bonds	4
Continuing Disclosure	4
Suitability of Investment	4
Future Changes in Laws	4
Bankruptcy	4
THE TOWNSHIP	5
Overview	5
Organization and Services	5
General Government Services and Education	6
Transportation	6
SOCIOECONOMIC INFORMATION	6
Employment	6
Housing	8
Income	9
PLAN OF FINANCING	10
DEFAULT RECORD	11
SHORT-TERM BORROWING	11
DEBT INFORMATION	11
PROPERTY ASSESSMENT AND TAX INFORMATION	13
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES	14
Tax Levy and Collection Procedures	14
Exemptions	14
Property Tax Extension Limitation Law	16
Truth in Taxation Law	16
Budgeting	17
Investment Policy	17
No Consent or Updated Information Requested of the Auditor	17
Financial Reports	17
Summary Financial Information	17
PENSION AND RETIREMENT OBLIGATIONS	22
REGISTRATION, TRANSFER AND EXCHANGE	23
TAX EXEMPTION	23
CONTINUING DISCLOSURE	26
THE UNDERTAKING	26
Annual Financial Information Disclosure	26
Reportable Events Disclosure	27
Consequences of Failure of the Township to Provide Information	28
Amendment; Waiver	28
Termination of Undertaking	28
Additional Information	28
Dissemination of Information; Dissemination Agent	29
OPTIONAL REDEMPTION	29
LITIGATION	29
CERTAIN LEGAL MATTERS	29
OFFICIAL STATEMENT AUTHORIZATION	29
INVESTMENT RATING	30
UNDERWRITING	30
MUNICIPAL ADVISOR	30
CERTIFICATION	30
APPENDIX A - FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS	
APPENDIX B - DESCRIBING BOOK-ENTRY-ONLY ISSUANCE	
APPENDIX C - PROPOSED FORM OF OPINION OF BOND COUNSEL	
APPENDIX D - EXCERPTS OF FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS RELATING TO THE TOWNSHIP'S PENSION PLANS	

OFFICIAL BID FORM
OFFICIAL NOTICE OF SALE
Exhibit A - Example Issue Price Certificate

BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement, including the Official Notice of Sale and the Official Bid Form, which are provided for the convenience of potential investors and which should be reviewed in their entirety by potential investors.

Issuer:	Campton Township, Kane County, Illinois.
Issue:	\$12,250,000* General Obligation Refunding Bonds, Series 2017.
Dated Date:	Date of delivery, expected to be on or about December 6, 2017.
Interest Due:	Each June 15 and December 15, commencing June 15, 2018.
Principal Due:	Serially each December 15, commencing December 15, 2018 through 2025, as detailed on the front page of this Official Statement.
Optional Redemption:	The Bonds are not subject to optional redemption prior to maturity.
Authorization:	A Bond Ordinance to be adopted by the Township Board of the Township on November 14, 2017 (the "Bond Ordinance").
Security:	The Bonds are valid and legally binding upon the Township and are payable from any funds of the Township legally available for such purpose, and all taxable property in the Township is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
Credit Rating:	The Bonds have been rated "AA/Stable Outlook" by S&P Global Ratings, a Division of the McGraw-Hill Companies, New York, New York.
Purpose:	The Bonds are being issued to currently refund the Township's outstanding General Obligation Bonds, Series 2008B, and General Obligation Refunding Bonds, Series 2014, and to pay the costs of issuing the Bonds. See " PLAN OF FINANCING " herein.
Tax Exemption:	Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Bonds as discussed under " TAX EXEMPTION " in this Official Statement. Interest on the Bonds is not exempt from present State of Illinois income taxes.
Bank Qualification:	The Bonds are not "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.
Bond Registrar/Paying Agent/ Escrow Agent:	ZB, National Association dba Zions Bank, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about December 6, 2017.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company ("DTC"), New York, New York. DTC will act as securities depository of the Bonds. See APPENDIX B herein.
Denomination:	\$5,000 or integral multiples thereof.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

*Subject to change.

CAMPTON TOWNSHIP

Kane County, Illinois

John M. Kupa
Supervisor

Township Trustees

Steve Galloway
Joseph Miller

Elizabeth Murphy
Thomas Stutesman

Township Officials

Richard Johansen
Township Clerk

Alan Rottmann
Township Assessor

Sam Gallucci
Township Highway Commissioner

Staff

Louise McKay
Accountant

Ruth Rottman
Office Manager

Robert J. Britz
Township Attorney

DESCRIPTION OF THE BONDS

The General Obligation Refunding Bonds, Series 2017 (the "Bonds"), are being issued by Campton Township, Kane County, Illinois (the "Township"), for the purpose of currently refunding the Township's outstanding General Obligation Bonds, Series 2008B (the "2008B Bonds"), and General Obligation Refunding Bonds, Series 2014 (the "2014 Bonds"), and to pay the costs of issuance of the Bonds. See **"PLAN OF FINANCING"** herein. The Bonds are authorized by an ordinance adopted by the Township Board of the Township on the 14th day of November, 2017 (the "Bond Ordinance"), pursuant to and in all respects in compliance with the applicable provisions of the Township Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended. The Bonds constitute valid and legally binding full faith and credit general obligations of the Township, payable from ad valorem taxes levied on all taxable property in the Township, without limitation as to rate or amount. The Bond Ordinance provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the Township in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds. The Bond Ordinance will be filed with the County Clerk of The County of Kane, Illinois, and will serve as authorization to said County Clerk to extend and collect the property taxes as set forth in the Bond Ordinance.

RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

Finances of the State of Illinois

The State of Illinois (the “State”) has experienced adverse fiscal conditions resulting in significant shortfalls between the State’s general fund revenues and spending demands. In addition, the underfunding of the State’s pension systems has contributed to the State’s poor financial health. The State operated without a fully enacted budget for fiscal years ending June 30, 2016 and June 30, 2017. The General Assembly recently met in a special session and enacted a budget for the fiscal year ended June 30, 2018 (“Fiscal Year 2018”). Nonetheless, legislators have not yet addressed a substantial backlog of unpaid bills or significant pension liabilities. There may continue to be delays in payments of bills and the State’s backlog of unpaid bills may continue to grow.

State Actions

Many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Past and future actions of the State may affect the overall financial condition of the Township, the taxable value of property within the Township, and the ability of the Township to levy property taxes. For example, Illinois legislators have introduced proposals to modify the Property Tax Extension Limitation Law, including freezing property taxes (the “Property Tax Freeze Proposal”). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may freeze the Township’s local property tax revenue. The Township cannot predict whether, or in what form, any such change may be enacted into law, nor can the Township predict the effect of any such change on the Township’s finances.

Local Economy

The financial health of the Township is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the Township.

Declining Equalized Assessed Valuations

The amount of property taxes extended for the Township is determined by applying the various operating tax rates and the bond and interest tax rate levied by the Township to the Township’s Equalized Assessed Valuation (“EAV”). The Township’s EAV could decrease for a number of reasons including, but not limited to, a decline in property values or large taxpayers moving out of the Township. As detailed herein, the Township’s EAV has declined within three of the past five years. Declining EAVs and increasing tax rates (certain of which may reach their rate ceilings) could reduce the amount of taxes the Township is able to receive.

Loss or Change of Bond Rating

The Bonds have received a credit rating from S&P Global Ratings, a Division of the McGraw-Hill Companies, New York, New York (“S&P”). The rating can be changed or withdrawn at any time for reasons both under and outside the Township’s control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

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

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

Continuing Disclosure

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

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

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

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE TOWNSHIP

Overview

The Township, incorporated in 1850, is located in Kane County, Illinois (the “County”). The Township covers approximately 36 square miles. On May 14, 2007, the Village of Campton Hills (the “Village”) was incorporated and encompasses approximately 80% of the Township. In addition, the Township serves all of the Village of Lily Lake (approximately 5% of the Township’s 2016 EAV) and a portion of the Village of Elburn (approximately 7% of the Township’s 2016 EAV). The 1990 Census population for the Township was reported at 9,473, the 2000 Census population was reported at 14,072, an increase of approximately 48%, and the 2010 Census population was reported at 17,174, an increase of 22% since 2000.

Organization and Services

The governing body of the Township is composed of the Township Supervisor and the four-member Township Board. The Township Clerk, Assessor and Highway Commissioner are also elected officials in the Township. All are elected for four-year terms. The appointed Administrator is in charge of the day-to-day operations of the Township.

Township residents approved a referendum in 2001 that approved the issuance of \$18,765,000 of general obligation bonds which were issued in 2001 and 2002 for the preservation of open space. In addition, in April of 2005, an added authorization of \$28,385,000 was approved by the voters. The Series 2005B, 2006B, 2007B, 2008B and 2010B issues constitute a portion of the 2005 authorization. To date, the following properties have been acquired or preserved from development.

	2001 Bonds	2002B Bonds	2005B Bonds	2006B Bonds	2007B Bonds	2008B Bonds	2010B Bonds	Subtotal
Land Acquired for Parks/Preservation (in Acres):								
Corron Farm.....	222	0	0	0	0	0	0	222
HCA North.....	96	0	0	0	0	0	0	96
HCA South.....	74	74	0	0	0	0	0	148
Poynor Park.....	0	121	0	0	0	0	0	121
Mongerson South Farm.....	0	67	0	0	0	0	0	67
Bull Run Farm.....	0	35	15	0	0	0	0	50
Brown Road Parcel.....	0	0	85	0	0	0	0	85
Harley Woods Beilenburg.....	0	0	0	16	0	0	0	16
Harley Woods – Swick.....	0	0	0	13	0	0	0	13
Harley Woods – Burm.....	0	0	0	7	0	0	0	7
Harley Woods – Torchie.....	0	0	0	0	10	0	0	10
HCA-Motz Farm Addition.....	0	0	10	40	5	0	0	55
Gray Willows.....	0	0	0	7	0	122	69	208
Total Acres Purchased.....	392	297	110	93	15	122	69	1,098
Development Easement Purchases (in Acres):								
DeBier/Anderson Easement.....	0	0	67	0	0	0	0	67
Harley Woods Easement.....	0	0	0	2	25	0	0	27
Mongerson North Easement.....	95	0	0	0	0	0	0	95
Total Acres-Development Easements.....	95	0	67	2	5	0	0	189
Total Open Space Program.....	487	297	177	95	40	122	69	1,287
Campton Township Property Not Acquired Under O.S. Program:								
Anderson Park.....								50
La Fox Ball Fields.....								5
Community Center Ball Fields.....								4
Burlington Park.....								3
Total Campton Township.....								1,349

The Township also owns two park sites, Anderson Park on 50 acres of land and Burlington Park on 2.6 acres. Also, Community Center facility has a park area with two ball fields on 4.1 acres. In addition, the township owns 5 acres of the LaFox Bull Fields parcel; the other 5 acres are owned by the Kane County Forest Preserve. Park facilities include, but are not limited to, three softball fields, eight baseball fields, one playground, one basketball field, two tennis courts, one football field, two soccer fields, wetland preservation, prairie trail system and parking facility.

The Township has 17 full-time and 13 part-time employees among the Clerk's Office, Assessor's Office, Community Building and the Highway Department.

General Government Services and Education

Fire protection is provided by the Elburn, Pingree Grove, South Elgin and Fox River and Countryside Fire Protection Districts. Police protection is provided by the Village of Campton Hills Police Department supplemented by the Kane County Sheriff. Northwestern Medicine/Delnore Hospital and West Town Human Services provide health care services to the residents.

Burlington School District Number 301, Kaneland School District Number 302 and St. Charles School District Number 303 provide elementary and secondary education to residents. Elgin Community College District Number 509 and Waubensee Community College District Number 516 provide continuing education, college transfer courses and associates degree to Township residents.

Transportation

A variety of highway and commuter and freight rail facilities are available to the Township residents. Commuter travel to and from Chicago's downtown business district is available from the Regional Transportation Authority, with commuter stations located in downtown Geneva; on LaFox Road as well as in the Village of Elburn. Illinois Routes 25 and 31 straddle the Fox River, which is located approximately five miles east of the Township. Randall Road just on the east edge of the Township and Route 47 on the west edge of the Township connect with the Interstate 88 East-West Tollway approximately eight miles south of the Township and with the Interstate 90 Northwest Tollway approximately 12 miles to the north. Route 64 and Route 38 both run east and west through the center of the Township. O'Hare International Airport is a 45-minute drive away via tollway.

SOCIOECONOMIC INFORMATION

The following statistics principally pertain to the Township, Kane County (the "County") and the State of Illinois (the "State"). Additional comparisons are made to the Village when information related to the Township is not available.

Employment

Substantial employment is available in surrounding communities, the "Research and Development Corridor" south of the Township, and throughout the Chicago metropolitan area. Numerous employers serve the Township in nearby communities.

The following employment data shows a consistently diverse and strong growth trend for employment in the County. This data is **NOT** comparable to similar U.S. Census statistics, which would include government employment, and establishments not covered by the Illinois Unemployment Insurance Program, and could classify employment categories differently.

Kane County Private, Non-Agricultural Employment Covered by the Illinois Unemployment Insurance Act(1)

(Data as of March for each Year)

	2012	2013	2014	2015	2016
Farm and Forestry	569	485	448	448	510
Mining and Quarrying	89	106	115	135	152
Construction	7,129	7,089	7,751	8,314	9,224
Manufacturing	30,081	30,653	30,334	31,063	31,318
Transportation, Communications, Utilities	6,470	6,238	6,597	6,485	6,576
Wholesale Trade	11,934	12,188	12,220	12,733	13,258
Retail Trade	19,648	19,628	19,889	20,476	21,158
Finance, Insurance, Real Estate	8,752	9,060	9,061	8,898	8,710
Services(2)	76,283	81,151	83,417	83,376	80,976
Total	160,955	166,598	169,832	171,928	171,882

Notes: (1) Source: Illinois Department of Employment Security.
(2) Includes unclassified establishments.

Following are lists of large employers located in the area surrounding the Township.

Major Township and Area Employers(1)

Location	Name	Business or Product	Approximate Employment
Geneva	Greencore USA	Food Products	3,000
Batavia	Fermi Research Alliance	High Energy Physics Research Laboratory	1,700
Geneva	Delnor Hospital	General Hospital	1,650
St. Charles	R. R. Donnelley & Sons Co.	Business Form Printing (2)	860
Batavia	Suncast Corp.	Plastic Lawn and Garden Products	800
St. Charles	Omron Automotive Electronics, Inc.	Electronic Automotive Components	700
St. Charles	Pheasant Run Resort	Hotel and Convention Center	550
West Chicago	Aspen Marketing Services, Inc.	Advertising Agency	550
Batavia	Aldi, Inc.	Grocery Store; Corporate Headquarters	500
West Chicago	Ball Horticultural Co.	Flowers and Florists' Supplies	400
Batavia	AGCO Corp., Parts Division	Distributor of Farm Equipment Parts	365
West Chicago	The Jel Sert Company	Beverage Powders, Confections & Freezer Bars	350
West Chicago	Siemens Energy & Automation, Inc.	Electric Motor Control Assemblies and Controllers	333
Geneva	Burgess-Norton Mfg. Co.	Screw Machine Products and Powdered Metal Parts	300
Geneva	Johnson Controls, Inc., Power Solutions Division	Automotive Batteries	300
St. Charles	ARK Technologies	Springs, Stampings, Wire Forms	300
Batavia	Power Packaging, Inc.	Contract Packing of Cake and Brownie Mixes	300
St. Charles	Smithfield Foods	Sausages and Other Prepared Meat Products	300

Note: (1) Source: 2017 Illinois Manufacturers Directory, 2017 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village, Kane County and the State as reported by the U.S. Census Bureau 2011-2015 American Community Survey 5-year estimated values.

Employment by Industry(1)

Classification	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	27	0.5%	1,476	0.6%	64,380	1.1%
Construction	365	6.7%	15,581	6.1%	313,232	5.1%
Manufacturing	796	14.7%	42,915	16.8%	765,301	12.6%
Wholesale Trade	258	4.8%	10,763	4.2%	184,522	3.0%
Retail Trade	511	9.4%	28,351	11.1%	668,523	11.0%
Transportation and Warehousing, and Utilities	189	3.5%	12,530	4.9%	358,122	5.9%
Information	119	2.2%	5,673	2.2%	123,286	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing	579	10.7%	17,187	6.7%	446,219	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	748	13.8%	33,280	13.0%	695,791	11.4%
Educational Services and Health Care and Social Assistance	1,066	19.6%	48,347	18.9%	1,396,976	23.0%
Arts, Entertainment and Recreation and Accommodation and Food Services	416	7.7%	21,747	8.5%	551,219	9.1%
Other Services, Except Public Administration	211	3.9%	10,693	4.2%	288,602	4.7%
Public Administration	144	2.7%	6,987	2.7%	230,053	3.8%
Total	5,429	100.0%	255,530	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Employment By Occupation(1)

Classification	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Management, Business, Science and Arts	2,760	50.8%	86,172	33.7%	2,241,849	36.8%
Service	486	9.0%	42,216	16.5%	1,057,682	17.4%
Sales and Office	1,586	29.2%	64,500	25.2%	1,493,597	24.5%
Natural Resources, Construction, and Maintenance	344	6.3%	19,713	7.7%	444,435	7.3%
Production, Transportation, and Material Moving	253	4.7%	42,929	16.8%	848,663	13.9%
Total	5,429	100.0%	255,530	100.0%	6,086,226	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Annual Average Unemployment Rates(1)

Calendar Year	The Village	Kane County	State of Illinois
2007.....	N/A	4.8%	5.1%
2008.....	N/A	6.3%	6.4%
2009.....	N/A	10.3%	10.1%
2010.....	N/A	10.5%	10.5%
2011.....	N/A	9.9%	9.7%
2012.....	N/A	8.7%	8.9%
2013.....	4.5%	8.9%	9.2%
2014.....	3.7%	5.6%	7.1%
2015.....	4.8%	5.1%	5.6%
2016.....	4.9%	5.5%	5.9%
2017(2).....	N/A	4.8%	4.9%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of July 2017.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village's owner-occupied homes was \$405,900. This compares to \$213,200 for Kane County and \$173,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village, Kane County and the State at the time of the 2011-2015 American Community Survey.

Specified Owner-Occupied Units(1)

Value	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$50,000	26	0.8%	3,906	3.1%	240,110	7.6%
\$50,000 to \$99,999	13	0.4%	10,229	8.1%	518,898	16.3%
\$100,000 to \$149,999	14	0.4%	19,348	15.2%	533,593	16.8%
\$150,000 to \$199,999	84	2.5%	25,218	19.9%	527,923	16.6%
\$200,000 to \$299,999	476	14.3%	34,171	26.9%	648,006	20.4%
\$300,000 to \$499,999	1,750	52.5%	26,442	20.8%	473,931	14.9%
\$500,000 to \$999,999	956	28.7%	6,753	5.3%	188,536	5.9%
\$1,000,000 or more	15	0.4%	836	0.7%	46,708	1.5%
Total	3,334	100.0%	126,903	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Mortgage Status(1)

	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	2,702	81.0%	94,394	74.4%	2,104,166	66.2%
Housing Units without a Mortgage	632	19.0%	32,509	25.6%	1,073,539	33.8%
Total	3,334	100.0%	126,903	100.0%	3,177,705	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

Income

Per Capita Personal Income for the Highest Income Counties in the State(1)

<u>Rank</u>		<u>2011 to 2015</u>
1	DuPage County	\$39,336
2	Lake County	39,299
3	McHenry County	33,735
4	Monroe County	32,889
5	Piatt County	32,724
6	Will County	31,310
7	McLean County	31,305
8	Kane County	31,056
9	Kendall County	31,053
10	Sangamon County	31,024
11	Cook County	31,013

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year Estimates 2011-2015.

The following shows a ranking of median family income for the Chicago metropolitan area from the 2011-2015 American Community Survey.

Ranking of Median Family Income(1)

<u>County</u>	<u>Family Income</u>	<u>Rank</u>
DuPage County	\$96,751	1
Lake County	93,668	2
Kendall County	91,612	3
McHenry County	89,768	4
Will County	87,950	5
Kane County	81,718	8
Cook County	67,324	23

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-Year Estimates 2011-2015.

The U.S. Census Bureau 5-year estimated values reported that the Village had a median family income of \$121,628. This compares to \$81,718 for Kane County and \$71,546 for the State. The following table represents the distribution of family incomes for the Village, Cook County and the State at the time of the 2011-2015 American Community Survey.

Median Family Income(1)

<u>Income</u>	<u>The Village</u>		<u>Kane County</u>		<u>State of Illinois</u>	
	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>	<u>Number</u>	<u>Percent</u>
Under \$10,000	61	2.0%	3,654	2.8%	137,468	4.4%
\$10,000 to \$14,999	30	1.0%	2,287	1.8%	83,523	2.7%
\$15,000 to \$24,999	12	0.4%	6,970	5.4%	219,861	7.0%
\$25,000 to \$34,999	66	2.2%	9,256	7.2%	247,041	7.9%
\$35,000 to \$49,999	143	4.7%	13,572	10.5%	372,279	11.9%
\$50,000 to \$74,999	305	10.1%	23,006	17.8%	572,734	18.3%
\$75,000 to \$99,999	407	13.5%	19,623	15.2%	460,502	14.7%
\$100,000 to \$149,999	753	25.0%	26,845	20.8%	554,220	17.7%
\$150,000 to \$199,999	522	17.3%	12,207	9.5%	234,835	7.5%
\$200,000 or more	717	23.8%	11,506	8.9%	242,220	7.8%
Total	3,016	100.0%	128,926	100.0%	3,124,683	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015

The U.S. Census Bureau 5-year estimated values reported that the Village had a median household income of \$118,664. This compares to \$70,696 for Kane County and \$57,574 for the State. The following table represents the distribution of household incomes for the Village, Cook County and the State at the time of the 2009-2013 American Community Survey.

Median Household Income(1)

Income	The Village		Kane County		State of Illinois	
	Number	Percent	Number	Percent	Number	Percent
Under \$10,000	127	3.6%	6,895	4.0%	343,101	7.2%
\$10,000 to \$14,999	43	1.2%	5,395	3.1%	217,426	4.5%
\$15,000 to \$24,999	106	3.0%	13,113	7.6%	477,279	10.0%
\$25,000 to \$34,999	66	1.9%	14,064	8.2%	449,729	9.4%
\$35,000 to \$49,999	213	6.1%	20,211	11.7%	610,069	12.7%
\$50,000 to \$74,999	334	9.6%	31,175	18.1%	851,656	17.8%
\$75,000 to \$99,999	469	13.4%	24,082	14.0%	609,496	12.7%
\$100,000 to \$149,999	825	23.6%	31,438	18.2%	676,505	14.1%
\$150,000 to \$199,999	565	16.2%	13,364	7.7%	272,382	5.7%
\$200,000 or more	746	21.4%	12,742	7.4%	278,745	5.8%
Total	3,494	100.0%	172,479	100.0%	4,786,388	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2011 to 2015.

PLAN OF FINANCING

A portion of the Bond proceeds will be used to current refund certain of 2008B Bonds and 2014 Bonds (together the "Refunded Bonds") listed below.

The Refunded Bonds

2008B Bonds

Outstanding Maturities	Outstanding Amount	Refunded Amount(1)	Redemption Price	Redemption Date(1)	CUSIP(2) (Base: 134655)
12/15/2017	\$ 380,000	\$ 0	NA	NA	CK3
12/15/2018	1,020,000	1,020,000	100.00%	1/5/2018	CL1
12/15/2019	1,955,000	1,955,000	100.00%	1/5/2018	CM9
12/15/2020	655,000	655,000	100.00%	1/5/2018	CN7
Total	\$4,010,000	\$3,630,000			

Notes: (1) Subject to change.

(2) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The Township is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the 2008B Bonds or as set forth in this Official Statement.

2014 Bonds

Outstanding Maturities	Outstanding Amount	Refunded Amount(1)	Redemption Price	Redemption Date(1)	CUSIP(2) (Base: 134655)
12/15/2018	\$4,345,000	\$4,345,000	100.00%	1/5/2018	DB2
12/15/2019	4,425,000	4,425,000	100.00%	1/5/2018	DC0
Total	\$8,770,000	\$8,770,000			

Notes: (1) Subject to change.

(2) CUSIP numbers appearing in this Official Statement have been provided by the CUSIP Service Bureau, which is managed on behalf of the American Bankers Association by S&P Capital IQ, a part of McGraw Hill Financial Inc. The Township is not responsible for the selection of CUSIP numbers and makes no representation as to their correctness on the 2014 Bonds or as set forth in this Official Statement.

Proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the "Escrow Account") to be held by ZB, National Association dba Zions Bank, Chicago, Illinois (the "Escrow Agent"), under the terms of an Escrow Letter Agreement, dated as of the date of issuance of the Bonds, between the Township and the Escrow Agent. The money deposited in the Escrow Account will be held in cash in an amount sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

DEFAULT RECORD

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

SHORT-TERM BORROWING

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

DEBT INFORMATION

After issuance of the Bonds and the refunding of the Refunded Bonds, the Township will have outstanding \$33,740,000* principal amount of general obligation bonds. The Township also has outstanding \$61,336 capital lease obligations and \$52,051 General Obligation Taxable Alternate Revenue Bonds, Series 2010, allocated through Kane County, as of March 31, 2017.

The Township does not intend to issue additional debt within the next six months.

General Obligation Bonded Debt(1) (Principal Only)

Calendar Year	Series 2008B	Series 2010B	Series 2011	Series 2014	Series 2015	Total Outstanding Debt	The Bonds(2)	Less: The Refunded Bonds		Total Outstanding Debt(2)	Cumulative Retirement(2)	
								Series 2008B(2)	Series 2014(2)		Amount	Percent
2017	\$ 380,000	\$ 0	\$ 0	\$ 0	\$ 2,385,000	\$ 2,765,000	\$ 0	\$ 0	\$ 0	\$ 2,765,000	\$ 2,765,000	8.20%
2018	1,020,000	0	0	4,345,000	1,755,000	7,120,000	1,335,000	(1,020,000)	(4,345,000)	3,090,000	5,855,000	17.35%
2019	1,955,000	0	0	4,425,000	1,845,000	8,225,000	1,515,000	(1,955,000)	(4,425,000)	3,360,000	9,215,000	27.31%
2020	655,000	0	0	0	1,935,000	2,590,000	1,705,000	(655,000)	0	3,640,000	12,855,000	38.10%
2021	0	0	0	0	2,035,000	2,035,000	1,900,000	0	0	3,935,000	16,790,000	49.76%
2022	0	0	1,415,000	0	2,135,000	3,550,000	500,000	0	0	4,050,000	20,840,000	61.77%
2023	0	0	1,475,000	0	2,240,000	3,715,000	465,000	0	0	4,180,000	25,020,000	74.16%
2024	0	0	1,530,000	0	0	1,530,000	2,380,000	0	0	3,910,000	28,930,000	85.74%
2025	0	0	0	0	0	0	2,450,000	0	0	2,450,000	31,380,000	93.01%
2026	0	0	0	0	0	0	0	0	0	0	31,380,000	93.01%
2027	0	0	0	0	0	0	0	0	0	0	31,380,000	93.01%
2028	0	1,000,000	0	0	0	1,000,000	0	0	0	1,000,000	32,380,000	95.97%
2029	0	1,360,000	0	0	0	1,360,000	0	0	0	1,360,000	33,740,000	100.00%
Total	\$4,010,000	\$2,360,000	\$4,420,000	\$8,770,000	\$14,330,000	\$33,890,000	\$12,250,000	\$(3,630,000)	\$(8,770,000)	\$33,740,000		

Notes: (1) Source: the Township.
(2) Subject to change.

*Subject to change.

Detailed Overlapping Bonded Debt(1)
(As of August 7, 2017)

	Outstanding Debt	Applicable to Township	
		Percent(2)	Amount
Schools:			
School District Number 301	\$ 57,284,626	13.64%	\$ 7,813,623
School District Number 302	89,046,717	8.48%	7,551,162
School District Number 303	63,660,000	19.31%	12,292,746
Community College District Number 509	177,623,253	5.63%	10,000,189
Community College District Number 516	62,420,000	0.73%	<u>455,666</u>
Total Schools			\$38,113,386
Others:			
Kane County	\$ 33,850,000	5.37%	\$ 1,817,745
Kane County Forest Preserve District	172,205,000	5.37%	9,247,409
City of Elgin	87,535,000	0.002%	1,751
Village of Campton Hills	0	1.44%	0
Village of Lily Lake	0	100.00%	0
Village of Elburn	0	29.14%	0
St. Charles Park District	23,529,000	0.01%	2,353
Gail Borden Library District	14,665,000	0.01%	1,467
St. Charles Library District	0	0.01%	0
Town and Country Library District	310,000	41.37%	<u>128,247</u>
Total Others			\$11,198,971
Total Schools and Other Overlapping Bonded Debt			\$49,312,357

- Notes: (1) Source: Kane County Clerk.
(2) Overlapping debt percentages based on 2016 EAV, the most current available.

Statement of Bonded Indebtedness(1)
(As of September 18, 2017)

	Amount Applicable	Ratio To		Per Capita (2010 Census Pop. 17,174)
		Equalized Assessed	Estimated Actual	
Township EAV of Taxable Property, 2016	\$ 695,358,823	100.00%	33.33%	\$ 40,489.04
Estimated Actual Value, 2016	\$2,086,076,469	300.00%	100.00%	\$121,467.13
Direct Bonded Debt(2)(3)	\$ 33,740,000	4.85%	1.62%	\$ 1,964.60
Overlapping Bonded Debt:				
Schools	\$ 38,113,386	5.48%	1.83%	\$ 2,219.25
All Others	<u>11,198,971</u>	<u>1.61%</u>	<u>0.54%</u>	<u>652.09</u>
Total Overlapping Bonded Debt	\$ <u>49,312,357</u>	<u>7.09%</u>	<u>2.36%</u>	\$ <u>2,871.34</u>
Total Direct and Overlapping Bonded Debt(2)	\$ 83,052,357	11.94%	3.98%	\$ 4,835.94

- Notes: (1) Source: Kane County Clerk.
(2) Subject to change.
(3) Does not include the Refunded Bonds.

Legal Debt Margin(1)

2016 Equalized Assessed Valuation	\$695,358,823
Statutory Debt Limitation (5.00% of EAV)	34,767,941
General Obligation Debt:	
Series 2008B(2)(3)	\$ 380,000
Series 2010B	2,360,000
Series 2011	4,420,000
Series 2014(2)(3)	0
Series 2015	14,330,000
The Bonds(3)	<u>12,250,000</u>
Total(3)	\$ 33,740,000
Total Applicable Debt(3)	\$ 33,740,000
Legal Debt Margin(3)	\$ 1,027,941

- Notes: (1) Source: the Township.
(2) Does not include the Refunded Bonds.
(3) Subject to change.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2016 levy year, the Township's EAV was comprised of 94.34% residential, 0.05% industrial, 3.19% commercial and 2.42% farm.

Equalized Assessed Valuation(1)

Property Class	Levy Years				
	2012	2013	2014	2015	2016
Residential	\$664,919,657	\$633,287,283	\$626,286,328	\$636,176,869	\$656,017,015
Farm	16,325,494	16,513,086	16,461,990	16,384,875	16,832,561
Commercial	25,361,367	23,547,444	22,234,382	21,860,722	22,166,629
Industrial	311,079	296,334	276,161	308,570	342,618
Total	\$706,917,597	\$673,644,147	\$665,258,861	\$674,731,036	\$695,358,823
Percent Change +(-)	(5.61%)(2)	(4.71%)	(1.24%)	1.42%	3.06%

Notes: (1) Source: Kane County Clerk.
(2) Percentage change based on 2011 EAV of \$748,898,170.

Tax Extensions and Collections(1) (Includes Road and Bridge)

Levy Year	Coll. Year	Taxes Extended	Total Collections	
			Amount(2)	Percent
2010.....	2011	\$4,517,869	\$4,504,682	99.71%
2011.....	2012	4,199,970	4,194,583	99.87%
2012.....	2013	4,005,776	4,003,161	99.93%
2013.....	2014	4,638,268	4,635,507	99.94%
2014.....	2015	4,893,174	4,834,555	98.80%
2015.....	2016	4,255,880	4,251,427	99.90%
2016.....	2017	4,844,314	--- In Collection ---	

Notes: (1) Source: Kane County Treasurer.
(2) Total collections include back taxes, taxpayer refunds, interest, etc.

Representative Tax Rates(1) (Per \$100 EAV)

	Levy Years				
	2012	2013	2014	2015	2016
Township Rates:					
Town Fund	\$0.0871	\$0.0935	\$0.0968	\$0.0972	\$0.0955
Bonds & Interest	0.3195	0.4231	0.4590	0.5336	0.6012
Total Township Rates(2)	\$0.4067	\$0.5167	\$0.5558	\$0.6308	\$0.6967
Kane County	0.4336	0.4623	0.4684	0.4479	0.4201
Kane County Forest Preserve District	0.2710	0.3039	0.3126	0.2944	0.2253
Campton Township Road District	0.2348	0.2520	0.2609	0.2618	0.2574
Campton Township Cemetery	0.0025	0.0027	0.0028	0.0028	0.0027
Fox River and Countryside Fire District	0.2491	0.2663	0.2744	0.2716	0.2674
School District Number 303	5.5199	5.8846	6.1340	6.1178	5.9501
Community College District Number 509	0.5215	0.5707	0.6076	0.5609	0.5296
Total Rates(3)	\$7.6391	\$8.2591	\$8.6166	\$8.5879	\$8.3493

Notes: (1) Source: Kane County Clerk.
(2) Statutory tax rate limit for the Township is as follows: Town Fund - \$0.2500.
(3) Representative tax rates for other governmental units are from tax code 23, which represents the largest portion of the Township's 2016 EAV, the most current available.

Principal City Taxpayers(1)

<u>Taxpayer Name</u>	<u>Business/Service</u>	<u>2016 EAV(2)</u>
Jewel Food Store	Grocery Store	\$1,730,186
Individual	Trust	919,893
Campton Wasco, LLC	Real Property	846,000
Individual	Trust	830,719
Bond Property Group LLC	Real Property	690,778
Individual	Trust	614,999
Individual	Trust	607,662
Individual	Trust	607,662
Individual	Trust	590,789
Individual	Trust	583,483
Total		\$8,022,171
Ten Largest Taxpayers as Percent of Township's 2016 EAV (\$695,358,823)		1.15%

- Notes: (1) Source: the Township.
(2) Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed contain multiple parcels and it is possible that some parcels and their valuations have been overlooked. The 2016 EAV is the most current available.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Tax Levy and Collection Procedures

Local assessment officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local assessment officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax.

Exemptions

The Illinois Property Tax Code, as amended (the "Property Tax Code"), exempts certain property from taxation. Certain property is exempt from taxation on the basis of ownership and/or use, including, but not limited to, public parks, not-for-profit schools, public schools, churches, not-for-profit hospitals and public hospitals. In addition, the Property Tax Code provides a variety of homestead exemptions, which are discussed below.

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for tax year 2012 and thereafter.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to \$75,000 per year, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. Beginning with tax year 2013, the maximum exemption is \$5,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$55,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

Beginning January 1, 2015 purchasers of certain single family homes and residences of one to six units located in certain distressed communities can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “Natural Disaster Exemption”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster occurring in taxable year 2012 or any taxable year thereafter. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the equalized assessed value of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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

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

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

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

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home-rule units, including the Township. In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations.

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

The Township has the authority to levy taxes for many different purposes. See the table entitled "**Representative Tax Rates**" under "**PROPERTY ASSESSMENT AND TAX INFORMATION**" herein. The ceiling at any particular time on the rate at which these taxes may be extended for the Township is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the Township) will have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the Township's limiting rate computed in accordance with the provisions of the Limitation Law.

Local governments can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Illinois legislators have introduced proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State (the "Property Tax Freeze Proposal"). If the Property Tax Freeze Proposal or similar legislation were to become law, such reform may have a material impact on the finances of the Township and the ability of the Township to issue non-referendum bonds. The Township cannot predict whether, or in what form, any change to the Limitation Law, including the Property Tax Freeze Proposal, may be enacted into law, nor can the Township predict the effect of any such change on the Township's finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Law") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels.

Budgeting

The Township follows the procedures listed below in establishing the budgetary data reflected in the financial statements.

- The Appropriation Ordinance prepared by Township Accountant, reviewed by the Township elected Officials prior to the adoption by the Township Board and enacted into law prior to the end of the first quarter of the fiscal year. The Appropriation Ordinance is filed with Kane County and is published in a Kane County ad in a local newspaper of general circulation.
- All appropriations lapse at year-end.
- Budgets for the General Fund and certain Special Revenue Funds (Road and Bridge, and Open Space Fund) are adopted on a basis consistent with generally accepted accounting principles. Reported budget amounts represent the originally adopted budget as amended.

Investment Policy

The Township makes deposits or investments in checking and money market accounts. The Township's deposits are either insured by federal depository insurance for up to \$250,000 or collateralized for greater amounts with securities held in the name of the Township.

No Consent or Updated Information Requested of the Auditor

The tables and excerpts (collectively, the "Excerpted Financial Information") contained in this "**FINANCIAL INFORMATION**" section and in **APPENDIX A** are from the audited financial statements of the Township, including the audited financial statements for the fiscal year ended March 31, 2017 (the "2017 Audit"), which was approved by formal action of the Township Board. The Township has not requested the Auditor to update information contained in the Excerpted Financial Information; nor has the Township requested that the Auditor consent to the use of the Excerpted Financial Information in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Excerpted Financial Information has not been updated since the date of the 2017 Audit. The inclusion of the Excerpted Financial Information in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the Township since the date of the 2017 Audit. Questions or inquiries relating to financial information of the Township since the date of the 2017 Audit should be directed to the Township.

Financial Reports

The Township's financial statements are audited annually by certified public accountants. The Township's financial statements are completed on a modified accrual basis of accounting consistent with generally accepted accounting principles applicable to governmental entities. See **APPENDIX A** for more detail.

Summary Financial Information

The following tables are summaries and do not purport to be the complete audits, copies of which are available upon request. See **APPENDIX A** for the Township's 2017 fiscal year audit.

Statement of Net Position Governmental Activities

	Audited As of March 31				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments	\$ 8,346,775	\$ 7,645,531	\$ 7,949,453	\$ 8,034,625	\$ 7,911,133
Receivables, Net of Allowances:					
Taxes	4,534,347	5,092,103	5,346,124	5,933,244	6,543,823
Accrued Interest	155,965	191,579	30,984	31,246	22,656
Allotments	15,592	34,958	21,357	26,593	26,175
Other	3,943	23,907	16,476	20,936	43,663
Prepaid Expenses	18,768	23,853	0	0	0
Unamortized Bond Issuance Costs	0	0	0	0	0
Capital Assets, Not Being Depreciated	49,711,364	49,711,364	49,711,364	49,711,364	49,711,364
Capital Assets, Being Depreciated	<u>7,773,610</u>	<u>7,685,134</u>	<u>7,505,862</u>	<u>7,373,767</u>	<u>7,315,757</u>
Total Assets	\$70,560,364	\$70,408,429	\$70,581,620	\$71,131,775	\$71,574,571
DEFERRED OUTFLOWS OF RESOURCES:					
Pension Items - IMRF	\$ 0	\$ 0	\$ 0	\$ 184,155	\$ 161,455
Unamortized Loss on Refunding	<u>243,231</u>	<u>342,203</u>	<u>302,060</u>	<u>299,932</u>	<u>255,037</u>
Total Deferred Outflows of Resources	\$ 243,231	\$ 342,203	\$ 302,060	\$ 484,087	\$ 416,492
Total Assets and Deferred Outflows of Resources	\$70,803,595	\$70,750,632	\$70,883,680	\$71,615,862	\$71,991,063
LIABILITIES:					
Accounts Payable	\$ 92,867	\$ 63,906	\$ 181,245	\$ 150,587	\$ 117,056
Accrued Payroll	59,877	73,487	103,196	86,741	51,451
Accrued Interest	514,705	517,633	426,176	415,401	401,551
Deferred Revenue	5,700	2,850	0	0	0
Noncurrent Liabilities:					
Due Within One Year	507,490	1,384,081	1,615,068	2,506,206	3,095,269
Due In More Than One Year	<u>41,015,186</u>	<u>39,831,121</u>	<u>38,225,352</u>	<u>36,333,916</u>	<u>33,255,618</u>
Total Liabilities	\$42,195,825	\$41,873,078	\$40,551,037	\$39,492,851	\$36,920,945
DEFERRED INFLOWS OF RESOURCES:					
Pension Items - IMRF	\$ 0	\$ 0	\$ 0	\$ 118,954	\$ 117,636
Deferred Revenue - Property Taxes	<u>4,534,347</u>	<u>5,092,103</u>	<u>5,346,124</u>	<u>5,933,244</u>	<u>6,543,823</u>
Total Deferred Inflows of Resources	\$ 4,534,347	\$ 5,092,103	\$ 5,346,124	\$ 6,052,198	\$ 6,661,459
Total Liabilities and Deferred Inflows of Resources	\$46,730,172	\$46,965,181	\$45,897,161	\$45,545,049	\$43,582,404
NET POSITION:					
Invested In Capital Assets, Net	\$18,584,122	\$18,927,637	\$20,123,494	\$21,231,545	\$23,463,210
Restricted	5,433,695	4,791,530	4,671,465	5,034,621	5,162,269
Unrestricted	<u>55,606</u>	<u>66,284</u>	<u>191,560</u>	<u>(195,353)</u>	<u>(216,820)</u>
Total Net Position	\$24,073,423	\$23,785,451	\$24,986,519	\$26,070,813	\$28,408,659

Statement of Activities

	Audited As of March 31				
	2013	2014	2015	2016	2017
PRIMARY GOVERNMENT:					
Governmental Activities:					
General Activities	\$ (552,141)	\$ (586,504)	\$ (584,309)	\$ (644,058)	\$ (580,024)
Highways and Streets	(1,420,258)	(1,826,224)	(1,577,013)	(1,525,469)	(1,520,836)
Parks and Recreation	(36,167)	(44,199)	(58,840)	(109,647)	(46,146)
Open Space	(367,259)	(499,239)	(487,741)	(424,293)	(360,230)
Interest	<u>(1,773,290)</u>	<u>(1,814,845)</u>	<u>(1,376,251)</u>	<u>(1,466,846)</u>	<u>(1,125,215)</u>
Total Governmental Activities	\$ (4,149,115)	\$ (4,771,011)	\$ (4,084,154)	\$ (4,170,313)	\$ (3,632,451)
General Revenues:					
Taxes	\$ 4,626,657	\$ 4,449,889	\$ 5,091,832	\$ 5,346,960	\$ 5,933,722
Investment Income	217,986	15,472	178,918	137,723	29,862
Miscellaneous	25,495	15,129	14,472	10,231	6,713
Gain on Disposal of Capital Assets	<u>0</u>	<u>2,549</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total General Revenues	\$ 4,870,138	\$ 4,483,039	\$ 5,285,222	\$ 5,494,914	\$ 5,970,297
Change In Net Position	\$ 721,023	\$ (287,972)	\$ 1,201,068	\$ 1,324,601	\$ 2,337,846
Net Position, Beginning of the Year	\$23,677,848	\$24,073,423	\$23,785,451	\$24,986,519	\$26,070,813
Change in Accounting Principle	0	0	0	(240,307)	0
Prior Period Adjustment	<u>(325,448)</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Net Position, Restated	<u>\$23,352,400</u>	<u>\$24,073,423</u>	<u>\$23,785,451</u>	<u>\$24,746,212</u>	<u>\$26,070,813</u>
Net Position, End of Year	<u>\$24,073,423</u>	<u>\$23,785,451</u>	<u>\$24,986,519</u>	<u>\$26,070,813</u>	<u>\$28,408,659</u>

General Fund Balance Sheet

	Audited as of March 31				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments	\$360,320	\$ 370,516	\$ 419,677	\$ 442,917	\$ 407,212
Property Tax Receivable	615,867	629,992	644,170	655,569	664,137
Other Receivable	0	0	0	97	0
Due from Other Funds	6,578	0	0	0	0
Prepaid Assets	<u>3,495</u>	<u>5,258</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Assets	<u>\$986,260</u>	<u>\$1,005,766</u>	<u>\$1,063,847</u>	<u>\$1,098,583</u>	<u>\$1,071,349</u>
LIABILITIES:					
Accounts Payable	\$ 14,100	\$ 6,229	\$ 8,262	\$ 3,929	\$ 2,774
Accrued Payroll Taxes	22,222	24,138	58,689	58,750	22,323
Due to Other Funds	0	0	0	0	0
Deferred Revenues	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Liabilities	\$ 36,322	\$ 30,367	\$ 66,951	\$ 62,679	\$ 25,097
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue	<u>\$615,867</u>	<u>\$ 629,992</u>	<u>\$ 644,170</u>	<u>\$ 655,569</u>	<u>\$ 664,137</u>
Total Deferred Inflows of Resources	<u>\$615,867</u>	<u>\$ 629,992</u>	<u>\$ 644,170</u>	<u>\$ 655,569</u>	<u>\$ 664,137</u>
FUND BALANCE:					
Non-spendable	\$ 3,495	\$ 5,258	\$ 0	\$ 0	\$ 0
Unrestricted	<u>330,576</u>	<u>340,149</u>	<u>352,726</u>	<u>380,335</u>	<u>382,115</u>
Total Fund Balance	<u>\$334,071</u>	<u>\$ 345,407</u>	<u>\$ 352,726</u>	<u>\$ 380,335</u>	<u>\$ 382,115</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balance	<u>\$986,260</u>	<u>\$1,005,766</u>	<u>\$1,063,847</u>	<u>\$1,098,583</u>	<u>\$1,071,349</u>

General Fund Revenues and Expenditures

	Audited Fiscal Year Ending March 31				
	2013	2014	2015	2016	2017
REVENUES:					
Property Taxes	\$596,444	\$617,315	\$631,400	\$645,808	\$657,138
Intergovernmental	1,000	2,092	1,985	1,000	0
Charges for Services	8,200	9,225	10,250	11,425	13,260
Investment Income	562	563	584	619	1,982
Miscellaneous	910	2,065	902	2,811	0
Total Revenues	\$607,116	\$631,260	\$645,121	\$661,663	\$672,380
EXPENDITURES:					
General Government	\$507,400	\$550,530	\$559,947	\$555,219	\$552,523
Parks and Recreation	44,367	55,516	70,075	56,435	58,477
Commodities	0	0	0	0	0
Capital Outlay	1,510	0	0	0	0
Total Expenditures	\$553,277	\$606,046	\$630,022	\$611,654	\$611,000
Excess of Revenues Over (Under) Expenditures	\$ 53,839	\$ 25,214	\$ 15,099	\$ 50,009	\$ 61,380
Other Financing Sources (Uses): Operating Transfers, Net	(5,700)	(13,878)	(7,780)	(22,400)	(59,600)
Total Other Financing Sources (Uses)	\$ (5,700)	\$ (13,878)	\$ (7,780)	\$ (22,400)	\$ (59,600)
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 48,139	\$ 11,336	\$ 7,319	\$ 27,609	\$ 1,780
Beginning Fund Balance	285,932	334,071	345,407	352,726	380,335
Ending Fund Balance	\$334,071	\$345,407	\$352,726	\$380,335	\$382,115

Special Revenue Fund Balance Sheet

	Audited as of March 31(1)				
	2013	2014	2015	2016	2017
ASSETS:					
Cash and Investments	\$ 7,986,455	\$ 7,275,015	\$ 7,529,776	\$ 7,591,708	\$ 7,503,921
Accounts Receivable	3,918,480	4,462,111	4,701,954	5,277,675	5,879,686
Motor Fuel Tax Allotment	15,592	34,958	21,357	26,593	26,175
Intergovernmental - Grant	0	0	0	0	0
Accrued Interest	155,965	191,579	30,984	31,246	22,656
Prepays	15,273	18,595	0	0	0
Due from Other Funds	0	0	0	0	0
Other	3,943	23,907	16,476	20,839	43,663
Total Assets	\$12,095,708	\$12,006,165	\$12,300,547	\$12,948,061	\$13,476,101
LIABILITIES:					
Accounts Payable	\$ 78,767	\$ 57,677	\$ 172,983	\$ 146,658	\$ 114,282
Accrued Payroll Taxes	37,655	49,349	44,507	27,991	29,128
Deferred Revenues	5,700	2,850	0	0	0
Due to Other Funds	6,578	0	0	0	0
Total Liabilities	\$ 128,700	\$ 109,876	\$ 217,490	\$ 174,649	\$ 143,410
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue	\$ 3,918,480	\$ 4,462,111	\$ 4,701,954	\$ 5,277,675	\$ 5,879,686
Total Deferred Inflows of Resources	\$ 3,918,480	\$ 4,462,111	\$ 4,701,954	\$ 5,277,675	\$ 5,879,686
FUND BALANCE:					
Non-spendable	\$ 15,273	\$ 18,595	\$ 0	\$ 0	\$ 0
Restricted for Roads and Bridges	972,478	732,374	881,446	988,044	1,170,359
Restricted for Open Spaces	6,786,019	6,407,816	6,189,160	6,248,706	6,069,131
Restricted for Parks and Capital Projects	0	0	0	0	0
Unrestricted	274,758	275,393	310,497	258,987	213,515
Total Fund Balance	\$ 8,048,528	\$ 7,434,178	\$ 7,381,103	\$ 7,495,737	\$ 7,453,005
Total Liabilities, Deferred Inflows of Resources and Fund Balance	\$12,095,708	\$12,006,165	\$12,300,547	\$12,948,061	\$13,476,101

Note: (1) Comprised of Open Space Fund, Road and Bridge Fund, and Capital Improvement Fund.

Special Revenue Fund Revenues and Expenditures

	Audited Fiscal Year Ending March 31(1)				
	2013	2014	2015	2016	2017
REVENUES:					
Property Taxes.....	\$4,030,213	\$3,832,573	\$4,460,432	\$ 4,701,153	\$ 5,276,584
Intergovernmental	206,865	225,745	246,936	240,301	462,415
Investment Income.....	217,424	14,909	178,334	137,104	27,880
Charges for Services.....	80,974	82,608	103,409	436,896	112,025
Miscellaneous	28,495	16,505	17,526	18,972	8,408
Total Revenues	\$4,563,971	\$4,172,340	\$5,006,637	\$ 5,534,426	\$ 5,887,312
EXPENDITURES:					
Personnel	\$ 771,359	\$ 894,426	\$ 812,990	\$ 796,474	\$ 806,730
Contractual Services	33,754	39,499	84,612	46,772	52,405
Commodities	294,503	388,281	423,842	312,120	256,251
Open Space	300,341	372,412	392,789	633,824	374,458
Debt Service.....	2,530,607	2,364,652	2,880,240	3,089,190	3,599,487
Capital Outlay/Improvements	594,292	844,261	473,019	692,485	900,313
Total Expenditures	\$4,524,856	\$4,903,531	\$5,067,492	\$ 5,570,865	\$ 5,989,644
Excess of Revenues Over (Under) Expenditures	\$ 39,115	\$ (731,191)	\$ (60,855)	\$ (36,439)	\$ (102,332)
Other Financing Sources (Uses):					
Operating Transfers, Net.....	\$ 5,700	\$ 13,878	\$ 7,780	\$ 22,400	\$ 59,600
Proceeds from Sale of Capital Assets.....	0	500	0	0	0
Proceeds from Insurance Recovery	0	15,133	0	0	0
Bond Proceeds (Net of OID)	0	8,770,000	0	15,890,000	0
Capital Lease Proceeds	0	133,643	0	0	0
Payment to Refunded Bond Escrow Agent.....	0	(9,009,241)	0	(17,814,265)	0
Premium on Issuance of Bonds	0	192,928	0	2,052,938	0
Total Other Financing Sources (Uses).....	\$ 5,700	\$ 116,841	\$ 7,780	\$ 151,073	\$ 59,600
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures	\$ 44,815	\$ (614,350)	\$ (53,075)	\$ 114,634	\$ (42,732)
Beginning Fund Balance	8,003,713	8,048,528	7,434,178	7,381,103	7,495,737
Prior Period Adjustment	0	0	0	0	0
Ending Fund Balance.....	\$8,048,528	\$7,434,178	\$7,381,103	\$ 7,495,737	\$7,453,005

Note: (1) Comprised of Open Space Fund, Road and Bridge Fund, and Capital Improvement Fund.

General Fund(1) Budget and Interim Financial Information

	Budget Twelve Months Ending 3/31/18	Interim Six Months Ending 9/30/17
REVENUES:		
Property Taxes	\$660,000	\$541,071
Corporate Replacement Taxes.....	2,000	1,337
Investment Income	700	2,217
Field Fees	11,400	11,647
Meeting Room Fees	500	330
Ride in Kane Contribution-VCH.....	1,000	0
Miscellaneous Income	0	0
Transfers	3,000	0
Total Revenues	\$678,600	\$556,601
EXPENDITURES:		
Personnel	\$575,400	\$270,601
Contractual Services	45,900	31,199
Commodities.....	49,300	26,342
General Assistance	5,000	2,015
Transfers	0	0
Capital Outlay	0	0
Contingencies.....	3,000	0
Total Expenditures.....	\$678,600	\$330,156
Excess of Revenues Over (Under) Expenditures.....	\$ 0	\$226,445

Note: (1) Includes General Assistance Fund.

Special Revenue Fund(1) Budget and Interim Financial Information

	Budget Twelve Months Ending 3/31/18	Interim Six Months Ending 9/30/17
REVENUES:		
Property Tax, Net	\$1,240,000	\$1,001,053
Property Tax - VCH IGA	465,000	383,446
Replacement Tax	4,000	2,648
Bond Tax Revenue	4,138,800	3,405,584
Motor Fuel Tax	90,000	33,076
Grant Proceeds	55,740	27,907
Interest Income	105,620	66,378
Field Maintenance Fees	3,360	4,207
License Income	82,350	0
Previous Year Surplus	160,000	0
Intergovernmental - Additional Road Tile Funding	160,000	104,647
Intergovernmental - VCH for Plato	30,000	0
Intergovernmental - Non VCH	7,000	22,358
Intergovernmental Contributions	500	0
CF Barn Roof Cost Share CFPS	45,000	0
Court Fines	100	318
Land Fee	0	0
Wetland Revenue	80,000	32,951
Culvert Permits	0	19,725
Permit fees	500	1,346
Donations		34,913
Miscellaneous Income	6,250	2,635
Transfers	0	0
Total Revenues	<u>\$6,674,220</u>	<u>\$5,143,193</u>
EXPENDITURES:		
Personnel	\$1,002,540	\$ 494,822
Insurance	185,800	85,025
Contractual Services and Commodities	665,800	295,688
Eagle Scout Projects	500	0
Development of Sites	48,000	0
Debt Service	4,152,488	687,634
Transfers	3,000	0
Capital Outlay	954,685	336,706
Capital Contingency	<u>3,000</u>	<u>0</u>
Total Expenditures	<u>\$7,015,813</u>	<u>\$1,899,876</u>
Excess of Revenues Over (Under) Expenditures	\$ (341,593)	\$3,243,317

Note: (1) Comprised of Open Space Fund, Road and Bridge Fund and Capital Improvement Fund.

PENSION AND RETIREMENT OBLIGATIONS

The latest audited pension information is contained in **APPENDIX D** herein.

The Illinois Municipal Retirement Fund (IMRF) is held by the State of Illinois, which sets the annual contribution by the Township. The full annual amount is funded each year.

See **APPENDIX D** herein for a discussion of the Township's employee retirement obligations

REGISTRATION, TRANSFER AND EXCHANGE

See also **APPENDIX B** for information on registration, transfer and exchange of book-entry bonds. The Bonds will be initially issued as book-entry bonds.

The Township shall cause books (the "Bond Register") for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. The Township will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the Township for use in the transfer and exchange of Bonds.

Any Bond may be transferred or exchanged, but only in the manner, subject to the limitations, and upon payment of the charges as set forth in the Bond Ordinance. Upon surrender for transfer or exchange of any Bond at the principal office maintained for the purpose by the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by the registered owner or such owner's attorney duly authorized in writing, the Township shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the registered owner, transferee or transferees (as the case may be) a new fully registered Bond or Bonds of the same maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the Township of any fully registered Bond shall constitute full and due authorization of such Bond, and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond during the period from the close of business on the first day of the month in which an interest payment date occurs on such Bond (known as the record date), to the opening of business on such interest payment date.

The person in whose name any Bond shall be registered shall be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bonds shall be made only to or upon the order of the registered owner thereof or such owner's legal representative. All such payments shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid.

No service charge shall be made for any transfer or exchange of Bonds, but the Township or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds.

TAX EXEMPTION

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Interest on the Bonds is not exempt from present State of Illinois income taxes. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

The Township will enter into a Continuing Disclosure Undertaking (the “Undertaking”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission (the “Commission”) under the Securities Exchange Act of 1934. No person, other than the Township, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under **“THE UNDERTAKING.”**

The Township failed to file its required annual financial information for the fiscal year ending March 31, 2012 by the time period specified in previous Undertakings. The Township filed the annual financial information approximately 20 days beyond its deadline. The Township did file its audited Financial Statements for fiscal years March 31, 2012 within the time period specified in previous Undertakings.

In the past five years there have been numerous rating actions reported by Moody’s Investors Service, S&P Global Ratings and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the Township. Due to widespread knowledge of these rating actions, material event notices were not filed by the Township.

Under the Securities and Exchange Commission’s (SEC’s) Municipalities Continuing Disclosure Cooperation Initiative (“MCDC Initiative”) the Township was reported during the underwriter self-reporting phase of the MCDC Initiative. The Township decided to self-report within the issuer self-reporting period.

Bond Counsel expresses no opinion as to whether the Undertaking complies with the requirements of Section (b)(5) of the Rule.

THE UNDERTAKING

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

Annual Financial Information Disclosure

The Township covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any, (as described below) to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information within 210 days after the last day of the Township’s fiscal year (currently March 31). If Audited Financial Statements are not available when the Annual Financial Information is filed, the Township will file unaudited financial statements. The Township will submit Audited Financial Statements to the MSRB’s Electronic Municipal Market Access (“EMMA”) system within 30 days after availability to the Township. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

“Annual Financial Information” means:

1. All of the tables under the heading “**PROPERTY ASSESSMENT AND TAX INFORMATION**” within this Official Statement;
2. All of the tables under the heading “**DEBT INFORMATION**” within this Official Statement; and
3. All of the tables under the heading “**FINANCIAL INFORMATION**” (**Excluding Budget and Interim Financial Information**) within this Official Statement.

“Audited Financial Statements” means financial statements of the Township as audited annually by independent certified public accountants. Audited Financial Statements are expected to continue to be prepared according to Generally Accepted Accounting Principles as applicable to governmental units (i.e., as subject to the pronouncements of the Governmental Accounting Standards Board and subject to any express requirements of State law).

Reportable Events Disclosure

The Township covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The “Events” are:

1. Principal and interest payment delinquencies
2. Non-payment related defaults, if material
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB) or other material notices or determinations with respect to the tax status of the security, or other material events affecting the tax status of the security
7. Modifications to the rights of security holders, if material
8. Bond calls, if material, and tender offers
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities, if material
11. Rating changes
12. Bankruptcy, insolvency, receivership or similar event of the Township *
13. The consummation of a merger, consolidation, or acquisition involving the Township or the sale of all or substantially all of the assets of the Township, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

* This event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar officer for the Township in a proceeding under the U.S. Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Township, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Township.

Consequences of Failure of the Township to Provide Information

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

In the event of a failure of the Township to comply with any provision of the Undertaking, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the Township to comply with its obligations under the Undertaking. A default under the Undertaking shall not be deemed a default under the Bond Ordinance, and the sole remedy under the Undertaking in the event of any failure of the Township to comply with the Undertaking shall be an action to compel performance.

Amendment; Waiver

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

- (a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the Township, or type of business conducted; or
- (ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the Township (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Annual Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the Township shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

Termination of Undertaking

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

Additional Information

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

Dissemination of Information; Dissemination Agent

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

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

OPTIONAL REDEMPTION

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

LITIGATION

There is no litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity of the Bonds or any proceedings of the Township taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the Township, threatened against the Township that is expected to materially impact the financial condition of the Township.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel"), who has been retained by, and acts as, Bond Counsel to the Township. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Township, reviewed only those portions of this Official Statement involving the description of the Bonds, the security for the Bonds (excluding forecasts, projections, estimates or any other financial or economic information in connection therewith) and the description of the federal tax exemption of the interest on the Bonds. This review was undertaken solely at the request and for the benefit of the Township and did not include any obligation to establish or confirm factual matters set forth herein.

OFFICIAL STATEMENT AUTHORIZATION

This Official Statement has been authorized for distribution to prospective purchasers of the Bonds. All statements, information, and statistics herein are believed to be correct but are not guaranteed by the consultants or by the Township, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated “AA/Stable Outlook” by S&P Global Ratings. The Township has supplied certain information and material concerning the Bonds and the Township to the rating service shown on the cover page, including certain information and materials which may not have been included in this Official Statement, as part of its application for an investment rating on the Bonds. A rating reflects only the views of the rating agency assigning such rating and an explanation of the significance of such rating may be obtained from such rating agency. Generally, such rating service bases its rating on such information and material, and also on such investigations, studies and assumptions that it may undertake independently. There is no assurance that such rating will continue for any given period of time or that it may not be lowered or withdrawn entirely by such rating service if, in its judgment, circumstances so warrant. Any such downward change in or withdrawal of such rating may have an adverse effect on the secondary market price of the Bonds. An explanation of the significance of the investment rating may be obtained from the rating agency: S&P Global Ratings Corporation, 55 Water Street, New York, New York 10041, telephone 212-438-2000. The Township will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Bonds were offered for sale by the Township at a public, competitive sale on November 14, 2017. The best bid submitted at the sale was submitted by _____ (the “Underwriter”). The Township awarded the contract for sale of the Bonds to the Underwriter at a price of \$ _____. The Underwriter has represented to the Township that the Bonds have been subsequently re-offered to the public initially at the yields or prices set forth in the Final Official Statement.

MUNICIPAL ADVISOR

The Township has engaged Speer Financial, Inc. as municipal advisor (the “Municipal Advisor”) in connection with the issuance and sale of the Bonds. The Municipal Advisor is a Registered Municipal Advisor in accordance with the rules of the MSRB. The Municipal Advisor will not participate in the underwriting of the Bonds. The financial information included in this Official Statement has been compiled by the Municipal Advisor. Such information does not purport to be a review, audit or certified forecast of future events and may not conform with accounting principles applicable to compilations of financial information. The Municipal Advisor is not a firm of certified public accountants and does not serve in that capacity or provide accounting services in connection with the Bonds. The Municipal Advisor is not obligated to undertake any independent verification of or to assume any responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement, nor is the Municipal Advisor obligated by the Township’s continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated November 2, 2017, for the \$12,250,000* General Obligation Refunding Bonds, Series 2017, believe it to be true and correct and will provide to the purchaser of the Bonds at the time of delivery a certificate confirming to the purchaser that to the best of our knowledge and belief information in this Official Statement was at the time of acceptance of the bid for the Bonds and, including any addenda thereto, was at the time of delivery of the Bonds true and correct in all material respects and does not include any untrue statement of a material fact, nor does it omit the statement of any material fact required to be stated therein, or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ **JOHN M. KUPAR**
Supervisor
CAMPTON TOWNSHIP
Kane County, Illinois

**Subject to change.*

APPENDIX A

**CAMPTON TOWNSHIP
KANE COUNTY, ILLINOIS**

FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
TABLE OF CONTENTS**

	<u>Page(s)</u>
INDEPENDENT AUDITOR'S REPORT.....	1-2
MANAGEMENT'S DISCUSSION AND ANALYSIS.....	MD&A 1-8
GENERAL PURPOSE EXTERNAL FINANCIAL STATEMENTS	
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position.....	3
Statement of Activities.....	4
Fund Financial Statements	
Governmental Funds	
Balance Sheet.....	5
Reconciliation of Fund Balances of Governmental Funds to the Governmental Activities in the Statement of Net Position.....	6
Statement of Revenues, Expenditures, and Changes in Fund Balances.....	7
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Governmental Activities in the Statement of Activities.....	8
Notes to Financial Statements.....	9-28
Required Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual	
General (Town) Fund.....	29
Road and Bridge Fund.....	30
Illinois Municipal Retirement Fund	
Schedule of Employer Contributions.....	31
Schedule of Changes in the Employers' Net Pension Liability and Related Ratios.....	32
Notes to Required Supplementary Information.....	33

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT

For the Year Ended
March 31, 2017

ADMINISTRATIVE OFFICES

4N498 TOWNHALL ROAD
ST. CHARLES, ILLINOIS

John Kupar
Supervisor

Richard Johansen
Town Clerk

Sam Gallucci
Highway Commissioner

Alan Rottmann
Assessor

Trustees

Elizabeth Murphy

Thomas Stutesman

Joe Miller

Victoria Vandiver



CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
TABLE OF CONTENTS (Continued)

	<u>Page(s)</u>	
COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES		
MAJOR GOVERNMENTAL FUNDS		
Schedule of Expenditures - Budget and Actual		
General (Town) Fund	34-36	
Road and Bridge Fund	37-38	
Schedule of Revenues, Expenditures, and Changes in		
Fund Balance - Budget and Actual		
Open Space Fund	39-40	
NONMAJOR GOVERNMENTAL FUNDS		
Schedule of Revenues, Expenditures, and Changes in		
Fund Balance - Budget and Actual		
Capital Improvements Fund	41	
SUPPLEMENTAL DATA		
Schedule of Land Cash Money	42	
Schedule of Land Purchases	43	

INDEPENDENT AUDITOR'S REPORT



1415 W. Diehl Road, Suite 400
Naperville, Illinois 60563

630.566.8400 // www.sikich.com

Certified Public Accountants & Advisors
Members of American Institute of Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

The Honorable Town Supervisor
Members of the Board of Trustees
Campton Township
St. Charles, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Campton Township, St. Charles, Illinois (the Township) as of and for the year ended March 31, 2017, and the related notes to financial statements which collectively comprise the Township's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Campton Township, St. Charles, Illinois, as of March 31, 2017, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Township's basic financial statements as a whole. The combining and individual fund financial statements and schedules and the supplemental data are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 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. In our opinion, the combining and individual fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The supplemental data has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance thereon.

Sikich LLP
Naperville, Illinois
July 5, 2017

CAMPTON TOWNSHIP
MANAGEMENT'S DISCUSSION AND ANALYSIS
For the fiscal year ended March 31, 2017

Our discussion and analysis of Campton Township's financial performance provides an overview of the Township's financial activities for the fiscal year ended March 31, 2017. Readers are encouraged to consider the information presented in conjunction with the Township's financial statements as a whole.

FINANCIAL HIGHLIGHTS

- The net assets of the Township exceeded its liabilities at the close of the most recent fiscal year by \$28,408,659 (net position). This represents a \$2,337,846 increase in net assets. The primary cause of this net asset increase is from the decrease in total liabilities, due to a reduction of debt service. During 2017 fiscal year, the principal payments for the Open Space General Obligation Bonds reduced debt in the amount of \$2,151,794.
- For the year the Statement of Revenues, Expenditures, and Changes in Fund Balances, total expenditures exceeded total revenues by \$40,952. This is mainly attributable to an increase in the Road and Bridge Fund, which is offset by a budgeted deficiency in the Open Space Fund. The Road Fund's 2017 surplus is budgeted for roadway and capital improvements in 2018.
- Overall there was a decrease in the cost of programs. The most significant decrease was in Open Space and Interest on Long Term Debt primarily due to the GO Bond Refunding 2015 that occurred in last fiscal year. In addition, there was an increase in property taxes of approximately 1.8% for Town and Road Funds and a 17.9% increase for the General Obligation Bonds and Interest.
- At the end of the current fiscal year, the unassigned fund balance for the General Fund was \$355,599 or approximately 58% of total General Fund expenditures. The Road and Bridge Fund had a restricted fund balance of \$1,170,359, which represents approximately 62% of total Road and Bridge expenditures.

Overview of the Financial Statements

This annual report consists of a series of financial statements and notes to the financial statements. The Statement of Net Position and the Statement of Activities provide information about the activities of the Township as a whole and present a longer-term view of the Township's finances. Fund financial statements begin on page 6. For governmental funds, these fund financial statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Township's operation in more detail than the government-wide statements by providing information about the Township's individual funds.

Government-Wide Financial Statements

The government-wide financial statements provide readers with a broad overview of the Township's finances, in a matter similar to a private-sector business. The government wide financial statements can be found on pages 4 - 5 of this report.

(See independent auditor's report.)
MD&A 1

The Statement of Net Position reports information on all of the Township's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the township is improving or deteriorating. Consideration of other non-financial factors, such as changes in the Township's property tax base is necessary to assess the overall health of the Township.

The Statement of Activities presents information showing how the Township's net position changed during the fiscal year ending March 31, 2017. All changes in net position are reported as soon as the underlying event that causes the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes).

The Notes to the financial statements provide additional information that is essential for a full understanding of the data provided in the government-wide and fund financial statements.

The governmental activities of the Township include general government, public welfare, recreation and preservation of open land. Real estate taxes and governmental revenues (e.g. grants, permit fees) finance these activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The Township, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the Township are classified as governmental funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the Township's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between governmental funds and governmental activities.

The Township maintains four governmental funds. Information is presented separately for the major funds and combines the nonmajor governmental funds in the balance sheet and in the statement of revenues, expenditures, and changes in fund balances. The major funds are the General (Town) Fund (includes General Assistance), Road and Bridge Fund, and Open Space Fund. The remaining nonmajor governmental fund is the Capital Improvements Fund.

(See independent auditor's report.)
MD&A 2

The Township adopts an annual appropriated budget for all of the governmental funds. A budgetary comparison statement for these funds has been provided to demonstrate compliance with this budget in the required supplementary information section.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found starting on page 9 of this report. Included in the notes is the information concerning the Township's Illinois Municipal Retirement Fund (IMRF) pension obligations and detail for long-term debt. Following the notes is required supplementary information reporting ten years of trend information concerning the Illinois Municipal Retirement Fund on a prospective basis.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. The following tables show that in the case of the Township, assets exceeded liabilities by \$28,408,659. The \$2,337,846 increase represents a combination of changes.

Statement of Net Position As of March 31

	2016	2017
Current and Other Assets	\$ 14,046,644	14,547,450
Capital Assets	57,085,131	57,027,121
Total assets	71,131,775	71,574,571
Deferred Outflows of Resources	484,087	416,492
Total assets & deferred outflows of resources	71,615,862	71,991,063
Current Liabilities	652,729	570,058
Non-current debt due within one year	2,506,206	3,095,269
Long-Term Debt Outstanding	36,333,916	33,255,618
Total Liabilities	39,492,851	36,920,945
Deferred Inflows of Resources	6,052,198	6,661,459
Total liabilities & deferred inflows of resources	45,545,049	43,582,404
Net Position		
Net Investment in Capital Assets	21,231,545	23,463,210
Restricted for		
Road and bridges	988,044	1,170,359
Open Spaces	4,046,577	3,991,910
Unrestricted	-195,353	-216,820
Total Net Position	\$ 26,070,813	28,408,659

(See independent auditor's report.)
MD&A 3

Current and other assets increased \$500,806; the primary increase was receivable taxes of \$610K offset by a decrease in cash of \$123K (Town Fund -\$35K, Road Fund \$164K, Capital Improvements \$59K, Open Space -\$311K). The cash decrease is a combination of the budgeted spending deficit in Open Space, the surpluses in Road and Town and the Town Fund transfer to Capital Improvements.

The most significant increase in receivable taxes is approximately \$600K from the Open Space GO Bond debt. The projected levy for the Open Space GO series bond principal debt payments will be \$2,765,000 next fiscal year (December 2017) compared to \$2,140,000 (principal paid December 2016) while the General Town and Road and Bridge levy both increase by approximately 1%.

Previously mentioned, another significant change was a \$2,571,906 decrease in total liabilities (excluding deferred inflows of resources). This decrease consisted of reductions in bond debt: \$2,140,000 in GO bond debt and \$11,794 IGA water resource bonds through Kane County. In addition, there were less significant decreases for outstanding accounts payable, accrued payroll and accrued interest at year-end.

Net investment in capital assets (for example, land, buildings, equipment) accounts for a major portion of the Township's net position. Non-depreciable capital assets total \$49,711,364 of the net Capital Assets of \$57,027,121. The net capital assets by fund are: \$2.3 million - General (Town) Fund; \$8.2 million - Road and Bridge Fund; \$46.5 million - Open Space Fund. These capital assets provided services to citizens; consequently, these assets were not available for spending. See additional comment regarding capital assets on page 18 of this report.

Statement of Activities For the Years Ending March 31

	2016	2017
Revenues:		
Program Revenues		
Charges for Services	\$ 457,629	125,285
Operating grants & contributions	243,546	464,110
Capital grants & contributions	0	0
General Revenues		
Property Taxes	5,339,794	5,926,987
Replacement Taxes	7,166	6,735
Investment Income	137,723	29,862
Gain on disposal of capital assets	0	0
Miscellaneous	10,231	6,713
Total Revenues	\$ 6,196,089	6,559,692

(See independent auditor's report.)
MD&A 4

- *Capital grants* – no income generated from grant revenue this year.

- Property taxes levied for General Fund and Road and Bridge increased by 1.8% for fiscal year 2017. This reflects the increase in the rate of inflation, plus new construction in the Township that was added to the Township assessment records. Property taxes levied for Open Space are set by resolution from the various bond issuances and increased by 17.9%. The Open Space tax receipts are restricted to general obligation bond payments only; this revenue offsets the amount of general obligation bond interest and principal payments due during the fiscal year.

- Investment income reflects a decrease from 2016. Overall there was an increase in interest income offset by an unrealized loss on investments in the Open Space Fund. This decrease in the Open Space Fund is due to a significant fluctuation of \$124K in the unrealized gain-loss on investments. The unrealized gain or loss fluctuates based on the market value of investments as of March 31st.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the Township uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds

The focus of the Township's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. As of the end of the current fiscal year, combined ending fund balances were \$7,835 million, which is a .5% decrease from last year's total of \$7,876 million. The fund balances with increases were: \$1,780 in the General (Town) Fund and \$175,972 in the Road and Bridge Fund and \$59,634 in the Capital Improvements Fund. There was a budgeted deficit or decrease of \$278,338 in the Open Space Fund. The Open Space Fund's budgeted deficit was originally budgeted at a higher dollar amount.

At the end of the current fiscal year for the major funds, there was an unassigned fund balance of \$355,599 for the General Fund, restricted and unrestricted funds for the Road and Bridge Fund of \$1,199,830 and \$6,163,514 of restricted and unrestricted funds for the Open Space Fund; these funds may be used to meet the government's ongoing obligations and programs.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Township board approved amended budget line items under 10% from the original Township Budget Ordinance and/or Road and Bridge Ordinance. All the amended line item adjustments were minor adjustments of less than 1% and under in the Town, Capital Improvements and Open Space fund budgets for the fiscal year ending March 31, 2017. The Road Fund had several line item adjustments greater than 1% due to the additional funding by the Village of Campton Hills and the surpluses in ice control materials and fuel due to the mild winter; both of which left funds for additional capital improvements. The Road District used the additional funding for roadways, culverts and engineering. In addition, the Road District was able to replace a roof and purchase a truck that was not in the original budget. Most line items were within the line item budgets, although there were a few line items over budget due to a line item reclassification or an accrual. In addition, the General – Town Fund, Road Fund and Capital Improvements Fund were all under budget. In the Open Space Fund, the actual administration and maintenance expenditures were

(See independent auditor's report.)
MD&A 6

		<u>2016</u>	<u>2017</u>
Expenses:			
General Government	\$	645,418	581,104
Roads and Bridges		1,743,270	1,898,259
Parks and recreation		121,072	58,326
Open Space		849,141	513,103
Interest on Long Term Debt		1,512,587	1,171,054
Total Expenses	\$	4,871,488	4,221,846
Increase (Decrease) in Net Position	\$	1,324,601	2,337,846
Net Position – Beginning		24,746,212	26,070,813
Net Position – Ending	\$	26,070,813	28,408,659

Changes in Net Position

The increase in net position of \$2,337,846 was attributable to several previously mentioned items. There were decreases in the expenses of Governmental activities; the most significant was in Open Space from the non-recurring expense of bond issuance cost in fiscal year ending March 31, 2016. Other key elements in the change are as follows:

- *Charges for Services* include: General government's room rental fees, Parks' field fees, Road's culvert, access & overweight permits, Open Space's wetland income, license income, permit & field fees. The most significant changes over last year's charges for services were: Open Space had a \$327K decrease in wetland income and Highways and Streets had a \$5K decrease in culvert permits.
- *Operating grants and contributions* include General government - VCH contribution to RIK program, Open Space – grants/donations, Highways and Streets - intergovernmental income and interest - Build America Bonds rebate. Open Space this year received funding from the Corron Farm Preservation Society in the amount of \$58,148, for the stabilization of the Corron Farm Historic Dairy Barn. The majority of the intergovernmental income to Highways and Streets is from the Village of Campton Hills. The Road District receives revenue under the intergovernmental agreements created in 2007 between the newly created Village of Campton Hills (VCH) and the Campton Township Road District. These agreements provided for the Road District to continue to maintain the roads previously under the Township Road District jurisdiction and to perform additional work as requested on VCH roads located in Plato Township. These agreements generated \$106,700 in Motor Fuel Taxes (MFT) to go directly to the Road District compared to \$107,900 in 2016. The MFT taxes from the State of Illinois were previously held as credits allocated on miles of township roadway in motor fuel accounts held and supervised by Kane County. Additional work performed for the VCH (for Plato Township roads within the Village) generated \$66,100 in revenue for the Road compared to \$52,500 in fiscal year 2016. The most significant increase in 2017, a special additional discretionary funding by the VCH for a roadway and tile projects in the amount of \$153,191. Another less significant IGA is with the Village of Lily Lake (VLL). The VLL work requests decreased by \$8,900 compared to the previous year.

(See independent auditor's report.)
MD&A 5

\$60,192 under the budgeted expenditures for the fiscal year. An audit reclassification of \$58,148 increasing Grant Proceeds (revenue) and increasing the Corron Farm Dairy Barn Restoration was recorded in Open Space. The Open Space Fund received these proceeds from the Corron Farm Preservation Society to assist with the cost of the barn restoration. Management agreed with the audit reclassification thus a \$58,000 budget overage occurred in Capital Outlay expenditures in Open Space.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The Township's investment in capital assets as of March 31, 2017 was \$57,027,121 (net of accumulated depreciation). This investment in capital assets includes land, land improvements, buildings & improvements, equipment & vehicles and road infrastructure.

Net capital assets decreased by \$58,010. This was a combination of capital additions of \$332,824 offset by annual depreciation of \$390,834. The capital additions of \$332,824 included Road District and Open Space additions. The Road District had additions of: a planner, used International plow truck, V-box salt spreader, F350 crew cab and a new roof, lighting and electrical property improvements at the Road District property. Additions for the Open Space properties included: at Corron Farm - stabilization of the historic dairy barn, at Gray Willows improvements at the Corron Road house, roadway and parking lot improvements.

Additional information of the Township's capital assets can be found in note 4 on pages 17.

Debt

At year-end, the Township Open Space program had outstanding bond debt of \$33,942,051. Reductions in bond debt this fiscal year, \$2,251,794 in principal payments, \$2,140,000 in GO bond debt and \$11,794 IGA water resource bonds through Kane County

The Road Fund capital leases were reduced by \$18,912, leaving an outstanding balance of \$61,336. Additionally, the Township has a pension liability of 61,336, a reduction of \$27,512 from the previous year.

Detailed information regarding the Township's debt can be found in note 6 on pages 18 - 22.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Township receives majority of its revenue from property taxes. Current economic factors have slowed the growth of the property tax base of the Township, although this does not cause a decrease in property tax receipts. The low CPI does have an effect on increasing property tax revenues but it does not decrease taxes. The Township anticipates these effects on the property taxes for fiscal year 2017-2018 and the Township considers this in their forecast and budget process.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the Township's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to Campton Township Supervisor, 4N498 Town Hall Road, St. Charles, IL 60175.

(See independent auditor's report.)
MD&A 7

(See independent auditor's report.)
MD&A 8

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

STATEMENT OF NET POSITION

March 31, 2017

	Governmental Activities
ASSETS	
Cash and investments	\$ 7,911,133
Receivables (net, where applicable of allowances for uncollectibles)	
Taxes	6,543,823
Accrued interest	22,666
Allotments	26,175
Other	43,663
Capital assets, not being depreciated	49,711,364
Capital assets, being depreciated (net of accumulated depreciation)	7,315,757
Total assets	71,574,571
DEFERRED OUTFLOWS OF RESOURCES	
Pension items - IMRF	161,455
Unamortized loss on refunding	255,037
Total deferred outflows of resources	416,492
Total assets and deferred outflows of resources	71,991,063
LIABILITIES	
Accounts payable	117,056
Accrued payroll	51,451
Accrued interest	401,551
Noncurrent liabilities	
Due within one year	3,095,269
Due in more than one year	33,255,618
Total liabilities	36,920,945
DEFERRED INFLOWS OF RESOURCES	
Pension items - IMRF	117,636
Deferred revenue - property taxes	6,543,823
Total deferred inflows of resources	6,661,459
Total liabilities and deferred inflows of resources	43,582,404
NET POSITION	
Net investment in capital assets	23,463,210
Restricted for	
Roads and bridges	1,170,359
Open space	3,991,910
Unrestricted	(216,820)
TOTAL NET POSITION	\$ 28,408,659

See accompanying notes to financial statements.

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2017

FUNCTIONS/PROGRAMS PRIMARY GOVERNMENT	Net (Expense) Revenue and Change in Net Position				
	Program Revenues		Governmental		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Activities
Governmental Activities	\$ 581,104	\$ 1,080	\$ -	\$ -	\$ (580,024)
General government	1,898,259	18,995	358,428	-	(1,520,836)
Highways and streets	58,326	12,180	-	-	(46,146)
Parks and recreation	513,103	93,030	59,843	-	(360,230)
Open space	1,171,054	-	45,839	-	(1,125,215)
Interest					
TOTAL GOVERNMENTAL ACTIVITIES	\$ 4,221,846	\$ 125,285	\$ 464,110	\$ -	(3,632,451)
General Revenues					
Taxes					5,926,987
Property taxes					6,735
Replacement taxes					29,862
Investment income					6,713
Miscellaneous					
Total					5,970,297
CHANGE IN NET POSITION					2,337,846
NET POSITION, APRIL 1					26,070,813
NET POSITION, MARCH 31					\$ 28,408,659

See accompanying notes to financial statements.

- 4 -

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
BALANCE SHEET
GOVERNMENTAL FUNDS

March 31, 2017

ASSETS	General (Town)	Road and Bridge	Open Space	Nonmajor	Total
Cash and investments	\$ 407,212	\$ 1,297,457	\$ 6,116,803	\$ 89,661	\$ 7,911,133
Receivables					
Taxes	664,137	1,699,509	4,180,177	-	6,543,823
Accrued interest	-	-	22,656	-	22,656
Allocments	-	26,175	-	-	26,175
Other	-	3,767	39,896	-	43,663
TOTAL ASSETS	\$ 1,071,349	\$ 3,026,908	\$ 10,359,532	\$ 89,661	\$ 14,547,450
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts payable	\$ 2,774	\$ 105,172	\$ 9,110	\$ -	\$ 117,056
Accrued payroll	22,323	22,397	6,731	-	51,451
Total liabilities	25,097	127,569	15,841	-	168,507
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - property taxes	664,137	1,699,509	4,180,177	-	6,543,823
Total deferred inflows of resources	664,137	1,699,509	4,180,177	-	6,543,823
FUND BALANCES					
Restricted for roads and bridges	-	1,170,359	-	-	1,170,359
Restricted for open spaces	-	-	6,009,131	-	6,009,131
Unrestricted	-	29,471	-	-	29,471
Assigned for roads and bridges	-	-	-	-	-
Assigned for capital projects	-	-	-	89,661	89,661
Assigned for open space	-	-	94,383	-	94,383
Assigned for general assistance	26,516	-	-	-	26,516
Unassigned	355,599	-	-	-	355,599
Total fund balances	382,115	1,199,830	6,163,514	89,661	7,835,120
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 1,071,349	\$ 3,026,908	\$ 10,359,532	\$ 89,661	\$ 14,547,450

See accompanying notes to financial statements.

- 5 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**RECONCILIATION OF FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE GOVERNMENTAL ACTIVITIES IN
THE STATEMENT OF NET POSITION**

March 31, 2017

FUND BALANCES OF GOVERNMENTAL FUNDS	\$ 7,835,120
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds	57,027,121
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in governmental funds	
Bonds	(33,942,051)
Capital leases	(61,336)
Unamortized premium	(1,892,785)
Compensated absences payable	(48,097)
Unamortized loss on refunding is reported as a deferred outflow on the statement of net position	255,037
Net pension liability for the Illinois Municipal Retirement Fund is shown as a liability on the statement of net position	(406,618)
Differences between expected and actual experiences, assumption changes, net differences between projected and actual earnings, and contributions subsequent to the measurement date for the Illinois Municipal Retirement Fund are recognized as deferred outflows and inflows of resources on the statement of net position	43,819
Accrued interest on long-term liabilities is shown as a liability on the statement of net position	(401,551)
NET POSITION OF GOVERNMENTAL ACTIVITIES	\$ 28,408,659

See accompanying notes to financial statements.

- 6 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS**

For the Year Ended March 31, 2017

	General (Town)	Road and Bridge	Open Space	Nonmajor	Total
REVENUES					
Taxes	\$ 657,138	\$ 1,680,051	\$ 3,596,533	\$ -	\$ 5,933,722
Charges for services	13,260	18,995	93,030	-	125,285
Intergovernmental	-	358,428	103,987	-	462,415
Investment income	1,982	4,356	23,490	34	29,862
Miscellaneous	-	1,645	6,763	-	8,408
Total revenues	672,380	2,063,475	3,823,803	34	6,559,692
EXPENDITURES					
Current					
General government	552,523	-	-	-	552,523
Highways and streets	-	1,115,386	-	-	1,115,386
Parks and recreation	58,477	-	-	-	58,477
Open space	-	-	374,458	-	374,458
Capital outlay	-	750,036	150,277	-	900,313
Debt service	-	18,912	2,151,794	-	2,170,706
Principal	-	3,169	1,425,612	-	1,428,781
Interest and fiscal charges	-	-	-	-	-
Total expenditures	611,000	1,887,503	4,102,141	-	6,600,644
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	61,380	175,972	(278,338)	34	(40,952)
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	-	59,600	59,600
Transfers (out)	(59,600)	-	-	-	(59,600)
Total other financing sources (uses)	(59,600)	-	-	59,600	-
NET CHANGE IN FUND BALANCES	1,780	175,972	(278,338)	59,634	(40,952)
FUND BALANCES, APRIL 1	380,335	1,023,858	6,441,852	30,027	7,876,072
FUND BALANCES, MARCH 31	\$ 382,115	\$ 1,199,830	\$ 6,163,514	\$ 89,661	\$ 7,835,120

See accompanying notes to financial statements.

- 7 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES TO THE GOVERNMENTAL ACTIVITIES
IN THE STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2017

**NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS**

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures; however, they are capitalized in the statement of activities

Depreciation expense does not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds

Repayment of long-term obligations is shown as an expenditure in governmental funds, but as a reduction of liability on the statement of net position

Bonds
Capital leases

The amortization of premiums on bonds and deferred losses on refunding is shown as a reduction of interest expense on the statement of activities

The change in the net pension liability for the Illinois Municipal Retirement Fund is reported only in the statement of activities

The change in deferred inflows and outflows of resources for the Illinois Municipal Retirement Fund is reported only in the statement of activities

The decrease in accrued interest on long-term debt is reported as a reduction of interest expense on the statement of activities

The change in the compensated absences liability is shown as an expense on the statement of activities

CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

\$	(40,952)
332,824	
(390,834)	
2,151,794	
18,912	
243,877	
27,512	
(21,382)	
13,850	
2,245	
\$	<u>2,337,846</u>

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

NOTES TO FINANCIAL STATEMENTS

March 31, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Campton Township (the Township) was incorporated in 1850. The Township operates under a Board of Trustees form of government and provides the following services: general assistance, road and bridge, assessment of properties, and general administrative services.

The financial statements of the Township have been prepared in conformity with accounting principles generally accepted in the United States of America, as applied to governmental units (hereinafter referred to as generally accepted accounting principles (GAAP)). The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the Township's accounting policies are described below.

a. Reporting Entity

The Township is a municipal corporation governed by an elected board. As required by GAAP, these financial statements present the Township (the primary government). There are no component units included in the Township's reporting entity.

b. Basis of Presentation - Fund Accounting

The accounts of the Township are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balances, revenues, and expenditures or expenses as appropriate. Government resources are allocated to and accounted for in individual funds based on the purposes for which they are to be spent and the means by which spending activities are controlled. Funds are classified into the following category: governmental.

Governmental funds are used to account for the Township's general activities. The General (Town) Fund is the primary operating fund; accounting for all financial resources not accounted for in another fund. Special revenue funds account for revenue sources that are legally restricted or committed for specific purposes (except for capital projects funds). Capital projects funds account for funds that are restricted, committed, or assigned to the acquisition of capital assets or construction of major capital projects not financed by another fund.

See accompanying notes to financial statements.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

c. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the activities of the Township. The effect of material interfund activity has been eliminated from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function, segment, or program are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

The Township reports the following major governmental funds:

The General (Town) Fund accounts for the resources traditionally associated with the Township's operations that are not accounted for in another fund.

The Road and Bridge Fund (special revenue) accounts for the revenues and expenditures restricted to financing the maintenance and construction of the Township's roads and bridges.

The Open Space Fund (capital projects) accounts for monies received from the sale of general obligation bonds, the proceeds of which are to be used for the purchase and management of open space within the Township.

d. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred. Property taxes are recognized as revenues in the year for which they are levied (i.e., intended to finance). Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Basis of Accounting (Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual (i.e., both measurable and available). "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The Township considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded when the related fund liability is incurred.

Those revenues susceptible to accrual are property taxes, interest revenue, and charges for services. Donations are not susceptible to accrual because generally they are not measurable until received in cash.

The Township reports unearned/unavailable/deferred revenue on its financial statements. Unavailable/deferred revenues arise when a potential revenue does not meet both the measurable and available or earned criteria for recognition in the current period. Unearned revenues also arise when resources are received by the Township before it has a legal claim to them, as when grant monies are received prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met or when the Township has a legal claim to the resources, the liability or deferred inflow for unearned/unavailable/deferred revenue is removed from the financial statements and revenue is recognized.

e. Cash and Investments

Cash consists of demand deposits. Investments are stated at fair value, except for non-negotiable certificates of deposit and investments with a maturity of less than one year at date of purchase which are stated at cost.

Investments with a maturity of less than one year when purchased, non-negotiable certificates of deposit and other nonparticipating investments are stated at cost or amortized cost. Investments with a maturity greater than one year when purchased and all investments of the pension trust funds are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

f. Capital Assets

Capital assets, which include property, plant, equipment, and certain intangible assets are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the Township as assets with an estimated useful life in excess of one year and an initial individual cost of more than \$5,000, \$10,000, or \$50,000 for equipment, buildings, and infrastructure, respectively. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Property, plant, and equipment is depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Land improvements	20
Buildings and improvements	20-50
Equipment and vehicles	5-10
Infrastructure	50
Prepaid Items/Expenses	

g.

Payments made to vendors for services that will benefit periods beyond the date of this report are recorded as prepaid items/expenses.

h.

Compensated Absences

Vested or accumulated vacation and sick leave are reported as an expenditure and a fund liability of the governmental fund that will pay it once retirement or separation has occurred. Vested or accumulated vacation and sick leave of governmental activities are recorded as an expense and liability as the benefits accrue to employees.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Interfund Transactions

Interfund services are accounted for as revenues or expenditures/expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except interfund services and reimbursements, are reported as transfers.

j. Long-Term Obligations

In the government-wide financial statements long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities. Bond premiums and discounts, as well as gains (losses) on refundings, are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. The unamortized loss on refunding is reported as a deferred outflow of resources.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenditures.

k. Fund Balances/Net Position

In the fund financial statements, governmental funds report nonspendable fund balance for amounts that are either not spendable in form or legally or contractually required to be maintained intact. Restrictions of fund balance are reported for amounts constrained by legal restrictions from outside parties for use for a specific purpose, or externally imposed by outside entities or internally restricted via enabling legislation. Committed fund balance is constrained by formal actions of the Township's Board of Trustees, which is considered the Township's highest level of decision-making authority. Formal actions include ordinances approved by the Board of Trustees. Assigned fund balance represents amounts constrained by the Township's intent to use them for a specific purpose. The authority to assign fund balance has been delegated to the Township Accountant by the Township Board of Trustees. Any residual fund balance in the General (Town) Fund or deficit fund balance in any governmental fund is reported as unassigned.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

k. Fund Balances/Net Position (Continued)

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

The Township does not have a policy to maintain unassigned fund balance in the General Fund at a minimum level.

In the government-wide financial statements, restricted net position is legally restricted by outside parties for a specific purpose. None of the Township's net position have been restricted by enabling legislation adopted by the Township. Net investment in capital assets, represents the book value of capital assets less any long-term debt principal outstanding issued to construct or acquire capital assets.

l. Accounting Estimates

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

m. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

2. DEPOSITS AND INVESTMENTS

The Township categorizes the fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

The Township maintains a cash and investment pool that is available for use by all funds. Each fund's portion of this pool is displayed on the financial statements as "cash and investments."

The Township's investment policy authorizes the Township to invest in all investments allowed by Illinois Compiled Statutes. These include deposits/investments in insured commercial banks, savings and loan institutions, obligations of the U.S. Treasury and U.S. agencies, insured credit union shares, money market mutual funds with portfolios of securities issued or guaranteed by the United States Government or agreements to repurchase these same obligations, repurchase agreements, short-term commercial paper rated within the three highest classifications by at least two standard rating services, Illinois Funds (created by the Illinois State Legislature under the control of the State Comptroller that maintains a \$1 per share value which is equal to the participants fair value). In addition, bond funds may be invested in state and local government bonds. The Township's investment policy does limit its deposits to financial institutions that are members of the FDIC system and are capable of posting collateral for amounts in excess of FDIC insurance.

It is the policy of the Township to invest its funds in a manner which will provide the highest investment return with the maximum security while meeting the daily cash flow demands of the Township and conforming to all state and local statutes governing the investment of public funds, using the "prudent person" standard for managing the overall portfolio. The primary objectives of the policy are, in order of priority, legality, safety of principal, liquidity, and rate of return.

Deposits with Financial Institutions

Custodial credit risk for deposits with financial institutions is the risk that in the event of bank failure, the Township's deposits may not be returned to it. The Township's investment policy requires pledging of collateral for all bank balances in excess of federal depository insurance, at an amount not less than 110% of the fair market value of the funds secured, with the collateral held by the Township, an independent third party, or the Federal Reserve Bank of Chicago. In addition, one of the Township's banks pledges collateral to a single institution collateral pool whereby collateral is pooled in one account at a separate bank acting for all public entity deposits in that bank.

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments

The following table presents the investments and maturities of the Township's debt securities as of March 31, 2017:

Investment Type	Fair Value	Investment Maturities (in Years)			
		Less than 1	1-5	6-10	Greater than 10
U.S. Treasury note	\$ 357,691	\$ -	\$ 357,691	\$ -	\$ -
Federal Farm Credit Bank	767,391	-	340,386	427,005	-
Municipal bonds	1,184,280	249,164	594,787	340,329	-
Negotiable CD's	1,679,464	50,190	1,428,574	200,700	-
TOTAL	\$ 3,988,826	\$ 299,354	\$ 2,721,438	\$ 968,034	\$ -

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the Township limits its exposure to interest rate risk by structuring the portfolio to provide liquidity for short and long-term cash flow needs while providing a reasonable rate of return based on the current market.

The Township has the following recurring fair value measurements as of March 31, 2017. The U.S. Treasury notes, Federal Farm Credit Bank notes, municipal bonds, and negotiable CD's, are valued using quoted matrix pricing models (Level 2 inputs).

Credit risk is the risk that the issuer of a debt security will not pay its par value upon maturity. The Township limits its exposure to credit risk by requiring investments primarily in negotiable CD's, agency securities, money market mutual funds, and municipal bonds in the highest four credit ratings by a national rating agency. The U.S. Treasury notes are rated AA+, the Federal Farm Credit Bank obligation is rated AA+, the municipal bonds range in rating from A+ to AAA, and the negotiable certificates of deposit are not rated by a credit rating agency.

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to the investment, the Township will not be able to recover the value of its investments that are in possession of an outside party. To limit its exposure, the Township's investment policy requires all security transactions that are exposed to custodial credit risk to be processed on a delivery versus payment (DVP) basis with the underlying investments held by an independent third party custodian and evidenced by safekeeping receipts and a written custodial agreement.

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)

2. DEPOSITS AND INVESTMENTS (Continued)

Investments (Continued)

Concentration of credit risk is the risk that the Township has a high percentage of its investments invested in one type of investment. The Township's investment policy requires diversification of investments to avoid unreasonable risk. No financial institution shall hold more than 20% of the Township's investment portfolio, exclusive of any securities held in safekeeping; Illinois Funds shall not exceed 40% of the investment portfolio; and IMET shall not exceed 10% of the investment portfolio. At March 31, 2017, the Township had greater than 5% of its overall portfolio invested in Federal Farm Credit Bank obligations (15%), negotiable certificates of deposit (24%), and municipal bonds (34%).

3. RECEIVABLES - TAXES

Property taxes for 2016 attach as an enforceable lien on January 1, 2016, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and issued on or about May 1, 2017 and are payable in two installments, on or about June 1, 2017 and September 1, 2017. The County collects such taxes and remits them periodically. The allowance for uncollectible taxes has been stated at 0.5% of the tax levy to reflect actual collection experience. Property tax receivable balances in the financial statements appear net of this allowance.

The 2017 tax levy, which attached as an enforceable lien on property as of January 1, 2017, has not been recorded as a receivable as of March 31, 2017 as the tax has not yet been levied by the Township and will not be levied until December 2017 and, therefore, the levy is not measurable at March 31, 2017.

4. CAPITAL ASSETS

Capital asset activity for the year ended March 31, 2017 was as follows:

	Balances		Increases	Decreases	Balances March 31
	April 1				
GOVERNMENTAL ACTIVITIES					
Capital assets not being depreciated					
Land	\$ 46,123,034	\$ -	\$ -	\$ -	\$ 46,123,034
Right of way and easements	3,588,330	-	-	-	3,588,330
Total capital assets not being depreciated	49,711,364	-	-	-	49,711,364

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

4. CAPITAL ASSETS (Continued)

	Balances April 1	Increases	Decreases	Balances March 31
GOVERNMENTAL ACTIVITIES				
(Continued)				
Capital assets being depreciated				
Land improvements	\$ 2,322,368	\$ 19,819	\$ -	2,342,187
Buildings and improvements	2,594,157	204,226	-	2,798,383
Equipment and vehicles	1,873,222	108,779	-	1,982,001
Infrastructure	6,482,368	-	-	6,482,368
Total capital assets being depreciated	13,272,115	332,824	-	13,604,939
Less accumulated depreciation for				
Land improvements	1,235,823	111,521	-	1,347,344
Buildings and improvements	563,639	55,957	-	619,596
Equipment and vehicles	1,375,782	96,216	-	1,471,998
Infrastructure	2,723,104	127,140	-	2,850,244
Total accumulated depreciation	5,898,348	390,834	-	6,289,182
Total capital assets being depreciated, net	7,373,767	(58,010)	-	7,315,757
GOVERNMENTAL ACTIVITIES				
CAPITAL ASSETS, NET	\$ 57,085,131	\$ (58,010)	\$ -	\$ 57,027,121

Depreciation expense was charged to functions/programs of the primary government as follows:

GOVERNMENTAL ACTIVITIES	
General government	\$ 30,625
Highways and streets	151,304
Open space	208,905
TOTAL GOVERNMENTAL ACTIVITIES	\$ 390,834

5. RISK MANAGEMENT

The Township is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; employees' health; and natural disasters.

The Township is a member of Town Organization Intergovernmental Risk Management Agency (TOIRMA). TOIRMA is a public entity risk pool operating as a common risk management and insurance program for member townships in Illinois. The Township pays an annual premium to TOIRMA for its general insurance coverage including property and

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

5. RISK MANAGEMENT (Continued)

casualty, workers' compensation, and other risks of loss. The agreement for the formation of TOIRMA provides that TOIRMA will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of \$1,000 for general liability and \$1,000 for workers' compensation for each insured event. In the event that member premiums in any claim year are not sufficient to cover claims incurred during that period, then each participant in the pool would be assessed an additional premium to cover such losses. The Township is not aware of any additional premiums due to TOIRMA for prior claim years at March 31, 2017. In addition, the Township purchases third party indemnity insurance for employee health insurance coverage.

6. LONG-TERM DEBT

a. Changes in Long-Term Liabilities

	Balances April 1,	Additions	Reductions/ Refundings	Balances March 31	Due Within One Year
GOVERNMENTAL ACTIVITIES					
General Obligation Bonds					
\$5,310,000 General Obligation Open Space Bonds, Series 2008B, dated September 15, 2008, principal payments are due annually on December 15 (beginning in 2013), at amounts ranging from \$85,000 to \$1,955,000. Interest payable semiannually on June 15 and December 15, at rates ranging from 3.375% to 3.875%.	\$ 4,590,000	\$ -	\$ 580,000	\$ 4,010,000	\$ 380,000

\$2,360,000 Taxable General Obligation Build America Bonds, Series 2010B, dated February 9, 2010, principal payments are due annually on December 15 (beginning in 2028), at amounts ranging from \$1,000,000 to \$1,360,000. Interest payable semiannually on June 15 and December 15, at rates ranging from 5.9% to 6.0%.	2,360,000	-	-	2,360,000	-
---	-----------	---	---	-----------	---

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

	Balances April 1,	Additions	Reductions/ Refundings	Balances March 31	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)					
<u>General Obligation Bonds</u> (Continued)					
\$4,420,000 General Obligation Refunding Bond Series 2011, dated January 11, 2011, principal payments are due annually on December 15 (beginning in 2022), at amounts ranging from \$1,415,000 to \$1,530,000. Interest payable semiannually on June 15 and December 15, at rates ranging from 3.850% to 4.125%.	\$ 4,420,000	\$ -	\$ -	\$ 4,420,000	\$ -
\$118,886 Taxable General Obligation Build America Bonds, Series 2010, allocated through Kane County, dated December 29, 2010, principal payments are due annually on December 15 (beginning in 2011), at amounts ranging from \$10,782 to \$13,864. Interest payable semiannually on June 15 and December 15, at rates ranging from 1.15% to 4.80%.	63,845	-	11,794	52,051	12,219
\$8,770,000 General Obligation Refunding Bond Series 2014, dated February 11, 2014, principal payments are due annually on December 15 (beginning in 2018), at amounts ranging from \$4,345,000 to \$4,425,000. Interest payable semiannually on June 15 and December 15, at rates ranging from 2.00% to 2.25%.	8,770,000	-	-	8,770,000	-

- 20 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

6. LONG-TERM DEBT (Continued)

a. Changes in Long-Term Liabilities (Continued)

	Balances April 1,	Additions	Reductions/ Refundings	Balances March 31	Due Within One Year
GOVERNMENTAL ACTIVITIES (Continued)					
<u>General Obligation Bonds</u> (Continued)					
\$15,890,000 General Obligation Refunding Bond Series 2015, dated November 17, 2015, principal payments are due annually on December 15 (beginning in 2016), at amounts ranging from \$1,560,000 to \$2,240,000. Interest payable semiannually on June 15 and December 15, at rates ranging from 2% to 5%.	\$ 15,890,000	\$ -	\$ 1,560,000	\$ 14,330,000	\$ 2,385,000
Total general obligation bonds	36,093,845	-	2,151,794	33,942,051	2,777,219
<u>Capital Leases</u>					
Storage building	80,248	-	18,912	61,336	19,659
Total capital leases	80,248	-	18,912	61,336	19,659
Unamortized premium on general obligation bonds	2,181,557	-	288,772	1,892,785	288,772
Net pension liability*	434,130	-	27,512	406,618	-
Compensated absences*	50,342	7,823	10,068	48,097	9,619
TOTAL GOVERNMENTAL ACTIVITIES	\$ 38,840,122	\$ 7,823	\$ 2,497,058	\$ 36,350,887	\$ 3,095,269

*These liabilities have historically been retired by the Township's General Fund.

- 21 -

6. LONG-TERM DEBT (Continued)

b. Debt Service Requirements to Maturity

The annual requirements to amortize to maturity serial debt outstanding as of March 31, 2017 are as follows:

Year Ending March 31,	General Obligation Bonds	
	Principal	Interest
2018	\$ 2,777,219	\$ 1,375,268
2019	7,132,708	1,241,455
2020	8,238,260	1,028,201
2021	2,603,864	760,246
2022	2,035,000	637,690
2023	3,550,000	535,940
2024	3,715,000	374,712
2025	1,530,000	203,713
2026	-	140,600
2027	-	140,600
2028	-	140,600
2029	1,000,000	140,600
2030	1,360,000	81,600
TOTAL	\$ 33,942,051	\$ 6,801,225

Obligations of governmental activities under capital leases, including future interest payments, at March 31, 2017 were as follows:

Year Ending March 31,	Capital Leases	
2018	\$	22,081
2019		22,081
2020		22,081
Total minimum lease payments		66,243
Less amount representing interest costs		(4,907)
TOTAL	\$	61,336

Total cost and book value of capital assets purchased under these leases is \$133,643 and \$122,951, respectively.

7. INTERFUND ACTIVITY

Transfers In/Transfers Out

Individual fund transfers are as follows:

	Transfers	
	In	Out
General (Town) Fund	\$ -	\$ 59,600
Nonmajor governmental	59,600	-
TOTAL	\$ 59,600	\$ 59,600

The purpose of significant transfers during the year is as follows:

- \$59,600 transferred from the General (Town) Fund to nonmajor governmental funds to provide funding to the Capital Improvement Fund for capital related costs.

8. DEFINED BENEFIT PENSION PLAN

The Township contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	13
Active employees	24
TOTAL	47

Benefits Provided

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Township is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2016 was 10.21% of covered payroll.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Township's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Township's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 3,199,226	\$ 2,765,096	\$ 434,130
Changes for the period			
Service cost	121,191	-	121,191
Interest	242,684	-	242,684
Difference between expected and actual experience	(40,340)	-	(40,340)
Changes in assumptions	(4,150)	-	(4,150)
Employer contributions	-	114,994	(114,994)
Employee contributions	-	50,683	(50,683)
Net investment income	-	191,272	(191,272)
Benefit payments and refunds	(39,424)	(39,424)	-
Administrative expense	-	-	-
Other (net transfer)	-	(10,052)	10,052
Net changes	279,961	307,473	(27,512)
BALANCES AT DECEMBER 31, 2016	\$ 3,479,187	\$ 3,072,569	\$ 406,618

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.49%. Additionally, there were changes in assumptions related to mortality since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended March 31, 2017, the Township recognized pension expense of \$108,315.

At March 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 114,448
Assumption changes	-	3,188
Contributions made after measurement date	29,506	-
Net difference between projected and actual earnings on pension plan investments	131,949	-
TOTAL	\$ 161,455	\$ 117,636

\$29,506 reported as deferred outflows of resources related to pensions resulting from township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending March 31,	
2018	\$ (3,189)
2019	(3,189)
2020	19,833
2021	858
TOTAL	\$ 14,313

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Township calculated using the discount rate of 7.5% as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 853,987	\$ 406,618	\$ 35,393

9. OTHER POSTEMPLOYMENT BENEFITS

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Township's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2017.

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL (TOWN) FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 657,900	\$ 657,000	\$ 657,138
Charges for services	11,700	11,700	13,260
Intergovernmental	1,000	-	-
Investment income	500	500	1,982
Miscellaneous	-	-	-
Total revenues	671,100	669,200	672,380
EXPENDITURES			
Current			
General government			
Administration	296,400	294,500	276,614
Assessor's office	285,500	285,500	273,894
General assistance	5,000	5,000	2,015
Total general government	586,900	585,000	552,523
Parks and recreation			
Park maintenance	67,600	67,600	58,477
Capital outlay	-	-	-
Total expenditures	654,500	652,600	611,000
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	16,600	16,600	61,380
OTHER FINANCING SOURCES (USES)			
Transfers in	3,000	3,000	-
Transfers (out)	(19,600)	(59,600)	(59,600)
Total other financing sources (uses)	(16,600)	(56,600)	(59,600)
NET CHANGE IN FUND BALANCE	\$ -	\$ (40,000)	1,780
FUND BALANCE, APRIL 1			380,335
FUND BALANCE, MARCH 31			<u>\$ 382,115</u>

(See independent auditor's report.)
- 29 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 1,681,700	\$ 1,679,900	\$ 1,680,051
Charges for services	900	900	18,995
Intergovernmental	118,500	269,000	358,428
Investment income	1,200	1,200	4,356
Miscellaneous	700	500	1,645
Total revenues	1,803,000	1,951,500	2,063,475
EXPENDITURES			
Current			
Highways and streets			
Administration	83,100	78,400	67,577
Maintenance of roads	1,244,200	1,108,900	1,047,809
Total highways and streets	1,327,300	1,187,300	1,115,386
Capital outlay	453,615	742,115	750,036
Debt service - capital lease	22,085	22,085	22,081
Total expenditures	1,803,000	1,951,500	1,887,503
NET CHANGE IN FUND BALANCE	\$ -	\$ -	175,972
FUND BALANCE, APRIL 1			1,023,858
FUND BALANCE, MARCH 31			<u>\$ 1,199,830</u>

(See independent auditor's report.)
- 30 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

FISCAL YEAR ENDED MARCH 31,	2016	2017
Actuarially determined contribution	\$ 117,724	\$ 114,243
Contributions in relation to the actuarially determined contribution	117,724	114,243
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -
Covered-employee payroll	\$ 1,121,059	\$ 1,117,328
Contributions as a percentage of covered-employee payroll	10.50%	10.22%
Notes to Required Supplementary Information		

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

- 31 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 123,559	\$ 121,191
Interest	230,461	242,684
Changes of benefit terms	-	-
Differences between expected and actual experience	(154,448)	(40,340)
Changes of assumptions	-	(4,150)
Benefit payments, including refunds of member contributions	(30,976)	(39,424)
Net change in total pension liability	168,596	279,961
Total pension liability - beginning	3,030,630	3,199,226
TOTAL PENSION LIABILITY - ENDING	\$ 3,199,226	\$ 3,479,187
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 117,724	\$ 114,994
Contributions - member	47,856	50,683
Net investment income	14,152	191,272
Benefit payments, including refunds of member contributions	(30,976)	(39,424)
Other (net transfer)	(146,778)	(10,052)
Net change in plan fiduciary net position	1,978	307,473
Plan fiduciary net position - beginning	2,763,118	2,765,096
PLAN FIDUCIARY NET POSITION - ENDING	\$ 2,765,096	\$ 3,072,569
EMPLOYER'S NET PENSION LIABILITY	\$ 434,130	\$ 406,618

Plan fiduciary net position
as a percentage of the total pension liability 86.43% 88.31%

Covered-employee payroll \$ 1,063,452 \$ 1,126,292

Employer's net pension liability
as a percentage of covered-employee payroll 40.82% 36.10%

Measurement Date December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.49%. Additionally, there were changes in assumptions related to mortality since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

(See independent auditor's report.)

- 32 -

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

March 31, 2017

BUDGET

Budgets are adopted on a basis consistent with GAAP. Annual appropriated budgets are adopted (at the fund level) for the general, special revenue, and capital projects funds. The annual appropriated budget is legally enacted and provides for a legal level of control at the fund level. All annual appropriations lapse at fiscal year end.

The budget is prepared by fund, function, and activity, and includes information on the past year, current year estimates, and requested appropriations for the next fiscal year.

The proposed budget is presented to the governing body for review. The governing body holds public hearings and may add to, subtract from, or change appropriations, but may not change the form of the budget.

The budget may be amended by the governing body.

Expenditures may not legally exceed budgeted appropriations at the fund level. During the year, one supplementary appropriation was approved.

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS AND SCHEDULES**

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
GENERAL (TOWN) FUND**

For the Year Ended March 31, 2017

		Original Budget	Final Budget	Actual
CURRENT				
General government		\$ 190,800	\$ 191,800	\$ 189,775
Administration		30,750	31,200	24,970
Personal services				
Salaries				
Insurance		14,800	14,800	14,145
Employee benefits		19,650	19,650	17,878
FICA				
IMRF				
Total personal services		256,000	257,450	246,768
Contractual services				
Auditing services		4,900	5,100	5,059
Legal		1,000	2,400	2,360
Maintenance and repairs		1,300	1,700	1,663
Postage		500	500	170
Publishing		500	500	122
Meetings		500	500	435
Dues		1,200	1,200	941
Travel		900	900	710
Training		800	800	700
Publications		500	500	128
Water monitoring		2,500	-	-
Printing		500	500	288
Utilities		3,500	3,500	3,226
Risk management		11,300	7,950	8,029
Programs		2,000	2,000	1,737
Other		1,200	1,200	593
Total contractual services		33,100	29,250	26,161
Commodities				
Office supplies		2,400	2,400	1,381
Computer software support		700	1,100	1,048
Contingencies		3,000	3,000	-
Equipment		1,200	1,300	1,256
Total commodities		7,300	7,800	3,685
Total administration		296,400	294,500	276,614

(This schedule is continued on the following pages.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL (TOWN) FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
General government (Continued)			
Assessor's office			
Personal services			
Salaries	\$ 185,990	\$ 187,990	\$ 188,077
Insurance	26,150	24,650	23,590
Employee benefits			
FICA	14,235	14,235	14,140
IMRF	19,725	19,725	19,010
Total personal services	246,100	246,600	244,817
Contractual services			
Postage	200	200	176
Telephone	5,000	5,000	3,547
Dues	600	600	456
Utilities	7,000	7,300	7,162
Travel	3,800	2,200	931
Maintenance and repairs	6,500	7,300	6,947
Training	2,500	2,500	1,369
Publications	600	600	346
Other	500	500	-
Total contractual services	26,700	26,200	20,934
Commodities			
Office supplies	3,500	3,500	2,320
Computer supplies	1,000	1,000	573
Computer software support	5,300	5,300	5,250
Uniforms	900	900	-
Total commodities	10,700	10,700	8,143
Capital expenditures			
Equipment	2,000	2,000	-
Total capital expenditures	2,000	2,000	-
Total assessor's office	285,500	285,500	273,894
General assistance			
Personal services			
Administration	2,130	2,130	2,015
General assistance benefits	2,870	2,870	-
Total general assistance	5,000	5,000	2,015
Total general government	586,900	585,000	552,523

(This schedule is continued on the following page.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
GENERAL (TOWN) FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Parks and recreation			
Park maintenance			
Personal services			
Salaries	\$ 36,800	\$ 36,800	\$ 36,086
Insurance	3,890	3,990	2,639
Employee benefits			
FICA	2,810	2,810	2,736
IMRF	2,800	2,900	2,813
Total personal services	46,300	46,500	44,274
Contractual services			
Telephone	400	400	337
Rentals	3,400	3,800	3,712
Printing	200	200	-
Utilities	1,500	1,700	1,574
Risk management	1,100	1,200	1,181
Maintenance and repairs	3,400	3,800	2,192
Total contractual services	10,000	11,100	8,996
Commodities			
Fuel	2,500	3,300	3,127
Maintenance supplies	8,800	6,700	2,080
Total commodities	11,300	10,000	5,207
Total parks and recreation	67,600	67,600	58,477
TOTAL EXPENDITURES	\$ 654,500	\$ 652,600	\$ 611,000

(See independent auditor's report.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
CURRENT			
Highways and streets			
Administration			
Personal services			
Insurance	\$ -	\$ -	\$ -
Total personal services	-	-	-
Contractual services			
Drug and alcohol test	1,000	1,000	725
Legal	2,000	2,000	699
Audit	4,900	5,100	5,059
Postage	700	700	378
Publishing	200	200	123
Training, travel, and dues	1,900	2,000	1,205
EPA fee	1,000	1,000	1,000
Computer software support	700	1,100	1,048
Risk management	22,000	16,000	15,941
Printing	700	700	206
Total contractual services	35,100	29,800	26,384
Commodities			
Telephone	11,000	11,000	10,711
Office supplies	2,400	2,400	1,621
Utilities	25,000	25,000	21,598
Satellite services	900	900	680
Uniforms	4,000	4,600	4,593
Office equipment	2,000	2,000	569
Equipment maintenance	1,000	1,000	365
Meetings	500	500	403
Other commodities	1,200	1,200	653
Total commodities	48,000	48,600	41,193
Total administration	83,100	78,400	67,577
Maintenance of roads			
Personal services			
Salaries	564,450	578,450	578,655
Employee benefits			
FICA	43,760	43,760	40,340
IMRF	60,290	60,290	58,459
Insurance	162,200	142,200	129,276
Total personal services	830,700	824,700	806,730

(This schedule is continued on the following page.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL (Continued)
ROAD AND BRIDGE FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
CURRENT (Continued)			
Highways and streets (Continued)			
Maintenance of roads (Continued)			
Contractual services			
Equipment repair	\$ 30,000	\$ 30,000	\$ 23,906
Rentals	500	2,200	2,115
Total contractual services	30,500	32,200	26,021
Commodities			
Repair parts - equipment	50,000	40,000	38,923
Road rock, gravel, and sand	10,000	10,000	7,524
Crack seal/duro patch materials	28,000	28,000	26,989
Black top	20,000	20,000	11,689
Signs and posts	10,000	11,000	10,773
Road maintenance supplies	12,000	13,000	12,733
Ice control chemicals	180,000	80,000	60,000
Shop supplies	10,000	13,000	12,882
Gasoline	20,000	12,000	11,797
Diesel	35,000	16,000	15,766
Lube oil	4,000	4,000	1,005
Small tools	4,000	5,000	4,977
Total commodities	383,000	252,000	215,058
Total maintenance of roads	1,244,200	1,108,900	1,047,809
Total highways and streets	1,327,300	1,187,300	1,115,386
CAPITAL OUTLAY			
Building maintenance	5,615	5,615	5,294
Building and improvements	-	59,500	59,228
Road paving	306,000	428,500	428,179
Trees, tiles, and other services	50,000	86,500	96,063
Culverts	17,000	26,000	25,533
Engineering	20,000	22,500	22,321
Road and shop equipment	55,000	113,500	113,428
Total capital outlay	453,615	742,115	750,036
DEBT SERVICE - CAPITAL LEASE			
Principal	22,085	22,085	18,912
Interest and fiscal charges	-	-	3,169
Total debt service - capital lease	22,085	22,085	22,081
TOTAL EXPENDITURES	\$ 1,803,000	\$ 1,951,500	\$ 1,887,503

(See independent auditor's report.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
OPEN SPACE FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
REVENUES			
Taxes	\$ 3,564,664	\$ 3,564,664	\$ 3,596,533
Charges for services	86,860	86,860	93,030
Intergovernmental	45,740	45,740	103,987
Investment income	100,850	100,850	23,490
Miscellaneous	5,750	5,750	6,763
Total revenues	3,803,864	3,803,864	3,823,803
EXPENDITURES			
Current			
Open space			
Salaries	235,600	213,100	210,892
Insurance	45,755	28,455	25,871
Employee benefits			
FICA	18,020	18,220	15,864
IMRF	19,325	19,325	16,084
Auditing	4,100	4,300	4,233
Postage	800	800	225
Printing	1,500	1,500	354
Real estate tax	3,100	3,100	2,520
Contract for services	6,000	8,400	3,335
Administration cost	4,800	5,100	5,006
Legal	4,500	1,600	1,561
Rental	11,000	11,000	5,527
Events	4,000	4,000	2,435
Maintenance	26,000	28,800	26,871
Telephone	2,200	2,300	2,253
Utilities	6,000	8,300	7,984
Training	2,000	2,000	716
Risk management	9,500	9,500	8,958
Fuel	16,000	16,000	12,444
Small tools	2,500	2,500	1,518
Maintenance supplies	10,950	10,950	8,568
Natural areas supplies	17,500	17,500	5,263
Uniforms	4,300	4,300	2,592
Office and computer supplies	2,100	2,400	2,336
Computer software support	1,200	1,200	1,048
Contractual - natural areas	10,000	10,000	-
Total open space	468,750	434,650	374,458

(This schedule is continued on the following page.)

CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS

SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL (Continued)
OPEN SPACE FUND

For the Year Ended March 31, 2017

	Original Budget	Final Budget	Actual
EXPENDITURES (Continued)			
Capital outlay			
Equipment	\$ -	\$ 5,000	\$ 4,990
Eagle Scout project	1,500	1,500	987
Dairy Barn restoration	38,050	60,550	118,424
Building and improvements	2,000	8,000	7,902
Other capital improvements	17,400	18,000	17,974
Total capital outlay	58,950	93,050	150,277
Debt service			
Principal	2,151,795	2,151,795	2,151,794
Interest and fiscal charges	1,426,413	1,426,413	1,425,612
Total debt service	3,578,208	3,578,208	3,577,406
Total expenditures	4,105,908	4,105,908	4,102,141
NET CHANGE IN FUND BALANCE	\$ (302,044)	\$ (302,044)	(278,338)
FUND BALANCE, APRIL 1			6,441,852
FUND BALANCE, MARCH 31			<u>\$ 6,163,514</u>

(See independent auditor's report.)

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
CAPITAL IMPROVEMENTS FUND**

For the Year Ended March 31, 2017

NONMAJOR GOVERNMENTAL FUNDS

	Original Budget	Final Budget	Actual
REVENUES			
Investment income	\$ 20	\$ 20	\$ 34
Total revenues	20	20	34
EXPENDITURES			
None	-	-	-
Total expenditures	-	-	-
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	20	20	34
OTHER FINANCING SOURCES (USES)			
Transfers in	19,600	59,600	59,600
Total other financing sources (uses)	19,600	59,600	59,600
NET CHANGE IN FUND BALANCE	<u>\$ 19,620</u>	<u>\$ 59,620</u>	59,634
FUND BALANCE, APRIL 1			<u>30,027</u>
FUND BALANCE, MARCH 31			<u><u>\$ 89,661</u></u>

(See independent auditor's report.)

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

SCHEDULE OF LAND CASH MONEY

March 31, 2017

On April 8, 1993, the General (Town) Fund received a check from the Office of the Kane County Treasurer in the amount of \$471,561. This satisfied the Township's request for disbursement of land/cash monies in that amount.

The following funds were received by the Township for developer land/cash money:

SUPPLEMENTAL DATA

<u>Date Received</u>	<u>Amount Received</u>
October 20, 1994	\$ 26,834
March 24, 1995	33,000
February 20, 1996	4,000
February 10, 1997	8,004
November 4, 1997	2,894
January 26, 1998	45,752
September 23, 1998	98,040
July 17, 2000	4,902
August 7, 2001	11,438
November 28, 2001	17,974
June 24, 2002	17,974
January 22, 2003	17,430
April 23, 2003	20,335
December 2, 2003	14,525
March 15, 2005	72,625
June 15, 2005	13,072
December 29, 2005	2,905
December 18, 2006	8,715
March 22, 2007	2,905

(See independent auditor's report.)

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

SCHEDULE OF LAND PURCHASES

March 31, 2017

In April 1993, 40 acres of land on Brown Road was purchased for \$480,000. This land is to be developed for recreational uses. A contract was entered into with The Lannert Group and Donahue & Thornhill to develop the site in three phases.

In June 1994, the Township submitted a grant application with the Illinois Department of Conservation Site. The formal presentation was made to the state in October 1994, and in January 1995, the state approved a matching grant for \$200,000. In order to maintain the grant, phase one of the project must be completed within 18 months. Phase one was completed during the fiscal year and \$190,000 of the matching grant was received on March 6, 1997 from the state. Costs for development of the Brown Road site since that time have been included in land under capital assets.

On April 6, 2001, the Township purchased vacant land adjacent to the Township Community Park, west of Brown Road, for \$150,000 from Old Second National Bank of Aurora, Illinois.

During the 2002-2003 fiscal year, the Township made the following land purchases pursuant to their plan to acquire open space which is funded by the issuance of general obligation bonds (see Note 6): on May 21, 2002, approximately 212 acres known as the Corron Road Farm - East for \$3,957,852; on July 12, 2002, property known as the Mongerson Conservation Easement for \$1,100,000; and on December 18, 2002, property known as Shodeen/Corland for \$2,317,829.

During the 2003-2004 fiscal year, the Township made the following land purchases: on July 2, 2003, approximately 148 acres known as the Headwaters South Acquisition for \$3,741,402 and on December 15, 2003, property known as the Poynor Farm for \$2,471,000.

During the 2004-2005 fiscal year, the Township made the following land purchase: on December 27, 2004, property known as Mongerson - South for \$1,944,421.

During the 2005-2006 fiscal year, the Township made the following land purchases: on October 12, 2005, property known as Bull Run-Vanderveen for \$3,002,300 and on November 28, 2005, property known as DeBier-Anderson conservation easement for \$1,362,407.

During the 2006-2007 fiscal year, the Township made the following land purchase: on April 26, 2006, property known as Brown Road, Chung Property for \$6,185,871.

During the 2007-2008 fiscal year, the Township made the following land purchases: on November 15, 2007, property known as Motz Farm addition to HCA for \$2,585,045 and on several dates during the year, the Township purchased several parcels of property to be known as Harley Woods for \$2,918,265 and the separate Harley Woods conservation easement for \$1,182,837.

During the 2009-2010 fiscal year, the Township made the following land purchase: on March 1, 2010 the property known as Gray Willows Farm for \$7,003,265.

During the 2012-2013 fiscal year, the Township made the following land purchase: on November 2, 2012, the property adjacent to Gray Willows Farm for \$170,957.

(See independent auditor's report.)

APPENDIX B

DESCRIBING BOOK-ENTRY-ONLY ISSUANCE

The Depository Trust Company (“DTC”), New York, New York, will act as securities depository for the Bonds (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each issue of the Securities, each in the aggregate principal amount of such issue, and will be deposited with DTC.

1. DTC, the world’s largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“Direct Participants”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“Indirect Participants”). DTC has an S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

2. Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC’s records. The ownership interest of each actual purchaser of each Security (“Beneficial Owner”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

3. To facilitate subsequent transfers, all Securities deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Securities with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Securities; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Securities are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

4. Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Securities may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Securities, such as redemptions, tenders, defaults, and proposed amendments to the Security documents. For example, Beneficial Owners of Securities may wish to ascertain that the nominee holding the Securities for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the bond registrar and request that copies of notices be provided directly to them.

5. Redemption notices shall be sent to DTC. If less than all of the Securities within an issue are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such issue to be redeemed.

6. Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Securities unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Township as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Securities are credited on the record date (identified in a listing attached to the Omnibus Proxy).

7. Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the Township or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent, or the Township, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Township or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

8. A Beneficial Owner shall give notice to elect to have its Securities purchased or tendered, through its Participant, to any Tender/Remarketing Agent, and shall effect delivery of such Securities by causing the Direct Participant to transfer the Participant's interest in the Securities, on DTC's records, to any Tender/Remarketing Agent. The requirement for physical delivery of Securities in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Securities are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Securities to any Tender/Remarketing Agent's DTC account.

9. DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the Township or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered.

10. The Township may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered to DTC.

11. The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Township believes to be reliable, but the Township takes no responsibility for the accuracy thereof.

APPENDIX C

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Township Board of Campton Township, Kane County, Illinois (the "*Township*"), passed preliminary to the issue by the Township of its fully registered General Obligation Refunding Bonds, Series 2017 (the "*Bonds*"), to the amount of \$_____, dated the date hereof and due on December 15 of the years, in the amounts, and bearing interest at the rates percent per annum as follows:

YEAR	AMOUNT (\$)	RATE (%)
2018		
2019		
2020		
2021		
2022		

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

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

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

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

In rendering this opinion, we have relied upon certifications of the Township with respect to certain material facts within the Township's knowledge. Our opinion represents our legal judgment based upon our review of the law and the facts that we deem relevant to render such opinion and is not a guarantee of a result. This opinion is given as of the date hereof and we assume no obligation to revise or supplement this opinion to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

**THIS PAGE INTENTIONALLY
LEFT BLANK**

APPENDIX D

**CAMPTON TOWNSHIP
KANE COUNTY, ILLINOIS**

**EXCERPTS OF FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS
RELATING TO THE TOWNSHIP'S PENSION PLANS**

7. INTERFUND ACTIVITY

Transfers In/Transfers Out

Individual fund transfers are as follows:

	Transfers In	Transfers Out
General (Town) Fund	\$ -	\$ 59,600
Nonmajor governmental	59,600	-
TOTAL	\$ 59,600	\$ 59,600

The purpose of significant transfers during the year is as follows:

- \$59,600 transferred from the General (Town) Fund to nonmajor governmental funds to provide funding to the Capital Improvement Fund for capital related costs.

8. DEFINED BENEFIT PENSION PLAN

The Township contributes to a defined benefit pension plan, the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer public employee retirement system. The benefits, benefit levels, employee contributions, and employer contributions for all plans are governed by Illinois Compiled Statutes and can only be amended by the Illinois General Assembly. IMRF issues a publicly available report that includes financial statements and supplementary information for the plan as a whole, but not for individual employers. That report can be obtained from IMRF, 2211 York Road, Suite 500, Oak Brook, Illinois 60523 or www.imrf.org.

Illinois Municipal Retirement Fund

Plan Administration

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members.

The plan is accounted for on the economic resources measurement focus and the accrual basis of accounting. Employer and employee contributions are recognized when earned in the year that the contributions are required, benefits and refunds are recognized as an expense and liability when due and payable.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Plan Membership

At December 31, 2016, IMRF membership consisted of:

Inactive employees or their beneficiaries currently receiving benefits	10
Inactive employees entitled to but not yet receiving benefits	13
Active employees	24
TOTAL	47

Benefits Provided

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. IMRF provides two tiers of pension benefits. Employees hired prior to January 1, 2011, are eligible for Tier 1 benefits. For Tier 1 employees, pension benefits vest after eight years of service. Participating members who retire at age 55 (reduced benefits) or after age 60 (full benefits) with eight years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter.

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating members who retire at age 62 (reduced benefits) or after age 67 (full benefits) with ten years of credited service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1 2/3% of their final rate of earnings, for each year of credited service up to 15 years, and 2% for each year thereafter. IMRF also provides death and disability benefits. These benefit provisions are established by state statute.

Contributions

Participating members are required to contribute 4.50% of their annual salary to IMRF. The Township is required to contribute the remaining amounts necessary to fund IMRF as specified by statute. The employer contribution rate for the calendar year ended 2016 was 10.21% of covered payroll.

**CAMPION TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.5%. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that the Township's contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the IMRF's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Changes in the Net Pension Liability

	(a) Total Pension Liability	(b) Plan Fiduciary Net Position	(a) - (b) Net Pension Liability
BALANCES AT JANUARY 1, 2016	\$ 3,199,226	\$ 2,765,096	\$ 434,130
Changes for the period			
Service cost	121,191	-	121,191
Interest	242,684	-	242,684
Difference between expected and actual experience	(40,340)	-	(40,340)
Changes in assumptions	(4,150)	-	(4,150)
Employer contributions	-	114,994	(114,994)
Employee contributions	-	50,683	(50,683)
Net investment income	-	191,272	(191,272)
Benefit payments and refunds	(39,424)	(39,424)	-
Administrative expense	-	-	-
Other (net transfer)	-	(10,052)	10,052
Net changes	279,961	307,473	(27,512)
BALANCES AT DECEMBER 31, 2016	\$ 3,479,187	\$ 3,072,569	\$ 406,618

**CAMPION TOWNSHIP
ST. CHARLES, ILLINOIS
NOTES TO FINANCIAL STATEMENTS (Continued)**

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Actuarial Assumptions

The Township's net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation performed as of the same date using the following actuarial methods and assumptions.

Actuarial valuation date	December 31, 2016
Actuarial cost method	Entry-age normal
Assumptions	
Inflation	2.75%
Salary increases	3.75% to 14.50%
Interest rate	7.50%
Cost of living adjustments	3.00%
Asset valuation method	Market value

For nondisabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for nondisabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2014 (base year 2012). IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.49%. Additionally, there were changes in assumptions related to mortality since the prior measurement date.

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources

For the year ended March 31, 2017, the Township recognized pension expense of \$108,315.

At March 31, 2017, the Township reported deferred outflows of resources and deferred inflows of resources related to IMRF from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	\$ -	\$ 114,448
Assumption changes	-	3,188
Contributions made after measurement date	29,506	-
Net difference between projected and actual earnings on pension plan investments	131,949	-
TOTAL	\$ 161,455	\$ 117,636

\$29,506 reported as deferred outflows of resources related to pensions resulting from township contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending March 31, 2018. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending March 31,	
2018	\$ (3,189)
2019	(3,189)
2020	19,833
2021	858
TOTAL	\$ 14,313

8. DEFINED BENEFIT PENSION PLANS (Continued)

Illinois Municipal Retirement Fund (Continued)

Discount Rate Sensitivity

The following is a sensitive analysis of the net pension liability to changes in the discount rate. The table below presents the pension liability of the Township calculated using the discount rate of 7.5% as well as what the Township's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5%) or 1 percentage point higher (8.5%) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 853,987	\$ 406,618	\$ 35,393

9. OTHER POSTEMPLOYMENT BENEFITS

The Township has evaluated its potential other postemployment benefits liability. The Township provides continued health insurance coverage at the active employer rate to all eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the Township are required to pay 100% of the current premium. However, no former employees have chosen to stay in the Township's health insurance plan. Therefore, there has been 0% utilization and, therefore, no implicit subsidy to calculate in accordance with GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions*. Additionally, the Township had no former employees for which the Township was providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the Township has not recorded any postemployment benefit liability as of March 31, 2017.

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF EMPLOYER CONTRIBUTIONS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

FISCAL YEAR ENDED MARCH 31,	2016	2017
Actuarially determined contribution	\$ 117,724	\$ 114,243
Contributions in relation to the actuarially determined contribution	117,724	114,243
CONTRIBUTION DEFICIENCY (Excess)	\$ -	\$ -
Covered-employee payroll	\$ 1,121,059	\$ 1,117,328
Contributions as a percentage of covered-employee payroll	10.50%	10.22%

Notes to Required Supplementary Information

The information presented was determined as part of the actuarial valuations as of January 1 of the prior fiscal year. Additional information as of the latest actuarial valuation presented is as follows: the actuarial cost method was entry-age normal; the amortization method was level percent of pay, closed and the amortization period was 27 years; the asset valuation method was five-year smoothed market; and the significant actuarial assumptions were an investment rate of return at 7.50% annually, projected salary increases assumption of 3.75% to 14.50% compounded annually, and postretirement benefit increases of 3.00% compounded annually.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

**CAMPTON TOWNSHIP
ST. CHARLES, ILLINOIS**

**SCHEDULE OF CHANGES IN THE EMPLOYER'S
NET PENSION LIABILITY AND RELATED RATIOS
ILLINOIS MUNICIPAL RETIREMENT FUND**

Last Two Fiscal Years

MEASUREMENT DATE DECEMBER 31,	2015	2016
TOTAL PENSION LIABILITY		
Service cost	\$ 123,559	\$ 121,191
Interest	230,461	242,684
Changes of benefit terms	-	-
Differences between expected and actual experience	(154,448)	(40,340)
Changes of assumptions	-	(4,150)
Benefit payments, including refunds of member contributions	(30,976)	(39,424)
Net change in total pension liability	168,596	279,961
Total pension liability - beginning	3,030,630	3,199,226
TOTAL PENSION LIABILITY - ENDING	\$ 3,199,226	\$ 3,479,187
PLAN FIDUCIARY NET POSITION		
Contributions - employer	\$ 117,724	\$ 114,994
Contributions - member	47,856	50,683
Net investment income	14,152	191,272
Benefit payments, including refunds of member contributions	(30,976)	(39,424)
Other (net transfer)	(146,778)	(10,052)
Net change in plan fiduciary net position	1,978	307,473
Plan fiduciary net position - beginning	2,763,118	2,765,096
PLAN FIDUCIARY NET POSITION - ENDING	\$ 2,765,096	\$ 3,072,569
EMPLOYER'S NET PENSION LIABILITY	\$ 434,130	\$ 406,618
Plan fiduciary net position as a percentage of the total pension liability	86.43%	88.31%
Covered-employee payroll	\$ 1,063,452	\$ 1,126,292
Employer's net pension liability as a percentage of covered-employee payroll	40.82%	36.10%

Measurement Date December 31, 2016 - There was a change in assumption related to the discount rate made since the prior measurement date. The discount rate used in the current actuarial valuation, dated December 31, 2016, is 7.50%. The discount rate used in the prior actuarial valuation, dated December 31, 2015, was 7.49%. Additionally, there were changes in assumptions related to mortality since the prior measurement date.

Ultimately, this schedule should present information for the last ten years. However, until ten years of information can be compiled, information will be presented for as many years as is available.

OFFICIAL BID FORM
(Open Speer Auction)

November 14, 2017
Speer Financial, Inc.

Campton Township
4N498 Town Hall Road
St. Charles, Illinois 60175

Supervisor and Township Board:

For the \$12,250,000* General Obligation Refunding Bonds, Series 2017, of Campton Township, Kane County, Illinois, as described in the annexed Official Notice of Sale, which is expressly made a part of this bid, we will pay you \$_____ (no less than \$12,152,000). The Bonds are dated the date of delivery, expected to be on or about December 6, 2017. The Bonds will bear interest as follows (each rate a multiple of 1/8 or 1/100 of 1%). **The premium or discount, if any, is subject to adjustment allowing the same \$_____ gross spread per \$1,000 bond as bid herein.**

MATURITIES* – DECEMBER 15

\$1,335,000	2018	\$ 500,000	2022
1,515,000	2019	465,000	2023
1,705,000	2020	2,380,000	2024
1,900,000	2021	2,450,000	2025

*Any consecutive maturities may be aggregated into term bonds at the option of the bidder,
in which case the mandatory redemption provisions shall be on the same schedule as above.*

The Bonds are to be executed and delivered to us in accordance with the terms of this bid accompanied by the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois. The Township will pay for the legal opinion. The underwriter agrees to **apply for CUSIP numbers within 24 hours** and pay the fee charged by the CUSIP Service Bureau and will accept the Bonds with the CUSIP numbers as entered on the Bonds.

As evidence of our good faith, if we are the winning bidder, we will wire transfer the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time to the Township's good faith bank and under the terms provided in the Official Notice of Sale for the Bonds. Alternatively, we have wire transferred or enclosed herewith a check payable to the order of the Treasurer of the Township in the amount of the Deposit under the terms provided in the Official Notice of Sale for the Bonds.

Form of Deposit (Check One)

Prior to Bid Opening:

Certified/Cashier's Check ☐
Wire Transfer ☐

Within TWO hours of Bidding:

Wire Transfer ☐

Amount: \$245,000

Account Manager Information

Name _____

Address _____

By _____

City _____ State/Zip _____

Direct Phone (_____) _____

FAX Number (_____) _____

E-Mail Address _____

Bidders Option Insurance

**We have purchased
insurance from:**

Name of Insurer
(Please fill in)

Premium: _____

Maturities: (Check One)

☐ _____ Years

☐ All

The foregoing bid was accepted and the Bonds sold by ordinance of the Township Board on November 14, 2017, and receipt is hereby acknowledged of the good faith Deposit which is being held in accordance with the terms of the annexed Official Notice of Sale.

CAMPTON TOWNSHIP, KANE COUNTY, ILLINOIS

*Subject to change.

Supervisor

----- **NOT PART OF THE BID** -----
(Calculation of true interest cost)

	Bid	Post Sale Revision
Gross Interest	\$	
Less Premium/Plus Discount	\$	
True Interest Cost	\$	
True Interest Rate	%	
TOTAL BOND YEARS	58,936.25	
AVERAGE LIFE	4.811 Years	

OFFICIAL NOTICE OF SALE

\$12,250,000*

CAMPTON TOWNSHIP

Kane County, Illinois

General Obligation Refunding Bonds, Series 2017

(Open Speer Auction)

Campton Township, Kane County, Illinois (the "Township"), will receive electronic bids on the SpeerAuction ("*SpeerAuction*") website address "www.SpeerAuction.com" for its \$12,250,000* General Obligation Refunding Bonds, Series 2017 (the "Bonds"), on an all or none basis between 11:15 A.M. and 11:30 A.M., C.S.T., Tuesday, November 14, 2017. To bid, bidders must have: (1) completed the registration form on the SpeerAuction website, and (2) requested and received admission to the Township's sale (as described below). Award will be made or all bids rejected at a meeting of the Township on that date. The Township reserves the right to change the date or time for receipt of bids. Any such change shall be made not less than twenty-four (24) hours prior to the revised date and time for receipt of the bids for the Bonds and shall be communicated by publishing the changes in the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

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

Bidding Details

Bidders should be aware of the following bidding details associated with the sale of the Bonds.

- (1) All bids must be submitted on the SpeerAuction website at www.SpeerAuction.com. **No telephone, telefax or personal delivery bids will be accepted.** The use of SpeerAuction shall be at the bidder's risk and expense and the Township shall have no liability with respect thereto, including (without limitation) liability with respect to incomplete, late arriving and non-arriving bid. Any questions regarding bidding on the SpeerAuction website should be directed to Grant Street Group at (412) 391-5555 x 370.
- (2) Bidders may change and submit bids as many times as they like during the bidding time period; provided, however, each and any bid submitted subsequent to a bidder's initial bid must result in a lower true interest cost ("TIC") with respect to a bid, when compared to the immediately preceding bid of such bidder. In the event that the revised bid does not produce a lower TIC with respect to a bid the prior bid will remain valid.
- (3) If any bid in the auction becomes a leading bid two (2) minutes prior to the end of the auction, then the auction will be automatically extended by two (2) minutes from the time such bid was received by SpeerAuction. The auction end time will continue to be extended, indefinitely, until a single leading bid remains the leading bid for at least two minutes.
- (4) The last valid bid submitted by a bidder before the end of the bidding time period will be compared to all other final bids submitted by others to determine the winning bidder or bidders.
- (5) During the bidding, no bidder will see any other bidder's bid, but bidders will be able to see the ranking of their bid relative to other bids (i.e., "Leader", "Cover", "3rd" etc.)
- (6) On the Auction Page, bidders will be able to see whether a bid has been submitted.

Rules of SpeerAuction

Bidders must comply with the Rules of SpeerAuction in addition to the requirements of this Official Notice of Sale. To the extent there is a conflict between the Rules of SpeerAuction and this Official Notice of Sale, this Official Notice of Sale shall control.

Establishment of Issue Price (10% Test or Hold-the-Offering Price Rule to Apply if Competitive Sale Requirements are Not Satisfied)

The winning bidder shall assist the Township in establishing the issue price of the Bonds and shall execute and deliver to the Township at Closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the public or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A to this Notice of Sale, with such modifications as may be appropriate or necessary, in the reasonable judgment of the winning bidder, the Township and Chapman and Cutler LLP ("Bond Counsel").

**Subject to change.*

The Township intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “competitive sale requirements”) because:

- (1) the Township shall disseminate this Notice of Sale to potential underwriters in a manner that is reasonably designed to reach potential underwriters;
- (2) all bidders shall have an equal opportunity to bid;
- (3) the Township may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the Township anticipates awarding the sale of the Bonds to the bidder who submits a bona fide, responsive, firm offer to purchase the Bonds at the highest price (or lowest true interest cost), as set forth in this Notice of Sale.

Any bid submitted pursuant to this Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

In the event that the competitive sale requirements are not satisfied, the Township shall so advise the winning bidder. **The Township will not require bidders to comply with the “hold-the-offering-price rule” and therefore does not intend to use the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity, though the winning bidder may elect to apply the “hold the offering price rule” (as described below). Bids will not be subject to cancellation in the event that the competitive sale requirements are not satisfied. Unless a bidder intends to apply the “hold-the-offering-price rule” as described below, bidders should prepare their bids on the assumption that all of the maturities of the Bonds will be subject to the 10% test (as described below) in order to establish the issue price of the Bonds.** If the competitive sale requirements are not satisfied, the 10% test shall apply to determine the issue price of each maturity of the Bonds unless the winning bidder shall request that the “hold-the-offering-price rule” (as described below) shall apply.

If the winning bidder does not request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following two paragraphs shall apply:

The Township shall treat the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity, applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Township if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds.

Until the 10% test has been satisfied as to each maturity of the Bonds, the winning bidder agrees to promptly report to the Township the prices at which the unsold Bonds of that maturity have been sold to the public. That reporting obligation shall continue, whether or not the Closing Date has occurred, until the 10% test has been satisfied as to the Bonds of that maturity or until all Bonds of that maturity have been sold.

If the winning bidder does request that the “hold-the-offering-price rule” apply to determine the issue price of the Bonds, the following three paragraphs shall apply:

The Township may determine to treat (i) the first price at which 10% of a maturity of the Bonds (the “10% test”) is sold to the public as the issue price of that maturity and/or (ii) the initial offering price to the public as of the sale date of any maturity of the Bonds as the issue price of that maturity (the “hold-the-offering-price rule”), in each case applied on a maturity-by-maturity basis (and if different interest rates apply within a maturity, to each separate CUSIP number within that maturity). The winning bidder shall advise the Township if any maturity of the Bonds satisfies the 10% test as of the date and time of the award of the Bonds. The Township shall promptly advise the winning bidder, at or before the time of award of the Bonds, which maturities (and if different interest rates apply within a maturity, which separate CUSIP number within that maturity) of the Bonds shall be subject to the 10% test or shall be subject to the hold-the-offering-price rule or both. Bids will *not* be subject to cancellation in the event that the Township determines to apply the hold-the-offering-price rule to any maturity of the Bonds.

By submitting a bid, the winning bidder shall (i) confirm that the underwriters have offered or will offer the Bonds to the public on or before the date of award at the offering price or prices (the “*initial offering price*”), and (ii) agree, on behalf of the underwriters participating in the purchase of the Bonds, that the underwriters will neither offer nor sell unsold Bonds of any maturity to which the hold-the-offering-price rule shall apply to any person at a price that is higher than the initial offering price to the public during the period starting on the sale date and ending on the earlier of the following:

- (1) the close of the fifth business day after the sale date; or
- (2) the date on which the underwriters have sold at least 10% of that maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

The Township acknowledges that, in making the representation set forth above, the winning bidder will rely on (i) the agreement of each underwriter to comply with the hold-the-offering-price rule, as set forth in an agreement among underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the public, the agreement of each dealer who is a member of the selling group to comply with the hold-the-offering-price rule, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an underwriter is a party to a retail distribution agreement that was employed in connection with the initial sale of the Bonds to the public, the agreement of each broker-dealer that is a party to such agreement to comply with the hold-the-offering-price rule, as set forth in the retail distribution agreement and the related pricing wires. The Township further acknowledges that each underwriter shall be solely liable for its failure to comply with its agreement regarding the hold-the-offering-price rule and that no underwriter shall be liable for the failure of any other underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a retail distribution agreement to comply with its corresponding agreement regarding the hold-the-offering-price rule as applicable to the Bonds.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each retail distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder and as set forth in the related pricing wires, which shall be until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth business day following the date of award, and (ii) any agreement among underwriters relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating each underwriter that is a party to a retail distribution agreement to be employed in connection with the initial sale of the Bonds to the public to require each broker-dealer that is a party to such retail distribution agreement to (A) report the prices at which it sells to the public the unsold Bonds of each maturity allotted to it until it is notified by the winning bidder or such underwriter that either the 10% test has been satisfied as to the Bonds of that maturity or all Bonds of that maturity have been sold to the public and (B) comply with the hold-the-offering-price rule, if applicable, in each case if and for so long as directed by the winning bidder or such underwriter and as set forth in the related pricing wires, which shall be at least until the 10% test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth business day following the date of the award.

Sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Notice of Sale. Further, for purposes of this Notice of Sale:

- (1) “public” means any person other than an underwriter or a related party,
- (2) “underwriter” means (A) any person that agrees pursuant to a written contract with the Township (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public),
- (3) a purchaser of any of the Bonds is a “related party” to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and
- (4) “sale date” means the date that the Bonds are awarded by the Township to the winning bidder.

Rules

- (1) A bidder (“Bidder”) submitting a winning bid (“Winning Bid”) is irrevocably obligated to purchase the Bonds at the rates and prices of the winning bid, if acceptable to the Township, as set forth in the related Official Notice of Sale. Winning Bids are not officially awarded to Winning Bidders until formally accepted by the Township.
- (2) Neither the Township, Speer Financial, Inc., nor Grant Street Group (the “Auction Administrator”) is responsible for technical difficulties that result in loss of Bidder’s internet connection with SpeerAuction, slowness in transmission of bids, or other technical problems.

- (3) If for any reason a Bidder is disconnected from the Auction Page during the auction after having submitted a Winning Bid, such bid is valid and binding upon such Bidder, unless the Township exercises its right to reject bids, as set forth herein.
- (4) Bids which generate error messages are not accepted until the error is corrected and bid is received prior to the deadline.
- (5) Bidders accept and agree to abide by all terms and conditions specified in the Official Notice of Sale (including amendments, if any) related to the auction.
- (6) Neither the Township, Speer Financial, Inc., nor the Auction Administrator is responsible to any bidder for any defect or inaccuracy in the Official Notice of Sale, amendments, or Official Statement as they appear on SpeerAuction.
- (7) Only Bidders who request and receive admission to an auction may submit bids. SpeerAuction and the Auction Administrator reserve the right to deny access to SpeerAuction website to any Bidder, whether registered or not, at any time and for any reason whatsoever, in their sole and absolute discretion.
- (8) Neither the Township, Speer Financial, Inc., nor the Auction Administrator is responsible for protecting the confidentiality of a Bidder's SpeerAuction password.
- (9) If two bids submitted in the same auction by the same or two or more different Bidders result in same True Interest Cost, the first confirmed bid received by SpeerAuction prevails. Any change to a submitted bid constitutes a new bid, regardless of whether there is a corresponding change in True Interest Cost.
- (10) Bidders must compare their final bids to those shown on the Observation Page immediately after the bidding time period ends, and if they disagree with the final results shown on the Observation Page they must report them to SpeerAuction within 15 minutes after the bidding time period ends. Regardless of the final results reported by SpeerAuction, Bonds are definitively awarded to the winning bidder only upon official award by the Township. If, for any reason, the Township fails to: (i) award Bonds to the winner reported by SpeerAuction, or (ii) deliver Bonds to winning bidder at settlement, neither the Township, Speer Financial, Inc., nor the Auction Administrator will be liable for damages.

The Township reserves the right to reject all proposals, to reject any bid proposal not conforming to this Official Notice of Sale, and to waive any irregularity or informality with respect to any proposal. Additionally, the Township reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the SpeerAuction webpage and through *Thomson Municipal News*.

The Bonds will be in fully registered form in the denominations of \$5,000 and integral multiples thereof in the name of Cede & Co. as nominee of The Depository Trust Company ("DTC"), New York, New York, to which principal and interest payments on the Bonds will be paid. Individual purchases will be in book-entry only form. Interest on each Bond shall be paid by check or draft of the Bond Registrar to the person in whose name such bond is registered at the close of business on the first day of the month in which an interest payment date occurs. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal office maintained for the purpose by the Bond Registrar in Chicago, Illinois. Semiannual interest is due June 15 and December 15 of each year commencing June 15, 2018, and is payable by ZB, National Association dba Zions Bank, Chicago, Illinois (the "Bond Registrar"). The Bonds are dated date of delivery.

If the winning bidder is not a direct participant of DTC and does not have clearing privileges with DTC, the Bonds will be issued as Registered Bonds in the name of the purchaser. At the request of such winning bidder, the Township will assist in the timely conversion of the Registered Bonds into book-entry bonds with DTC as described herein.

MATURITIES* – DECEMBER 15

\$1,335,000	2018	\$ 500,000	2022
1,515,000	2019	465,000	2023
1,705,000	2020	2,380,000	2024
1,900,000	2021	2,450,000	2025

Any consecutive maturities may be aggregated into term bonds at the option of the bidder, in which case the mandatory redemption provisions shall be on the same schedule as above.

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

All interest rates must be in multiples of one-eighth or one one-hundredth of one percent (1/8 or 1/100 of 1%), and not more than one rate for a single maturity shall be specified. The differential between the highest rate bid and the lowest rate bid shall not exceed three percent (3%). All bids must be for all of the Bonds, must be for not less than \$12,152,000.

*Subject to change.

Award of the Bonds: The Bonds will be awarded on the basis of true interest cost, determined in the following manner. **True interest cost shall be computed by determining the annual interest rate (compounded semi-annually) necessary to discount the debt service payments on the Bonds from the payment dates thereof to the dated date and to the bid price.** For the purpose of calculating true interest cost, the Bonds shall be deemed to become due in the principal amounts and at the times set forth in the table of maturities set forth above. In the event two or more qualifying bids produce the identical lowest true interest cost, the winning bid shall be the bid that was submitted first in time on the SpeerAuction webpage.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Township as determined by the Township's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Township reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The Bonds will be awarded to the bidder complying with the terms of this Official Notice of Sale whose bid produces the lowest true interest cost rate to the Township as determined by the Township's Municipal Advisor, which determination shall be conclusive and binding on all bidders; *provided*, that the Township reserves the right to reject all bids or any non-conforming bid and reserves the right to waive any informality in any bid. Bidders should verify the accuracy of their final bids and compare them to the winning bids reported on the SpeerAuction Observation Page immediately after the bidding.

The premium or discount, if any, is subject to pro rata adjustment if the maturity amounts of the Bonds are changed, allowing the same dollar amount of profit per \$1,000 bond as submitted on the Official Bid Form. The dollar amount of profit must be written on the Official Bid Form for any adjustment to be allowed and is subject to verification.

The true interest cost of each bid will be computed by SpeerAuction and reported on the Observation Page of the SpeerAuction webpage immediately following the date and time for receipt of bids. These true interest costs are subject to verification by the Township's Municipal Advisor, will be posted for information purposes only and will not signify an actual award of any bid or an official declaration of the winning bid. The Township or its Municipal Advisor will notify the bidder to whom the Bonds will be awarded, if and when such award is made.

The winning bidder will be required to make the standard filings and maintain the appropriate records routinely required pursuant to MSRB Rules G-8, G-11 and G-32. The winning bidder will be required to pay the standard MSRB charge for Bonds purchased. In addition, the winning bidder who is a member of the Securities Industry and Financial Markets Association ("SIFMA") will be required to pay SIFMA's standard charge per bond.

The winning bidder is required to wire transfer from a solvent bank or trust company to the Township's good faith bank the amount of **TWO PERCENT OF PAR** (the "Deposit") **WITHIN TWO HOURS** after the bid opening time as evidence of the good faith of the bidder. Alternatively, a bidder may submit its Deposit upon or prior to the submission of its bid in the form of a certified or cashier's check on, or a wire transfer from, a solvent bank or trust company for **TWO PERCENT OF PAR** payable to the Treasurer of the Township. The Township reserves the right to award the Bonds to a winning bidder whose wire transfer is initiated but not received within such two hour time period provided that such winning bidder's federal wire reference number has been received. In the event the Deposit is not received as provided above, the Township may award the Bonds to the bidder submitting the next best bid provided such bidder agrees to such award.

The Deposit of the successful bidder will be retained by the Township pending delivery of the Bonds and all others will be promptly returned. Should the successful bidder fail to take up and pay for the Bonds when tendered in accordance with this Notice of Sale and said bid, said Deposit shall be retained as full and liquidated damages to the Township caused by failure of the bidder to carry out the offer of purchase. Such Deposit will otherwise be applied on the purchase price upon delivery of the Bonds. No interest on the Deposit will accrue to the purchaser.

If a wire transfer is used for the Deposit, it must be sent according to the following wire instructions:

Amalgamated Bank of Chicago
Corporate Trust
30 North LaSalle Street
38th Floor
Chicago, IL 60602
ABA # 071003405
Credit To: 3281 Speer Bidding Escrow
RE: Campton Township, Kane County, Illinois bid for
\$12,250,000* General Obligation Refunding Bonds, Series 2017

Contemporaneously with such wire transfer, the bidder shall send an email to biddingscrow@aboc.com with the following information: (1) indication that a wire transfer has been made, (2) the amount of the wire transfer, (3) the issue to which it applies, and (4) the return wire instructions if such bidder is not awarded the Bonds. The Township and any bidder who chooses to wire the Deposit hereby agree irrevocably that Speer Financial, Inc. ("Speer") shall be the escrow holder of the Deposit wired to such account subject only to these conditions and duties: (i) if the bid is not accepted, Speer shall, at its expense, promptly return the Deposit amount to the unsuccessful bidder; (ii) if the bid is accepted, the Deposit shall be forwarded to the Township; (iii) Speer shall bear all costs of maintaining the escrow account and returning the funds to the bidder; (iv) Speer shall not be an insurer of the Deposit amount and shall have no liability except if it willfully fails to perform, or recklessly disregards, its duties specified herein; and (v) income earned on the Deposit, if any, shall be retained by Speer.

The Township covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the Township for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934. The Undertaking shall be as described in the Official Statement, with such changes as may be agreed in writing by the Underwriter.

The Underwriter's obligation to purchase the Bonds shall be conditioned upon the Township delivering the Undertaking on or before the date of delivery of the Bonds.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the Township in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the Township in this matter; such consent and waiver shall supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

Bonds will be delivered to the successful purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be on or about December 6, 2017. Should delivery be delayed beyond sixty (60) days from the date of sale for any reason beyond the control of the Township except failure of performance by the purchaser, the Township may cancel the award or the purchaser may withdraw the good faith deposit and thereafter the purchaser's interest in and liability for the Bonds will cease.

The Official Statement, when further supplemented by an addendum or addenda specifying the maturity dates, principal amounts, and interest rates of the Bonds, and any other information required by law or deemed appropriate by the Township, shall constitute a "Final Official Statement" of the Township with respect to the Bonds, as that term is defined in the Rule. Any such addendum or addenda shall, on and after the date thereof, be fully incorporated herein and made a part hereof by reference. Alternatively, such final terms of the Bonds and other information may be included in a separate document entitled "Final Official Statement" rather than through supplementing the Official Statement by an addendum or addenda. By awarding the Bonds to any underwriter or underwriting syndicate, the Township agrees that, no more than seven (7) business days after the date of such award, it shall provide, without cost to the senior managing underwriter of the syndicate to which the Bonds are awarded, up to 50 copies of the Final Official Statement to permit each "Participating Underwriter" (as that term is defined in the Rule) to comply with the provisions of such Rule. The Township shall treat the senior managing underwriter of the syndicate to which the Bonds are awarded as its designated agent for purposes of distributing copies of the Final Official Statement to each Participating Underwriter. Any underwriter executing and delivering an Official Bid Form with respect to the Bonds agrees thereby that if its bid is accepted by the Township it shall enter into a contractual relationship with all Participating Underwriters of the Bonds for purposes of assuring the receipt by each such Participating Underwriter of the Final Official Statement.

By submission of its bid, the senior managing underwriter of the successful bidder agrees to supply all necessary pricing information and any Participating Underwriter identification necessary to complete the Official Statement within 24 hours after award of the Bonds. Additional copies of the Final Official Statement may be obtained by Participating Underwriters from the printer at cost.

The Township will, at its expense, deliver the Bonds to the purchaser in New York, New York, through the facilities of DTC and will pay for the bond attorney's opinion. At the time of closing, the Township will also furnish to the purchaser the following documents, each dated as of the date of delivery of the Bonds: (1) the unqualified opinion of Chapman and Cutler LLP, Chicago, Illinois, that the Bonds are valid and legally binding upon the Township and are payable from any funds of the Township legally available for such purpose, and all taxable property in the Township is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion; (2) the opinion of said attorneys that the interest on the Bonds is exempt from federal income taxes as and to the extent set forth in the Official Statement for the Bonds; and (3) a no litigation certificate by the Township.

The Township **does not** intend to designate the Bonds as “qualified tax-exempt obligations” pursuant to the small issuer exception provided by Section 265(b) (3) of the Internal Revenue Code of 1986, as amended.

The Township has authorized the printing and distribution of an Official Statement containing pertinent information relative to the Township and the Bonds. Copies of such Official Statement or additional information may be obtained from Mr. John M. Kupa, Township Supervisor, Campton Township, 4N498 Town Hall Road, St. Charles, Illinois 60175 or an electronic copy of this Official Statement is available from the www.speerfinancial.com web site under “Debt Auction Center/Competitive Sales Calendar” from the Independent Public Finance Consultants to the Township, Speer Financial, Inc., One North LaSalle Street, Suite 4100, Chicago, Illinois 60602, telephone (312) 346-3700.

/s/ **JOHN M. KUPA**
Supervisor
CAMPTON TOWNSHIP
Kane County, Illinois

**Subject to change.*

Exhibit A
Example Issue Price Certificate

CERTIFICATE OF PURCHASER

Campton Township, Kane County, Illinois (the “Issuer”)
\$_____ General Obligation Refunding Bonds, Series 2017 (the “Bonds”)

The undersigned, on behalf of _____ (the “Purchaser”), hereby certifies as set forth below with respect to the sale and issuance of the Bonds.

I. General

1. On the Sale Date the Purchaser purchased the Bonds from the Issuer by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the Issuer. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. Price

1. Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

[2. Sale of 10%.

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A*.]

[3. Expected First Sale Price.

With respect to each of the _____ Maturities of the Bonds:

(a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any price.

(b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).]

III. Defined Terms

1. *Maturity* means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

2. *Public* means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

3. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

4. *Sale Date* means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2017.

5. *Underwriter* means (i) any person that agrees pursuant to a written contract with the Issuer (or with the Purchaser to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public).

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in its documents and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G, and other federal income tax advice it may give to the Issuer from time to time relating to the Bonds.

By:_____

Name:_____

Its:_____

Dated:_____