New Issues

Investment Rating:
Moody's Investors Service … Aa3

Preliminary Official Statement Dated February 16, 2018

*Interest on the Series 2018A Bonds **IS** includible in gross income of the owners thereof for federal income tax purposes. Interest on the Series 2018A Bonds is not exempt from State of Illinois income taxes. See **"TAX MATTERS – The Series 2018A Bonds"** herein for a more complete discussion.*

*Subject to compliance by the District and Southland College Prep Charter School, Inc., with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the Series 2018B 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, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Interest on the Series 2018B Bonds is not exempt from present State of Illinois income taxes. See **"TAX MATTERS – The Series 2018B Bonds"** herein for a more complete discussion. The Series 2018B Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS – THE SERIES 2018B BONDS"** herein.*

SCHOOL DISTRICT NUMBER 162 (MATTESON)

Cook County, Illinois

$20,000* Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2018A

$2,180,000* General Obligation School Bonds (Alternate Revenue Source), Series 2018B

Dated Date of Delivery **Book-Entry** **Due Serially December 1, as Detailed Herein**

The $20,000* Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2018A (the "Series 2018A Bonds") and the $2,180,000* General Obligation School Bonds (Alternate Revenue Source), Series 2018B (the "Series 2018B Bonds", and together with the Series 2018A Bonds, the "Bonds") are being issued by School District Number 162, Cook County, Illinois (the "District"). Interest is payable semiannually on June 1 and December 1 of each year, commencing December 1, 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, New York, New York ("DTC"), will act as securities depository for the Bonds. The ownership of one fully registered Bond for each series and 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 1, as detailed herein.

OPTIONAL REDEMPTION

The Bonds due December 1, 2018-2027*, inclusive, are not subject to optional redemption. The Bonds due December 1, 2028-2037*, inclusive, are callable in whole or in part on any date on or after December 1, 2027*, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the District and within any maturity by lot. See **"OPTIONAL REDEMPTION"** herein.

PURPOSE, LEGALITY AND SECURITY

The Bond proceeds will be used to alter, repair, equip and improve the site of a District building, the majority of which is being leased to Southland College Prep Charter High School, and to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from state aid received by the District and ad valorem taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See **"DESCRIPTION OF THE BONDS"** herein.

The Bonds are offered when, as and if issued and received by Bernardi Securities, Inc., Chicago, Illinois (the "Underwriter"), subject to the approving legal opinion of Bond Counsel, and certain other conditions. Certain legal matters will be passed on for the Underwriter by its counsel, Ice Miller LLP, Chicago, Illinois. It is expected that beneficial interests in the Bonds will be made available for delivery through the facilities of DTC on or about March 8, 2018.

BERNARDI SECURITIES INC.

MUNICIPAL BOND SPECIALISTS

**Subject to change.*

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission ("Rule 15c2-12"), this document, as the same may be supplemented or corrected by the District 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 District.

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 District, shall constitute a "Final Official Statement" of the District 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 District 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 District. Certain information contained in the Official Statement and the Final Official Statement may have been obtained from sources other than records of the District 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 DISTRICT 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.

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BOND ISSUE SUMMARY

This Bond Issue Summary is expressly qualified by the entire Official Statement which is provided for the convenience of potential investors and which should be reviewed in its entirety by potential investors. The following descriptions apply equally to the Series 2018A Bonds and the Series 2018B Bonds. Other terms specific to each series are provided separately herein.

Issuer:	School District Number 162 (Matteson), Cook County, Illinois (the "District").
Dated Date:	Date of delivery, expected to be on or about March 8, 2018.
Interest Due:	Each June 1 and December 1, commencing December 1, 2018.
Optional Redemption:	Bonds maturing on or after December 1, 2028*, are callable at the option of the District on any date on or after December 1, 2027*, at a price of par plus accrued interest. See **"OPTIONAL REDEMPTION"** herein.
Authorization:	Pursuant to the School Code of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and a bond resolution adopted by the Board of Education of the District on February 20, 2018, as supplemented by a notification of sale.
Security:	The Bonds are valid and legally binding upon the District and are payable from state aid received by the District and ad valorem taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See **"DESCRIPTION OF THE BONDS"** herein.
Credit Rating:	The Bonds have been rated "Aa3" by Moody's Investors Service, New York, New York. See **"INVESTMENT RATING"** herein.
Purpose:	The Bond proceeds will be used to alter, repair, equip and improve the site of a District building the majority of which is being leased to Southland College Prep Charter High School, and to pay the costs of issuing the Bonds. See **"THE PROJECT"** herein.
Bond Registrar/Paying Agent:	Amalgamated Bank of Chicago, Chicago, Illinois.
Delivery:	The Bonds are expected to be delivered on or about March 8, 2018.
Book-Entry Form:	The Bonds will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository of the Bonds. See **APPENDIX B** herein.
Denomination:	$5,000 or integral multiples thereof.
Underwriter:	Bernardi Securities, Inc., Chicago, Illinois.
Municipal Advisor:	Speer Financial, Inc., Chicago, Illinois.

**Subject to change.*

THE SERIES 2018A BONDS

Issue: $20,000* Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2018A.

Principal Due: December 1, 2018, as detailed below.

Tax Exemption: **None.** Interest on the Series 2018A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Series 2018A Bonds is not exempt from present State of Illinois income taxes. See **"TAX MATTERS – The Series 2018A Bonds"** herein.

AMOUNT*, MATURITY, INTEREST RATE, YIELD OR PRICE AND CUSIP NUMBER

Principal Amount*	Due Dec. 1	Interest Rate	Price or Yield	CUSIP Number(1)
$ 20,000	2018	______%	______%	___________

THE SERIES 2018B BONDS

Issue: $2,180,000* General Obligation School Bonds (Alternate Revenue Source), Series 2018.

Principal Due: Serially each December 1, commencing December 1, 2018 through 2037, as detailed below.

Tax Exemption: Chapman and Cutler LLP, Chicago, Illinois, will provide an opinion as to the federal tax exemption of the interest on the Series 2018B Bonds. See **"TAX MATTERS – The Series 2018B Bonds"** in this Official Statement.

Bank Qualification: The Series 2018B Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See **"QUALIFIED TAX-EXEMPT OBLIGATIONS – THE SERIES 2018B BONDS"** herein.

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

Principal Amount*	Due Dec. 1	Interest Rate	Price or Yield	CUSIP Number(1)	Principal Amount*	Due Dec. 1	Interest Rate	Price or Yield	CUSIP Number(1)
$ 60,000	2018	______%	______%	___________	$105,000	2028	______%	______%	___________
65,000	2019	______%	______%	___________	115,000	2029	______%	______%	___________
65,000	2020	______%	______%	___________	120,000	2030	______%	______%	___________
70,000	2021	______%	______%	___________	130,000	2031	______%	______%	___________
75,000	2022	______%	______%	___________	135,000	2032	______%	______%	___________
80,000	2023	______%	______%	___________	140,000	2033	______%	______%	___________
90,000	2024	______%	______%	___________	150,000	2034	______%	______%	___________
90,000	2025	______%	______%	___________	155,000	2035	______%	______%	___________
100,000	2026	______%	______%	___________	160,000	2036	______%	______%	___________
105,000	2027	______%	______%	___________	170,000	2037	______%	______%	___________

**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 District 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.

SCHOOL DISTRICT NUMBER 162 (MATTESON)
Cook County, Illinois

Board of Education

Alicia Rodman-McCray
President

Ron Bean
Vice President

Kevin Murphy
Secretary

Evelyn Green
Sandi Gordon

Karen McCray
Felix Simpkins

Officials

Dr. Blondean Y. Davis
Superintendent

Dr. Douglas Hamilton
Associate Superintendent

Craig Englert
Assistant Superintendent of Business Services

Yvonne Williams
Chief Special Education Officer

Lee Stanton
Assistant Superintendent

Earnestine Foster
Assistant Superintendent

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 162, Cook County, Illinois (the "District"), in connection with the offering and sale of $20,000* aggregate principal amount of Taxable Obligation School Bonds (Alternate Revenue Source), Series 2018A (the "Series 2018A Bonds") and $2,180,000* aggregate principal amount of General Obligation School Bonds (Alternate Revenue Source), Series 2018B (the "Series 2018B Bonds" and together with the Series 2018A Bonds, the "Bonds"). This Official Statement includes the cover page, the reverse thereof and the Appendices.

**Subject to change.*

AUTHORIZATION, PURPOSE AND SECURITY

The Bonds are being issued by the District pursuant to the School Code of the State of Illinois, as amended (the "School Code"), the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"), and a bond resolution adopted by the Board of Education of the District (the "Board") on February 20, 2018 (as supplemented by a notification of sale, the "Bond Resolution"). Bond proceeds will be used to alter, repair, equip and improve the site of a District building the majority of which is being leased to Southland College Prep Charter High School, and to pay the costs of issuing the Bonds. In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("Bond Counsel"), the Bonds are valid and legally binding upon the District and are payable from state aid received by the District (the "Pledged Revenues") and ad valorem taxes levied upon all taxable property within the District without limitation as to rate or amount (the "Pledged Taxes") 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.

DESCRIPTION OF THE BONDS

Security: Alternate Revenue Source and Tax Levy

The Bonds will constitute valid and legally binding obligations of the District payable as to principal and interest from the Pledged Revenues and Pledged Taxes as described above. Pursuant to the Debt Reform Act, the District will pledge such monies to the payment of Bonds and shall covenant to provide for and apply such Pledged Revenues to the payment of Bonds and the provision of not less than an additional 0.25 times debt service, which pledge and covenant shall constitute a continuing obligation of the District and continuing appropriation of the amounts received. For the prompt payment of the Bonds, the full faith, credit and resources of the District are irrevocably pledged.

In the Bond Resolution, the District covenants and agrees with the purchasers and the owners of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues or, except for the abatement of tax levies as permitted in the Bond Resolution, to levy and collect the Pledged Taxes. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues will be available and that the Pledged Taxes will be levied, extended and collected as provided in the Bond Resolution and deposited in the bond fund created under the Bond Resolution in connection with the Bonds (the "Bond Fund").

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

For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the purchasers and the owners of the Bonds that the District will deposit the Pledged Revenues into the Bond Fund. The Pledged Revenues are pledged to the payment of the Bonds and the Board covenants and agrees to provide for, budget, collect and apply the Pledged Revenues to the payment of the Bonds and the provision of not less than an additional 0.25 times debt service.

Highlights of Alternate Bonds

Section 15 of the Debt Reform Act provides that whenever there exists for a governmental unit (such as the District) a revenue source, the governmental unit may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as "alternate bonds." Such bonds are general obligation debt payable from the pledged revenues with the general obligation of the governmental unit as back-up security. The Debt Reform Act prescribes several conditions that must be met before alternate bonds payable from a revenue source may be issued.

First, alternate bonds must be issued for a lawful corporate purpose. If issued payable from a revenue source, which revenue source is limited in its purposes or applications, then the alternate bonds can only be issued for such limited purposes or applications.

Second, the question of issuance must be submitted to referendum if, within the time provided by law following publication of an authorizing resolution and notice of intent to issue alternate bonds, a petition signed by the requisite number of registered voters in the governmental unit is filed.

Third, an issuer must demonstrate that the pledged revenues are sufficient in each year to provide an amount not less than 1.25 times debt service on the alternate bonds payable from such revenue source previously issued and outstanding and the alternate bonds proposed to be issued. The sufficiency of the revenue source must be supported by the most recent audit of the governmental unit. The audit must be for a fiscal year ending not earlier than 18 months prior to the issuance of the alternate bonds. If the audit does not adequately show such revenue source or if such source of revenue is shown to be insufficient, then the determination of sufficiency must be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters. Such report must demonstrate the sufficiency of the revenue and explain how the revenues will be greater than those shown in the audit. Whenever such sufficiency is demonstrated by reference to a schedule of higher rates or charges for enterprise revenues or a higher tax imposition for a revenue source, such higher rates, charges or taxes must be imposed by an ordinance or resolution adopted prior to the delivery of the alternate bonds.

Fourth, the revenue source must be pledged to the payment of the alternate bonds.

Last, the governmental unit must covenant to provide for, collect and apply the revenue source to the payment of the alternate bonds and to provide for an amount equal to not less than an additional 0.25 times debt service.

The District will comply with all of the aforementioned conditions prior to the issuance of the Bonds, including demonstrating that the Pledged Revenues are sufficient in each year to make debt service payments on the Bonds by reference to the District's audit for the fiscal year ending June 30, 2017. See **"THE PROJECT"** herein.

Abatement of Pledged Taxes

Whenever funds are available to pay any principal of or interest on the Bonds when due, the District will direct the deposit of such funds into the Bond Fund (as defined herein) created solely for such purpose and the Board or the officers of the District acting with proper authority, will direct the abatement of the Pledged Taxes, and proper notification of such abatement will be filed with the County Clerk in a timely manner to effect such abatement. **The District pledges to abate the levy for the Bonds only upon full funding of the Bond Fund in the appropriate levy amount.** There are no Pledged Taxes for levy year 2017.

Bond Fund

The District will deposit the appropriate Pledged Revenues and the Pledged Taxes into the Bond Fund, which is a trust fund established for the purpose of carrying out the covenants, terms and conditions imposed upon the District by the Bond Resolution (the "Bond Fund"). The Bonds are secured by a pledge of all of the monies on deposit in the Bond Fund, and such pledge is irrevocable until the Bonds have been paid in full or until the obligations of the District are discharged under the Bond Resolution.

Additional Bonds

The District is authorized to issue from time to time additional bonds payable from the Pledged Revenues as permitted by law and such additional bonds may share ratable and equally in the Pledged Revenues with the Bonds; provided, however, that no such additional bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

Treatment of Bonds as Debt

The Bonds will be payable from the Pledged Revenues and Pledged Taxes (together, the "Pledged Moneys") and will not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes will have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the outstanding Bonds will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Debt Reform Act.

Projected Debt Service Coverage Table
Outstanding Alternate Revenue Source Bonds

Calendar Year	Net Revenue Available For Debt Service(1)	The Bonds(2)	Total Outstanding Debt Service(2)	Debt Service Coverage(2)	Mandatory Coverage(2)(3)	Remainder Available(2)
2018	$10,290,351	$ 139,529	$ 139,529	73.75	$174,412	$10,150,822
2019	10,290,351	144,085	144,085	71.42	180,106	10,146,266
2020	10,290,351	142,135	142,135	72.40	177,669	10,148,216
2021	10,290,351	145,185	145,185	70.88	181,481	10,145,166
2022	10,290,351	148,085	148,085	69.49	185,106	10,142,266
2023	10,290,351	150,835	150,835	68.22	188,544	10,139,516
2024	10,290,351	158,435	158,435	64.95	198,044	10,131,916
2025	10,290,351	155,735	155,735	66.08	194,669	10,134,616
2026	10,290,351	162,900	162,900	63.17	203,625	10,127,451
2027	10,290,351	164,650	164,650	62.50	205,813	10,125,701
2028	10,290,351	160,450	160,450	64.13	200,563	10,129,901
2029	10,290,351	166,250	166,250	61.90	207,813	10,124,101
2030	10,290,351	166,650	166,650	61.75	208,313	10,123,701
2031	10,290,351	171,850	171,850	59.88	214,813	10,118,501
2032	10,290,351	171,650	171,650	59.95	214,563	10,118,701
2033	10,290,351	171,250	171,250	60.09	214,063	10,119,101
2034	10,290,351	175,650	175,650	58.58	219,563	10,114,701
2035	10,290,351	174,650	174,650	58.92	218,313	10,115,701
2036	10,290,351	173,450	173,450	59.33	216,813	10,116,901
2037	10,290,351	176,970	176,970	58.15	221,213	10,113,381
Total		$3,220,394	$3,220,394			

Notes: (1) Source: The District. Based on the District's fiscal year 2017 financial statement, unrestricted State Aid Funds.
(2) Based on estimated interest rates of 3.78% on the Bonds. Subject to change.
(3) Coverage pledge is 1.25 times debt service.

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.

Payment of the Bonds from the Pledged Revenues

The ability of the District to pay the Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the District. There is no guarantee that the Pledged Revenues will continue to be available at current levels.

To the extent that Pledged Revenues are insufficient to pay the Bonds, the Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the Bonds, the amount of the Bonds then outstanding will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year. See **"Treatment of Bonds as Debt"** under **"DESCRIPTION OF THE BONDS"** herein.

Construction Risks

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds. Completion of the Project involves many risks common to large construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.

Finances of the State of Illinois

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

On July 6, 2017, the General Assembly of the State enacted a budget for the State fiscal year ending June 30, 2018 (the "Fiscal Year 2018 Budget"). The Fiscal Year 2018 Budget contains an appropriation for General State Aid (as hereinafter defined); however, such appropriation is contingent upon General State Aid being allocated among school districts in accordance with an "Evidence-Based Funding Model". Public Act 100-465, effective August 31, 2017 ("Public Act 100-465"), provides for an Evidence-Based Funding Model for allocating General State Aid to school districts (26.55% of the District's General Fund Revenue Sources for the fiscal year ending June 30, 2017) beginning with the 2017-2018 school year. See "**STATE AID**" herein for more information on the Evidence-Based Funding Model.

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

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 District, the taxable value of property within the District, and the ability of the District to levy property taxes. See **"REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES - Property Tax Extension Limitation Law"** herein. The District cannot predict whether, or in what form, any such actions may be enacted into law, nor can the District predict the effect of any such actions on the District's finances.

Local Economy

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

Declining Equalized Assessed Valuations

The amount of property taxes extended for the District is determined by applying the various operating tax rates and the bond and interest tax rate levied by the District to the District's Equalized Assessed Valuation ("EAV"). The District'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 District. Declining EAVs and increasing tax rates (certain of which may reach their rate ceilings) could reduce the amount of taxes the District is able to receive.

Loss or Change of Bond Rating

The Bonds have received a credit rating from Moody's Investors Service, New York, New York ("Moody's"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Secondary Market for the Bonds

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. Bernardi Securities, Inc., Chicago, Illinois (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 District to comply with the Undertaking (as defined herein) 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 rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

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

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 DISTRICT

The District is located in south suburban Cook County (the "County"), approximately 35 miles south of the Chicago "Loop". The District serves approximately 34% of the Village of Matteson, 81% of the Village of Olympia Fields, 18% of the Village of Park Forest, 62% of the Village of Richton Park and approximately 1% of the Village of University Park based on the District's 2016 EAV. According to the U.S. Bureau of the Census, the District's current population is estimated at 25,053.

The District was organized in 1852 and is governed by a seven-member Board, elected at large for four year overlapping terms. The Board is the governing body of the District, while the day-to-day operations are administered by the Superintendent and staff. The District has 394 employees, of whom 268 are certified and 126 are not certified. Of the total number, 228 are represented by the Matteson Education Association. The District's collective bargaining agreement with its teachers ends on June 30, 2018.

On April 5, 2005, the following issues were successfully passed by referendum:

1. Proposition to issue $18,000,000 bonds for the purpose of paying claims against the District as provided for by Article 19 (Sections 19-8 to 19-14, inclusive) of the School Code;
2. Proposition to increase the maximum annual tax rate for operations and maintenance purposes at 0.50% upon all taxable property within the District; and
3. Proposition to abolish the offices of township treasurer and trustee.

The District operates six facilities, satisfying the educational needs of about 3,000 students in grades PK-8. The following table shows historical and projected enrollment:

Historical and Projected Enrollment

School Year	Enrollment(1)
Historical:	
2013-14	3,099
2014-15	2,960
2015-16	2,831
2016-17	2,859
Projected:	
2017-18	2,801
2018-19	2,749
2019-20	2,721
2020-21	2,705
2021-22	2,691

Note: (1) Enrollment decline due to the general slight population decline in the area.

Transportation

The District is easily accessed by various modes of transportation. The City of Chicago and the northwestern suburbs can be reached in approximately 30 minutes to an hour by way of I-57 or I-90/94. I-80 provides direct access to the City of Joliet and northwest Indiana, including the Indiana Dunes. I-294 allows access to the northern suburbs and Wisconsin. Running north and south, I-294 and I-355 provide access to the suburbs farther west. O'Hare Airport is approximately one hour's drive from the District, while Midway Airport is approximately a thirty minute drive.

The District is also served by the public transportation network, which includes METRA trains and PACE bus service. Private transportation is provided by Greyhound and Trailways bus lines. METRA trains bring commuters to and from the City of Chicago and the south suburbs. PACE bus service links commuters with METRA as well as other areas in the community.

Community Life

Health care facilities are available in and around the District. In addition to several physicians and dentists with offices in the community as well as local immediate care facilities, nearby hospitals provide quality health care to residents. Ingalls Memorial Hospital maintains a medical clinic in the Village of Matteson. Physicians specializing in a range of practices including pediatrics, geriatrics, surgery, dental, obstetrics and gynecology and internal medicine are also available. The clinic is open daily for medical emergencies as well. South Suburban Hospital operates several satellite centers in communities surrounding the District with its main facility in the Village of Hazel Crest. St. James Hospital and Health Center (Chicago Heights) Franciscan Alliance, Inc. also serve the District.

The Village of Matteson's Park and Recreation Department maintains the Matteson Community Center. The Center provides a gymnasium, which has a universal weight room, as well as individual conference rooms, which are available for meetings and private parties. Residents with special needs may also participate in programs sponsored by the South Suburban Special Recreation Association. The Village of Matteson's parks are spread over approximately 100 acres of land. They feature playgrounds, picnic areas with grills, drinking fountains and washrooms. Most of the parks also provide baseball diamonds, football and soccer fields, ice rinks, tennis courts, volleyball courts, horseshoe pits, covered shelters with electric service and bike paths. Additional recreational outlets include nearby country clubs, riding stables and golf courses.

The Olympia Fields Park District provides recreational activities to Village of Olympia Fields residents. The Olympia Fields Park District owns and maintains 142 acres of parks and open space, encompasses 13 park sites, with baseball fields, soccer fields, playgrounds, outdoor tennis courts, trails, sledding hills, Frisbee, golf and adventure center facilities. In addition, there is one private golf course in the Village of Olympia Fields. The Village of Olympia Fields was recipient of two Illinois Governor's Home Town Awards in 2000 for outstanding participation by volunteers.

The Village of Olympia Fields currently contracts library services through the Park Forest Library System and has a book collection of over 179,000 volumes.

Approximately five minutes from the Village of Olympia Fields is the First Midwest Bank Amphitheater located in Tinley Park, which seats 27,500 in an outdoor setting, playing host to internationally renowned musical and comedy acts, concerts and performances.

The Village of Matteson

The Village of Matteson, incorporated in 1889, is located approximately 30 miles from the City of Chicago in Cook County. It is a non-home rule municipality.

The 2010 Census indicates that the population of the Village of Matteson has increased 67% from 11,378 in 1990 to a current 19,009.

The Village of Matteson is governed by a President and six trustees. All are elected at large to staggered four-year terms. The Village of Matteson employs a full time professional administrator along with highly trained department heads.

The Village of Matteson's Police Department is staffed by 42 sworn certified officers (including the Chief of Police) and 12 full-time employees that operate under the Chief of Police. Public outreach programs include D.A.R.E. (Drug Abuse Resistance Education), bicycle safety courses, crime prevention programs and community oriented police services. The Village of Matteson's Fire Department also has community programs that feature safety tips, practices and drills. The Village of Matteson currently has two fire stations.

The Village of Matteson was recently honored as an Illinois Certified City. This award recognizes the Village of Matteson's commitment to careful, long-range planning that has ensured future growth and has enhanced the quality of life.

The Village of Olympia Fields

The Village of Olympia Fields, incorporated in 1927, is located approximately 27 miles south of the Chicago "Loop" business district in the County. Neighboring communities include Flossmoor to the north, Chicago Heights to the east, Park Forest to the south and Matteson to the west. The Village of Olympia Fields' population as of the 2000 Census was 4,732 and as of the 2010 Census is 4,988.

The Village of Olympia Fields is governed by a board of trustees comprised of a President and six Trustees, who are elected at large. The Village of Olympia Fields employs 40 full-time and 8 part-time personnel and has no labor contracts with its employees. The Village of Olympia Fields' services include police protection, with 23 sworn officers, water and sewerage system operation and maintenance, and street repair and maintenance. The Matteson Fire Department provides fire and emergency medical services to Village of Olympia Fields residents on a contractual basis.

SOCIOECONOMIC INFORMATION

Demographic information is not available for the District. The following statistics principally pertain to the Village of Matteson, which comprises approximately 36% of the District's 2016 EAV and the Village of Olympia Fields, which comprises approximately 29% of the District's 2016 EAV. Additional comparisons are made with the County and the State.

Employment

Following is a list of large employers located in the District and in the surrounding area.

Major Area Employers*(1)*

Location	Name	Product/Service	Approximate Employment
Chicago Heights & Olympia Fields	Franciscan Alliance, Inc.	General Hospital	2,300
Chicago Heights	YRC, Inc.	Local and Long Distance Trucking Services	1,500
University Park	Governors State University	Public University	1,200
Chicago Heights	Ford Motor Co., Chicago Stamping Plant	Automobile Body Stamping	893
University Park	Applied Systems, Inc.	Computer Equipment	600
University Park	Federal Signal Corp.	Vehicle Warning Equipment	500
Matteson	Manheim Chicago	Wholesale Auto Auction	500
Chicago Heights	Newstal, Inc.	Industrial Packaging, Sorting and Assembly	500
University Park	ESMARK Steel Group-Midwest, LLC	Blast Furnaces and Steel Mills	315
University Park	Bimba Manufacturing Company	Fluid Power Cylinders and Actuators	250
Chicago Heights	Chicago Heights Steel	Steel Bars and Fenceposts	250
Park Forest	Continental Midland, LLC	Bolts, Nuts, Rivets and Washers	250
Chicago Heights	AAI Applied Acoustics International	Automotive Sound Deadening Equipment	250
Chicago Heights	Voestalpine Nortrak, Inc.	Railroad Track and Supplies	230
Chicago Heights	Gerresheimer Glass	Glass Containers	200
Chicago Heights	Behr Process Corp.	House Paint	200

Note: (1) Source: 2018 Illinois Manufacturers Directory, 2018 Illinois Services Directory and a selective telephone survey.

The following tables show employment by industry and by occupation for the Village of Matteson, the Village of Olympia Fields, the County and the State as reported by the U.S. Census Bureau 2012-2016 American Community Survey 5-year estimated values.

Employment By Industry*(1)*

Classification	Village of Matteson Number	Village of Matteson Percent	Village of Olympia Fields Number	Village of Olympia Fields Percent	The County Number	The County Percent	The State Number	The State Percent
Agriculture, Forestry, Fishing and Hunting, and Mining	14	0.1%	0	0.0%	4,463	0.2%	65,146	1.1%
Construction	368	3.9%	86	3.9%	113,572	4.6%	317,245	5.2%
Manufacturing	795	8.4%	240	10.9%	251,563	10.1%	763,429	12.4%
Wholesale Trade	112	1.2%	10	0.5%	71,593	2.9%	187,477	3.1%
Retail Trade	1,041	11.0%	177	8.0%	249,733	10.0%	670,576	10.9%
Transportation and Warehousing, and Utilities	794	8.4%	156	7.1%	167,651	6.7%	370,802	6.0%
Information	342	3.6%	82	3.7%	55,958	2.2%	121,338	2.0%
Finance and Insurance, and Real Estate and Rental and Leasing	592	6.3%	152	6.9%	201,282	8.1%	448,924	7.3%
Professional, Scientific, and Management, and Administrative and Waste Management Services	608	6.4%	291	13.2%	352,728	14.2%	709,106	11.6%
Educational Services and Health Care and Social Assistance	3,314	35.1%	706	32.0%	565,793	22.7%	1,404,905	22.9%
Arts, Entertainment and Recreation and Accommodation and Food Services	631	6.7%	63	2.9%	245,231	9.8%	556,087	9.1%
Other Services, Except Public Administration	373	4.0%	146	6.6%	123,776	5.0%	291,022	4.7%
Public Administration	451	4.8%	96	4.4%	88,745	3.6%	228,064	3.7%
Total	9,435	100.0%	2,205	100.0%	2,492,088	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Employment By Occupation*(1)*

Classification	Village of Matteson Number	Village of Matteson Percent	Village of Olympia Fields Number	Village of Olympia Fields Percent	The County Number	The County Percent	The State Number	The State Percent
Management, Business, Science and Arts	4,280	45.4%	1,124	51.0%	964,778	38.7%	2,280,198	37.2%
Service	1,548	16.4%	260	11.8%	449,653	18.0%	1,062,499	17.3%
Sales and Office	1,972	20.9%	436	19.8%	600,333	24.1%	1,489,090	24.3%
Natural Resources, Construction, and Maintenance	495	5.2%	171	7.8%	149,016	6.0%	443,197	7.2%
Production, Transportation, and Material Moving	1,140	12.1%	214	9.7%	328,308	13.2%	859,137	14.0%
Total	9,435	100.0%	2,205	100.0%	2,492,088	100.0%	6,134,121	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Annual Average Unemployment Rates*(1)*

Calendar Year	Village of Matteson	Village of Olympia Fields	The County	The State
2008	7.2%	6.8%	6.4%	6.3%
2009	11.6%	11.0%	10.5%	10.2%
2010	11.9%	11.3%	10.9%	10.4%
2011	11.3%	10.8%	10.4%	9.7%
2012	10.1%	9.6%	9.6%	9.0%
2013	11.6%	11.5%	9.6%	9.1%
2014	9.0%	7.8%	7.4%	7.1%
2015	7.7%	6.1%	6.1%	5.9%
2016	7.1%	6.2%	6.2%	5.9%
2017(2)	N/A	N/A	5.0%	4.7%

Notes: (1) Source: Illinois Department of Employment Security.
(2) Preliminary rates for the month of December 2017. Monthly unemployment rates are not available for small communities such as the Village of Matteson and the Village of Olympia Fields.

Housing

The U.S. Census Bureau 5-year estimated values reported that the median value of the Village of Matteson's owner-occupied homes was $156,300, with reported value of $233,400 for the Village of Olympia Fields. This compares to $219,800 for the County and $174,800 for the State. The following table represents the five year average market value of specified owner-occupied units for the Village of Matteson, the Village of Olympia Fields, the County and the State at the time of the 2012-2016 American Community Survey.

Specified Owner-Occupied Units*(1)*

	Village of Matteson		Village of Olympia Fields		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $50,000	289	5.4%	30	1.7%	48,490	4.4%	236,380	7.5%
$50,000 to $99,999	863	16.0%	67	3.9%	108,826	9.8%	514,549	16.2%
$100,000 to $149,999	1,254	23.3%	137	8.0%	156,383	14.2%	527,244	16.6%
$150,000 to $199,999	1,532	28.5%	369	21.4%	183,827	16.6%	520,909	16.4%
$200,000 to $299,999	903	16.8%	660	38.3%	254,928	23.1%	643,217	20.3%
$300,000 to $499,999	529	9.8%	415	24.1%	221,456	20.0%	479,792	15.1%
$500,000 to $999,999	0	0.0%	43	2.5%	102,937	9.3%	196,189	6.2%
$1,000,000 or more	12	0.2%	0	0.0%	28,321	2.6%	48,801	1.5%
Total	5,382	100.0%	1,721	100.0%	1,105,168	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Mortgage Status*(1)*

	Village of Matteson		Village of Olympia Fields		The County		The State	
Value	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Housing Units with a Mortgage	3,995	74.2%	1,317	76.5%	745,882	67.5%	2,071,942	65.4%
Housing Units without a Mortgage	1,387	25.8%	404	23.5%	359,286	32.5%	1,095,139	34.6%
Total	5,382	100.0%	1,721	100.0%	1,105,168	100.0%	3,167,081	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

Income

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

Rank		2012 to 2016
1	Lake County	$40,655
2	DuPage County	40,547
3	Monroe County	35,699
4	McHenry County	34,589
5	Piatt County	33,197
6	Putnam County	32,584
7	Woodford County	32,360
8	Will County	32,311
9	**Cook County**	**32,179**
10	Kendall County	31,920
11	Sangamon County	31,904
12	Kane County	31,774

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The following shows the median family income for counties in the Chicago metropolitan area.

Ranking of Median Family Income*(1)*

County	Family Income	Rank
DuPage County	$100,467	1
Lake County	97,079	2
Kendall County	93,135	3
McHenry County	92,187	4
Will County	90,541	5
Kane County	83,680	8
Cook County	**70,076**	**20**

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village of Matteson had a median family income of $97,000. This compares to $120,156 for the Village of Olympia Fields, $70,076 for the County and $73,714 for the State. The following table represents the distribution of family incomes for the Village of Matteson, the Village of Olympia Fields, the County and the State at the time of the 2012-2016 American Community Survey.

Family Income*(1)*

	Village of Matteson		Village of Olympia Fields		The County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $10,000	156	3.4%	0	0.0%	62,287	5.3%	132,725	4.3%
$10,000 to $14,999	163	3.6%	15	1.2%	37,386	3.2%	80,194	2.6%
$15,000 to $24,999	168	3.7%	26	2.0%	93,812	7.9%	209,560	6.7%
$25,000 to $34,999	182	4.0%	58	4.5%	99,786	8.4%	238,239	7.6%
$35,000 to $49,999	317	6.9%	47	3.7%	138,836	11.7%	366,398	11.7%
$50,000 to $74,999	575	12.5%	128	9.9%	196,283	16.6%	559,852	17.9%
$75,000 to $99,999	832	18.2%	251	19.5%	156,381	13.2%	458,296	14.7%
$100,000 to $149,999	1,286	28.1%	257	20.0%	197,131	16.6%	568,779	18.2%
$150,000 to $199,999	611	13.3%	274	21.3%	92,719	7.8%	248,870	8.0%
$200,000 or more	294	6.4%	231	17.9%	110,984	9.4%	259,684	8.3%
Total	4,584	100.0%	1,287	100.0%	1,185,605	100.0%	3,122,597	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

The U.S. Census Bureau 5-year estimated values reported that the Village of Matteson had a median household income of $80,639. This compares to $96,377 for the Village of Olympia Fields, $56,902 for the County and $59,196 for the State. The following table represents the distribution of household incomes for the Village of Matteson, the Village of Olympia Fields, the County and the State at the time of the 2012-2016 American Community Survey.

Household Income*(1)*

	Village of Matteson		Village of Olympia Fields		Cook County		The State	
Classification	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Under $10,000	387	5.8%	39	1.9%	166,238	8.5%	341,280	7.1%
$10,000 to $14,999	350	5.3%	15	0.7%	93,497	4.8%	212,171	4.4%
$15,000 to $24,999	534	8.1%	132	6.6%	196,340	10.1%	463,092	9.6%
$25,000 to $34,999	353	5.3%	118	5.9%	177,670	9.1%	439,726	9.2%
$35,000 to $49,999	618	9.3%	135	6.7%	237,299	12.2%	605,086	12.6%
$50,000 to $74,999	830	12.5%	260	12.9%	325,112	16.7%	842,052	17.5%
$75,000 to $99,999	1,107	16.7%	344	17.1%	233,500	12.0%	612,265	12.7%
$100,000 to $149,999	1,472	22.2%	359	17.9%	269,196	13.8%	698,513	14.5%
$150,000 to $199,999	664	10.0%	320	15.9%	116,722	6.0%	289,346	6.0%
$200,000 or more	302	4.6%	287	14.3%	136,032	7.0%	298,593	6.2%
Total	6,617	100.0%	2,009	100.0%	1,951,606	100.0%	4,802,124	100.0%

Note: (1) Source: U.S. Bureau of the Census, American Community Survey 5-year estimates 2012 to 2016.

THE PROJECT

The Bond proceeds will be used to alter, repair, equip and improve the site of a District building, the majority of which is being leased to Southland College Prep Charter High School ("Southland"), and to pay the costs of issuing the Bonds. Specifically, a state-of-the-art fine arts room for band and choir is being constructed. This room will accommodate a large number of students both in Southland fine arts program as well as be used for the District's fine arts practices on occasional weekends. The fine arts room will include a tiered seating accommodating 247 students at a time. In addition, there will be two sound-proof practice rooms and storage for band and strings instruments

DEFAULT RECORD

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

SHORT-TERM BORROWING

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

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DEBT INFORMATION

After issuance of the Bonds, the District will have outstanding $31,288,509* principal amount of general obligation and certificate debt.

The District intends to issue additional debt within the next six months.

General Obligation Bonded and Certificate Debt*(1)*
(Principal Only)

Calendar Year	Series 2005	Series 2010 Certificates	Series 2011	Series 2015A	Series 2015B	Series 2016	Taxable Series 2018A(2)	Series 2018B(2)	Total Outstanding Debt(2)	Cumulative Retired(2) Amount	Percent
2018	$ 0	$ 670,000	$ 189,577	$ 235,000	$ 350,000	$1,040,000	$20,000	$ 60,000	$ 2,564,577	$ 2,564,577	8.20%
2019	245,000	685,000	229,476	300,000	315,000	850,000	0	65,000	2,689,476	5,254,053	16.79%
2020	0	700,000	230,942	315,000	320,000	1,160,000	0	65,000	2,790,942	8,044,995	25.71%
2021	0	700,000	235,429	310,000	270,000	1,300,000	0	70,000	2,885,429	10,930,424	34.93%
2022	0	725,000	241,077	325,000	250,000	1,380,000	0	75,000	2,996,077	13,926,501	44.51%
2023	0	755,000	248,168	330,000	230,000	1,470,000	0	80,000	3,113,168	17,039,668	54.46%
2024	0	785,000	243,007	350,000	210,000	1,645,000	0	90,000	3,323,007	20,362,675	65.08%
2025	0	820,000	600,000	390,000	290,000	0	0	90,000	2,190,000	22,552,675	72.08%
2026	0	850,000	434,394	415,000	300,000	0	0	100,000	2,099,394	24,652,069	78.79%
2027	0	880,000	368,139	0	345,000	0	0	105,000	1,698,139	26,350,208	84.22%
2028	0	975,000	348,097	0	360,000	0	0	105,000	1,788,097	28,138,305	89.93%
2029	0	1,025,000	437,514	0	0	0	0	115,000	1,577,514	29,715,819	94.97%
2030	0	0	0	0	0	0	0	120,000	532,690	30,248,509	96.68%
2030	0	0	0	0	0	0	0	130,000	130,000	30,378,509	97.09%
2030	0	0	0	0	0	0	0	135,000	135,000	30,513,509	97.52%
2030	0	0	0	0	0	0	0	140,000	140,000	30,653,509	97.97%
2030	0	0	0	0	0	0	0	150,000	150,000	30,803,509	98.45%
2030	0	0	0	0	0	0	0	155,000	155,000	30,958,509	98.95%
2030	0	0	0	0	0	0	0	160,000	160,000	31,118,509	99.46%
2037	0	0	412,690	0	0	0	0	170,000	170,000	31,288,509	100.00%
Total	$245,000	$9,570,000	$4,218,509	$2,970,000	$3,240,000	$8,845,000	$20,000	$2,180,000	$31,288,509		

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

**Subject to change.*

Detailed Overlapping Bonded Debt*(1)*

(As of December 19, 2017)

	Amount Outstanding(2)	Applicable to District Percent(3)	Applicable to District Amount
Schools:			
High School District Number 227	$ 28,330,000	38.78%	$ 10,987,208
Community College District Number 515	11,030,000	11.89%	1,311,384
Total Schools			$ 12,298,592
Others:			
Cook County	$3,092,046,750	0.25%	$ 7,709,468
Forest Preserve District of Cook County	149,290,000	0.25%	372,228
Metropolitan Water Reclamation District	2,480,560,091	0.23%	5,720,107
Village of Matteson	39,174,825	33.56%	13,145,481
Village of Olympia Fields	9,440,000	81.48%	7,692,028
Village of Park Forest	5,280,000	17.97%	948,850
Village of Richton Park	6,480,000	61.94%	4,013,663
Village of University Park	4,400,000	1.46%	64,457
Olympia Fields Park District	2,300,000	88.59%	2,037,665
Total Schools			$41,703,948
Total Schools and Others			$54,002,539

Notes: (1) Source: Cook County Clerk.
(2) Includes alternate revenue source bonds.
(3) Overlapping percentages based on 2016 EAV, the most current available.

Statement of Bonded Indebtedness*(1)*

	Amount Applicable	Ratio To Equalized Assessed	Ratio To Estimated Actual	Per Capita (2010 Est. 25,603)
District EAV of Taxable Property, 2016	$ 360,799,304	100.00%	33.33%	$14,092.07
Estimated Actual Value, 2016	$1,082,397,912	300.00%	100.00%	$42,276.21
District Direct Bonded Debt(2)(3)	$ 31,288,509	8.67%	2.89%	$ 1,222.06
Less: Self Supporting Debt(3)	(2,200,000)	(0.61%)	(0.20%)	(85.93)
Total Direct Bonded Debt	$ 29,088,509	8.06%	2.69%	$ 1,136.14
Overlapping Bonded Debt(4):				
Schools	$ 12,298,592	3.41%	1.14%	$ 480.36
Others	41,703,948	11.56%	3.85%	1,628.87
Total Overlapping Bonded Debt	$ 54,002,540	14.97%	4.99%	$ 2,109.23
Total Direct and Overlapping Bonded Debt	$ 83,091,049	23.03%	7.68%	$ 3,245.36

Notes: (1) Source: the District.
(2) Includes debt certificates and the Bonds.
(3) Subject to change.
(4) Overlapping bonded debt as of December 19, 2017.

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Legal Debt Margin*(1)*

2016 District Equalized Assessed Valuation	$360,799,304	
Statutory Debt Limitation (6.9% of EAV)		$24,895,152
General Obligation Bonded Debt:		
Series 2005		$245,000
Series 2011(2)		4,218,509
Series 2015A		2,970,000
Series 2015B		3,240,000
Series 2016		8,845,000
The Series 2018A Bonds(4)(5)		20,000
The Series 2018A Bonds(4)(5)		2,180,000
Total(4)		$21,718,509
Less: Alternate Revenue Source Bonds:		
The Series 2018A Bonds(4)(5)		(20,000)
The Series 2018A Bonds(4)(5)		(2,180,000)
Total General Obligation Debt(4)		$19,518,509
Debt Certificates:		
Series 2010		$ 9,570,000
Total Debt Certificates		$ 9,570,000
Total Applicable Debt(4)		$29,088,509
Legal Debt Margin(4)		$ (4,193,357)(3)

Notes: (1) Source: the District.
(2) Pursuant to the School Code, working cash funds bonds count against the District's debt limit but may be issued in excess of the District's debt limit.
(3) This is a result of the eroded EAV of the District.
(4) Subject to change.
(5) As general obligation alternate bonds under Illinois statutes, the Bonds do not count against the 6.9% of EAV for general obligation bonded debt so long as the debt service levy for such bonds is abated annually and not extended.

PROPERTY ASSESSMENT AND TAX INFORMATION

For the 2016 levy year, the District's EAV was comprised of 71.83% residential, 26.88% commercial, and less than 1% industrial, farm and railroad property valuations.

Equalized Assessed Valuation*(1)*

	Levy Years				
Property Class	2012	2013	2014(2)	2015	2016
Residential	$286,791,284	$262,804,896	$259,808,963	$248,827,333	$259,151,136
Commercial	109,296,192	95,170,004	94,426,933	90,905,384	96,977,484
Industrial	24,304,379	23,372,105	1,613,280	1,449,744	1,523,371
Farm	58,758	58,758	45,283	44,320	103,585
Railroad	2,361,584	2,671,217	2,757,420	2,984,177	3,043,728
Total	$422,812,197	$384,076,980	$358,651,879	$344,210,958	$360,799,304
Percent Change +(-)	(7.41%)(3)	(9.16%)	(6.62%)	(4.03%)	4.82%

Notes: (1) Source: Cook County Clerk.
(2) Triennial reassessment year.
(3) Percent change based on the District's 2011 EAV of $456,640,201.

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Representative Tax Rates – Village of Matteson*(1)*
(Per $100 EAV)

	Levy Years				
	2012	2013	2014	2015	2016
District Rates:					
I.M.R.F.	$ 0.120	$ 0.135	$ 0.148	$ 0.146	$ 0.096
Social Security	0.120	0.135	0.148	0.146	0.140
Liability Insurance	0.000	0.000	0.251	0.262	0.316
Transportation	0.361	0.768	0.869	1.166	1.132
Education	3.358	3.418	3.500	3.500	3.340
Building	0.528	0.537	0.550	0.550	0.525
Building Bonds	0.304	0.342	0.391	0.415	0.375
Working Cash Funds	0.048	0.049	0.050	0.050	0.048
Special Education	0.289	0.391	0.400	0.400	0.382
Limited Bonds	0.300	0.336	0.368	0.375	0.366
Leasing Educational Facilities	0.096	0.098	0.100	0.100	0.095
Total District Rates(2)	$ 5.523	$ 6.209	$ 6.776	$ 7.110	$ 6.815
Cook County	0.531	0.560	0.568	0.552	0.533
Consolidated Elections	0.000	0.031	0.000	0.034	0.000
Forest Preserve District of Cook County	0.063	0.069	0.069	0.069	0.063
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406
South Cook County Mosquito Abatement District	0.014	0.016	0.017	0.017	0.017
Rich Township(3)	0.416	0.444	0.451	0.454	0.437
Village of Matteson	1.663	1.516	1.659	1.810	1.891
Village of Matteson Library Fund	0.662	0.683	0.676	0.844	0.667
High School District Number 227	5.302	5.830	6.222	6.464	6.231
Community College District Number 515	0.410	0.439	0.458	0.487	0.481
Total Tax Rates(4)	$14.954	$16.214	$17.326	$18.267	$17.541

Notes:
(1) Source: Cook County Clerk.
(2) Statutory tax rate limits for the District are as follows: Education ($3.5000); Building ($0.5500); Working Cash Funds ($0.0500); Life Safety ($0.1000); Special Education ($0.4000); and Leasing Educational Facilities ($0.1000)
(3) Includes Road and Bridge and General Assistance.
(4) Representative tax rates for other governmental units are from Rich Township tax code 32015, which represents approximately 25% of the District's 2016 EAV, the most current available.

Representative Tax Rates – Village of Olympia Fields*(1)*
(Per $100 EAV)

	Levy Years				
	2012	2013	2014	2015	2016
District Rates:					
I.M.R.F.	$ 0.120	$ 0.135	$ 0.148	$ 0.146	$ 0.096
Social Security	0.120	0.135	0.148	0.146	0.140
Liability Insurance	0.000	0.000	0.251	0.262	0.316
Transportation	0.361	0.768	0.869	1.166	1.132
Education	3.358	3.418	3.500	3.500	3.340
Building	0.528	0.537	0.550	0.550	0.525
Building Bonds	0.304	0.342	0.391	0.415	0.375
Working Cash Funds	0.048	0.049	0.050	0.050	0.048
Special Education	0.289	0.391	0.400	0.400	0.382
Limited Bonds	0.300	0.336	0.368	0.375	0.366
Leasing Educational Facilities	0.096	0.098	0.100	0.100	0.095
Total District Rates(2)	$ 5.523	$ 6.209	$ 6.776	$ 7.110	$ 6.815
Cook County	0.531	0.560	0.568	0.552	0.533
Consolidated Elections	0.000	0.031	0.000	0.034	0.000
Forest Preserve District of Cook County	0.063	0.069	0.069	0.069	0.063
Metropolitan Water Reclamation District	0.370	0.417	0.430	0.426	0.406
South Cook County Mosquito Abatement District	0.014	0.016	0.017	0.017	0.017
Rich Township(3)	0.416	0.444	0.451	0.454	0.437
Village of Olympia Fields	1.624	1.839	1.973	2.089	1.985
Village of Olympia Fields Library Fund	0.116	0.128	0.136	0.143	0.135
Olympia Fields Park District	0.679	0.783	0.852	0.913	0.811
High School District Number 227	5.302	5.830	6.222	6.464	6.231
Community College District Number 515	0.410	0.439	0.458	0.487	0.481
Total Tax Rates(4)	$15.048	$16.765	$17.952	$18.758	$17.914

Notes:
(1) Source: Cook County Clerk.
(2) Statutory tax rate limits for the District are as follows: Education ($3.5000); Building ($0.5500); Working Cash Funds ($0.0500); Life Safety ($0.1000); Special Education ($0.4000); and Leasing Educational Facilities ($0.1000).
(3) Includes Road and Bridge and General Assistance.
(4) Representative tax rates for other governmental units are from Rich Township tax code 32009, which represents approximately 24% of the District's 2016 EAV, the most current available.

Tax Extensions and Collections*(1)*

Levy Year	Coll. Year	Taxes Extended	Total Collections Amount	Total Collections Percent
2010	2011	$21,924,087	$20,838,925	95.1%
2011	2012	22,397,643	21,126,253	94.3%
2012	2013	23,351,996	22,004,048	94.2%
2013	2014	23,847,164	22,487,192	94.3%
2014	2015	24,300,766	22,885,169	94.2%
2015	2016	24,472,944	23,207,301	94.8%
2016	2017(2)	24,585,008	22,751,231	92.5%

Notes: (1) Source: The District and the District's Annual Audited Financial Statements.
(2) Collections as of January 31, 2018.

Principal District Taxpayers*(1)*

Taxpayer Name	Business/Service	2016 EAV(2)
CW Capital Asset Management(3)	Real Property	$ 9,258,582
Olympia Shoppes LLC	Real Property	6,810,694
St. James Hospital	Health Care	4,931,196
Glenshire Re & Development	Real Property	4,887,749
Olympia Fields LLC	Real Property	4,722,947
Benchmark CR Elderly/Family	Nursing	4,390,495
Olympia Fields Country Club	Country Club	3,484,661
Fitness International	Real Property	3,014,786
Simon Property Group	Real Property	2,892,827
CBE Holdings LLC	Real Property	2,878,216
Total		$47,272,153
Ten Largest Taxpayers as Percent of District's 2016 EAV ($360,799,304)		13.10%

Notes: (1) Source: Cook County Clerk.
(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.
(3) Previously New Plan Excel Property.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay the principal of and certain interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures describes herein will not change.

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including that in the District, except for certain railroad property and pollution control facilities, which are assessed directly by the Illinois Department of Revenue (the "Department of Revenue"). For triennial reassessment purposes, the County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The District is located in the South Tri and was reassessed for the 2014 tax levy year. The next reassessment is the 2017 tax levy year.

Real property in the County is separated into classes for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Prior to the 2009 tax levy year, the classification percentages ranged from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property. On September 17, 2008, the Cook County Board of Commissioners approved changes to the property classification ordinance. The changes reduced the percentages used to calculate the assessed value of real property in the County for real estate tax purposes. These reductions take effect in the 2009 tax levy year. Such new classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1) unimproved real estate - 10%; Class 2) residential - 10%; Class 3) rental-residential - 16%, in tax year 2009, 13% in assessment year 2010, and 10% in assessment year 2011 and subsequent years; Class 4) not-for-profit - 25%; Class 5a) commercial - 25%; Class 5b) industrial - 25%. There are also eight additional categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 10% for the first 10 years and for any subsequent 10-year renewal periods. However, if the incentive is not renewed, the 6b assessment level is 15% in year 11 and 20% in year 12, hereafter reverting to Class 5b. Real estate, which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation, may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation may be classified as Class 7c, and will be assessed at a level of 10% for first 3 years and any 3 year renewal; if not renewed, 15% in year 4, 20% in year 5, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 15% in year 11 and 20% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones may be eligible for Class 9 categorization. The Class 9 assessment level is 10% for an initial 10-year period, renewable upon application for additional 10-year periods. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level The Class S assessment level is 10% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4 or 5b properties is 10% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 15% in year 11 and 20% in year 12, thereafter reverting to Class 3, 4 or 5b. Class L commercial properties are assessed at 10% for the first 10 years, 15% in year 11 and 20% in year 12, thereafter reverting to Class 5a.

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

Owners of both residential property having six or fewer units and owners of real estate other than residential property with six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

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

Equalization

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

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for the County for the last 10 tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621
2014	2.7253
2015	2.6685
2016	2.8032

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 for up to four years, to the extent the assessed value 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 and receive a household income not in excess of the maximum income limitation. The maximum income limitation is $55,000 for assessment year 2008 through assessment year 2017. Beginning in assessment year 2018, the maximum income limitation is $65,000. 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 targeted areas (as defined in the applicable section of the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

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

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

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

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

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

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, proceedings are adopted by the designated body for each Unit each year in which it determines to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk uses the prior year's EAV to compute the taxing district's maximum allowable levy. The maximum levy that can be raised for a Unit is the maximum tax rate for that Unit multiplied by the prior year, EAV for all property currently in the district. The prior year's EAV includes the prior year's EAV plus the EAV of any new property, the current year value of any annexed property, and any recovered tax increment value, minus any disconnected property for the current year under the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law"). The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes.

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

The District has the authority to levy taxes for many different purposes. See 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 District 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 District) 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 District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited tax bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Extensions

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

Collections

Property taxes are collected by the County Collector, who is also the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. The first installment is equal to one-half of the prior year's tax bill; beginning in collection year 2010, this estimated amount was raised to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead equal to one-half of the corrected prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the then current tax year levy, assessed value and Equalization Factor, and reflects any changes from the prior year in those factors. The following table sets forth the second installment penalty date for the last 10 tax levy years in the County; the first installment penalty date has been March 1 for all such years.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2007	November 3, 2008
2008	December 1, 2009
2009	December 13, 2010
2010	November 1, 2011
2011	August 1, 2012
2012	August 1, 2013
2013	August 1, 2014
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. The County may provide for tax bills to be payable in four installments instead of two. However, the County has not required payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

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

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

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

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. In particular, the House passed Senate Bill 851 ("Senate Bill 851") on November 8, 2017. Senate Bill 851 provides that for levy years 2017 and 2018, for taxing districts (including home rule units) with a majority of EAV in Cook and the collar counties (Lake, McHenry, Kane, DuPage and Will Counties), other than qualified school districts, the extension limitation under the Limitation Law will be 0% or the rate of increase approved by voters. In addition, Senate Bill 851 allows county boards for counties other than Cook and the collar counties, to submit to their voters at the general primary or general election in 2018, the question of whether to subject all taxing districts (including home rule units) with a majority of EAV in their county, other than qualified school districts, to the provisions of the Limitation Law and an extension limitation under the Limitation Law of 0% or the rate of increase approved by voters for levy years 2018 and 2019. Senate Bill 851 is subject to a vote of concurrence by the Senate and approval from the Governor prior to being enacted into law. If Senate Bill 851 or similar legislation were to become law, such reform may have a material impact on the finances of the District. The District cannot predict whether, or in what form, any change to the Limitation Law, including Senate Bill 851, may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

Truth in Taxation Law

Legislation known as the Truth in Taxation Law (the "Truth in Taxation 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 Truth in Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Truth in Taxation Law do not apply to levies made to pay principal of and certain interest on the Bonds.

FINANCIAL INFORMATION

Budgets and Budgetary Information

Annual budgets are adopted for all funds with the exception of the District's agency fund. These budgets are adopted on a basis consistent with generally accepted accounting principles. All annual appropriations lapse at fiscal year end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and by function. The Board may make transfers between functions within a fund not exceeding in the aggregate 10% of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. No supplemental budget was required and there were no transfers between functions during the year.

For budgetary purposes, the District does not recognize as revenue the retirement contributions made by the State to the Teachers' Retirement System of the State of Illinois ("TRS") on behalf of the District, as well as the expenditures related to the contributions paid.

Cash and Investments

State statutes authorize the District to make deposits directly to interest bearing depository accounts in federally insured and/or state charted banks, savings and loan associations and credit unions and invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States and short-term obligations of corporations organized in the United States with assets exceeding $500,000,000. This District is also authorized to invest in the Illinois School District Liquid Asset Fund ("ISDLAF") and the Illinois Funds.

ISDLAF is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from the participating members. ISDLAF is not registered with the Commission as an investment company. Investments in ISDLAF are valued at ISDLAF's share price, which is the price the investment could be sold for.

Financial Reports

The District's financial statements are audited annually by certified public accountants. The District'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.

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 District, including the audited financial statements for the fiscal year ended June 30, 2017 (the "2017 Audit"), which was approved by formal action of the Board. The District has not requested Crowe Horwath LLP (the "Auditor") to update information contained in the Excerpted Financial Information; nor has the District 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 District since the date of the 2017 Audit. Questions or inquiries relating to financial information of the District since the date of the 2017 Audit should be directed to the District.

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 District's 2017 fiscal year audit.

The District's financial statements are audited annually by certified public accountants. The District'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.

Statement of Net Position
Governmental Activities

	Audited as of June 30				
	2013	2014(1)	2015(1)	2016(1)	2017(1)
ASSETS:					
Current Assets:					
Cash and Investments	$10,690,890	$12,572,570	$12,562,066	$13,039,938	$12,980,139
Receivables:					
Accounts Receivable	240,261	290,309	528,395	0	0
Real Estate Taxes, Net	11,354,583	11,897,349	12,152,385	12,470,981	11,084,370
Due From Other Governments	2,355,517	1,009,606	1,981,815	2,276,224	4,994,142
Prepaids	89,286	69,816	70,298	149,228	139,635
Total Current Assets	$24,730,537	$25,839,650	$27,294,959	$27,936,371	$29,198,286
NONCURRENT ASSETS:					
Unamortized Bond Issuance Costs	$ 611,180	$ 0	$ 0	$ 0	$ 0
Capital Assets Not Being Depreciated	403,497	403,497	519,906	403,497	605,058
Capital Assets Being Depreciated, Net	34,578,660	33,075,405	33,057,719	32,627,722	31,274,309
Total Noncurrent Assets	$35,593,337	$33,478,902	$33,577,625	$33,031,219	$31,879,367
Total Assets	$60,323,874	$59,318,552	$60,872,584	$60,967,590	$61,077,653
DEFERRED OUTFLOWS OF RESOURCES:					
Deferred Pension Actuarial Adjustments	$ 0	$ 0	$ 369,542	$ 1,054,712	$ 1,307,922
Deferred Charge on Refunding	0	0	0	0	228,575
Deferred Pension Contributions	0	0	400,071	421,173	433,869
Total Assets and Deferred Outflows of Resources	$60,323,874	$59,318,552	$61,642,197	$62,443,475	$63,048,019
LIABILITIES AND NET POSITIONS:					
Current Liabilities:					
Accounts Payable	$ 580,854	$ 692,694	$ 1,518,249	$ 564,190	$ 732,025
Accrued Payroll	2,593,139	2,047,971	2,088,865	2,193,310	2,331,159
Accrued Interest	130,850	124,298	118,106	97,891	89,808
Unearned Revenue	11,007,635	301,897(1)	5,982	11,036	7,560
Compensated Absences	85,506	75,520	96,220	87,791	0
Capital Lease	0	0	0	34,138	0
Long-Term Obligations, Due within One Year	1,331,424	1,965,000	2,190,000	2,485,000	2,605,969
Total Current Liabilities	$15,729,408	$ 5,207,380	$ 6,017,422	$ 5,473,356	$ 5,766,521
Long-Term Liabilities, Net:					
Net Unamortized Bond Premiums/Discounts	$ 449,327	$ 412,913	$ 376,499	$ 1,497,186	$ 0
Net Pension Obligation	38,115	38,889	4,577,028	5,938,541	0
Long-Term Obligations, Due in More Than a Year	38,868,262	37,140,694	35,227,223	32,649,336	38,502,198
Total Long-Term Liabilities	$39,355,704	$37,592,496	$40,180,750	$40,085,063	$38,502,198
DEFERRED INFLOW OF RESOURCES(1):					
Deferred Real Estate Tax Revenue	$ 0	$10,673,460	$10,849,281	$10,774,296	$10,299,442
Deferred Intergovernmental Revenue	0	0	0	0	1,833,838
Deferred Pension Actuarial Adjustments	0	0	5,549,534	778,108	751,558
Total Deferred Inflows of Resources	$ 0	$10,673,460	$16,398,815	$11,552,404	$12,884,838
NET POSITION:					
Invested In Capital Assets, Net	$ 1,983,501	$ 974,990	$ 2,623,225	$ 2,085,800	$ 3,940,902
Restricted	1,577,615	1,995,841	2,474,822	2,757,321	2,047,864
Unrestricted	1,677,646	2,874,385	(6,054,837)	489,531	(94,304)
Total Net Position	$ 5,238,762	$ 5,845,216	$ (956,790)	$ 5,332,652	$ 5,894,462
Total Liabilities, Deferred Inflows of Resources and Net Position	$60,323,874	$59,318,552	$61,640,197	$62,443,475	$63,048,019

Note: (1) Change in accounting principle.

Statement of Activities

	Audited as of June 30				
	2013	2014	2015	2016	2017
GOVERNMENTAL ACTIVITIES:					
Instruction:					
Regular Programs	$(12,552,754)	$(11,478,061)	$(10,799,661)	$(11,131,323)	$(11,393,987)
Special Programs	(1,947,612)	(1,363,088)	(1,581,398)	(2,356,956)	(2,722,663)
Other Instructional Programs	(245,564)	(91,692)	(421,657)	(441,627)	(637,431)
Support Services:					
Pupils	(1,855,917)	(2,034,078)	(2,286,225)	(2,347,272)	(2,280,416)
Instructional Staff	(1,106,898)	(833,838)	(901,363)	(1,102,319)	(798,496)
General Administration	(2,702,177)	(2,745,570)	(2,893,931)	(2,893,991)	(3,103,288)
School Administration	(2,837,101)	(2,909,116)	(2,501,998)	(2,671,365)	(2,553,052)
Business	(2,074,884)	(1,178,598)	(1,224,549)	(1,539,521)	(1,265,102)
Transportation	(743,288)	(1,285,622)	(1,242,412)	(1,178,645)	(1,189,017)
Operations and Maintenance	(2,544,551)	(2,876,007)	(2,301,968)	(2,908,428)	(2,971,805)
Central	(1,218,760)	(1,329,427)	(1,186,444)	(1,646,241)	(1,859,556)
Community Services	(4,635)	(222)	5,714	(48,947)	(28,231)
Payments to Other Governments	(510,586)	(967,873)	(871,948)	(222,930)	(480,557)
Bond Issuance Costs	0	0	0	(745,040)	0
Interest and Fees	(1,146,312)	(1,043,181)	(926,034)	(619,508)	(532,197)
Total Governmental Activities	$(31,491,039)	$(30,136,373)	$(29,133,874)	$(31,854,113)	$(31,815,798)
GENERAL REVENUES:					
Taxes:					
Real Estate Taxes, General Purpose	$ 19,000,865	$ 19,931,322	$ 20,552,105	$ 20,897,079	$ 19,232,311
Real Estate Taxes, Debt Service	2,357,112	2,443,743	2,557,680	2,623,702	2,362,413
Personal Property Replacement Taxes	376,111	380,475	380,475	374,448	374,448
State Aid-Formula Grants	7,425,737	8,567,122	9,010,259	9,816,002	10,290,351
Investment Earnings	4,655	6,729	9,479	38,151	100,704
Miscellaneous	299,271	24,616	6,378	30,160	17,381
Total General Revenues	$ 29,463,751	$ 31,354,007	$ 32,516,376	$ 33,779,542	$ 32,377,608
Change In Net Position	$ (2,027,288)	$ 1,217,634	$ 3,382,502	$ 1,925,429	$ 561,810
Net Position, Beginning of Year	7,266,050	4,627,582(1)	(4,339,292)(1)	3,407,223(1)	5,332,652
Net Position, End of Year	$ 5,238,762	$ 5,845,216	$ (956,790)	$ 5,332,652	$ 5,894,462

Note: (1) Restated.

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General Fund
Balance Sheet

	Audited as of June 30				
	2013	2014(1)	2015(1)	2016(1)	2017(1)
ASSETS:					
Cash and Investments	$ 9,177,864	$10,286,249	$ 9,903,208	$ 9,894,255	$10,485,772
Receivables:					
Real Estate Taxes, Net	8,873,969	8,604,430	8,700,534	8,543,549	7,657,350
Due From Other Funds	1,130,664	106,655	0	0	250,000
Due From Other Governments	1,848,280	1,009,606	1,575,473	1,859,276	2,458,172
Other	59,614	98,362	361,241	0	0
Prepaids	89,286	69,816	70,298	145,594	139,635
Total Assets	$21,179,677	$20,175,118	$20,610,754	$20,442,674	$20,990,929
LIABILITIES AND FUND BALANCE:					
Liabilities:					
Accounts Payable	$ 409,991	$ 549,820	$ 1,300,255	$ 442,175	$ 638,970
Accrued Payroll	2,593,139	2,047,971	2,088,865	2,161,272	2,289,153
Deferred Revenue	8,910,796	301,897	5,982	11,036	7,560
Total Liabilities	$11,913,926	$ 2,899,688	$ 3,395,102	$ 2,614,483	$ 2,935,683
DEFERRED INFLOW OF RESOURCES:					
Deferred Intergovernmental Revenue	$ 0	$ 290,636	$ 486,100	$ 750,099	$ 1,402,319
Deferred Real Estate Tax Revenue	0	7,723,316	7,767,923	7,367,510	7,112,779
Total Deferred Inflows of Resources	$ 0	$ 8,013,952	$ 8,254,023	$ 8,117,609	$ 8,515,098
FUND BALANCE:					
Non-spendable for Prepaid Items	$ 89,286	$ 69,816	$ 70,298	$ 145,594	$ 139,635
Restricted for Tort Immunity	0	0	8,216	120,269	129,156
Reserved for Operations and Maintenance	529,180	0	0	0	0
Restricted for Leasing	0	197,355	480,685	659,479	742,251
Unassigned	8,647,285	8,994,307	8,402,430	8,785,240	8,529,106
Total Fund Balance	$ 9,265,751	$ 9,261,478	$ 8,961,629	$ 9,710,582	$ 9,540,148
Total Liabilities, Deferred Inflows of Resources and Fund Balance	$21,179,677	$20,175,118	$20,610,754	$20,442,674	$20,990,929

Note: (1) Change in accounting principle.

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General Fund
Revenues and Expenditures

	Audited Fiscal Year Ending June 30				
	2013	2014(1)	2015(1)	2016(1)	2017(1)
REVENUES:					
Real Estate and Replacement Taxes	$17,389,710	$17,140,593	$17,012,536	$16,797,051	$15,194,850
Charges For Services	333,670	397,609	297,212	312,530	247,630
State Aid	14,552,964	16,228,330	16,862,438	20,310,350(2)	18,666,945(2)
Federal Aid	3,644,043	2,889,761	3,077,668	3,831,998	2,906,965
Miscellaneous	364,416	491,810	403,302	366,139	379,647
Interest	4,602	6,728	9,479	38,151	100,704
Total Revenues	$36,289,405	$37,154,831	$37,662,635	$41,656,219	$37,496,741
EXPENDITURES:					
Instruction	$19,800,680	$19,048,008	$20,376,338	$23,153,613	$21,890,061
Support Services	13,062,111	13,298,784	13,350,587	14,640,332	13,775,320
Operations and Maintenance	2,614,502	2,945,500	3,109,177	3,024,386	3,054,687
Community Services	68,492	13,847	58,456	115,649	144,236
Payments to Other Governments	1,227,245	1,157,542	1,081,310	924,939	979,134
Capital Outlay	172,369	581,113	1,129,961	1,229,405	486,906
Debt Service	314,384	114,310	0	0	0
Total Expenditures	$37,259,783	$37,159,104	$39,105,829	$43,088,324	$40,330,344
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ (970,378)	$ (4,273)	$ (1,443,194)	$ (1,432,105)	$ (2,833,603)
OTHER FINANCING SOURCES (USES):					
Capital Lease Proceeds/Debt Proceeds	$ 0	$ 0	$ 0	$ 181,058	$ 1,500
Transfers In (Out)	0	0	1,143,345(3)	2,000,000(3)	2,661,669(3)
Total Other Financing Sources (Uses)	$ 0	$ 0	$ 1,143,345	$ 2,181,058	$ 2,663,169
Excess (Deficiency) of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	$ (970,378)	$ (4,273)	$ (299,849)	$ 748,953	$ (170,434)
Fund Balance, Beginning	$10,236,129	$ 9,265,751	$ 9,261,478	$ 8,961,629	$ 9,710,582
Fund Balance, Ending	$ 9,265,751	$ 9,261,478	$ 8,961,629	$ 9,710,582	$ 9,540,148

Notes: (1) Change in accounting principle.
(2) Increase in State Aid is due to a change in actuarial assumptions by the TRS of the District's TRS On-Behalf Payments.
(3) Transfers from the Transportation Fund to meet current anticipated personnel, operating, education and maintenance costs.

General Fund
Estimated and Budgeted Financial Information

	Estimated Six Months Ending 12/31/17	Budget Twelve Months Ending 6/30/2018(1)
Revenues	$15,446,047	$33,156,928
Expenditures	$14,880,028	$35,561,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	$ 566,019	($ 2,404,616)

Note: (1) Excludes budgeted transfers from the Transportation Fund of $2,552,211.

SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education ("ISBE") utilizes a system for assessing a school district's financial health referred to as the *"School District Financial Profile"* which replaced the Financial Watch List and Financial Assurance and Accountability System ("FAAS"). FAAS identifies those school districts which are moving into financial distress.

FAAS uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short-term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

The scores of the weighted indicators are totaled to obtain a district's overall score. The highest score is 4.0 and the lowest score is 1.0. A district is then placed in one of four categories as follows:

- *Financial Recognition*. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- *Financial Review*. A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- *Financial Early Warning*. A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- *Financial Watch*. A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the "Original Score") and an adjusted financial profile score (the "Adjusted Score"). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district's actual and expected receipt of State Aid payments or evidence-based funding, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State Aid payments or evidence-based funding received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State Aid payments or evidence-based funding are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State Aid payments or evidence-based funding.

The following table sets forth the District's Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in March of the year following the conclusion of each fiscal year):

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2016	3.60	Recognition	3.60	Recognition
2015	3.60	Recognition	3.60	Recognition
2014	3.60	Recognition	3.60	Recognition
2013	3.25	Review	2.80	Early Warning
2012	3.15	Review	3.15	Review

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such *"State Aid"* as a significant part of their budgets. For the fiscal year ended June 30, 2017, 39% of the District's General Fund revenue came from sources at the State, including State Aid.

General State Aid Through Fiscal Year 2017

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

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

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

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

General State Aid After Fiscal Year 2017 - Evidence-Based Funding Model

The State's Fiscal Year 2018 Budget appropriates General State Aid in an amount $350 million greater than the appropriation for fiscal year 2017 and requires such additional funds to be distributed to school districts under an Evidence-Based Funding Model. The Evidence-Based Funding Model provided for in Public Act 100-465 sets forth a new school funding formula which ties individual district funding to 27 evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the new funding formula, ISBE will calculate an adequacy target (the "Adequacy Target") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target") and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("New State Funds") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

For school year 2017-2018, the District understands (based on publicly available information) that it's Local Capacity Target, which is assigned by ISBE, plus its Base Funding Minimum will equal approximately 66% of its Adequacy Target and that the District will be placed in Tier 2. For school year 2017-2018, the District believes that it will receive approximately $9,000 per ISBE data of New State Funds. Until the District is formally notified by ISBE of its Adequacy Target, Local Capacity Target and Tier placement, no assurance can be given that the Adequacy Target, Local Capacity Target, Tier placement and expected New State Funds for school year 2017-2018 will not be materially different than as indicated in this paragraph.

Public Act 100-465 also provides that each school district will be allocated at least as much in General State Aid in future years as it received in school year 2016-2017 (such amount being that district's "Base Funding Minimum"), which for the District was $11,232,252 for school year 2017-2018. No district should receive less General State Aid funding than it received the prior year since all New State Funds received by a district in a year become part of its Base Funding Minimum in the following year. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier 3 and Tier 4 school districts on a per pupil basis; *provided, however*, that such reductions may not reduce State funding for such districts below the Base Funding Minimum for school year 2017-2018. If funds are still insufficient, then further reductions are to be done on a per pupil basis for all school districts. Consequently, reduced appropriations for General State Aid in future years could result in the District receiving less in a future fiscal year than its Base Funding Minimum.

Although Public Act 100-0465 was signed on August 31, 2017, future legislation could be introduced to repeal or materially change the current General State Aid formula. For example, on November 9, 2017, State legislators approved Senate Bill 444, which adjusts certain calculations used to determine the distribution of New State Funds under the Evidence-Based Model. On January 8, 2018, the Governor amendatorily vetoed Senate Bill 444 and State legislators plan to review such amendatory veto during its current session. It is anticipated that Senate Bill 444, if it were to become law, would decrease the amount of New State Funds the District receives by an estimated 9.8%, based on publicly available sources. The District cannot predict whether, or in what form, any change to the General State Aid formula will occur, nor can the District predict the effect of any such change on the District's future finances.

Mandated Categorical State Aid

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

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

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

Competitive Grant State Aid

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

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

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

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

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

As noted above, the State makes Mandated Categorical State Aid payments to school districts in quarterly installments. For fiscal year 2016, the State did not make the final Mandated Categorical State Aid payment until December of the following fiscal year. The State made four Mandated Categorical State Aid payments to school districts for fiscal year 2017.

The District budgeted to receive $3,181,906 in Mandated Categorical State Aid payments for fiscal year 2017, such amount being equal to four Mandated Categorical State Aid payments.

PENSION AND RETIREMENT OBLIGATIONS

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

The District participates in the Teachers' Retirement System of the State of Illinois (the "TRS"). The TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois Legislature for the benefit of Illinois public school teachers employed outside the City of Chicago.

See **APPENDIX D** herein for a discussion of the District'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 District shall cause books for the registration and for the transfer of the Bonds to be kept at the principal office maintained for the purpose by Amalgamated Bank of Chicago (the "Bond Registrar") in Chicago, Illinois. The District will authorize to be prepared, and the Bond Registrar shall keep custody of, multiple bond blanks executed by the District 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 Resolution. 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 District 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 series and maturity and interest rate of authorized denominations, for a like aggregate principal amount.

The execution by the District 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 series and maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such series and maturity less Bonds previously paid.

The Bond Registrar shall not be required to transfer or exchange any Bond following the close of business on the fifteenth day of the month next preceding any interest payment date on such Bond (known as the record date), nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen days next preceding mailing of a notice of redemption of any Bonds.

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 District 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 except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a bond surrendered for redemption.

TAX MATTERS

The Series 2018A Bonds

Interest on the Series 2018A Bonds is includible in gross income for federal income purposes. Ownership of the Series 2018A Bonds may result in other federal income tax consequences to certain taxpayers. Series 2018A Bondholders should consult their tax advisors with respect to the inclusion of interest on the Series 2018A Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the Series 2018A Bonds is not exempt from present State income taxes. Ownership of the Series 2018A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such consequences arising with respect to the Series 2018A Bonds. Prospective purchasers of the Series 2018A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The Series 2018B Bonds

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

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

In rendering its opinion, Bond Counsel will rely upon certifications of the District and Southland with respect to certain material facts within the District's and Southland's knowledge and will rely on an opinion of counsel to Southland that Southland is a 501(c)(3) organization and certain other matters. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

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

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

The issue price for original issue discount (as further discussed below) and market discount purposes (the "OID Issue Price") for each maturity of the Series 2018B Bonds is the price at which a substantial amount of such maturity of the Series 2018B Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the Series 2018B Bonds may be different from the prices set forth, or the prices corresponding to the yields set forth, in the **"BOND ISSUE SUMMARY - THE SERIES 2018B BONDS"** section herein.

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

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District and Southland comply 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 Series 2018B Bonds who dispose of Series 2018B Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Series 2018B Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Series 2018B Bonds subsequent to the initial public offering should consult their own tax advisors.

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

An investor may purchase a Series 2018B Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the Series 2018B Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the Series 2018B Bond. Investors who purchase a Series 2018B Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Series 2018B Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Series 2018B 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 Series 2018B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the Series 2018B 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 Series 2018B Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Series 2018B Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the Series 2018B Bonds until the audit is concluded, regardless of the ultimate outcome.

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

Interest on the Series 2018B Bonds is not exempt from present State of Illinois income taxes. Ownership of the Series 2018B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Series 2018B Bonds. Prospective purchasers of the Series 2018B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS – THE SERIES 2018B BONDS

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

CONTINUING DISCLOSURE

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

A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See **"THE UNDERTAKING - Consequences of Failure of the District to Provide Information."** The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

In the past five years there have been numerous rating actions reported by Moody's, Standard & Poor's Rating Corporation and Fitch Ratings affecting the municipal bond insurance companies, some of which had insured bonds previously issued by the District. Notice of these rating actions has since been filed on EMMA (as defined below) with respect to the District's outstanding bonds.

Moody's upgraded many of the District's outstanding bonds as a result of its recalibration of US Municipal Ratings to its Global Rating Scale on April 16, 2010. Due to widespread knowledge of such recalibration, event notices were not filed by the District.

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

Annual Financial Information Disclosure

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

"Annual Financial Information" means:

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 **"Estimated and Budgeted Revenues and Expenditures")** within this Official Statement.

"Audited Financial Statements" means financial statements of the District 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 District covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission 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 "Reportable 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 District*
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material.

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

Consequences of Failure of the District to Provide Information

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

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

Amendment; Waiver

Notwithstanding any other provision of the Undertaking, the District by resolution 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 District, or type of business conducted; or

(ii) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

(b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

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

Termination of Undertaking

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

Additional Information

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

Dissemination of Information; Dissemination Agent

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

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

OPTIONAL REDEMPTION

Bonds due December 1, 2018-2027*, inclusive, are not subject to optional redemption. Bonds due December 1, 2028-2037*, inclusive, are callable in whole or in part on any date on or after December 1, 2027*, at a price of par and accrued interest. If less than all the Bonds are called, they shall be redeemed in such principal amounts and from such maturities as determined by the District and within any maturity by lot.

The Bond Registrar will give notice of redemption, identifying the Bonds (or portions thereof) to be redeemed, by mailing a copy of the redemption notice by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond (or portion thereof) to be redeemed at the address shown on the registration books maintained by the Bond Registrar. Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Bond Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on the date.

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

**Subject to change.*

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 District taken with respect to the issuance or sale thereof. There is no litigation now pending, or to the knowledge of the District, threatened against the District that is expected to materially impact the financial condition of the District.

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, which has been retained by, and acts as, Bond Counsel to the District. 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, it has, at the request of the District, 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), the description of the federal tax exemption of the interest on the Bonds and the “bank-qualified” status of the Bonds, if any. This review was undertaken solely at the request and for the benefit of the District and did not include any obligation to establish or confirm factual matters set forth herein. Certain legal matters will be passed on for the Underwriter by its counsel, Ice Miller LLP, Chicago, Illinois.

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 District, and all expressions of opinion, whether or not so stated, are intended only as such.

INVESTMENT RATING

The Bonds have been rated “Aa3” by Moody’s Investors Service. The District has supplied certain information and material concerning the Bonds and the District 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: Moody’s Investors Service, 7 World Trade Center at 250 Greenwich Street, New York, New York 10007, telephone 212-553-1658. The District will provide appropriate periodic credit information to the rating service to maintain a rating on the Bonds.

UNDERWRITING

The Underwriter has agreed to purchase all but not less than all of the Series 2018A Bonds at a price of $________ (reflecting the par amount of $_______, plus a reoffering premium of $________, and less an Underwriter's Discount of $________, plus accrued interest to the date of delivery). It is anticipated that delivery of the Series 2018A Bonds will occur on the date shown on the cover page hereof. The Series 2018A Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Series 2018A Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown in the Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

The Underwriter has agreed to purchase all but not less than all of the Series 2018B Bonds at a price of $________ (reflecting the par amount of $_______, plus a reoffering premium of $________, and less an Underwriter's Discount of $________, plus accrued interest to the date of delivery). It is anticipated that delivery of the Series 2018B Bonds will occur on the date shown on the cover page hereof. The Series 2018B Bonds may be offered and sold to certain dealers (including the Underwriter or other dealers depositing Series 2018B Bonds into investment trusts) at prices or yields other than such public offering prices or yields shown in the Final Official Statement, and such public offering prices or yields may be changed, from time to time, by the Underwriter.

MUNICIPAL ADVISOR

The District 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 District's continuing disclosure undertaking.

CERTIFICATION

We have examined this Official Statement dated February 16, 2018, for the $20,000* Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2018A and the $2,180,000* General Obligation School Bonds (Alternate Revenue Source), Series 2018B, 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/ **ALICIA RODMAN-McCRAY**	/s/ **CRAIG ENGLERT**
President	*Assistant Superintendent of Business Services*
SCHOOL DISTRICT NUMBER 162	SCHOOL DISTRICT NUMBER 162
Cook County, Illinois	Cook County, Illinois

**Subject to change.*

APPENDIX A

SCHOOL DISTRICT NUMBER 162 (MATTESON)
COOK COUNTY, ILLINOIS

FISCAL YEAR 2017 AUDITED FINANCIAL STATEMENTS

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 District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts 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 District 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 District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the 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 District 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 District 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 District believes to be reliable, but the District takes no responsibility for the accuracy thereof.

APPENDIX C
PROPOSED FORMS OF OPINIONS OF BOND COUNSEL

SERIES 2018A BONDS

PROPOSED FORM OF OPINION OF BOND COUNSEL- SERIES 2018A BONDS

[**LETTERHEAD OF CHAPMAN AND CUTLER LLP**]

[**TO BE DATED CLOSING DATE**]

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of School District Number 162, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered ____% Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2018A (the *"Bonds"*), to the amount of $__________, dated ____________, 2018, due on December 1, 2018, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and is payable (i) together with the District's General Obligation School Bonds (Alternate Revenue Source), Series 2018B, from state aid received by the District and (ii) from ad valorem taxes levied against all taxable property in the District without limitation as to rate or amount, and all taxable property in the District is subject to the levy of such taxes, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

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

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

SERIES 2018B BONDS

PROPOSED FORM OF OPINION OF BOND COUNSEL - SERIES 2018B BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of School District Number 162, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds (Alternate Revenue Source), Series 2018B (the "*Bonds*"), to the amount of $_______________, dated the date hereof, due on December 1 of the years and in the amounts and bearing interest as follows:

2018	$	%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%

and the Bonds due on and after December 1, 20__, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20__, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that such proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and is payable (i) together with the District's Taxable

General Obligation School Bonds (Alternate Revenue Source), Series 2018A, from state aid received by the District and (ii) from ad valorem taxes levied against all taxable property in the District without limitation as to rate or amount, and all taxable property in the District is subject to the levy of such taxes, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium 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 compliance by the District and Southland College Prep Charter School, Inc. (*"Southland"*) with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the *"Code"*), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District and Southland 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. In rendering our opinion on tax exemption, we have relied on the opinion of Odelson & Sterk, Evergreen Park, Illinois, counsel to Southland, that Southland is a 501(c)(3) organization and certain other matters.

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

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

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

APPENDIX D

SCHOOL DISTRICT NUMBER 162 (MATTESON)
COOK COUNTY, ILLINOIS

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