BMO Capital Markets

Public Finance & Infrastructure Banking
115 South LaSalle Street, 18th Floor
Chicago, Illinois 60603

August 7, 2014

Mr. Charles DiMartino
Director of Finance
Thornton Fractional THSD 215
1601 Wentworth Avenue
Calumet City, IL 60409

Re: General Obligation Bonds (Alternate Revenue Source), Series 2014 (the "Bonds")

Dear Mr. DiMartino,

This letter is to confirm that THSD 215, Cook County, Illinois (Thornton Fractional) (the "Issuer") is aware of the "Municipal Advisor Rule" of the Securities and Exchange Commission (effective July 1, 2014) and the underwriter exclusion from the definition of "municipal advisor" for a firm serving as an underwriter for a particular issuance of municipal securities.

The Issuer hereby designates BMO Capital Markets GKST Inc. (the "BMO") as an underwriter for the proposed captioned bond issue (the "Bonds") that the Issuer currently anticipates issuing. The Issuer expects that BMO will provide advice to the Issuer on the structure, timing, terms, and other matters concerning the Bonds.

It is the Issuer's intent that BMO serve as an underwriter for the Bonds, subject to satisfying applicable procurement laws or policies, formal approval by the Issuer, finalizing the structure of the Bonds and executing a bond purchase agreement. While the Issuer presently engages BMO as the underwriter for the Bonds, this engagement letter is preliminary, nonbinding and may be terminated at any time by Issuer, without penalty or liability for any costs incurred by the underwriter, or BMO.

Furthermore, this engagement letter does not restrict the Issuer from entering into the proposed municipal securities transaction with any other underwriters or selecting an underwriting syndicate that does not include BMO.

Sincerely,
BMO CAPITAL MARKETS GKST INC.

James Rachlin
Managing Director
312-845-4021

Public Finance & Infrastructure Banking
115 South LaSalle Street, 18th Floor
Chicago, Illinois 60603

ACKNOWLEDGED AND ACCEPTED:

THSD 215, Cook County, IL (Thornton Fractional)

By [signature]

Its Director of Finance

BMO Capital Markets

Public Finance & Infrastructure Banking
115 South LaSalle Street, 18th Floor
Chicago, Illinois 60603

August 7, 2014

Mr. Charles DiMartino
Director of Finance
Thornton Fractional High School District 215
1601 Wentworth Avenue
Calumet City, IL 60409

Re: Disclosures by BMO Capital Markets GKST Inc. Pursuant to MSRB Rule G-17 General Obligation Refunding Bonds (Alternate Revenue Source), Series 2014 (the "Bonds")

Dear Mr. DiMartino,

We are writing to provide you, as the Director of Finance of Thornton Fractional High School District Number 215, Cook County, Illinois (the "Issuer"), with certain disclosures relating to the captioned bond issue (the "Bonds"), as required by the Municipal Securities Rulemaking Board (MSRB) Rule G-17 as set forth in MSRB Notice 2012-25 (May 7, 2012).

The Issuer has engaged BMO Capital Markets GKST Inc. ("BMO") to serve as an underwriter, and not as a financial advisor or municipal advisor, in connection with the issuance of the Bonds.

As part of our services as senior managing underwriter, BMO may provide advice concerning the structure, timing, terms, and other similar matters concerning the issuance of the Bonds. This letter only addresses the Bonds and does not address any separate series of bonds.

I. **Disclosures Concerning the Underwriter's Role:**

(i) MSRB Rule G-17 requires an underwriter to deal fairly at all times with both municipal issuers and investors.

(ii) The underwriter's primary role is to purchase the Bonds with a view to distribution in an arm's-length commercial transaction with the Issuer. The underwriter has financial and other interests that differ from those of the Issuer.

(iii) Unlike a municipal advisor, the underwriter does not have a fiduciary duty to the Issuer under the federal securities laws and is, therefore, not required by federal law to act in the best interests of the Issuer without regard to its own financial or other interests.

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(iv) The underwriter has a duty to purchase the Bonds from the Issuer at a fair and reasonable price, but must balance that duty with its duty to sell the Bonds to investors at prices that are fair and reasonable.

(v) The underwriter will review the official statement for the Bonds in accordance with, and as part of, its responsibilities to investors under the federal securities laws, as applied to the facts and circumstances of this transaction.[1]

II. Disclosures Concerning the Underwriter's Compensation:

The underwriter will be compensated by a fee and/or an underwriting discount that will be set forth in the bond purchase agreement to be negotiated and entered into in connection with the issuance of the Bonds. Payment or receipt of the underwriting fee or discount will be contingent on the closing of the transaction and the amount of the fee or discount may be based, in whole or in part, on a percentage of the principal amount of the Bonds. While this form of compensation is customary in the municipal securities market, it presents a conflict of interest since the underwriter may have an incentive to recommend to the Issuer a transaction that is unnecessary or to recommend that the size of the transaction be larger than is necessary.

III. Conflicts Disclosures:

BMO has not identified any additional potential or actual material conflicts that require disclosure.

IV. Disclosures Concerning Complex Municipal Securities Financing:

Since BMO has not recommended a "complex municipal securities financing" to the Issuer, additional disclosures regarding the financing structure for the Bonds are not required under MSRB Rule G-17.

If you or any other Issuer officials have any questions or concerns about these disclosures, please make those questions or concerns known immediately to the undersigned. In addition, you should consult with the Issuer's own financial and/or municipal, legal, accounting, tax and other advisors, as applicable, to the extent you deem appropriate.

It is our understanding that you have the authority to bind the Issuer by contract with us, and that you are not a party to any conflict of interest relating to the subject transaction. If our understanding is incorrect, please notify the undersigned immediately.

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[1] Under federal securities law, an issuer of securities has the primary responsibility for disclosure to investors. The review of the official statement by the underwriters is solely for purposes of satisfying the underwriters' obligations under the federal securities laws and such review should not be construed by an issuer as a guarantee of the accuracy or completeness of the information in the official statement.

BMO Capital Markets

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Chicago, Illinois 60603

We are required to seek your acknowledgement that you have received this letter. Accordingly, please send me an email to that effect or sign and return the enclosed copy of this letter to me at the address set forth above. Depending on the structure of the transaction that the Issuer decides to pursue, or if additional potential or actual material conflicts are identified, we may be required to send you additional disclosures regarding the material financial characteristics and risks of such transaction and/or describing those conflicts. At that time, we also will seek your acknowledgement of receipt of any such additional disclosures.

We look forward to working with you and the Issuer in connection with the issuance of the Bonds. Thank you.

Sincerely,

James Rachlin
Managing Director
(312) 845-4021

Acknowledgement:

Mr. Charles DiMartino, Director of Finance

Date: 9-11-14

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215,
COOK COUNTY, ILLINOIS
GENERAL OBLIGATION REFUNDING SCHOOL BONDS (ALTERNATE REVENUE SOURCE),
SERIES 2014

BOND PURCHASE AGREEMENT

October 28, 2014

Township High School District Number 215
1605 Wentworth Avenue
Calumet City, Illinois 60409

Ladies and Gentlemen:

The undersigned, BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), offers to purchase from the Township High School District Number 215, Cook County, Illinois (the *"District"*), all (but not less than all) of the $3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014, of the District (the *"Bonds"*). This offer is made subject to the District's acceptance of this Bond Purchase Agreement (this *"Agreement"*) on or before 9:00 p.m., Central Standard Time, on the date hereof. Upon the District's acceptance of this offer, it will be binding upon the District and upon the Underwriter.

1. Upon the terms and conditions and upon the basis of the representations set forth herein, the Underwriter hereby agrees to purchase from the District, and the District hereby agrees to sell and deliver to the Underwriter, the Bonds. *Exhibit A*, which is incorporated by reference into this Agreement, contains a brief description of the Bonds, the manner of their issuance, the purchase price to be paid and the date of delivery and payment therefor (the *"Closing"*).

2. (a) Concurrently with the execution hereof, the District will approve an Official Statement (the *"Official Statement"*) in substantially the form of the Preliminary Official Statement of the District, dated October 20, 2014, relating to the Bonds (the *"Preliminary Official Statement"*) with such changes from the Preliminary Official Statement as the Underwriter and the District shall approve, and will deliver a bond resolution adopted by The Board of Education of the District on October 28, 2014 (the *"Bond Resolution"*), satisfactory in form and substance to the Underwriter. The Underwriter is authorized by the District to use these documents and the information contained in them in connection with the public offering and sale of the Bonds. The District has heretofore deemed the Preliminary Official Statement to be "final" as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (*"Rule 15c2-12"*). The District hereby agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the

Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(b) The District hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the *"Undertaking"*) to provide ongoing disclosure about the District, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12. The Undertaking shall be as described in the Preliminary Official Statement, with such changes as may be agreed to in writing by the Underwriter. Except as noted in the Official Statement, there have been no instances in the previous five years in which the District has failed to comply, in all material respects, with each and every undertaking previously entered into by it pursuant to Rule 15c2-12.

3. The District represents and covenants to the Underwriter that:

(a) the District has and will have at the Closing the power and authority to enter into and perform this Agreement, to adopt the Bond Ordinance, to refund the Refunded Bonds, and to deliver and sell the Bonds to the Underwriter;

(b) this Agreement and the Bonds do not and will not conflict with or create a breach or default under any existing law, regulation, order or agreement to which the District is subject or by which it is bound;

(c) no governmental approval or authorization other than the Bond Resolution is required in connection with the sale of the Bonds to the Underwriter;

(d) this Agreement is, and this Agreement and the Bonds will be at the time of the Closing, the legal, valid and binding obligation of the District enforceable in accordance with their respective terms, subject only to applicable bankruptcy, insolvency or other similar laws generally affecting creditors' rights and subject to the exercise of judicial discretion;

(e) the information in the Preliminary Official Statement (except as changed by the Official Statement) was, and in the Official Statement is, true and correct in all material respects and did not and does not omit any statement or information required to be stated therein or which is necessary to make the statements and information contained therein not misleading in any material respect;

(f) there is no action, suit, proceeding, inquiry or investigation, at law or in equity, before or by any court, public board or body, pending or, to the knowledge of the District, threatened against or affecting the District in any material respect or affecting the corporate existence of the District, the titles of its officers to their respective offices or the boundaries of the District, or seeking to prohibit, restrain or enjoin the sale, issuance or delivery of the Bonds or in any way contesting or affecting the transactions contemplated hereby or the validity or enforceability of the Bonds, the Bond Resolution, or this Agreement or contesting in any way the completeness or accuracy of the Preliminary Official Statement or the Official Statement, or contesting the powers of the

District or any authority for the issuance of the Bonds, the adoption of the Bond Resolution or the execution and the delivery of this Agreement;

(g) the District is not in breach of or in default under any existing law, court or administrative regulation, decree or order, ordinance, resolution, agreement, indenture, mortgage, lease, sublease or other instrument to which the District is a party or by which the District or its property is or may be bound, and no event has occurred or is continuing that, with the passage of time or the giving of notice, or both, would constitute a default or an event of default thereunder, in either case, in any manner or to any extent that could have a material adverse effect on the financial condition of the District, the operations of the District or the transactions contemplated by this Agreement and the Official Statement, or have an adverse effect on the validity or enforceability in accordance with the respective terms of the Bonds, the Refunded Bonds, or the Bond Resolution or in any way adversely affect the existence or powers of the District or the excludability from gross income for federal income tax purposes of interest on the 2014B Bonds;

(h) the District's audited general purpose financial statements as of and for the fiscal year ended June 30, 2013, is a fair presentation of the financial position of the District as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2013, there has been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the audited financial statements as of and for the period ended that date, except as disclosed in the Official Statement; and the District has not since June 30, 2013, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as disclosed in the Official Statement;

(i) the District will not take or omit to take any action that will in any way cause the proceeds from the sale of the Bonds to be applied or results in such proceeds being applied in a manner other than as provided in the Bond Resolution;

(j) each representation, warranty or agreement stated in any certificate signed by any officer of the District and delivered to the Underwriter in connection with the transactions contemplated by the Bond Resolution and this Agreement, at or before the Closing, shall constitute a representation, warranty or agreement by the District upon which the Underwriter shall be entitled to rely; and

(k) if between the date of this Agreement and 25 days following the "end of the underwriting period" (as defined in Rule 15c2-12) any event shall occur which, in the District's opinion, might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter; any approval by the Underwriter of such supplement or amendment to the Official Statement prior to the

Closing shall not preclude the Underwriter from thereafter terminating this Agreement, and if the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Agreement by notification to the District at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

4. At the Closing, the District will deliver or make available to the Underwriter:

(a) The Bonds, in definitive form, duly executed and bearing proper CUSIP numbers;

(b) A certificate executed by authorized officers of the District, in form and substance acceptable to the Underwriter, to the effect that the Official Statement, to the knowledge and belief of such officers, after due review, is accurate and complete in all material respects, and that the representations of the District contained in this Agreement are true and correct when made and as of the Closing;

(c) The approving opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in substantially the form set forth in Appendix A to the Official Statement satisfactory to the Underwriter, dated the Closing Date, relating to the legality and tax-exempt status of interest on the Bonds;

(d) A certificate indicating that there is no proceeding contesting the legality of the Bonds, the Bond Resolution or the proceedings pursuant to which the Bond Resolution was authorized;

(e) A certificate, satisfactory to the Underwriter, of an appropriate officer of the District, dated as of the Closing Date, to the effect that there have been no instances in the previous five years in which the District has failed to comply, in all material respects, with each and every undertaking previously entered into by it pursuant to Rule 15c2-12, except as noted in the Official Statement;

(f) A fully executed copy of the Undertaking;

(g) Certified copies of the Bond Resolution; and

(h) Such additional certificates, instruments and other documents (including, without limitation, those set forth on *Exhibit A* hereto) as the Underwriter may deem necessary with respect to the issuance and sale of the Bonds, all in form and substance satisfactory to the Underwriter; and

5. The fees and disbursements of counsel to the District, Underwriter's Counsel and Bond Counsel, the cost of preparing and printing the Bonds, the cost of obtaining any ratings in connection with the issuance of the Bonds, including rating agency fees, the fees of the bond registrar and paying agent for the Bonds, the cost of printing and mailing the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in

connection with the offering and delivery of the Bonds, including the assignment of CUSIP identification numbers, shall all be the obligation of the District and are further described in *Exhibit A*.

The obligation of the District to pay the above-described fees and expenses shall survive the termination of this Agreement or the failure to consummate the transactions described herein.

6. This Agreement is intended to benefit only the parties hereto, and the District's representations and warranties shall survive any investigation made by or for the Underwriter, delivery and payment for the Bonds and the termination of this Agreement.

7. The District acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Agreement is an arm's-length commercial transaction between the District and the Underwriter, (ii) in connection with the purchase and sale of the Bonds and with the discussions, undertakings and procedures leading up to the consummation of such transaction, the Underwriter is and has been acting solely as a principal and is not acting as an agent, advisor or fiduciary of the District, (iii) the Underwriter has not assumed any advisory or fiduciary responsibility in favor of the District with respect to the purchase and sale of the Bonds or the process leading thereto (irrespective of whether the Underwriter has advised or is currently advising the District on other matters) or any other obligation to the District except the obligations expressly set forth in this Agreement, (iv) the District has consulted its own legal, financial and other advisors to the extent it has deemed appropriate, and (v) the District will not claim that the Underwriter has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the District, in connection with the purchase and sale of the Bonds or the process leading thereto.

8. The Underwriter shall have the right to cancel its obligation to purchase the Bonds if, between the date of this Agreement and the Closing, the market price or marketability of the Bonds shall be materially adversely affected, in the sole judgment of the Underwriter, by the occurrence of any of the following:

(a) legislation shall be enacted by or introduced in the Congress of the United States or recommended to the Congress for passage by the President of the United States, or the Treasury Department of the United States or the Internal Revenue Service or any member of the Congress or favorably reported for passage to either House of the Congress by any committee of such House to which such legislation has been referred for consideration, a decision by a court of the United States or of the State of Illinois (the "*State*") or the United States Tax Court shall be rendered, or an order, ruling, regulation (final, temporary or proposed), press release, statement or other form of notice by or on behalf of the Treasury Department of the United States, the Internal Revenue Service or other governmental agency shall be made or proposed, the effect of any or all of which would be to impose, directly or indirectly, federal income taxation upon interest received on obligations of the general character of the Bonds as described in the Official Statement, or other action or events shall have transpired which may have the purpose or effect, directly or indirectly, of changing the federal income tax consequences of any of the transactions contemplated herein;

(b) legislation shall be introduced in or enacted (or resolution passed) by the Congress or an order, decree or injunction shall be issued by any court of competent jurisdiction, or an order, ruling, regulation (final, temporary, or proposed), press release or other form of notice shall be issued or made by or on behalf of the Commission, or any other governmental agency having jurisdiction over the subject matter, to the effect that obligations of the general character of the Bonds, including any or all underlying arrangements, are not exempt from registration under or other requirements of the Securities Act of 1933, as amended, or that the Bond Resolution is not exempt from qualification under or other requirements of the Trust Indenture Act of 1939, as amended, or that the issuance, offering or sale of obligations of the general character of the Bonds, including any or all underlying arrangements, as contemplated hereby or by the Official Statement or otherwise, is or would be in violation of the federal securities law as amended and then in effect;

(c) any state blue sky or securities commission or other governmental agency or body shall have withheld registration, exemption or clearance of the offering of the Bonds as described herein, or issued a stop order or similar ruling relating thereto;

(d) a general suspension of trading in securities on the New York Stock Exchange or other national securities exchange, the establishment of minimum prices on either such exchange, the establishment of material restrictions (not in force as of the date hereof) upon trading securities generally by any governmental authority or any national securities exchange, a general banking moratorium declared by federal, State of New York, or State officials authorized to do so;

(e) the New York Stock Exchange or other national securities exchange or any governmental authority, shall impose, as to the Bonds or as to obligations of the general character of the Bonds, any material restrictions not now in force, or increase materially those now in force, with respect to the extension of credit by, or the charge to the net capital requirements of, the Underwriter;

(f) any amendment to the federal or State Constitution or action by any federal or state court, legislative body, regulatory body or other authority materially adversely affecting the tax status of the District, its property, income securities (or interest thereon) or the validity or enforceability of the assessments or the levy of taxes to pay principal of and interest on the Bonds;

(g) any event occurring, or information becoming known which, in the judgment of the Underwriter, makes untrue in any material respect any statement or information contained in the Official Statement, or has the effect that the Official Statement contains any untrue statement of material fact or omits to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading;

(h) there shall have occurred since the date of this Agreement any materially adverse change in the affairs or financial condition of the District;

(i) the United States shall have become engaged in hostilities which have resulted in a declaration of war or a national emergency or there shall have occurred any other outbreak or escalation of hostilities or a national or international calamity or crisis, financial or otherwise;

(j) any fact or event shall exist or have existed that, in the judgment of the Underwriter, requires or has required an amendment of or supplement to the Official Statement;

(k) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the District's obligations; and

(l) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

9. At the request of the parties hereto, Chapman and Cutler LLP will act as bond counsel and will pass on certain matters for the Underwriter in connection with the issuance of the Bonds. The District and the Underwriter hereby expressly consent to the performance by Chapman and Cutler LLP of such roles.

10. This Agreement may be executed in several counterparts, each of which shall be an original and all of which shall constitute but one and the same instrument.

11. This Agreement shall be governed by the laws of the State of Illinois, without giving effect to conflict of laws principles.

Very truly yours,

BMO CAPITAL MARKETS GKST INC.,
Chicago, Illinois

By ______________________
Its ______________________

Accepted on behalf of

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER
215, COOK COUNTY, ILLINOIS

By ______________________
Its PRESIDENT

EXHIBIT A

DESCRIPTION OF BONDS

a. PURCHASE PRICE: $4,000,421.40 (representing the $3,865,000 aggregate principal amount of the Bonds, plus original issue premium of $160,543.90, less an underwriting discount of $25,122.50).

b. DETAILS: The Bonds shall be issued in an aggregate principal amount of $3,865,000, shall be dated the date of their issuance, and shall become due and payable (without option of prior redemption) on December 1 of the years, in the amounts, bearing interest at the rates per annum and reoffered at the yields per annum as follows:

YEAR	AMOUNT	INTEREST RATE	YIELD
2015	$310,000	2.00%	0.60%
2016	320,000	2.00%	1.00%
2017	325,000	2.00%	1.30%
2018	330,000	2.00%	1.55%
2019	340,000	2.50%	2.00%
2020	345,000	2.50%	2.20%
2021	355,000	3.00%	2.55%
2022	365,000	3.25%	2.75%
2023	375,000	4.00%	2.90%
2024	395,000	4.00%	3.00%
2025	405,000	4.00%	3.10%

The first interest payment date on the Bonds shall be June 1, 2015.

c. FORM: The Bonds shall be delivered in the form of a separate, single, certificated, fully registered Bond for each of the maturities set forth above, and each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (*"DTC"*), all as provided in the Bond Resolution. The Bonds shall be available at such place as is designated by the Underwriter in New York, New York, or such other place as the Underwriter and the District agree upon, for examination and packaging by the Underwriter at least 24 hours prior to the Closing and at the Closing shall be delivered to the Underwriter through the facilities of DTC.

d. REDEMPTION: The Bonds are not subject to optional or mandatory redemption.

e. CLOSING DATE: November 26, 2014, or such other date mutually agreed to by the District and the Underwriter.

f. DELIVERY: Delivery and payment shall be made at the offices of Chapman and Cutler LLP, 111 West Monroe Street, Chicago, Illinois 60603, or such other place as shall have been mutually agreed upon by the District and the Underwriter.

g. ADDITIONAL CLOSING AND OTHER DOCUMENTS:

1. A copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G.

2. A letter of representations to DTC, in the form executed by the District.

3. Evidence satisfactory to the Underwriter that the Bonds have a rating of "AA-" (Stable Outlook) by Standard & Poor's Ratings Services, New York, New York (*"S&P"*).

h. COSTS OF ISSUANCE: The District shall be responsible for the costs of issuance set forth below. The Underwriter is authorized to pay such costs on behalf of the District from the proceeds of the Bonds. The costs of issuance to be paid at closing from proceeds of the Bonds are as follows:

Chapman and Cutler LLP	Bond Counsel and Underwriter's Counsel	$25,000.00
S&P	Rating Agency	10,400.00
UMB Bank	Paying Agent/Bond Registrar	300.00

PRELIMINARY OFFICIAL STATEMENT, DATED OCTOBER __, 2014

NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED

RATING:
STANDARD & POOR'S "____" (_____ Outlook)
See "BOND RATING" herein

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

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
$3,955,000* General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014

Dated: Date of Delivery **Due: December 1, as shown on the inside cover page**

The General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*) of Township High School District Number 215, Cook County, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof .

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2015.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

The Bonds due on December 1, 2025,* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2024,* at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from (a) together with the District's General Obligation Bonds (Alternate Revenue Source), Series 2005 which are not refunded by the Bonds, General Obligation School Bonds (Alternate Revenue Source), Series 2009A and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property, and (b) ad valorem taxes as levied against all of the 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 "THE BONDS—Security - Bonds" herein.

The Bonds are offered when, as and if issued by the District and received by BMO Capital Markets GKST Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also pass on certain matters for the Underwriter. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about November 26, 2014.

BMO Capital Markets™

The date of this Official Statement is October __, 2014.

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* Preliminary, subject to change.

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)

$3,955,000* GENERAL OBLIGATION REFUNDING SCHOOL BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2014

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215651)
2015	$320,000	%	%	
2016	325,000	%	%	
2017	335,000	%	%	
2018	340,000	%	%	
2019	350,000	%	%	
2020	355,000	%	%	
2021	365,000	%	%	
2022	375,000	%	%	
2023	385,000	%	%	
2024	400,000	%	%	
2025	405,000	%	%	

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* Preliminary, subject to change.

** CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers' Association by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission, this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the District as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to such Rule.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
(THORNTON FRACTIONAL)

1601 Wentworth Avenue
Calumet City, Illinois 60409

Board of Education

Richard Dust
President

Michael Bolz	Sheryl Black *Secretary*	Rita Oberman
MiaCole Nelson	LeeAnn Revis *Vice President*	Roger Yochem

Administration

Dr. Creg E. Williams
Superintendent

Charles DiMartino
Director of Finance

Thomas Stefaniak
School Treasurer

Professional Services

Underwriter
BMO Capital Markets GKST Inc.
Chicago, Illinois

Bond Counsel and Underwriter's Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar and Paying Agent
UMB Bank, National Association
Kansas City, Missouri

Auditor
John Kasperek Co., Inc.
Calumet City, Illinois

OFFICIAL STATEMENT

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
$3,955,000* General Obligation Refunding School Bonds (Alternate Revenue Source),
Series 2014

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 215, Cook County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 28th day of October, 2014 (the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (i) currently refund certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the *"Series 2005 Bonds,"* and those Series 2005 Bonds being refunded, the *"Refunded Bonds"*), and (ii) pay costs associated with the issuance of the Bonds.

* Preliminary, subject to change.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2015.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the 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.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

REDEMPTION

Optional Redemption. The Bonds due on December 1, 2025,* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of $5,000

* Preliminary, subject to change.

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 Registrar), on December 1, 2024,* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The Bonds due on December 1 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT	
20__	$	
20__		(stated maturity)

FOR THE BONDS DUE DECEMBER 1, 20__

YEAR	PRINCIPAL AMOUNT	
20__	$	
20__		(stated maturity)

The principal amounts of Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Bonds required to be retired on such mandatory redemption date. Any such Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

* Preliminary, subject to change.

Unless waived by any holder of Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed are received by the 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 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 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 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 that 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, and notwithstanding failure to receive such notice, 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 Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from (a) together with the District's Series 2005 Bonds which are not refunded by the Bonds, General Obligation School Bonds (Alternate Revenue Source), Series 2009A (the *"Series 2009A Bonds"*) and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B (the *"Series 2009B Bonds"*), taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the *"Pledged Revenues"*), and (b) ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the *"Pledged Taxes,"* and together with the Pledged Revenues, the *"Pledged Moneys"*), 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.

General Covenants Regarding the Bonds. A. 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, as defined in the Bond Resolution. 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 .25 times debt service.

B. 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 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.

Filing with County Clerk. 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. Such 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 such Bond Resolution to pay the Bonds.

Abatement of Pledged Taxes. Non-Naked Abatement. Whenever the Board shall have determined that in any year the Pledged Revenues have been deposited into the Bond Fund for the Bonds (the *"Bond Fund"*) in an amount sufficient to pay debt service on the Bonds, the Board or the officers of the District acting with proper authority, shall direct the abatement of the Pledged Taxes to the extent such Pledged Taxes relate to the debt service paid or to be paid by the Pledged Revenues in the Bond Fund, and proper notification of such abatement shall be filed with the County Clerk, in a timely manner to effect such abatement.

Additional Obligations. The Bonds are being issued on a parity with the Series 2005 Bonds which are not refunded by the Bonds, the Series 2009A Bonds and the Series 2009B Bonds outstanding after the issuance of the Bonds, and the District is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to determine the lien priority of any such obligations.

Treatment of Bonds as Debt. The Bonds will be payable from 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.

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 District 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 District 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 revenues 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 a 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 .25 times debt service.

The District will comply with all of the aforementioned conditions prior to the issuance of the Bonds.

Alternate bonds (such as the Bonds) may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth above, except that the term of the refunding bonds shall not be longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the refunded bonds.

ALTERNATE REVENUE BONDS (DEBT SERVICE COVERAGE)

LEVY YEAR	TOTAL PLEDGED REVENUES(1)	DEBT SERVICE ON OUTSTANDING ALTERNATE BONDS	DEBT SERVICE ON THE BONDS(2)	TOTAL DEBT SERVICE ON ALTERNATE BONDS(2)	DEBT SERVICE COVERAGE(2)
2014	$16,127,653	$269,701.16	$425,393.75	$695,094.91	23.202
2015	16,127,653	268,701.16	422,550.00	691,251.16	23.331
2016	16,127,653	267,451.16	426,050.00	693,501.16	23.255
2017	16,127,653	265,951.16	424,350.00	690,301.16	23.363
2018	16,127,653	269,201.16	427,550.00	696,751.16	23.146
2019	16,127,653	271,951.16	423,800.00	695,751.16	23.180
2020	16,127,653	268,863.66	424,925.00	693,788.66	23.245
2021	16,127,653	264,063.66	423,975.00	688,038.66	23.440
2022	16,127,653	263,957.40	422,725.00	686,682.40	23.486
2023	16,127,653	258,238.66	426,175.00	684,413.66	23.564
2024	16,127,653	251,763.66	419,175.00	670,938.66	24.037
2025		249,969.90		249,969.90	64.518
2026		247,538.66		247,538.66	65.152
2027		238,805.70		238,805.70	67.534
2028		234,737.80		234,737.80	68.704

(1) Includes Operations and Maintenance Fund property taxes, personal property replacement taxes, investment earnings, unrestricted state aid and Educational Fund investment earnings and unrestricted state aid as set forth in the District's 2013 audit. The Bonds may be payable

from other Pledged Revenues not shown. The District expects to use the Pledged Revenues not necessary to pay debt service on the Bonds in any year for the operations of the District.

(2) Preliminary, subject to change.

THE REFUNDING

A portion of the proceeds of the Bonds will be used to currently refund the Refunded Bonds, further described as follows:

SERIES 2005 BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT CURRENT REFUNDED BY BONDS*	CALL PRICE	CALL DATE
2014	$280,000	$ 0	N/A	N/A
2015	295,000	295,000	100%	12/01/2014
2016	305,000	305,000	100%	12/01/2014
2017	320,000	320,000	100%	12/01/2014
2018	330,000	330,000	100%	12/01/2014
2019	345,000	345,000	100%	12/01/2014
2020	355,000	355,000	100%	12/01/2014
2021	370,000	370,000	100%	12/01/2014
2022	385,000	385,000	100%	12/01/2014
2023	400,000	400,000	100%	12/01/2014
2024	420,000	420,000	100%	12/01/2014
2025	435,000	435,000	100%	12/012014
TOTAL	$4,240,000	$3,960,000		

* Preliminary, subject to change.

Certain proceeds received from the sale of the Bonds will be deposited with the paying agent for the Refunded Bonds. The moneys so deposited with the paying agent for the Refunded Bonds will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds are shown below:

SOURCES:	
Principal Amount	$
Original Issue Premium	
Total Sources	$
USES:	
Deposit to prior paying agent to pay Refunded Bonds	$
Costs of Issuance*	
Total Uses	$

* Includes underwriter's discount and other issuance costs.

RISK FACTORS

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

FINANCES OF THE STATE OF ILLINOIS

The State of Illinois (the *"State"*) has experienced adverse economic conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. Budget problems of the State may result in decreased or delayed State appropriations to the District, including appropriations of the hereinafter defined State Aid (___% of the District's General Fund Revenue Sources for the fiscal year ended June 30, 2014).

In addition, legislation has been introduced in the Illinois General Assembly which would modify the formula by which the District's share of General State Aid (as hereinafter defined) is calculated. Such legislation, if enacted into law, may have a material impact on the amount of

State Aid received by the District in future fiscal years. See "STATE AID—General State Aid" herein.

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 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. As detailed below, the District's EAV has declined over the past four years and is expected to decline for the 2014 EAV. Declining EAVs and increasing 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 Standard & Poor's Ratings Group, New York, New York (*"S&P"*). 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. 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 for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

SUITABILITY OF INVESTMENT

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. 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 the 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.

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the "*Service*") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency 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 the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

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 and the Bond Resolution will be similarly qualified.

THE DISTRICT

GENERAL DESCRIPTION

The District is situated in Southern Cook County (the "*County*") and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the Village of Burnham, about half of the City of Calumet City and a small portion of the Village of Lynwood (collectively, the "*Municipalities*"). According to the 2010 U.S. Census, the population of the District is 60,428.

The District is located approximately 27 miles south of downtown Chicago and approximately 25 miles southeast of Midway Airport. Transportation needs are served by I-294/Tri-State Tollway, I-94/I-80 and I-90 as well as major local roads such as Torrence Avenue, Burnham Avenue and Ridge Road. Commuter service to downtown is provided by Metra's Electric Line. Travel time to the downtown station is about 45 minutes. Local bus service to surrounding communities is available from Pace.

The District provides education for grades nine through twelve in three high school facilities and one administrative building. The District enrolled 3,577 students at the beginning of the 2014-2015 academic year.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE
Dr. Creg E. Williams	Superintendent
Charles DiMartino	Director of Finance
Thomas Stefaniak	School Treasurer

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Richard Dust	President	April 2013
LeeAnn Revis	Vice President	April 2013
Sheryl Black	Secretary	April 2015
Michael Bolz	Member	April 2015
Rita Oberman	Member	April 2015
MiaCole Nelson	Member	April 2015
Roger Yochem	Member	April 2013

ENROLLMENT

HISTORICAL		PROJECTED	
2010/2011	3,757	2015/2016	3,580
2011/2012	3,545	2016/2017	3,575
2012/2013	3,563	2017/2018	3,570
2013/2014	3,362	2018/2019	3,570
2014/2015	3,577	2019/2020	3,570

Source: Enrollment figures are provided by the District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2014-2015 school year, the District had 392 full-time employees and 2 part-time employees. Of the total number of employees, approximately 346 are represented by a union. Employee-union relations are considered to be good.

Employee Group	Contract Expires	Union Affiliation	Number of Members
Teachers	June 2019	Local 683	228
Support Staff	June 2017	Local 943	118

POPULATION DATA

The District has an estimated population of 60,428.

Name of Entity	1990	2000	2010	% Change 2000/2010
Village of Burnham	3,916	4,170	4,206	+0.86%
City of Calumet City	37,840	39,071	37,042	-5.19%
Village of Lansing	28,086	28,332	28,331	0.00%
Village of Lynwood	6,535	7,377	9,007	22.10%
The County	5,105,067	5,376,741	5,194,675	-3.39%
The State	11,430,602	12,419,293	12,830,632	+3.31%

Source: U.S. Census Bureau

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

SUMMARY OF OUTSTANDING DEBT[1]

Type	Dated Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
Limited School Bonds, Series 2011 (the *"Series 2011 Bonds"*)	05/17/2011	$6,975,000	$6,950,000	12/01/2029
Limited School Bonds, Series 2012A (the *"Series 2012A Bonds"*)	12/20/2012	1,500,000	1,500,000	12/01/2032
Refunding School Bonds, Series 2012B (the *"Series 2012B Bonds"*)	12/20/2012	6,175,000	5,620,000	12/01/2022
General Obligation Limited School Bonds, Series 2013A (the *"Series 2013A Bonds"*)	02/14/2013	1,515,000	1,515,000	12/01/2030
General Obligation Limited School Bonds, Series 2013B (the *"Series 2013B Bonds"*)	02/14/2013	5,570,000	5,035,000	12/01/2022
Total		$25,735,000	$20,620,000	

[1] After issuance of the Bonds

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)

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CALENDAR YEAR	SERIES 2011 BONDS (DECEMBER 1)	SERIES 2012A BONDS (DECEMBER 1)	SERIES 2012B BONDS (DECEMBER 1)	SERIES 2013A BONDS (DECEMBER 1)	SERIES 2013B BONDS (DECEMBER 1)	TOTAL OUTSTANDING BONDS
2014	$330,000		$555,000	$ 25,000	$510,000	$1,420,000
2015	340,000		565,000	25,000	520,000	1,450,000
2016	350,000		585,000	30,000	525,000	1,490,000
2017	365,000		600,000	25,000	545,000	1,535,000
2018	380,000		620,000	25,000(1)	550,000	1,575,000
2019	395,000		635,000	30,000(1)	570,000	1,630,000
2020	415,000		660,000	25,000(1)	585,000	1,685,000
2021	435,000		685,000	30,000(1)	605,000	1,755,000
2022	450,000		715,000	35,000	625,000	1,825,000
2023	475,000			30,000(1)		505,000
2024	495,000			35,000(1)		530,000
2025	520,000			35,000(1)		555,000
2026	545,000			35,000(1)		580,000
2027	570,000			40,000(1)		610,000
2028	600,000			40,000(1)		640,000
2029	285,000			385,000(1)		670,000
2030		$ 40,000(1)		665,000		705,000
2031		720,000(1)				720,000
2032		740,000				740,000
TOTAL	$6,950,000	$1,500,000	$5,620,000	$1,515,000	$5,035,000	$20,620,000

(1) Mandatory sinking fund payment.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2005 BONDS[1] (DECEMBER 1)	SERIES 2009A BONDS[2] (DECEMBER 1)	SERIES 2009B BONDS[3] (DECEMBER 1)	THE BONDS (DECEMBER 1)[5]	TOTAL DEBT OUTSTANDING BONDS
2014	$280,000	$115,000			$395,000
2015		120,000[4]		$320,000	440,000
2016		125,000		325,000	450,000
2017		130,000[4]		335,000	465,000
2018		135,000		340,000	475,000
2019		125,000[4]		350,000	475,000
2020		145,000	$ 30,000[4]	355,000	530,000
2021			160,000[4]	365,000	525,000
2022			165,000[4]	375,000	540,000
2023			175,000	385,000	560,000
2024			180,000[4]	400,000	580,000
2025			185,000[4]	405,000	590,000
2026			195,000		195,000
2027			205,000[4]		205,000
2028			210,000[4]		210,000
2029			220,000		220,000
TOTAL	$280,000	$895,000	$1,725,000	$3,955,000	$6,855,000

(1) General Obligation Bonds (Alternate Revenue Source), Series 2005, dated July 1, 2005.
(2) General Obligation School Bonds (Alternate Revenue Source), Series 2009A, dated July 8, 2009.
(3) Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, dated July 8, 2009.
(4) Mandatory sinking fund payment.
(5) Preliminary subject to change.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of September 19, 2014)

TAXING BODY	OUTSTANDING[2]	APPLICABLE TO DISTRICT[1] PERCENT	APPLICABLE TO DISTRICT[1] AMOUNT
Cook County	$3,596,310,000	0.532%	$ 19,137,611
Cook County Forest Preserve District	124,455,000	0.532%	662,282
Metropolitan Water Reclamation District	248,197,200[3]	0.543%	1,347,474
Village of Burnham	100,000	75.112%	75,112
City of Calumet City	48,880,000	55.556%	27,155,963
Village of Lansing	17,300,000	93.136%	16,112,596
Village of Lynwood	565,000	49.494%	279,642
Calumet Memorial Park District	2,880,000	54.414%	1,567,121
Lan Oak Park District	380,000	93.342%	354,701
Glenwood-Lynwood Public Library District	0	26.378%	0
School District Number 154 1/2	621,000	100.000%	621,000
School District Number 155	47,080,717	100.000%	47,080,717
School District Number 156	3,785,000	100.000%	3,785,000
School District Number 157	5,880,000	61.554%	3,619,385
School District Number 158	12,643,937	100.000%	12,643,937
School District Number 171	4,045,000	94.666%	3,829,248
Community College District No. 510	12,437,221	21.668%	2,694,940
TOTAL OVERLAPPING BONDED DEBT	$3,596,310,000		$140,966,728

Source: Cook County Clerk's Office

(1) Percentage based on 2013 EAVs, the most recent available.

(2) Excludes the following amounts of alternate revenue bonds, the debt service on which is expected to e paid from pledged revenues: Cook County Forest Preserve District - $55,200,000; Village of Lynwood - $1,950,000; Lam Oak Park District - $3,160,000; Glenwood Lynwood Library - $5,675,000; and School District Number 158 - $1,705,000.

(3) Includes IEPA Revolving Loan Funds.

Selected Financial Information

2013 Estimated Full Value of Taxable Property:	$2,085,171,927
2013 Equalized Assessed Valuation of Taxable Property:	$ 695,057,309[(1)]
General Obligation Bonded Debt:	$ 20,620,000[(2)]
Other Direct General Obligation Debt:	$ 0
Total Direct General Obligation Debt:	$ 20,620,000
Percentage to Full Value of Taxable Property:	0.99%
Per Capita:	$ 341
Overlapping General Obligation Bonded Debt:	$ 140,966,728
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	$ 161,586,728
Percentage to Full Value of Taxable Property:	7.75%
Per Capita:	$ 2,674
Population Estimate:	60,428

(1) Includes TIF EAV in the amount of $21,291,103.

(2) Does not include Alternate Revenue Bonds (such as the Bonds), which, under the Debt Reform Act, do not constitute debt of the District.

Statutory Debt Limit

	Amount	% of Debt Limit
2013 Equalized Assessed Valuation	$695,057,309	
Statutory Debt Limit @ 6.9%	47,958,954	100.00%
Bonded Debt Outstanding	20,620,000	
Other Direct Debt	0	
Total Debt Applicable to the Limit	20,620,000	43.00%
Remaining Debt Margin	$27,338,954	57.00%

COMPOSITION OF EQUALIZED ASSESSED VALUATION

	2009	2010	2011	2012	2013
Property by Type:					
Residential	$706,906,469	$718,808,570	$547,741,715	$488,957,211	$457,427,356
Farm	66,088	63,396	58,129	60,318	69,579
Commercial	221,284,178	186,095,928	166,693,682	148,708,664	128,704,213
Industrial	115,099,751	108,861,797	93,438,152	87,687,411	83,849,306
Railroad	3,726,153	3,698,701	4,133,892	4,107,888	3,715,752
Total EAV	$1,047,082,639	$1,017,528,392	$812,065,570	$729,521,492	$673,766,206

Source: Cook County Clerk's Office

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

LOCATION NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2013 EAV	INCREMENTAL EAV
Village of Lynwood-Glenwood Lansing/Torrence TIF	2002	$15,602	$1,399,853	$1,382,251
Village of Lansing TIF	1986	13,235,046	22,224,035	8,988,989
Lansing TIF	1991	3,266,919	6,520,929	3,254,010
Lansing TIF	1991	115,413	177,094	61,681
Village of Lansing-West Lansing TIF	1991	41,807	532,777	490,970
Village of Lansing-West Lansing TIF	1991	25,223	1,133,846	1,108,623
City of Calumet City TIF	1994	7,127,816	11,154,078	4,026,262
City of Calumet City-TIF 2	1996	4,060,424	6,036,741	1,976,317
City of Calumet City-MarbleStreet TIF	2005	2,773,353	1,000,388	0
Village of Lansing-Bernice Road	2009	49,382,811	34,382,811	0
Village of Lansing-Bernice Road	2009	31,229	13,287	0
Village of Lansing-Bernice Road	2009	206,368	112,372	0
			Total Incremental EAV	$21,291,103
			District's Base 2013 EAV	673,766,206
			Enterprise Zone EAV	0
			Total EAV	$695,057,309

Source: Cook County Clerk's Office.

TREND OF EQUALIZED ASSESSED VALUATION

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2009	$1,047,082,639	5.20%(1)
2010	1,017,528,392	-2.82%
2011	812,065,570	-20.19%
2012	729,521,492	-10.16%
2013	673,766,206	-7.64%

Source: Cook County Clerk's Office

(1) Based on the District's $995,309,404 2008 EAV.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2009/10	$30,176,575	29,625,316	98.17%
2010/11	30,932,753	30,215,221	97.68%
2011/12	31,451,219	30,670,209	97.52%
2012/13	33,178,666	31,340,521	94.46%
2013/14	33,668,134	29,067,597	86.34%(1)

Source: Cook County Treasurer's and County Clerk's Offices

(1) Through August 31, 2014.

Note: Table represents gross taxes distributed to the District (prior to required refunds) from real estate taxes collected during each collection year.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2009-2013

(Per $100 Equalized Assessed Valuation)

PURPOSE:	2009	2010	2011	2012	2013
IMRF	$0.0245	$0.0258	$0.0387	$0.0809	$0.0908
Social Security	0.0735	0.0776	0.0980	0.0979	0.1075
Liability Insurance	0.0342	0.0361	0.0669	0.0768	0.0848
Transportation	0.0783	0.0828	0.1046	0.1202	0.1333
Education	2.1024	2.2231	2.8135	3.2313	3.2811
Building	0.2597	0.2746	0.3470	0.3985	0.4394
Bonds & Interest	0.1891	0.1944	0.2434	0.3792	0.3920
Working Cash	0.0324	0.0343	0.0433	0.0279	0.0318
Special Education	0.0162	0.0171	0.0215	0.0248	0.3151
Limited Bonds	0.0710	0.0735	0.0961	0.1102	0.1207
Total District Tax Rate	$2.8813	$3.0393	$3.8730	$4.5477	$4.9965

Source: Cook County Clerk's Office

2009-2013 REPRESENTATIVE TOTAL TAX RATES

TAXING AUTHORITY	2009	2010	2011	2012	2013
The District	$2.881	$3.040	$3.873	$4.548	$4.997
Cook County	0.394	0.423	0.462	0.531	0.560
Cook County Forest Preserve District	0.049	0.051	0.058	0.069	0.063
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370	0.417
Consolidated Elections	0.021	0.000	0.025	0.000	0.031
South Cook Co. Mosquito Abatement	0.009	0.010	0.012	0.014	0.016
Thornton Township	0.367	0.387	0.442	0.513	0.517
Thornton Township General Assistance	0.091	0.096	0.129	0.153	0.214
Thornton Township Road & Bridge	0.017	0.018	0.023	0.027	0.030
Village of Lansing	1.124	1.201	1.643	1.811	2.085
Lan Oak Park District	0.292	0.306	0.376	0.422	0.457
Lansing Public Library District	0.345	0.367	0.457	0.503	0.582
School District Number 158	4.862	5.039	4.902	5.453	6.380
Community College District No. 510	0.348	0.361	0.450	0.511	0.559
Total District Tax Rate(1)	$11.061	$11.573	$13.172	$14.925	$16.908

Source: Cook County Clerk's Office
(1) Based on the largest tax code in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2013 EQUALIZED ASSESSED VALUE	PERCENT OF DISTRICT'S TOTAL EAV
Simon Property Group	$19,605,248	2.91%
FUNB 2000 C2 Torrence	8,532,126	1.27%
Sears D768 Tax B2 109A	6,255,930	0.93%
Cobalt Industrial Reit II	6,160,802	0.91%
Great Lakes WHSE	6,157,147	0.91%
Temperature Equipment Corp.	5,018,870	0.74%
Inland Real Estate Corp.	4,362,703	0.65%
Cambridge Realty Cap.	4,322,657	0.64%
JC Penney Co.	3,900,067	0.58%
IRC	1,646,722	0.24%
Total	$65,962,272	9.78%

Source: Cook County Clerk's Office

The above taxpayers represent 9.78% of the District's 2013 EAV of $673,766,206. Reasonable efforts have been made to seek out and report th largest taxpayers. However, many of the taxpayers listed may own multiple parcels, and it is possible that some smaller parcels and their valuations may not be included.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the City of Calumet City and the Village of Lansing. The table indicates the level of retail activity in the City of Calumet City and the Village of Lansing.

STATE SALES TAX DISTRIBUTION(1)

CALENDAR YEAR	CITY OF CALUMET CITY	VILLAGE OF LANSING
2009	$4,792,314	$4,253,883
2010	5,182,473	4,023,622
2011	5,264,292	3,842,776
2012	5,346,867	3,746,146
2013	5,352,480	3,753,541
2014(2)	2,605,184	1,961,807

Source: Illinois Department of Revenue.
(1) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation and Use Tax, collected on behalf of the City of Calumet City and the Village of Lansing less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs, which are not taxed by the State.
(2) As of Second Quarter 2014.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law (as hereinafter defined) within the District for each of the last five levy years.

	NEW PROPERTY VALUE
2009	$2,555,461
2010	382,043
2011	1,809,741
2012	924,182
2013	1,556,509

Source: Cook County Clerk's Office.

SPECIFIED OWNER-OCCUPIED UNITS

	THE DISTRICT		THE COUNTY		THE STATE	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under $50,000	668	4.11%	36,548	3.21%	224,361	6.91%
$50,000 to $99,999	3,036	18.69%	71,356	6.26%	468,659	14.43%
$100,000 to $149,999	5,647	34.77%	128,827	11.30%	482,500	14.85%
$150,000 to $199,999	3,901	24.02%	186,900	16.39%	531,538	16.36%
$200,000 to $299,999	2,470	15.21%	300,856	26.39%	712,975	21.95%
$300,000 to $499,999	356	2.19%	272,528	23.90%	563,122	17.33%
$500,000 to $999,999	111	0.68%	114,947	10.08%	214,681	6.61%
$1,000,000 or more	52	0.32%	28,174	2.47%	50,685	1.56%
Total	16,241	100.00%	1,140,136	100.00%	3,248,521	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Silver Line Building Products Corp.	Vinyl windows & patio doors	Lansing	400
NB Coatings, Inc.	Plastic automotive coatings	Lansing	350
Land O'Frost, Inc.	Corporate headquarters & meat packing & processing	Lansing	250
Orc Protel, LLC	Inbound & outbound telemarketing services	Lansing	250
Temperature Equipment Corp.	Corporate headquarters & distributor of air conditioning, refrigeration & heating equipment	Lansing	240
Kickert School Bus Line, Inc.	School bus service	Lynwood	200
National Pasteurized Egg	Shell egg pasteurizing	Lansing	160
American School of Correspondence	Correspondence school	Lansing	140
Kay Mfg. Co.	Automotive machining job shop	Calumet City	125
Tri-State Nursing & Rehabilitation Center	Nursing home & rehabilitation center	Lansing	113
World-Wide Protection Group, Inc.	Security guard & investigative services, including armed & unarmed security guards & background checks	Lansing	110
Drenth Trucking, Inc., K. R.	Short-distance trucking services, including commercial waste & garbage hauling	Lynwood	100
Hasse Construction Co., Inc.	General commercial, industrial & underground utilities contractor	Calumet City	100
Hosley International	Home decor accessories importers	Lynwood	100
National Excelsior Co.	Company headquarters & full-line heating & cooling distribution equipment, including ducted air distribution products & commercial equipment	Lansing	100

Source: 2014 Illinois Services and 2014 Illinois Manufacturers Directories.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the City of Calumet City, the Village of Lansing, the County and the State.

	CITY OF CALUMET CITY	VILLAGE OF LANSING	COUNTY OF COOK	STATE OF ILLINOIS
2009 – Average	13.6%	11.7%	10.4%	10.0%
2010 – Average	14.3%	11.3%	10.8%	10.5%
2011 – Average	13.5%	10.3%	10.3%	9.7%
2012 – Average	11.9%	9.5%	9.3%	8.9%
2013 – Average	12.3%	10.2%	9.6%	9.2%
2014 – Average*	10.4%	8.2%	8.0%	8.1%

*As of July 2014.

Source: State of Illinois Department of Employment Security.

EMPLOYMENT BY INDUSTRY

The following table shows employment by industry for the District, the County and the State as reported by the U.S. Census Bureau.

	THE DISTRICT		THE COUNTY		THE STATE	
CLASSIFICATION	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	18	0.07%	4,338	0.18%	63,512	1.05%
Construction	1,202	4.49%	115,364	4.76%	324,722	5.38%
Manufacturing	2,906	10.85%	262,106	10.81%	767,822	12.72%
Wholesale Trade	533	1.99%	69,217	2.85%	189,003	3.13%
Retail Trade	3,266	12.19%	240,271	9.91%	658,236	10.91%
Transportation, warehousing and utilities	2,727	10.18%	151,762	6.26%	352,325	5.84%
Information	801	2.99%	59,488	2.45%	130,769	2.17%
Finance, insurance and real estate	1,603	5.98%	204,563	8.44%	457,654	7.58%
Professional, scientific management administrative & waste management	1,979	7.39%	326,261	13.45%	668,508	11.08%
Educational, health & social services	7,022	26.21%	542,361	22.37%	1,362,901	22.58%
Arts, entertainment, recreations accommodations & food services	1,820	6.79%	233,937	9.65%	532,147	8.82%
Other Services	1,530	5.71%	123,518	5.09%	292,913	4.85%
Public Administration	1,384	5.17%	91,731	3.78%	234,916	3.89%
Total	26,791	100.00%	2,424,917	100.00%	6,035,428	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

EMPLOYMENT BY OCCUPATION

The following table shows employment by occupation for the District, the County and the State as reported by the U.S. Census Bureau.

	THE DISTRICT		THE COUNTY		THE STATE	
HOUSEHOLD INCOME	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	7,353	27.45%	908,106	37.45%	2,181,574	36.15%
Service occupations	4,554	17.00%	433,308	17.87%	1,028,655	17.04%
Sales & office occupations	8,268	30.86%	606,960	25.03%	1,526,612	25.29%
Natural resources, construction & maintenance occupation	2,368	8.84%	156,856	6.47%	462,090	7.66%
Production, transportation & material moving occupations	4,248	15.86%	319,687	13.18%	836,495	13.86%
Total	26,791	100.00%	2,424,917	100.00%	6,035,426	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the District had a median household income of $50,174. This compares to $54,648 for the County and $56,856 for the State. The following table represents the distribution of household incomes for the District, the County and the State at the time of such survey.

	THE DISTRICT		THE COUNTY		THE STATE	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under $10,000	1,893	8.39%	160,478	8.30%	329,319	6.90%
$10,000 to $14,999	940	4.17%	95,450	4.94%	223,692	4.69%
$15,000 to $24,999	2,337	10.36%	200,336	10.36%	481,833	10.09%
$25,000 to $34,999	2,823	12.51%	186,866	9.66%	460,909	9.65%
$35,000 to $49,999	3,243	14.37%	249,606	12.91%	622,840	13.05%
$50,000 to $74,999	4,828	21.40%	339,402	17.55%	870,399	18.23%
$75,000 to $99,999	3,029	13.43%	235,745	12.19%	622,617	13.04%
$100,000 to $149,999	2,486	11.02%	253,222	13.10%	665,711	13.94%
$150,000 to $199,999	692	3.07%	101,113	5.23%	250,681	5.25%
$200,000 or more	291	1.29%	111,452	5.76%	246,274	5.16%
Total	22,562	100.00%	1,933,670	100.00%	4,774,275	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

PER CAPITA INCOME

	2012
The District	$22,464
The County	30,048
The State	29,519

Source: U.S. Census Bureau, 2008-2012 American Community Survey)

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.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt within the next six months.

DEFAULT RECORD

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

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the hereinafter defined Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $.05 per hundred dollars of equalized assessed valuation (the *"Working Cash Fund Tax"*). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2010	$2,211,695
2011	2,877,716
2012	3,211,737
2013	3,512,787
2014	

Source: Compiled from the District's Audited Financial Statements for Fiscal Years ending June 30, 2010-2014.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay the principal of and 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 Cook County, Illinois. There can be no assurance that the procedures described 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 such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the *"Department of Revenue"*). For triennial reassessment purposes, Cook 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 2011 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the 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. Such 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 tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	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 (the *"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 residential property having 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. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. 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 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 of Illinois (the *"State"*). Under State law, the aggregate of the assessments within each county is 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 certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621

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 equalized assessed valuation (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 Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

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 may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $7,000 for tax year 2012 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above. The Alternative General Homestead Exemption is being fully phased out by tax year 2014 pursuant to State law.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment year 2009, $16,000 for assessment year 2010 and $12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment years 2009 and 2010, $16,000 for assessment year 2011 and $12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed $26,000 for assessment year 2009, $20,000 for assessment year 2010 and 2011, $16,000 for assessment year 2012 and $12,000 for assessment year 2013.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

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

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. At present, the maximum exemption in tax year 2013 and beyond is $5,000.

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

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

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to $70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (a) $5,000 to those veterans with a service-connected disability of 70% (75% for exemptions granted from 2007 to 2009) and (b) $2,500 to those veterans with a service-connected disability of less than 70% (75% for exemptions granted from 2007 to 2009), but at least 50%.

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

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

TAX LEVY

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings 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 computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes 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 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 Property Tax Extension Limitation Law, as amended (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 (such as the 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 taxing 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 "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose 2009-2013." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have 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 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 also serves as 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. Beginning with the first installment payable in 2010, the first installment is equal 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 based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

Tax Levy Year	Second Installment Penalty Date
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
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

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. In the future, the County may provide for tax bills to be payable in four installments instead of two.

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.

Within 90 days following the second installment due date, 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 a 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.

TRUTH IN TAXATION LAW

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

SCHOOL DISTRICT FINANCIAL PROFILE

As of the date of this Official Statement, 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). This system identifies those school districts which are moving into financial distress.

The system 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, 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 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 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.

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
2013	3.80	Financial Recognition	3.80	Financial Recognition
2012	3.80	Financial Recognition	3.80	Financial Recognition
2011	3.90	Financial Recognition	3.90	Financial Recognition
2010	3.80	Financial Recognition	3.80	Financial Recognition
2009	3.00	Financial Early Warning	3.35	Financial 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, 2014, ____% of the District's General Fund revenue came from sources at the State, including State Aid. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

The State provides for four different types of State Aid, each of which is discussed in greater detail below. The four forms of State Aid are: (a) General State Aid, (b) Supplementary State Aid, (c) Categorical State Aid and (d) Competitive Grant Aid. The percentage of the District's State Aid derived from each of these categories is set forth in *Exhibit C.*

Illinois legislators have introduced several proposals for modifying the manner in which General State Aid is allocated among the various Illinois school districts. In particular, Senate Bill 16 (*"SB 16"*), which has passed the Illinois Senate, would modify the General State Aid formula set forth below to change the manner in which funding is allocated to school districts with students who exhibit one or more of a list of attributes set forth in SB 16. In addition, SB 16 would eliminate several categories of mandated Categorical State Aid, as defined below, and include those dollars as part of a new State Aid formula. If enacted into law, SB 16 may have a material impact on the amount of State Aid received by the District in future fiscal years, which may affect the finances of the District. The District cannot predict whether, or in what form, State Aid reform, including SB 16, may be enacted into law, nor can the District predict the effect of such reform on the District's finances.

GENERAL STATE AID

General State financial aid (*"General State Aid"*) for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the *"Available Local Resources"*) and a foundation level (the *"Foundation Level"*). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the School Code. The Foundation Level has been established at $6,119 in each of the most recent five school years.

A district's Available Local Resources are determined by multiplying equalized assessed valuation by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources per pupil. For districts subject to the hereinafter defined

Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in Section 18-8.05(C) of the School Code) (the *"ADA"*). The ADA equals the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best three months of pupil attendance for each school district. The attendance data used to calculate the ADA for the purpose of determining the amount of General State Aid is the greater of the (a) requisite attendance data for the school year immediately preceding the school year for which General State Aid is being calculated or (b) average of the requisite attendance data for the three preceding school years.

For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat $218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;

2. the number of special need students in a district;

3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;

5. the number of days the schools of the district are operating with students in attendance;

6. whether or not kindergarten students attend for full day or one-half day sessions;

7. whether the schools in the district are recognized by ISBE as meeting state-required standards for recognition; and

8. changes in enrollment.

While the Foundation Level has not been adjusted in recent years, the State budget for General State Aid has been reduced. As such, the State has not been able to fund fully the General State Aid formula. For fiscal year 2012, General State Aid was prorated by approximately 5%, with each district receiving 95% of its calculated entitlement. For fiscal year 2013, total General State Aid was reduced by $161 million from fiscal year 2012, and the rate of proration increased to approximately 11%, with each district receiving approximately 89% of its entitlement. For fiscal year 2014, total General State Aid was increased by $155 million from fiscal year 2013 allowing the proration to remain at approximately 11%, with each district receiving approximately 89% of its entitlement.

SUPPLEMENTARY STATE AID

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants (*"Supplemental General State Aid"*). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

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. At present, the School Code provides 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.

Though 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 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 determined separately for each category of aid year-to-year 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.

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2014, the largest Competitive Grant State Aid programs were in Bilingual Education and Early Childhood Education. For fiscal year 2014, Public Acts 98-033 and 98-034 provide a total of $471.6 million for all programs qualifying a school district for Competitive Grant State Aid.

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 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. For fiscal years 2010, 2011 and 2012, the deadline for such payment was extended to 180 days. The deadline for the State to make Categorical State Aid payments was not extended for fiscal year 2013. However, no assurances can be given that an extension for such payment will not be made in the future.

See *Exhibit C* for a summary of the District's general fund revenue sources.

RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in the Teachers' Retirement System of the State of Illinois (*"TRS"*). 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 outside the City of Chicago.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: http://trs.illinois.gov/subsections/pubs/publications.htm.

See Note 10 to the Audit, as hereinafter defined, attached hereto as Appendix A, for a more complete discussion.

Employer Funding of Teachers' Retirement System

Under the Illinois Pension Code, teachers' employers (such as the District) are required to contribute 0.58% of each teacher's salary to TRS. According to TRS, school districts in fiscal year 2011 contributed a combined $155 million to TRS while the State contributed $2.4 billion. TRS also estimates that if school districts would have been required to contribute normal costs for fiscal year 2011, the total contributions made by school districts would have totaled $800 million. In general, normal costs consist of the portion of the present value of retirement benefits that are allocable to active employee members' current year of service.

In an attempt to remedy severe under-funding of the State's retirement systems, on April 20, 2012, Governor Quinn proposed changes to the manner of funding of such retirement systems, including TRS, with the goal of reaching full funding by 2042. One proposed change would require school districts, including the District, to contribute the full amount of the normal costs of their employees' TRS pensions (the *"Cost Shifting Proposal"*). The Cost Shifting Proposal, as offered by the Governor, would phase in such contributions over the course of several years.

Discussions and deliberations on the complex topic of pension reform remain fluid. In December 2013, the General Assembly passed legislation designed to reform the State's pension systems. Such reform legislation is currently being challenged in multiple lawsuits. The Cost Shifting Proposal was not included in such reforms. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be enacted into law. Furthermore, it is possible that any future pension reform legislation that is ultimately passed by the General Assembly (including any legislation containing the Cost Shifting Proposal) could face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the Illinois Municipal Retirement Fund (the *"IMRF"*). The IMRF is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Illinois Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the *"IMRF Account"*) along with a unique employer contribution rate determined by the IMRF Board, as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board of Trustees (the *"IMRF Board"*). The District's contribution rate for calendar year 2013 was 11.13% of covered payroll.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at the IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

Actuarial Assumptions

The IMRF Board makes contribution decisions on the basis of an actuarial valuation performed by the IMRF's actuary (the *"Actuary"*). In the actuarial valuation, the Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability of the IMRF to pay benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future. The assumptions and the methods used by the IMRF comply with the requirements of the Governmental Accounting Standards Board.

The IMRF Board adopts its assumptions after considering the advice of the Actuary. At present, the Actuary uses the following assumptions, among others, in generating the actuarial valuation for the IMRF: (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by participating employers to their respective IMRF accounts. To ensure accurate actuarial assumptions, the Actuary conducts an experience study, which is a comparison of the actual experience of the IMRF to the assumptions previously used by the Actuary, every three years and makes recommendations to the IMRF Board with respect to necessary changes to such assumptions.

See Note 10 to the Audit for additional information on the IMRF's actuarial methods and assumptions.

Funded Status

As of December 31, 2013, the most recent actuarial valuation date, the District's IMRF Account had a funded ratio (*"Funded Ratio"*) of 85.14% on an actuarial basis, taking into account the Asset Smoothing Method, as described in the footnote to the table below, which corresponds to an unfunded actuarial accrued liability (*"UAAL"*) of $1,905,055. On a market value basis, the IMRF Account's Funded Ratio was 102.39%, which corresponds to an UAAL of $0. The Funded Ratios described herein with respect to the IMRF Account represent the percentage of the Actuarial Accrued Liability (*"AAL"*) funded with respect to active and inactive members only. The District has funded 100% of the AAL with respect to its retirees. The Funded Ratio and UAAL for the District's IMRF Account as of December 31, 2011, through December 31, 2013, were as follows:

	The IMRF Account			
	Actuarial Value(1)		Market Value	
Calendar Date (December 31)	Funded Ratio	UAAL	Funded Ratio	UAAL
2013	85.14%	$1,905,055	102.39%	$ 0
2012	77.30%	2,791,943	80.38%	2,413,160
2011	76.94%	2,682,930	72.57%	3,192,116

Source: The District's GASB 50 disclosures.

(1) The Funded Ratio and UAAL for the District's IMRF Account are computed using the actuarial value of assets calculated pursuant to the asset smoothing method (the *"Asset Smoothing Method"*). The Asset Smoothing Method lessens the immediate impact of market fluctuations on the actuarial value of assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an actuarial value of assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the actuarial value of assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

The District contributed all of its annual pension cost (*"APC"*), as determined by the IMRF Board, to the IMRF Account in calendar years 2011-2013. The District anticipates that it will continue to make full contributions to its IMRF Account, which includes an amortization of the UAAL, in the coming years. The District's contributions to its IMRF Account for calendar years 2011 through 2013 were as follows:

	The IMRF Account	
Calendar Year Ended December 31	APC	Percentage Contributed
2013	$615,683	100%
2012	620,758	100%
2011	552,484	100%

Source: The District's GASB 50 disclosures.

Please see Note 10 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, the funded status and funding progress of the IMRF Account, and information on the assumptions and methods used by the Actuary.

Bond Rating

S&P has assigned the Bonds a rating of "____ " (______ Outlook). This rating reflects only the views of such organization and any explanation of the significance of such rating may only be obtained from the rating agency. Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to S&P by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by S&P if, in such rating agency's judgment, circumstances so warrant.

Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

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

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

In rendering its opinions, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinions represent its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinions 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 corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (*"AMTI"*), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

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

The issue price (the *"Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

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

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

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

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

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

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

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the 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 the Rule. 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 statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "THE UNDERTAKING."

The District did not file annual financial information or audited financial statements within the times prescribed by previous continuing disclosure undertakings for its fiscal years ending June 30, 2009, and June 30, 2010. The District filed such information with the MSRB on April 19, 2011, together with a material event failure to file notice. The District has timely filed its annual financial information and audited financial statements for fiscal years ending June 30, 2011, June 30, 2012 and June 30, 2013. The District also failed to file one or more rating change notices regarding the insured ratings on some of its outstanding obligations.

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 "APPENDIX B—Form of Continuing Disclosure Undertaking." 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.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2014 (the *"Audit"*), contained in Appendix C, including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek Co., Inc. Calumet City, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official

Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance, of the District.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Exchange Act. DTC holds and provides asset servicing for over 3.6 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 is rated "AA+" by S&P. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 detailed information from the District or Registrar, 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 bonds 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 Registrar, 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 Registrar, 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*) is also passing on certain matters for the Underwriter with respect to the Bonds. Although as Underwriter's Counsel, Chapman and Cutler has assisted the Underwriter with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Underwriter's Counsel was undertaken solely at the request and for the benefit of the Underwriter, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

NO LITIGATION

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $___________ (consisting of the original principal amount of the Bonds of $____________, plus original issue premium of $____________ and less an Underwriter's discount of $__________). The Underwriter intends to reoffer the Bonds at an average price of ____% of the principal amount of the Bonds.

The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries. BMO Capital Markets is a direct, wholly-owned subsidiary of BMO Financial Corp., which is itself a wholly-owned subsidiary of Bank of Montreal.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/
President, Board of Education
Township High School District Number 215,
Cook County, Illinois

October __, 2014

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, 2009-2014

	GENERAL[1]	SPECIAL REVENUE[2]	DEBT SERVICE	CAPITAL PROJECTS[3]	WORKING CASH FUND	TOTAL
Beginning Balance	$11,286,370	$ 777,247	$1,123,200	$ 506,469	$1,507,829	$15,201,115
Revenues	42,224,438	3,692,682	2,570,295	3,198	356,603	48,847,216
Expenditures	45,152,182	3,419,151	2,568,064	509,667	0	51,649,064
Net Transfers	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0
Net Changes in Fund Balance	(2,927,744)	273,531	2,231	(506,469)	356,603	(2,801,848)
Ending Balance June 30, 2009	$ 8,358,626	$1,050,778	$1,125,431	$0	$1,864,432	$12,399,267
Beginning Balance	$ 8,248,671	$1,050,778	$1,125,431	$0	$1,864,432	$12,289,312
Revenues	47,148,614	4,447,137	2,638,916	11,698	347,263	54,593,628
Expenditures	44,060,036	4,079,661	2,710,253	2,745,791	0	53,595,741
Net Transfers	0	0	0	0	0	0
Other Sources (Uses)	(111,579)	0	111,579	3,000,444	0	3,000,444
Net Changes in Fund Balance	2,976,999	367,476	40,242	266,351	347,263	3,998,331
Other Changes in Fund Balance	0	0	0	0	0	0
Ending Balance June 30, 2010	$11,225,670	$1,418,254	$1,165,673	$266,351	$2,211,695	$16,287,643
Beginning Balance	$11,225,670	$1,418,254	$1,165,673	$266,351	$2,211,695	$16,287,643
Revenues	49,795,638	4,220,325	2,703,852	18,960	358,912	57,097,687
Expenditures	42,877,618	3,903,130	2,775,779	2,480,687	0	52,037,214
Net Transfers	0	0	0	6,650,000	(6,650,000)	0
Other Sources (Uses)	0	0	0	0	6,957,109	6,957,109
Net Changes in Fund Balance	6,918,020	317,195	(71,927)	4,188,273	666,021	12,017,582
Prior Period Adjustment	(1,160,225)	0	0	0	0	(1,160,225)
Ending Balance June 30, 2011	$16,983,465	$1,735,449	$1,093,746	$4,454,624	$2,877,716	$27,145,000
Beginning Balance	$16,983,465	$1,735,449	$1,093,746	$4,454,624	$2,877,716	$27,145,000
Revenues	49,742,884	4,016,807	2,502,644	250,000	334,021	56,846,356
Expenditures	46,090,532	4,103,750	3,151,846	4,734,112	0	58,080,240
Net Transfers	(264,701)	0	264,701	0	0	0
Other Sources (Uses)	0	0	0	0	0	0
Net Changes in Fund Balance	3,387,651	(86,943)	(384,501)	(4,484,112)	334,021	(1,233,884)
Ending Balance June 30, 2012	$20,371,116	$1,648,506	$709,245	$(29,488)	$3,211,737	$25,911,116
Beginning Balance	$20,371,116	$1,648,506	$709,245	$(29,488)	$3,211,737	$25,911,116
Revenues	50,063,337	4,738,987	2,989,498	7,790	294,584	58,094,196
Expenditures	48,862,450	3,952,979	3,059,040	3,230,718	0	59,105,187
Net Transfers	(2,957,013)	0	333,616	6,608,329	(3,984,932)	0
Other Sources (Uses)	0	0	0	0	3,991,398	3,991,398
Net Changes in Fund Balance	(1,756,126)	786,008	264,074	3,385,401	301,050	2,980,407
Ending Balance June 30, 2013	$18,614,990	$2,434,514	$ 973,319	$3,355,913	$3,512,787	$28,891,523
Beginning Balance	$18,614,990	$2,434,514	$973,319	$3,355,913	$3,512,787	$28,891,523
Revenues	0	0		0		0
Expenditures	0	0		0		0
Net Transfers	0	0		0		0
Other Sources (Uses)	0	0	0	0		0
Net Changes in Fund Balance	0	0	0	0	0	0
Ending Balance June 30, 2014	$18,614,990	$2,434,514	$ 973,319	$3,355,913	$3,512,787	$28,891,523

Source: The annual financial reports of the District for the years ending June 30, 2009-2013.

(1) Includes Educational Fund and Operation and Maintenance Fund

(2) Includes Transportation Fund, Municipal Retirement Fund and Tort Fund.

(3) Includes Capital Projects Fund and Fire Prevention and Safety Fund.

**EXHIBIT B — GENERAL FUND REVENUE SOURCES,
FISCAL YEARS ENDING JUNE 30, 2010-2014**

	YEAR ENDED JUNE 30, 2010	YEAR ENDED JUNE 30, 2011	YEAR ENDED JUNE 30, 2012	YEAR ENDED JUNE 30, 2013	YEAR ENDED JUNE 30, 2014
Local Sources	60.85%	59.04%	60.04%	61.15%	
State Sources:					
— General Aid	22.32%	28.48%	30.01%	27.72%	
— Supplementary General Aid	0.00%	0.00%	0.00%	0.00%	
— Mandated Categorical	2.58%	3.68%	3.99%	4.08%	
— Other State Sources	0.51%	0.55%	0.46%	0.64%	
Total State Sources	25.41%	32.71%	34.46%	32.45%	
Federal Sources	13.74%	8.25%	5.50%	6.40%	
TOTAL	100.00%	100.00%	100.00%	100.00%	

Source: The annual financial reports of the District for the years ending June 30, 2010-June 30, 2014. Such financial reports are prepared on the modified accrual basis of accounting.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL - 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 Township High School District Number 215, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*), to the amount of $__________, dated __________, 2014, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2015	$	%
2016		%
2017		%
2018		%
2019		%
2020		%
2021		%
2022		%
2023		%
2024		%
2025		%

the Bonds due on or 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 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 outstanding General Obligation School Bonds (Alternate Revenue Source), Series 2009A and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, from taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property and (ii) ad valorem property taxes levied against all of the 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 rights and remedies of creditors and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (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 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.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to 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 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.

APPENDIX B

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Township High School District Number 215, Cook County, Illinois (the *"District"*), in connection with the issuance of $__________ General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 28th day of October, 2012 (the *"Resolution"*).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS
—Summary of Outstanding Debt
—Direct General Obligation Bonded Debt (Principal Only)
—Alternate Revenue Bonds (Principal Only)
—Selected Financial Information (only as it relates to direct debt)
—Statutory Debt Limit
—Composition of District Equalized Assessed Valuation
—Trend of District Equalized Assessed Valuation
—Taxes Extended and Collected
—School District Tax Rates by Purpose
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit B—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated October __, 2014, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA 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 and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and all other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby 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 EMMA 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. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, 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 this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or 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) This Agreement, 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 shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

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

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. 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 this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure

solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By ______________________________
President, Board of Education

Date: November __, 2014

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information and Audited Financial Statements will be submitted to EMMA by 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, unaudited financial statements shall be included. If unaudited financial statements are filed, the District shall submit Audited Financial Statements to EMMA within 30 days of availability to the District. Audited Financial Statements will be prepared in accordance with the modified accrual basis of accounting.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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

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* This 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.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (215651)
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	
2023	
2024	
2025	

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The audited financial statements of the District for the fiscal year ended June 30, 2014, contained in Appendix A (the *"Audit"*), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance of the District.

BMO Capital Markets GKST Inc.
115 S. LaSalle Street, 18th Floor
Chicago, IL 60603
(312) 845-2000

TO: Working Group

FROM: Jamie Rachlin, Managing Director, 312.845.4020
Ann Koch, Vice President, 312.845.4026

DATE: November 21, 2014

SUBJECT: FINAL CLOSING MEMO
TOWNSHIP HIGH SCHOOL DISTRICT #215 (THORNTON FRACTIONAL), COOK COUNTY, IL
$3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014

The following are the closing instructions for the above referenced transaction. The closing will take place on Wednesday, November 26, 2014 via telephone.

SOURCES AND USES OF THE SERIES 2014 BONDS

Sources	Total
Par Amount	$3,865,000.00
(+) Net Issuer Premium	160,543.90
Available Funds of the District	367,458.13
TOTAL SOURCES OF FUNDS	**$4,393,002.03**

Uses	Total
Deposit to Prior Paying Agent	$4,327,458.13
Cost of Issuance*	35,700.00
Underwriter's Discount	25,122.50
Additional Proceeds	4,721.40
TOTAL USES OF FUNDS	**$4,393,002.03**

*Detailed breakdown of costs of issuance provided in Exhibit B.

PROCEEDS OF THE SERIES 2014 BONDS

	Total
Par Amount	$3,865,000.00
(+) Net Issue Premium	160,543.90
(-) Underwriter's Discount	(25,122.50)
PURCHASE PRICE OF BONDS	**$4,000,421.40**

USES OF FUNDS

1. On November 25, 2014 Thornton Fractional Township High School District No. 215 (the "District") will wire transfer **$367,458.13** to U.S. Bank, N.A., as the Paying Agent on the G.O. Bonds (Alternative Revenue Source), Series 2005, dated July 1, 2005, as follows:

Wiring Instructions	
Bank:	U.S. Bank, N.A.
ABA Routing Number:	091 000 022
Account Number:	170225065979
Account Name:	THSD No. 215 Series 2005
FFC:	6595_1
Contact:	Orfa Paez Blanco (651) 466-6105
Amount:	**$367,458.13**

U.S. Bank will deposit the funds into the Bond Fund to pay the December 1, 2014 principal and interest due on the Series 2005 Bonds.

2. On November 26, 2014 BMO Capital Markets GKST Inc. ("BMO") will wire transfer **$3,960,000** from bond proceeds on behalf of the District to U.S. Bank. U.S. Bank will deposit the funds into the Bond Fund to pay the December 1, 2014 optional redemption of $3,960,000 of the Series 2005 Bonds as detailed in the Official Statement dated October 28, 2014.

Wiring Instructions	
Bank:	U.S. Bank, N.A.
ABA Routing Number:	091 000 022
Account Number:	170225065979
Account Name:	THSD No. 215 Series 2005
FFC:	6595_1
Contact:	Orfa Paez Blanco (651) 466-6105 or orfa.paezblanco@us.bank.com
Amount:	**$3,960,000.00**

3. BMO will cut checks or wire fees to financing team members in amounts totaling **$35,700.00** from bond proceeds to pay costs of issuance of the financing (see Exhibit A for a breakdown of expenses).

4. BMO will wire the additional proceeds from the bond issue totaling **$4,721.40** to the District to be deposited into the Debt Service Fund.

Wiring Instructions	
Bank:	First National Bank of Illinois, Lansing , Illinois
ABA Routing Number:	071 926 582
Account Number:	35-04522
FFC:	Scott Wheaton, Treasurer
Contact:	Scott Wheaton, (708) 868-2556 or tftwp@aol.com
Amount:	**$4,721.40**

5. Upon confirmation of receipt of the Federal Fund wires by the respective parties specified above BMO will take delivery of the bonds into BMO's DTC Account and the issue will be considered closed.

DTC Contact Information		
Name	**Number**	**BMO DTC Participant Number**
DTC Underwriting Department	(212) 855-3752	2344

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS

$3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014

EXHIBIT A
(Breakdown of Expenses)

Firm	Service	Total Fees
TO BE PAID BY BMO FROM BOND PROCEEDS:		
Chapman and Cutler LLP	Bond Counsel	$15,000.00
Chapman and Cutler LLP	Disclosure Counsel	10,000.00
Standard & Poor's	Rating Fee	10,400.00
UMB Bank, National Association	Paying Agent	300.00
TOTAL		**$35,700.00**

EXHIBIT B
(Maturity Schedule and CUSIP Information)

Maturity (Dec 1)	Amount	Interest Rate	Yield	CUSIP Number (215651)
2015	$310,000	2.000%	0.600%	KG4
2016	320,000	2.000%	1.000%	KH2
2017	325,000	2.000%	1.300%	KJ8
2018	330,000	2.000%	1.550%	KK5
2019	340,000	2.500%	2.000%	KL3
2020	345,000	2.500%	2.200%	KM1
2021	355,000	3.000%	2.550%	KN9
2022	365,000	3.250%	2.750%	KP4
2023	375,000	4.000%	2.900%	KQ2
2024	395,000	4.000%	3.000%	KR0
2025	405,000	4.000%	3.100%	KS8

NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED

RATING:
STANDARD & POOR'S "AA-" (Stable Outlook)
See "BOND RATING" herein

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

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
$3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014

Dated: November 26, 2014 **Due: December 1, as shown on the inside cover page**

The General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*) of Township High School District Number 215, Cook County, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof .

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2015.

Proceeds of the Bonds will be used to (a) refund certain of the District's outstanding bonds and (b) pay costs associated with the issuance of the Bonds.

The Bonds are not subject to redemption prior to maturity.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable from (a) together with the District's General Obligation Bonds (Alternate Revenue Source), Series 2005 not refunded by the Bonds, General Obligation School Bonds (Alternate Revenue Source), Series 2009A and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property, and (b) ad valorem taxes as levied against all of the 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 "THE BONDS—Security" herein.

The Bonds are offered when, as and if issued by the District and received by BMO Capital Markets GKST Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also pass on certain matters for the Underwriter. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about November 26, 2014.

BMO Capital Markets™

The date of this Official Statement is October 28, 2014.

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)

$3,865,000 GENERAL OBLIGATION REFUNDING SCHOOL BONDS
(ALTERNATE REVENUE SOURCE), SERIES 2014

MATURITIES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER* (215651)
2015	$310,000	2.00%	0.60%	KG4
2016	320,000	2.00%	1.00%	KH2
2017	325,000	2.00%	1.30%	KJ8
2018	330,000	2.00%	1.55%	KK5
2019	340,000	2.50%	2.00%	KL3
2020	345,000	2.50%	2.20%	KM1
2021	355,000	3.00%	2.55%	KN9
2022	365,000	3.25%	2.75%	KP4
2023	375,000	4.00%	2.90%	KQ2
2024	395,000	4.00%	3.00%	KR0
2025	405,000	4.00%	3.10%	KS8

* CUSIP data herein is provided by the CUSIP Service Bureau, managed on behalf of the American Bankers' Association by Standard & Poor's, a division of the McGraw-Hill Companies, Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers may also be subject to change after the issuance of the Bonds.

No dealer, broker, salesman or other person has been authorized by the District or BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the District, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning DTC has been obtained from DTC. The other information set forth herein has been furnished by the District or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered more or less important than any other by reason of its position in this Official Statement. Where statutes, reports or other documents are referred to herein, reference should be made to such statutes, reports or other documents for more complete information regarding the rights and obligations of parties thereto, facts and opinions contained therein and the subject matter thereof.

Any statements made in this Official Statement, including the Exhibits and Appendices, involving matters of opinion or estimates, whether or not so expressly stated, are set forth as such and not as representations of fact, and no representation is made that any of such estimates will be realized. This Official Statement contains certain forward-looking statements and information that are based on the District's beliefs as well as assumptions made by and information currently available to the District. Such statements are subject to certain risks, uncertainties and assumptions. Should one or more of these risks or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those anticipated, estimated or expected.

The Underwriter has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriter does not guarantee the accuracy or completeness of such information.

IN CONNECTION WITH THE OFFERING, THE UNDERWRITER MAY OVERALLOT OR EFFECT TRANSACTIONS WHICH STABILIZE OR MAINTAIN THE MARKET PRICE OF THE SECURITIES OFFERED HEREBY AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
(THORNTON FRACTIONAL)

1601 Wentworth Avenue
Calumet City, Illinois 60409

Board of Education

Richard Dust
President

Michael Bolz	Sheryl Black *Secretary*	Rita Oberman
MiaCole Nelson	LeeAnn Revis *Vice President*	Roger Yochem

Administration

Dr. Creg E. Williams
Superintendent

Charles DiMartino
Director of Finance

Scott R. Wheaton
School Treasurer

Professional Services

Underwriter
BMO Capital Markets GKST Inc.
Chicago, Illinois

Bond Counsel and Underwriter's Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar and Paying Agent
UMB Bank, National Association
Kansas City, Missouri

Auditor
John Kasperek Co., Inc.
Calumet City, Illinois

OFFICIAL STATEMENT

Township High School District Number 215
Cook County, Illinois
(Thornton Fractional)
$3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source),
Series 2014

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 215, Cook County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*).

This Official Statement contains "forward-looking statements" that are based upon the District's current expectations and its projections about future events. When used in this Official Statement, the words "project," "estimate," "intend," "expect," "scheduled," "pro-forma" and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 28th day of October, 2014 (the *"Bond Resolution"*).

Proceeds of the Bonds will be used to (i) currently refund certain of the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005 (the *"Series 2005 Bonds,"* and those Series 2005 Bonds being refunded, the *"Refunded Bonds"*), and (ii) pay costs associated with the issuance of the Bonds.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York

(*"DTC"*). Principal of and interest on the Bonds will be payable by UMB Bank, National Association, Kansas City, Missouri (the *"Registrar"*).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2015.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date.

Registration and Transfer

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the 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.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed.

Redemption

The Bonds are not subject to redemption prior to maturity.

Security

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable from (a) together with the District's Series 2005 Bonds not refunded by the Bonds, General Obligation School Bonds (Alternate Revenue Source), Series 2009A (the *"Series 2009A Bonds"*), and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B (the *"Series 2009B Bonds"*), taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the *"Pledged Revenues"*), and (b) ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the *"Pledged Taxes,"* and together with the Pledged Revenues, the *"Pledged Moneys"*), 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.

General Covenants Regarding the Bonds. A. 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, as defined in the Bond Resolution. 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 .25 times debt service.

B. 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 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.

Filing with County Clerk. 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. Such 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 such Bond Resolution to pay the Bonds.

Abatement of Pledged Taxes. Non-Naked Abatement. Whenever the Board shall have determined that in any year the Pledged Revenues have been deposited into the Bond Fund for the Bonds (the *"Bond Fund"*) in an amount sufficient to pay debt service on the Bonds, the Board or the officers of the District acting with proper authority, shall direct the abatement of the Pledged Taxes to the extent such Pledged Taxes relate to the debt service paid or to be paid by the Pledged Revenues in the Bond Fund, and proper notification of such abatement shall be filed with the County Clerk, in a timely manner to effect such abatement.

Additional Obligations. The Bonds are being issued on a parity with the Series 2005 Bonds not refunded by the Bonds, the Series 2009A Bonds and the Series 2009B Bonds, and the District is authorized to issue from time to time additional obligations payable from the Pledged Revenues as permitted by law and to determine the lien priority of any such obligations.

Treatment of Bonds as Debt. The Bonds will be payable from 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.

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 District 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 District 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 revenues 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 a 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 .25 times debt service.

Alternate bonds (such as the Bonds) may be issued to refund or advance refund alternate bonds without meeting any of the conditions set forth above, except that the term of the refunding bonds shall not be longer than the term of the refunded bonds and that the debt service payable in any year on the refunding bonds shall not exceed the debt service payable in such year on the refunded bonds.

ALTERNATE REVENUE BONDS (DEBT SERVICE COVERAGE)

LEVY YEAR	TOTAL PLEDGED REVENUES(1)	DEBT SERVICE ON OUTSTANDING ALTERNATE BONDS	DEBT SERVICE ON THE BONDS	TOTAL DEBT SERVICE ON ALTERNATE BONDS	DEBT SERVICE COVERAGE
2014	$16,127,653.00	$269,701.16	$423,897.74	$693,598.90	23.252
2015	16,127,653.00	268,701.16	426,137.50	694,838.66	23.211
2016	16,127,653.00	267,451.16	424,737.50	692,188.66	23.300
2017	16,127,653.00	265,951.16	423,237.50	689,188.66	23.401
2018	16,127,653.00	269,201.16	426,637.50	695,838.66	23.177
2019	16,127,653.00	271,951.16	423,137.50	695,088.66	23.202
2020	16,127,653.00	268,863.66	424,512.50	693,376.16	23.260
2021	16,127,653.00	264,063.66	423,862.50	687,926.16	23.444
2022	16,127,653.00	263,957.40	422,000.00	685,957.40	23.511
2023	16,127,653.00	258,238.66	427,000.00	685,238.66	23.536
2024	16,127,653.00	251,763.66	421,200.00	672,963.66	23.965
2025	16,127,653.00	249,969.90		249,969.90	64.518
2026	16,127,653.00	247,538.66		247,538.66	65.152
2027	16,127,653.00	238,805.70		238,805.70	67.535
2028	16,127,653.00	234,737.80		234,737.80	68.705

(1) Includes Operations and Maintenance Fund property taxes, personal property replacement taxes, investment earnings, unrestricted state aid and Educational Fund investment earnings and unrestricted state aid as set forth in the District's 2013 audit. The Bonds may be payable from other Pledged Revenues not shown. The District expects to use the Pledged Revenues not necessary to pay debt service on the Bonds in any year for the operations of the District.

Note: The debt coverage table is as of the date of issuance of the Bonds and the refunding of the Refunded Bonds and therefore the debt service on the Refunded Bonds is not included in the chart above.

THE REFUNDING

A portion of the proceeds of the Bonds will be used to currently refund the Refunded Bonds, further described as follows:

SERIES 2005 BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT CURRENT REFUNDED BY BONDS	CALL PRICE	CALL DATE
2014	$280,000	$ 0	N/A	N/A
2015	295,000	295,000	100%	12/01/2014
2016	305,000	305,000	100%	12/01/2014
2017	320,000	320,000	100%	12/01/2014
2018	330,000	330,000	100%	12/01/2014
2019	345,000	345,000	100%	12/01/2014
2020	355,000	355,000	100%	12/01/2014
2021	370,000	370,000	100%	12/01/2014
2022	385,000	385,000	100%	12/01/2014
2023	400,000	400,000	100%	12/01/2014
2024	420,000(1)	420,000	100%	12/01/2014
2025	435,000	435,000	100%	12/01/2014
TOTAL	$4,240,000	$3,960,000		

(1) Mandatory sinking fund payment.

Certain proceeds received from the sale of the Bonds will be deposited with the paying agent for the Refunded Bonds. The moneys so deposited with the paying agent for the Refunded Bonds will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.

SOURCES AND USES

The sources and uses of funds resulting from the Bonds and other lawfully available funds of the District are shown below:

SOURCES:	
Principal Amount	$3,865,000.00
Original Issue Premium	160,543.90
Lawfully Available Funds	367,458.13
Total Sources	$4,393,002.03
USES:	
Deposit to prior paying agent to pay Refunded Bonds(1)	$4,327,458.13
Costs of Issuance(2)	65,543.90
Total Uses	$4,393,002.03

(1) Includes deposit of lawfully available funds in an amount sufficient to pay the principal and interest due on the Series 2005 Bonds on December 1, 2014 which are not being refunded by Bond proceeds.
(2) Includes underwriter's discount and other issuance costs.

RISK FACTORS

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

FINANCES OF THE STATE OF ILLINOIS

The State of Illinois (the *"State"*) has experienced adverse economic conditions resulting in significant shortfalls between the State's general fund revenues and spending demands. In addition, the underfunding of the State's pension systems has contributed to the State's poor financial health. Budget problems of the State may result in decreased or delayed State appropriations to the District, including appropriations of the hereinafter defined State Aid (32.45% of the District's General Fund Revenue Sources for the fiscal year ended June 30, 2013).

In addition, legislation has been introduced in the Illinois General Assembly which would modify the formula by which the District's share of General State Aid (as hereinafter defined) is calculated. Such legislation, if enacted into law, may have a material impact on the amount of

State Aid received by the District in future fiscal years. See "STATE AID—General State Aid" herein.

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 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. As detailed below, the District's EAV has declined over the past four years and is expected to decline for the 2014 EAV. Declining EAVs and increasing 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 Standard & Poor's Ratings Group, New York, New York (*"S&P"*). 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. 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 for continuing disclosure (see *"*CONTINUING DISCLOSURE*"* herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and may adversely affect the transferability and liquidity of the Bonds and their market price.

Suitability of Investment

The interest rate borne by the Bonds is intended to compensate the investor for assuming the risk of investing in the Bonds. 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 the 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.

Factors Relating to Tax Exemption

As discussed under "TAX EXEMPTION" herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to Bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency 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 the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

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 and the Bond Resolution will be similarly qualified.

The District

General Description

The District is situated in Southern Cook County (the *"County"*) and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the Village of Burnham, about half of the City of Calumet City and a small portion of the Village of Lynwood (collectively, the *"Municipalities"*). According to the 2010 U.S. Census, the population of the District is 60,428.

The District is located approximately 27 miles south of downtown Chicago and approximately 25 miles southeast of Midway Airport. Transportation needs are served by I-294/Tri-State Tollway, I-94/I-80 and I-90 as well as major local roads such as Torrence Avenue, Burnham Avenue and Ridge Road. Commuter service to downtown is provided by Metra's Electric Line. Travel time to the downtown station is about 45 minutes. Local bus service to surrounding communities is available from Pace.

The District provides education for grades nine through twelve in three high school facilities and one administrative building. The District enrolled 3,577 students at the beginning of the 2014-2015 academic year.

DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE
Dr. Creg E. Williams	Superintendent
Charles DiMartino	Director of Finance
Scott R. Wheaton	School Treasurer

The Board appoints the administration. The staff is chosen by the administration with the approval of the Board. In general, policy decisions are made by the Board while specific program decisions are made by the administration.

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Richard Dust	President	April 2017
LeeAnn Revis	Vice President	April 2017
Sheryl Black	Secretary	April 2015
Michael Bolz	Member	April 2015
Rita Oberman	Member	April 2015
MiaCole Nelson	Member	April 2015
Roger Yochem	Member	April 2017

ENROLLMENT

HISTORICAL		PROJECTED	
2010/2011	3,757	2015/2016	3,580
2011/2012	3,545	2016/2017	3,575
2012/2013	3,563	2017/2018	3,570
2013/2014	3,362	2018/2019	3,570
2014/2015	3,577	2019/2020	3,570

Source: Enrollment figures are provided by the District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2014-2015 school year, the District had 392 full-time employees and 2 part-time employees. Of the total number of employees, approximately 346 are represented by a union. Employee-union relations are considered to be good.

Employee Group	Contract Expires	Union Affiliation	Number of Members
Teachers	June 2019	Local 683	228
Support Staff	June 2017	Local 943	118

Population Data

The District has an estimated population of 60,428.

Name of Entity	1990	2000	2010	% Change 2000/2010
Village of Burnham	3,916	4,170	4,206	+0.86%
City of Calumet City	37,840	39,071	37,042	-5.19%
Village of Lansing	28,086	28,332	28,331	0.00%
Village of Lynwood	6,535	7,377	9,007	22.10%
The County	5,105,067	5,376,741	5,194,675	-3.39%
The State	11,430,602	12,419,293	12,830,632	+3.31%

Source: U.S. Census Bureau

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

SUMMARY OF OUTSTANDING DEBT[1]

TYPE	DATED DATE	ORIGINAL AMOUNT OF ISSUE	CURRENT AMOUNT OUTSTANDING	FINAL MATURITY DATE
General Obligation Bonds (Alternate Revenue Source), Series 2005 (the *"Series 2005 Bonds"*)	07/01/2005	$6,000,000	$280,000[2]	12/01/2014
General Obligation School Bonds (Alternate Revenue Source), Series 2009A (the *"Series 2009A Bonds"*)	07/08/2009	1,275,000	895,000	12/01/2020
Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B (the *"Series 2009B Bonds"*)	07/08/2009	1,725,000	1,725,000	12/01/2029
Limited School Bonds, Series 2011 (the *"Series 2011 Bonds"*)	05/17/2011	6,975,000	6,950,000	12/01/2029
Limited School Bonds, Series 2012A (the *"Series 2012A Bonds"*)	12/20/2012	1,500,000	1,500,000	12/01/2032
Refunding School Bonds, Series 2012B (the *"Series 2012B Bonds"*)	12/20/2012	6,175,000	5,620,000	12/01/2022
General Obligation Limited School Bonds, Series 2013A (the *"Series 2013A Bonds"*)	02/14/2013	1,515,000	1,515,000	12/01/2030
General Obligation Limited School Bonds, Series 2013B (the *"Series 2013B Bonds"*)	02/14/2013	5,570,000	5,035,000	12/01/2022
The Bonds	11/26/2014	3,865,000	3,865,000	12/01/2025
Total		$34,600,000	$27,385,000	

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(1) After issuance of the Bonds.
(2) The District will deposit funds on hand with the paying agent on or prior to Closing in an amount sufficient to pay the principal and interest due on the Series 2005 Bonds on December 1, 2014.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2011 BONDS (DECEMBER 1)	SERIES 2012A BONDS (DECEMBER 1)	SERIES 2012B BONDS (DECEMBER 1)	SERIES 2013A BONDS (DECEMBER 1)	SERIES 2013B BONDS (DECEMBER 1)	TOTAL OUTSTANDING BONDS
2014	$330,000		$555,000	$ 25,000	$510,000	$1,420,000
2015	340,000		565,000	25,000	520,000	1,450,000
2016	350,000		585,000	30,000	525,000	1,490,000
2017	365,000		600,000	25,000	545,000	1,535,000
2018	380,000		620,000	25,000(1)	550,000	1,575,000
2019	395,000		635,000	30,000(1)	570,000	1,630,000
2020	415,000		660,000	25,000(1)	585,000	1,685,000
2021	435,000		685,000	30,000(1)	605,000	1,755,000
2022	450,000		715,000	35,000	625,000	1,825,000
2023	475,000			30,000(1)		505,000
2024	495,000			35,000(1)		530,000
2025	520,000			35,000(1)		555,000
2026	545,000			35,000(1)		580,000
2027	570,000			40,000(1)		610,000
2028	600,000			40,000(1)		640,000
2029	285,000			385,000(1)		670,000
2030		$ 40,000(1)		665,000		705,000
2031		720,000(1)				720,000
2032		740,000				740,000
TOTAL	$6,950,000	$1,500,000	$5,620,000	$1,515,000	$5,035,000	$20,620,000

(1) Mandatory sinking fund payment.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)*

CALENDAR YEAR	SERIES 2005 BONDS (DECEMBER 1)	SERIES 2009A BONDS (DECEMBER 1)	SERIES 2009B BONDS (DECEMBER 1)	THE BONDS (DECEMBER 1)	TOTAL DEBT OUTSTANDING BONDS
2014	$280,000	$115,000			$395,000
2015		120,000(1)		$310,000	430,000
2016		125,000		320,000	445,000
2017		130,000(1)		325,000	455,000
2018		135,000		330,000	465,000
2019		125,000(1)		340,000	465,000
2020		145,000	$ 30,000(1)	345,000	520,000
2021			160,000(1)	355,000	515,000
2022			165,000(1)	365,000	530,000
2023			175,000	375,000	550,000
2024			180,000(1)	395,000	575,000
2025			185,000(1)	405,000	590,000
2026			195,000		195,000
2027			205,000(1)		205,000
2028			210,000(1)		210,000
2029			220,000		220,000
TOTAL	$280,000	$895,000	$1,725,000	$3,865,000	$6,765,000

* As of the date of issuance of the Bonds and the refunding of the Refunded Bonds.

(1) Mandatory sinking fund payment.

Note: The District will deposit funds on hand with the paying agent on or prior to Closing in an amount sufficient to pay the principal and interest due on the Series 2005 Bonds on December 1, 2014.

OVERLAPPING GENERAL OBLIGATION BONDED DEBT
(As of September 19, 2014)

TAXING BODY	OUTSTANDING[2]	APPLICABLE TO DISTRICT[1] PERCENT	AMOUNT
Cook County	$3,596,310,000	0.532%	$ 19,137,611
Cook County Forest Preserve District	124,455,000	0.532%	662,282
Metropolitan Water Reclamation District	248,197,200[3]	0.543%	1,347,474
Village of Burnham	100,000	75.112%	75,112
City of Calumet City	48,880,000	55.556%	27,155,963
Village of Lansing	17,300,000	93.136%	16,112,596
Village of Lynwood	565,000	49.494%	279,642
Calumet Memorial Park District	2,880,000	54.414%	1,567,121
Lan Oak Park District	380,000	93.342%	354,701
Glenwood-Lynwood Public Library District	0	26.378%	0
School District Number 154 1/2	621,000	100.000%	621,000
School District Number 155	47,080,717	100.000%	47,080,717
School District Number 156	3,785,000	100.000%	3,785,000
School District Number 157	5,880,000	61.554%	3,619,385
School District Number 158	12,643,937	100.000%	12,643,937
School District Number 171	4,045,000	94.666%	3,829,248
Community College District No. 510	12,437,221	21.668%	2,694,940
TOTAL OVERLAPPING BONDED DEBT	$3,596,310,000		$140,966,728

Source: Cook County Clerk's Office

(1) Percentage based on 2013 EAVs, the most recent available.

(2) Excludes the following amounts of alternate revenue bonds, the debt service on which is expected to e paid from pledged revenues: Cook County Forest Preserve District - $55,200,000; Village of Lynwood - $1,950,000; Lam Oak Park District - $3,160,000; Glenwood Lynwood Library - $5,675,000; and School District Number 158 - $1,705,000.

(3) Includes IEPA Revolving Loan Funds.

SELECTED FINANCIAL INFORMATION

2013 Estimated Full Value of Taxable Property:	$2,085,171,927
2013 Equalized Assessed Valuation of Taxable Property:	$ 695,057,309(1)
General Obligation Bonded Debt:	$ 20,620,000(2)
Other Direct General Obligation Debt:	$ 0
Total Direct General Obligation Debt:	$ 20,620,000
Percentage to Full Value of Taxable Property:	0.99%
Per Capita:	$ 341
Overlapping General Obligation Bonded Debt:	$ 140,966,728
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	$ 161,586,728
Percentage to Full Value of Taxable Property:	7.75%
Per Capita:	$ 2,674
Population Estimate:	60,428

(1) Includes TIF EAV in the amount of $21,291,103.
(2) Does not include Alternate Revenue Bonds (such as the Bonds), which, under the Debt Reform Act, do not constitute debt of the District.

STATUTORY DEBT LIMIT

	AMOUNT	% OF DEBT LIMIT
2013 Equalized Assessed Valuation	$695,057,309	
Statutory Debt Limit @ 6.9%	47,958,954	100.00%
Bonded Debt Outstanding	20,620,000	
Other Direct Debt	0	
Total Debt Applicable to the Limit	20,620,000	43.00%
Remaining Debt Margin	$27,338,954	57.00%

COMPOSITION OF EQUALIZED ASSESSED VALUATION

	2009	2010	2011	2012	2013
Property by Type:					
Residential	$706,906,469	$718,808,570	$547,741,715	$488,957,211	$457,427,356
Farm	66,088	63,396	58,129	60,318	69,579
Commercial	221,284,178	186,095,928	166,693,682	148,708,664	128,704,213
Industrial	115,099,751	108,861,797	93,438,152	87,687,411	83,849,306
Railroad	3,726,153	3,698,701	4,133,892	4,107,888	3,715,752
Total EAV	$1,047,082,639	$1,017,528,392	$812,065,570	$729,521,492	$673,766,206

Source: Cook County Clerk's Office

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

LOCATION NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2013 EAV	INCREMENTAL EAV
Village of Lynwood-Glenwood Lansing/Torrence TIF	2002	$15,602	$1,399,853	$1,382,251
Village of Lansing TIF	1986	13,235,046	22,224,035	8,988,989
Lansing TIF	1991	3,266,919	6,520,929	3,254,010
Lansing TIF	1991	115,413	177,094	61,681
Village of Lansing-West Lansing TIF	1991	41,807	532,777	490,970
Village of Lansing-West Lansing TIF	1991	25,223	1,133,846	1,108,623
City of Calumet City TIF	1994	7,127,816	11,154,078	4,026,262
City of Calumet City-TIF 2	1996	4,060,424	6,036,741	1,976,317
City of Calumet City-MarbleStreet TIF	2005	2,773,353	1,000,388	0
Village of Lansing-Bernice Road	2009	49,382,811	34,382,811	0
Village of Lansing-Bernice Road	2009	31,229	13,287	0
Village of Lansing-Bernice Road	2009	206,368	112,372	0
			Total Incremental EAV	$21,291,103
			District's Base 2013 EAV	673,766,206
			Enterprise Zone EAV	0
			Total EAV	$695,057,309

Source: Cook County Clerk's Office.

TREND OF EQUALIZED ASSESSED VALUATION

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2009	$1,047,082,639	5.20%[(1)]
2010	1,017,528,392	-2.82%
2011	812,065,570	-20.19%
2012	729,521,492	-10.16%
2013	673,766,206	-7.64%

Source: Cook County Clerk's Office

(1) Based on the District's $995,309,404 2008 EAV.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2009/10	$30,176,575	$29,625,316	98.17%
2010/11	30,932,753	30,215,221	97.68%
2011/12	31,451,219	30,670,209	97.52%
2012/13	33,178,666	31,340,521	94.46%
2013/14	33,668,134	29,067,597	86.34%[(1)]

Source: Cook County Treasurer's and County Clerk's Offices

(1) Through August 31, 2014.

Note: Table represents gross taxes distributed to the District (prior to required refunds) from real estate taxes collected during each collection year.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2009-2013

(Per $100 Equalized Assessed Valuation)

PURPOSE:	2009	2010	2011	2012	2013
IMRF	$0.0245	$0.0258	$0.0387	$0.0809	$0.0908
Social Security	0.0735	0.0776	0.0980	0.0979	0.1075
Liability Insurance	0.0342	0.0361	0.0669	0.0768	0.0848
Transportation	0.0783	0.0828	0.1046	0.1202	0.1333
Education	2.1024	2.2231	2.8135	3.2313	3.2811
Building	0.2597	0.2746	0.3470	0.3985	0.4394
Bonds & Interest	0.1891	0.1944	0.2434	0.3792	0.3920
Working Cash	0.0324	0.0343	0.0433	0.0279	0.0318
Special Education	0.0162	0.0171	0.0215	0.0248	0.3151
Limited Bonds	0.0710	0.0735	0.0961	0.1102	0.1207
Total District Tax Rate	$2.8813	$3.0393	$3.8730	$4.5477	$4.9965

Source: Cook County Clerk's Office

2009-2013 REPRESENTATIVE TOTAL TAX RATES

TAXING AUTHORITY	2009	2010	2011	2012	2013
The District	$2.881	$3.040	$3.873	$4.548	$4.997
Cook County	0.394	0.423	0.462	0.531	0.560
Cook County Forest Preserve District	0.049	0.051	0.058	0.069	0.063
Metropolitan Water Reclamation District	0.261	0.274	0.320	0.370	0.417
Consolidated Elections	0.021	0.000	0.025	0.000	0.031
South Cook Co. Mosquito Abatement	0.009	0.010	0.012	0.014	0.016
Thornton Township	0.367	0.387	0.442	0.513	0.517
Thornton Township General Assistance	0.091	0.096	0.129	0.153	0.214
Thornton Township Road & Bridge	0.017	0.018	0.023	0.027	0.030
Village of Lansing	1.124	1.201	1.643	1.811	2.085
Lan Oak Park District	0.292	0.306	0.376	0.422	0.457
Lansing Public Library District	0.345	0.367	0.457	0.503	0.582
School District Number 158	4.862	5.039	4.902	5.453	6.380
Community College District No. 510	0.348	0.361	0.450	0.511	0.559
Total District Tax Rate[(1)]	$11.061	$11.573	$13.172	$14.925	$16.908

Source: Cook County Clerk's Office
(1) Based on the largest tax code in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2013 EQUALIZED ASSESSED VALUE	PERCENT OF DISTRICT'S TOTAL EAV
Simon Property Group	$19,605,248	2.91%
FUNB 2000 C2 Torrence	8,532,126	1.27%
Sears D768 Tax B2 109A	6,255,930	0.93%
Cobalt Industrial Reit II	6,160,802	0.91%
Great Lakes WHSE	6,157,147	0.91%
Temperature Equipment Corp.	5,018,870	0.74%
Inland Real Estate Corp.	4,362,703	0.65%
Cambridge Realty Cap.	4,322,657	0.64%
JC Penney Co.	3,900,067	0.58%
IRC	1,646,722	0.24%
Total	$65,962,272	9.78%

Source: Cook County Clerk's Office

The above taxpayers represent 9.78% of the District's 2013 EAV of $673,766,206. Reasonable efforts have been made to seek out and report th largest taxpayers. However, many of the taxpayers listed may own multiple parcels, and it is possible that some smaller parcels and their valuations may not be included.

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the City of Calumet City and the Village of Lansing. The table indicates the level of retail activity in the City of Calumet City and the Village of Lansing.

STATE SALES TAX DISTRIBUTION[1]

CALENDAR YEAR	CITY OF CALUMET CITY	VILLAGE OF LANSING
2009	$4,792,314	$4,253,883
2010	5,182,473	4,023,622
2011	5,264,292	3,842,776
2012	5,346,867	3,746,146
2013	5,352,480	3,753,541
2014[2]	2,605,184	1,961,807

Source: Illinois Department of Revenue.
(1) Tax distributions are based on records of the Illinois Department of Revenue relating to the 1% municipal portion of the Retailers' Occupation and Use Tax, collected on behalf of the City of Calumet City and the Village of Lansing less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs, which are not taxed by the State.
(2) As of Second Quarter 2014.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law as hereinafter defined) within the District for each of the last five levy years.

	NEW PROPERTY VALUE
2009	$2,555,461
2010	382,043
2011	1,809,741
2012	924,182
2013	1,556,509

Source: Cook County Clerk's Office.

SPECIFIED OWNER-OCCUPIED UNITS

	THE DISTRICT		THE COUNTY		THE STATE	
VALUE	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under $50,000	668	4.11%	36,548	3.21%	224,361	6.91%
$50,000 to $99,999	3,036	18.69%	71,356	6.26%	468,659	14.43%
$100,000 to $149,999	5,647	34.77%	128,827	11.30%	482,500	14.85%
$150,000 to $199,999	3,901	24.02%	186,900	16.39%	531,538	16.36%
$200,000 to $299,999	2,470	15.21%	300,856	26.39%	712,975	21.95%
$300,000 to $499,999	356	2.19%	272,528	23.90%	563,122	17.33%
$500,000 to $999,999	111	0.68%	114,947	10.08%	214,681	6.61%
$1,000,000 or more	52	0.32%	28,174	2.47%	50,685	1.56%
Total	16,241	100.00%	1,140,136	100.00%	3,248,521	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey 5-Year Estimates.

LARGEST EMPLOYERS

Below is a listing of the largest employers within or near the District area:

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Silver Line Building Products Corp.	Vinyl windows & patio doors	Lansing	400
NB Coatings, Inc.	Plastic automotive coatings	Lansing	350
Land O'Frost, Inc.	Corporate headquarters & meat packing & processing	Lansing	250
Orc Protel, LLC	Inbound & outbound telemarketing services	Lansing	250
Temperature Equipment Corp.	Corporate headquarters & distributor of air conditioning, refrigeration & heating equipment	Lansing	240
Kickert School Bus Line, Inc.	School bus service	Lynwood	200
National Pasteurized Egg	Shell egg pasteurizing	Lansing	160
American School of Correspondence	Correspondence school	Lansing	140
Kay Mfg. Co.	Automotive machining job shop	Calumet City	125
Tri-State Nursing & Rehabilitation Center	Nursing home & rehabilitation center	Lansing	113
World-Wide Protection Group, Inc.	Security guard & investigative services, including armed & unarmed security guards & background checks	Lansing	110
Drenth Trucking, Inc., K. R.	Short-distance trucking services, including commercial waste & garbage hauling	Lynwood	100
Hasse Construction Co., Inc.	General commercial, industrial & underground utilities contractor	Calumet City	100
Hosley International	Home decor accessories importers	Lynwood	100
National Excelsior Co.	Company headquarters & full-line heating & cooling distribution equipment, including ducted air distribution products & commercial equipment	Lansing	100

Source: 2014 Illinois Services and 2014 Illinois Manufacturers Directories.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the City of Calumet City, the Village of Lansing, the County and the State.

	CITY OF CALUMET CITY	VILLAGE OF LANSING	THE COUNTY	THE STATE
2009 – Average	13.6%	11.7%	10.4%	10.0%
2010 – Average	14.3%	11.3%	10.8%	10.5%
2011 – Average	13.5%	10.3%	10.3%	9.7%
2012 – Average	11.9%	9.5%	9.3%	8.9%
2013 – Average	12.3%	10.2%	9.6%	9.2%
2014 – Average*	10.4%	8.2%	8.0%	8.1%

*As of July 2014.

Source: State of Illinois Department of Employment Security.

EMPLOYMENT BY INDUSTRY

The following table shows employment by industry for the District, the County and the State as reported by the U.S. Census Bureau.

	THE DISTRICT		THE COUNTY		THE STATE	
CLASSIFICATION	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	18	0.07%	4,338	0.18%	63,512	1.05%
Construction	1,202	4.49%	115,364	4.76%	324,722	5.38%
Manufacturing	2,906	10.85%	262,106	10.81%	767,822	12.72%
Wholesale Trade	533	1.99%	69,217	2.85%	189,003	3.13%
Retail Trade	3,266	12.19%	240,271	9.91%	658,236	10.91%
Transportation, warehousing and utilities	2,727	10.18%	151,762	6.26%	352,325	5.84%
Information	801	2.99%	59,488	2.45%	130,769	2.17%
Finance, insurance and real estate	1,603	5.98%	204,563	8.44%	457,654	7.58%
Professional, scientific management administrative & waste management	1,979	7.39%	326,261	13.45%	668,508	11.08%
Educational, health & social services	7,022	26.21%	542,361	22.37%	1,362,901	22.58%
Arts, entertainment, recreations accommodations & food services	1,820	6.79%	233,937	9.65%	532,147	8.82%
Other Services	1,530	5.71%	123,518	5.09%	292,913	4.85%
Public Administration	1,384	5.17%	91,731	3.78%	234,916	3.89%
Total	26,791	100.00%	2,424,917	100.00%	6,035,428	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

EMPLOYMENT BY OCCUPATION

The following table shows employment by occupation for the District, the County and the State as reported by the U.S. Census Bureau.

	The District		The County		The State	
Household Income	Number	Percent	Number	Percent	Number	Percent
Management, professional & related occupations	7,353	27.45%	908,106	37.45%	2,181,574	36.15%
Service occupations	4,554	17.00%	433,308	17.87%	1,028,655	17.04%
Sales & office occupations	8,268	30.86%	606,960	25.03%	1,526,612	25.29%
Natural resources, construction & maintenance occupation	2,368	8.84%	156,856	6.47%	462,090	7.66%
Production, transportation & material moving occupations	4,248	15.86%	319,687	13.18%	836,495	13.86%
Total	26,791	100.00%	2,424,917	100.00%	6,035,426	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the District had a median household income of $50,174. This compares to $54,648 for the County and $56,856 for the State. The following table represents the distribution of household incomes for the District, the County and the State at the time of such survey.

	The District		The County		The State	
	Number	Percent	Number	Percent	Number	Percent
Under $10,000	1,893	8.39%	160,478	8.30%	329,319	6.90%
$10,000 to $14,999	940	4.17%	95,450	4.94%	223,692	4.69%
$15,000 to $24,999	2,337	10.36%	200,336	10.36%	481,833	10.09%
$25,000 to $34,999	2,823	12.51%	186,866	9.66%	460,909	9.65%
$35,000 to $49,999	3,243	14.37%	249,606	12.91%	622,840	13.05%
$50,000 to $74,999	4,828	21.40%	339,402	17.55%	870,399	18.23%
$75,000 to $99,999	3,029	13.43%	235,745	12.19%	622,617	13.04%
$100,000 to $149,999	2,486	11.02%	253,222	13.10%	665,711	13.94%
$150,000 to $199,999	692	3.07%	101,113	5.23%	250,681	5.25%
$200,000 or more	291	1.29%	111,452	5.76%	246,274	5.16%
Total	22,562	100.00%	1,933,670	100.00%	4,774,275	100.00%

Source: U.S. Census Bureau, 2008-2012 American Community Survey, 5-Year Estimates.

PER CAPITA INCOME

	2012
The District	$22,464
The County	30,048
The State	29,519

Source: U.S. Census Bureau, 2008-2012 American Community Survey)

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.

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt within the next six months.

DEFAULT RECORD

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

WORKING CASH FUND

The District is authorized to issue (subject to the provisions of the hereinafter defined Limitation Law) general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $.05 per hundred dollars of equalized assessed valuation (the *"Working Cash Fund Tax"*). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

The District also has the authority to abate amounts in the Working Cash Fund to any other fund of the District if the amount on deposit in such other fund after the abatement will not constitute an excess accumulation of money in that fund and as long as the District maintains an amount to the credit of the Working Cash Fund at least equal to 0.05% of the then current value, as equalized or assessed by the Department, of the taxable property in the District.

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2010	$2,211,695
2011	2,877,716
2012	3,211,737
2013	3,512,787
2014	3,739,944

Source: Compiled from the District's Audited Financial Statements for Fiscal Years ending June 30, 2010-2013 and the District's unaudited Financial Statements for Fiscal Year ended June 30, 2014.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION

SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay the principal of and 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 Cook County, Illinois. There can be no assurance that the procedures described 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 such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the *"Department of Revenue"*). For triennial reassessment purposes, Cook 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 2011 tax levy year.

In response to the downturn of the real estate market, the Assessor reduced the 2009 assessed value on suburban residential properties (specifically, those properties located in the South Tri and the North Tri) not originally scheduled for reassessment in 2009. For tax year 2009, each suburban township received an adjustment percentage for tax year 2009, lowering the existing assessed values of all residential properties in such township within a range of 4% to 15%, beginning with the second-installment tax bills payable in the fall of 2010.

Real property in the County is separated into classes for assessment purposes. After the 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. Such 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 tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

Class	Description of Qualifying Property	Assessment Percentage	Reverts to Class
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	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 (the *"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 residential property having 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. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. 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 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 of Illinois (the *"State"*). Under State law, the aggregate of the assessments within each county is 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 certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

TAX LEVY YEAR	EQUALIZATION FACTOR
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706
2012	2.8056
2013	2.6621

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 equalized assessed valuation (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 Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the *"Assessment Base"*).

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 may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $7,000 for tax year 2012 and thereafter.

The Alternative General Homestead Exemption limits EAV increases for homeowners (who also reside on the property as their principal place of residence) to 7% a year, up to a certain maximum dollar amount each year as defined by statute. Any amount of increase that exceeds the maximum exemption as defined is added to the 7% increase and is part of that property's taxable EAV. Homes that do not increase by at least 7% a year are entitled, in the alternative, to the General Homestead Exemption as discussed above. The Alternative General Homestead Exemption is being fully phased out by tax year 2014 pursuant to State law.

For properties in the City Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment year 2009, $16,000 for assessment year 2010 and $12,000 for assessment year 2011. For properties in the North Tri, the Alternative General Homestead Exemption cannot exceed $20,000 for assessment years 2009 and 2010, $16,000 for assessment year 2011 and $12,000 for assessment year 2012. For properties in the South Tri, the Alternative General Homestead Exemption cannot exceed $26,000 for assessment year 2009, $20,000 for assessment year 2010 and 2011, $16,000 for assessment year 2012 and $12,000 for assessment year 2013.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less (*"Qualified Homestead Property"*). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

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

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. At present, the maximum exemption in tax year 2013 and beyond is $5,000.

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

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

Three exemptions are available to veterans of the United States armed forces. The Disabled Veterans' Exemption exempts up to $70,000 of the Assessed Valuation of property owned and used exclusively by veterans, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran's disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs.

The Disabled Veterans' Standard Homestead Exemption provides an annual homestead exemption of (a) $5,000 to those veterans with a service-connected disability of 70% (75% for exemptions granted from 2007 to 2009) and (b) $2,500 to those veterans with a service-connected disability of less than 70% (75% for exemptions granted from 2007 to 2009), but at least 50%.

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

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

TAX LEVY

As part of the annual budgetary process of governmental units (the *"Units"*) with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings 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 computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes 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 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 Property Tax Extension Limitation Law, as amended (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 (such as the 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 taxing 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 "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose 2009-2013." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have 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 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 also serves as 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. Beginning with the first installment payable in 2010, the first installment is equal 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 based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

Tax Levy Year	Second Installment Penalty Date
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
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

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. In the future, the County may provide for tax bills to be payable in four installments instead of two.

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.

Within 90 days following the second installment due date, 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 a 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.

TRUTH IN TAXATION LAW

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

SCHOOL DISTRICT FINANCIAL PROFILE

As of the date of this Official Statement, 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). This system identifies those school districts which are moving into financial distress.

The system 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, 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 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 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.

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
2013	3.80	Financial Recognition	3.80	Financial Recognition
2012	3.80	Financial Recognition	3.80	Financial Recognition
2011	3.90	Financial Recognition	3.90	Financial Recognition
2010	3.80	Financial Recognition	3.80	Financial Recognition
2009	3.00	Financial Early Warning	3.35	Financial 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, 2013, 32.45% of the District's General Fund revenue came from sources at the State, including State Aid. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

The State provides for four different types of State Aid, each of which is discussed in greater detail below. The four forms of State Aid are: (a) General State Aid, (b) Supplementary State Aid, (c) Categorical State Aid and (d) Competitive Grant Aid. The percentage of the District's State Aid derived from each of these categories is set forth in *Exhibit C.*

Illinois legislators have introduced several proposals for modifying the manner in which General State Aid is allocated among the various Illinois school districts. In particular, Senate Bill 16 (*"SB 16"*), which has passed the Illinois Senate, would modify the General State Aid formula set forth below to change the manner in which funding is allocated to school districts with students who exhibit one or more of a list of attributes set forth in SB 16. In addition, SB 16 would eliminate several categories of mandated Categorical State Aid, as defined below, and include those dollars as part of a new State Aid formula. If enacted into law, SB 16 may have a material impact on the amount of State Aid received by the District in future fiscal years, which may affect the finances of the District. The District cannot predict whether, or in what form, State Aid reform, including SB 16, may be enacted into law, nor can the District predict the effect of such reform on the District's finances.

GENERAL STATE AID

General State financial aid (*"General State Aid"*) for Illinois school districts is computed beginning with the fiscal year commencing July 1. General State Aid makes up the difference between the available local resources per pupil (the *"Available Local Resources"*) and a foundation level (the *"Foundation Level"*). The Foundation Level is a figure established annually by the State's budget representing the minimum level of per pupil financial support that should be available to provide for the basic education of each pupil determined in accordance with the average daily attendance, as such term is defined in the School Code. The Foundation Level has been established at $6,119 in each of the most recent five school years.

A district's Available Local Resources are determined by multiplying equalized assessed valuation by the calculation tax rate, which is established by statute. Currently, the calculation tax rate is 3.00% for unit districts, 2.30% for elementary districts and 1.05% for high school districts. The product is added to revenue from the corporate personal property replacement tax, and the total is divided by the best three months average daily pupil attendance to arrive at the district's Available Local Resources per pupil. For districts subject to the hereinafter defined

Limitation Law, Available Local Resources may be limited by such districts' extension limitation ratio, calculated in accordance with the School Code.

General State Aid makes up the difference between the Foundation Level and the Available Local Resources multiplied by the Average Daily Attendance (as defined in Section 18-8.05(C) of the School Code) (the *"ADA"*). The ADA equals the monthly average of the actual number of pupils in attendance of each school district, as further averaged for the best three months of pupil attendance for each school district. The attendance data used to calculate the ADA for the purpose of determining the amount of General State Aid is the greater of the (a) requisite attendance data for the school year immediately preceding the school year for which General State Aid is being calculated or (b) average of the requisite attendance data for the three preceding school years.

For any district with Available Local Resources of less than 93 percent of the Foundation Level, the entire deficiency in Available Local Resources as compared to the Foundation Level is awarded in General State Aid. Where Available Local Resources represent 93 to 175 percent of the foundation amount, State Aid is reduced on a sliding scale. Where a district has Available Local Resources representing 175 percent or more of the Foundation Level, the district receives a flat $218 per ADA.

Other factors important in determining a school district's aid include, but are not limited to, the following:

1. any applicable reductions in a district's EAV;

2. the number of special need students in a district;

3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;

4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;

5. the number of days the schools of the district are operating with students in attendance;

6. whether or not kindergarten students attend for full day or one-half day sessions;

7. whether the schools in the district are recognized by ISBE as meeting state-required standards for recognition; and

8. changes in enrollment.

While the Foundation Level has not been adjusted in recent years, the State budget for General State Aid has been reduced. As such, the State has not been able to fund fully the General State Aid formula. For fiscal year 2012, General State Aid was prorated by approximately 5%, with each district receiving 95% of its calculated entitlement. For fiscal year 2013, total General State Aid was reduced by $161 million from fiscal year 2012, and the rate of proration increased to approximately 11%, with each district receiving approximately 89% of its entitlement. For fiscal year 2014, total General State Aid was increased by $155 million from fiscal year 2013 allowing the proration to remain at approximately 11%, with each district receiving approximately 89% of its entitlement.

SUPPLEMENTARY STATE AID

In addition to General State Aid, districts with specified levels or concentrations of pupils from low-income households are eligible to receive supplemental general State aid financial grants (*"Supplemental General State Aid"*). Supplemental General State Aid is distributed to districts pursuant to a statutory formula based upon the number of low-income pupils in the district. The low-income pupil count is determined by the Department of Human Services based on the number of pupils eligible for at least one of a variety of low-income programs as of July 1 of the immediately preceding fiscal year. The amount of Supplemental General State Aid received by a district increases as the ratio of low-income pupils to the ADA increases.

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. At present, the School Code provides 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.

Though 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 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 determined separately for each category of aid year-to-year 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.

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2014, the largest Competitive Grant State Aid programs were in Bilingual Education and Early Childhood Education. For fiscal year 2014, Public Acts 98-033 and 98-034 provide a total of $471.6 million for all programs qualifying a school district for Competitive Grant State Aid.

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 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. For fiscal years 2010, 2011 and 2012, the deadline for such payment was extended to 180 days. The deadline for the State to make Categorical State Aid payments was not extended for fiscal year 2013. However, no assurances can be given that an extension for such payment will not be made in the future.

See *Exhibit C* for a summary of the District's general fund revenue sources.

RETIREMENT PLANS

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in the Teachers' Retirement System of the State of Illinois (*"TRS"*). 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 outside the City of Chicago.

The Illinois Pension Code sets the benefit provisions of TRS, which can only be amended by the Illinois General Assembly. The State of Illinois maintains primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available comprehensive annual financial report that includes financial statements and required supplementary information. The report may be viewed at TRS's website as follows: http://trs.illinois.gov/subsections/pubs/publications.htm.

See Note 10 to the Audit, as hereinafter defined, attached hereto as Appendix A, for a more complete discussion.

Employer Funding of Teachers' Retirement System

Under the Illinois Pension Code, teachers' employers (such as the District) are required to contribute 0.58% of each teacher's salary to TRS. According to TRS, school districts in fiscal year 2011 contributed a combined $155 million to TRS while the State contributed $2.4 billion. TRS also estimates that if school districts would have been required to contribute normal costs for fiscal year 2011, the total contributions made by school districts would have totaled $800 million. In general, normal costs consist of the portion of the present value of retirement benefits that are allocable to active employee members' current year of service.

In an attempt to remedy severe under-funding of the State's retirement systems, on April 20, 2012, Governor Quinn proposed changes to the manner of funding of such retirement systems, including TRS, with the goal of reaching full funding by 2042. One proposed change would require school districts, including the District, to contribute the full amount of the normal costs of their employees' TRS pensions (the *"Cost Shifting Proposal"*). The Cost Shifting Proposal, as offered by the Governor, would phase in such contributions over the course of several years.

Discussions and deliberations on the complex topic of pension reform remain fluid. In December 2013, the General Assembly passed legislation designed to reform the State's pension systems. Such reform legislation is currently being challenged in multiple lawsuits. The Cost Shifting Proposal was not included in such reforms. The District cannot predict whether, or in what form, the Cost Shifting Proposal may be enacted into law. Furthermore, it is possible that any future pension reform legislation that is ultimately passed by the General Assembly (including any legislation containing the Cost Shifting Proposal) could face court challenges.

If the Cost Shifting Proposal were to become law, it may have a material adverse effect on the finances of District. How local school districts, including the District, would pay for such shift of contributions cannot be determined at the current time. Property taxes to pay pension costs are capped by the Limitation Law. If such pension expenditures are not exempted from the Limitation Law, school districts (such as the District) would have to pay such additional contributions from revenues or reserves.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the Illinois Municipal Retirement Fund (the *"IMRF"*). The IMRF is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in Illinois. IMRF is established and administered under statutes adopted by the Illinois General Assembly. The Illinois Pension Code sets the benefit provisions of the IMRF, which can only be amended by the Illinois General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the *"IMRF Account"*) along with a unique employer contribution rate determined by the IMRF Board, as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board of Trustees (the *"IMRF Board"*). The District's contribution rate for calendar year 2013 was 11.13% of covered payroll.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at the IMRF's website as follows: http://www.imrf.org/pubs/annual_reports/annual_rpts.htm.

Actuarial Assumptions

The IMRF Board makes contribution decisions on the basis of an actuarial valuation performed by the IMRF's actuary (the *"Actuary"*). In the actuarial valuation, the Actuary employs certain actuarial methods and assumptions regarding future activity in specific risk areas, including investment return, payroll growth and retiree longevity, to make determinations regarding the future liability of the IMRF to pay benefits and, as a result, to determine the amount that must be contributed in the current year to provide for payment of those benefits in the future. The assumptions and the methods used by the IMRF comply with the requirements of the Governmental Accounting Standards Board.

The IMRF Board adopts its assumptions after considering the advice of the Actuary. At present, the Actuary uses the following assumptions, among others, in generating the actuarial valuation for the IMRF: (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% per year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually.

Actuarial assumptions that vary widely from pension plan experience may have the effect of causing over or under contributions by participating employers to their respective IMRF accounts. To ensure accurate actuarial assumptions, the Actuary conducts an experience study, which is a comparison of the actual experience of the IMRF to the assumptions previously used by the Actuary, every three years and makes recommendations to the IMRF Board with respect to necessary changes to such assumptions.

See Note 10 to the Audit for additional information on the IMRF's actuarial methods and assumptions.

Funded Status

As of December 31, 2013, the most recent actuarial valuation date, the District's IMRF Account had a funded ratio (*"Funded Ratio"*) of 85.14% on an actuarial basis, taking into account the Asset Smoothing Method, as described in the footnote to the table below, which corresponds to an unfunded actuarial accrued liability (*"UAAL"*) of $1,905,055. On a market value basis, the IMRF Account's Funded Ratio was 102.39%, which corresponds to an UAAL of $0. The Funded Ratios described herein with respect to the IMRF Account represent the percentage of the Actuarial Accrued Liability (*"AAL"*) funded with respect to active and inactive members only. The District has funded 100% of the AAL with respect to its retirees. The Funded Ratio and UAAL for the District's IMRF Account as of December 31, 2011, through December 31, 2013, were as follows:

Calendar Date (December 31)	The IMRF Account: Actuarial Value(1) Funded Ratio	UAAL	Market Value Funded Ratio	UAAL
2013	85.14%	$1,905,055	102.39%	$ 0
2012	77.30%	2,791,943	80.38%	2,413,160
2011	76.94%	2,682,930	72.57%	3,192,116

Source: The District's GASB 50 disclosures.

(1) The Funded Ratio and UAAL for the District's IMRF Account are computed using the actuarial value of assets calculated pursuant to the asset smoothing method (the *"Asset Smoothing Method"*). The Asset Smoothing Method lessens the immediate impact of market fluctuations on the actuarial value of assets, the UAAL and the Funded Ratio that may otherwise occur as a result of market volatility. However, asset smoothing delays recognition of gains and losses, thereby providing an actuarial value of assets that does not reflect the true value of pension plan assets at the time of measurement. As a result, presenting the actuarial value of assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually.

The District contributed all of its annual pension cost (*"APC"*), as determined by the IMRF Board, to the IMRF Account in calendar years 2011-2013. The District anticipates that it will continue to make full contributions to its IMRF Account, which includes an amortization of the UAAL, in the coming years. The District's contributions to its IMRF Account for calendar years 2011 through 2013 were as follows:

Calendar Year Ended December 31	The IMRF Account: APC	Percentage Contributed
2013	$615,683	100%
2012	620,758	100%
2011	552,484	100%

Source: The District's GASB 50 disclosures.

Please see Note 10 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, the funded status and funding progress of the IMRF Account, and information on the assumptions and methods used by the Actuary.

Bond Rating

S&P has assigned the Bonds a rating of "AA-" (Stable Outlook). This rating reflects only the views of such organization and any explanation of the significance of such rating may only be obtained from the rating agency. Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to S&P by the District. There is no assurance that the rating will be maintained for any given period of time or that it may not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the rating or to oppose any such revision or withdrawal.

TAX EXEMPTION

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

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

In rendering its opinions, Bond Counsel will rely upon certifications of the District with respect to certain material facts within the District's knowledge. Bond Counsel's opinions represent its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinions 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 corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income (*"AMTI"*), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

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

The issue price (the *"Issue Price"*) for each maturity of the Bonds is the price at which a substantial amount of such maturity of the Bonds is first sold to the public. The Issue Price of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

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

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

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

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

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

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

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the 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 the Rule. 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 statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in "THE UNDERTAKING."

The District did not file annual financial information or audited financial statements within the times prescribed by previous continuing disclosure undertakings for its fiscal years ending June 30, 2009, and June 30, 2010. The District filed such information with the MSRB on April 19, 2011, together with a material event failure to file notice. The District has timely filed its annual financial information and audited financial statements for fiscal years ending June 30, 2011, June 30, 2012 and June 30, 2013. The District also failed to file one or more rating change notices regarding the insured ratings on some of its outstanding obligations.

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 "APPENDIX B—Form of Continuing Disclosure Undertaking." 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.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2013 (the *"Audit"*), contained in Appendix C, including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek Co., Inc. Calumet City, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official

Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance, of the District.

BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds 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 Bond certificate will be issued for each maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

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 Exchange Act. DTC holds and provides asset servicing for over 3.6 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 is rated "AA+" by S&P. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **www.dtcc.com**.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond (*"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 Bonds 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 Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds 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 Bonds 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 Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds 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.

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 Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds 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 Registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds 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.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds 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 the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, distributions, and dividend payments on the Bonds 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 detailed information from the District or Registrar, 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 bonds 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 Registrar, 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 Registrar, 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.

DTC may discontinue providing its services as securities depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor securities depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District takes no responsibility for the accuracy thereof.

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*) is also passing on certain matters for the Underwriter with respect to the Bonds. Although as Underwriter's Counsel, Chapman and Cutler has assisted the Underwriter with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Underwriter's Counsel was undertaken solely at the request and for the benefit of the Underwriter, to assist it in discharging its responsibility with respect to the Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

No Litigation

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Bonds, or in any way contesting or affecting the validity or enforceability of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Bonds are delivered.

Underwriting

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of $4,000,421.40 (consisting of the original principal amount of the Bonds of $3,865,000.00, plus original issue premium of $160,543.90 and less an Underwriter's discount of $25,122.50). The Underwriter intends to reoffer the Bonds at an average price of 104.153788% of the principal amount of the Bonds.

The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

BMO Capital Markets is the trade name for certain capital markets and investment banking services of Bank of Montreal and its subsidiaries. BMO Capital Markets is a direct, wholly-owned subsidiary of BMO Financial Corp., which is itself a wholly-owned subsidiary of Bank of Montreal.

AUTHORIZATION

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of the adoption of the Bond Resolution, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/ Richard Dust
President, Board of Education
Township High School District Number 215,
Cook County, Illinois

October 28, 2014

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, 2009-2014

	GENERAL[1]	SPECIAL REVENUE[2]	DEBT SERVICE	CAPITAL PROJECTS[3]	WORKING CASH FUND	TOTAL
Beginning Balance	$11,286,370	$ 777,247	$1,123,200	$ 506,469	$1,507,829	$15,201,115
Revenues	42,224,438	3,692,682	2,570,295	3,198	356,603	48,847,216
Expenditures	45,152,182	3,419,151	2,568,064	509,667	0	51,649,064
Net Transfers	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0
Net Changes in Fund Balance	(2,927,744)	273,531	2,231	(506,469)	356,603	(2,801,848)
Ending Balance June 30, 2009	$ 8,358,626	$1,050,778	$1,125,431	$0	$1,864,432	$12,399,267
Beginning Balance	$ 8,248,671	$1,050,778	$1,125,431	$0	$1,864,432	$12,289,312
Revenues	47,148,614	4,447,137	2,638,916	11,698	347,263	54,593,628
Expenditures	44,060,036	4,079,661	2,710,253	2,745,791	0	53,595,741
Net Transfers	0	0	0	0	0	0
Other Sources (Uses)	(111,579)	0	111,579	3,000,444	0	3,000,444
Net Changes in Fund Balance	2,976,999	367,476	40,242	266,351	347,263	3,998,331
Other Changes in Fund Balance	0	0	0	0	0	0
Ending Balance June 30, 2010	$11,225,670	$1,418,254	$1,165,673	$266,351	$2,211,695	$16,287,643
Beginning Balance	$11,225,670	$1,418,254	$1,165,673	$266,351	$2,211,695	$16,287,643
Revenues	49,795,638	4,220,325	2,703,852	18,960	358,912	57,097,687
Expenditures	42,877,618	3,903,130	2,775,779	2,480,687	0	52,037,214
Net Transfers	0	0	0	6,650,000	(6,650,000)	0
Other Sources (Uses)	0	0	0	0	6,957,109	6,957,109
Net Changes in Fund Balance	6,918,020	317,195	(71,927)	4,188,273	666,021	12,017,582
Prior Period Adjustment	(1,160,225)	0	0	0	0	(1,160,225)
Ending Balance June 30, 2011	$16,983,465	$1,735,449	$1,093,746	$4,454,624	$2,877,716	$27,145,000
Beginning Balance	$16,983,465	$1,735,449	$1,093,746	$4,454,624	$2,877,716	$27,145,000
Revenues	49,742,884	4,016,807	2,502,644	250,000	334,021	56,846,356
Expenditures	46,090,532	4,103,750	3,151,846	4,734,112	0	58,080,240
Net Transfers	(264,701)	0	264,701	0	0	0
Other Sources (Uses)	0	0	0	0	0	0
Net Changes in Fund Balance	3,387,651	(86,943)	(384,501)	(4,484,112)	334,021	(1,233,884)
Ending Balance June 30, 2012	$20,371,116	$1,648,506	$709,245	$(29,488)	$3,211,737	$25,911,116
Beginning Balance	$20,371,116	$1,648,506	$709,245	$(29,488)	$3,211,737	$25,911,116
Revenues	50,063,337	4,738,987	2,989,498	7,790	294,584	58,094,196
Expenditures	48,862,450	3,952,979	3,059,040	3,230,718	0	59,105,187
Net Transfers	(2,957,013)	0	333,616	6,608,329	(3,984,932)	0
Other Sources (Uses)	0	0	0	0	3,991,398	3,991,398
Net Changes in Fund Balance	(1,756,126)	786,008	264,074	3,385,401	301,050	2,980,407
Ending Balance June 30, 2013	$18,614,990	$2,434,514	$ 973,319	$3,355,913	$3,512,787	$28,891,523
Beginning Balance*	$18,614,990	$2,434,514	$973,319	$3,355,913	$3,512,787	$28,891,523
Revenues*	53,708,137	4,253,062	3,318,909	256,591	227,157	61,763,856
Expenditures*	52,341,058	4,259,474	2,982,167	4,877,362	0	64,460,061
Net Transfers*	(3,000,000)	0	0	3,000,000	0	0
Other Sources (Uses)*	0	0	0	0	0	0
Net Changes in Fund Balance*	(1,632,921)	(6,412)	336,742	(1,620,771)	227,157	(2,696,205)
Ending Balance June 30, 2014*	$16,982,069	$2,428,102	$1,310,061	$1,735,142	$3,739,944	$26,195,318

Source: The audited financial statements of the District for the years ending June 30, 2009-2013 and the unaudited financial statements for the year ending June 30, 2014.

* All financial figures for fiscal year 2014 shown above were obtained from the District's unaudited financial statements for fiscal year ended June 30, 2014.

(1) Includes Educational Fund and Operation and Maintenance Fund

(2) Includes Transportation Fund, Municipal Retirement Fund and Tort Fund.

(3) Includes Capital Projects Fund and Fire Prevention and Safety Fund.

EXHIBIT B — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDING JUNE 30, 2009-2013

	YEAR ENDED JUNE 30, 2009	YEAR ENDED JUNE 30, 2010	YEAR ENDED JUNE 30, 2011	YEAR ENDED JUNE 30, 2012	YEAR ENDED JUNE 30, 2013
Local Sources	63.34%	60.85%	59.04%	60.04%	61.15%
State Sources:					
— General Aid	20.58%	22.32%	28.48%	30.01%	27.72%
— Supplementary General Aid	0.00%	0.00%	0.00%	0.00%	0.00%
— Mandated Categorical	0.04%	2.58%	3.68%	3.99%	4.08%
— Other State Sources	3.83%	0.51%	0.55%	0.46%	0.64%
Total State Sources	24.45%	25.41%	32.71%	34.46%	32.45%
Federal Sources	12.21%	13.74%	8.25%	5.50%	6.40%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the years ending June 30, 2009-June 30, 2013. Fur purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL - 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 Township High School District Number 215, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*), to the amount of $3,865,000, dated November 26, 2014, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2015	$310,000	2.00%
2016	320,000	2.00%
2017	325,000	2.00%
2018	330,000	2.00%
2019	340,000	2.50%
2020	345,000	2.50%
2021	355,000	3.00%
2022	365,000	3.25%
2023	375,000	4.00%
2024	395,000	4.00%
2025	405,000	4.00%

as provided in the Proceedings, 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 outstanding General Obligation Bonds (Alternate Revenue Source), Series 2005, General Obligation School Bonds (Alternate Revenue Source), Series 2009A and Taxable General Obligation School Bonds (Alternate Revenue Source), Series 2009B, from taxes, grants, state aid, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property and (ii) ad valorem property taxes levied against all of the 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 rights and remedies of creditors and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (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 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.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to 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 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.

APPENDIX B

CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Township High School District Number 215, Cook County, Illinois (the *"District"*), in connection with the issuance of $3,865,000 General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 28th day of October, 2014 (the *"Resolution"*).

In consideration of the issuance of the Bonds by the District and the purchase of such Bonds by the beneficial owners thereof, the District covenants and agrees as follows:

1. PURPOSE OF THIS AGREEMENT. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). The District represents that it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds.

2. DEFINITIONS. The terms set forth below shall have the following meanings in this Agreement, unless the context clearly otherwise requires.

"Annual Financial Information" means information of the type contained in the following headings, subheadings and exhibits of the Final Official Statement:

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS
—Summary of Outstanding Debt
—Direct General Obligation Bonded Debt (Principal Only)
—Alternate Revenue Bonds (Principal Only)
—Selected Financial Information (only as it relates to direct debt)
—Statutory Debt Limit
—Composition of District Equalized Assessed Valuation
—Trend of District Equalized Assessed Valuation
—Taxes Extended and Collected
—School District Tax Rates by Purpose
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance
Exhibit B—General Fund Revenue Sources

Annual Financial Information Disclosure means the dissemination of disclosure concerning Annual Financial Information and the dissemination of the Audited Financial Statements as set forth in Section 4.

Audited Financial Statements means the audited financial statements of the District prepared pursuant to the standards and as described in *Exhibit I*.

Commission means the Securities and Exchange Commission.

Dissemination Agent means any agent designated as such in writing by the District and which has filed with the District a written acceptance of such designation, and such agent's successors and assigns.

EMMA means the MSRB through its Electronic Municipal Market Access system for municipal securities disclosure or through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

Exchange Act means the Securities Exchange Act of 1934, as amended.

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated October 28, 2014, and relating to the Bonds.

Participating Underwriter means each broker, dealer or municipal securities dealer acting as an underwriter in the primary offering of the Bonds.

Reportable Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II*.

Reportable Events Disclosure means dissemination of a notice of a Reportable Event as set forth in Section 5.

Rule means Rule 15c2-12 adopted by the Commission under the Exchange Act, as the same may be amended from time to time.

State means the State of Illinois.

Undertaking means the obligations of the District pursuant to Sections 4 and 5.

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III.* The District will include the CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA 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 and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents required to be filed with EMMA, including financial statements and all other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby 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 EMMA 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. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

In the event of a failure of the District to comply with any provision of this Agreement, 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 this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

7. AMENDMENTS; WAIVER. Notwithstanding any other provision of this Agreement, the District by resolution authorizing such amendment or waiver, may amend this Agreement, and any provision of this Agreement may be waived, if:

(a) (i) The amendment or 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) This Agreement, 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 shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

8. TERMINATION OF UNDERTAKING. The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution. The District shall give notice to EMMA in a timely manner if this Section is applicable.

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

10. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Reportable Event, in addition to that which is required by this Agreement. 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 this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Reportable Event.

11. BENEFICIARIES. This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure

solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

12. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Reportable Events Disclosure, including the content of such disclosure, the names of the entities with whom such disclosure was filed and the date of filing such disclosure.

13. ASSIGNMENT. The District shall not transfer its obligations under the Resolution unless the transferee agrees to assume all obligations of the District under this Agreement or to execute an Undertaking under the Rule.

14. GOVERNING LAW. This Agreement shall be governed by the laws of the State.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By ______________________________________
President, Board of Education

Date: November 26, 2014

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information and Audited Financial Statements will be submitted to EMMA by 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, unaudited financial statements shall be included. If unaudited financial statements are filed, the District shall submit Audited Financial Statements to EMMA within 30 days of availability to the District. Audited Financial Statements will be prepared in accordance with the modified accrual basis of accounting.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

EXHIBIT II
EVENTS WITH RESPECT TO THE BONDS
FOR WHICH REPORTABLE EVENTS DISCLOSURE IS REQUIRED

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

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* This 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.

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER (215651)
2015	KG4
2016	KH2
2017	KJ8
2018	KK5
2019	KL3
2020	KM1
2021	KN9
2022	KP4
2023	KQ2
2024	KR0
2025	KS8

APPENDIX C

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2013

The audited financial statements of the District for the fiscal year ended June 30, 2013, contained in Appendix C (the *"Audit"*), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance of the District.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL

DISTRICT NO. 215, COOK COUNTY, ILLINOIS

AUDITED FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2013

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John Kasperek Co., Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

Board of Education
Thornton Fractional Township High School District No. 215
Calumet City, Illinois

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215 as of June 30, 2013, and the respective changes in financial position thereof for the years then ended in conformity with accounting principles generally accepted in the United States of America

Telephone: (708) 862-2262 / Facsimile (708) 891-3396
1471 Ring Road / Calumet City, Illinois 60409
www.kasperekcpa.com

Change in Accounting Principle

As discussed in Note 14 to the financial statements, in July 2012 Thornton Fractional Township High School District No. 215 adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

The Summary of Funding Progress relative to the Illinois Municipal Retirement Fund and Postemployment Benefits, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The accompanying budgetary comparison schedules listed as Required Supplementary Information in the table of contents are supplementary information required by the Governmental Accounting Standards Board and are presented for purposes of additional analysis and are not a required part of the basic financial statements of Thornton Fractional Township High School District No. 215. The budgetary comparison schedules have been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Management has omitted the management discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements. The combining and individual nonmajor fund financial statements, and other supplementary information is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements are fairly presented, in all material respects, in relation to the basic financial statements as a whole.

The other supplementary information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards,* we have also issued our report dated October 15, 2013, on our consideration of Thornton Fractional Township High School District No. 215's internal control over financial reporting and on our tests of compliance with certain provisions of laws, regulations, contracts, and grants agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Thornton Fractional Township High School District No. 215's internal control over financial reporting and compliance.

John Kasperek Co., Inc.

Calumet City, Illinois
October 15, 2013

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF NET POSITION
JUNE 30, 2013

		Governmental Activities
ASSETS		
Cash/investments - pooled accounts	$	29,106,152
Cash at district		58,779
Property taxes receivable, net		16,353,818
Due from other governments		1,577,780
Accrued interest receivable		59,318
Capital assets		
Land		560,301
Construction-in-progress		233,738
Depreciable capital assets, net		56,834,740
Total capital assets, net of depreciation		57,628,779
TOTAL ASSETS		104,784,626
DEFERRED OUTFLOWS OF RESOURCES		
Unamortized bond issuance costs		254,103
TOTAL DEFERRED OUTFLOWS OF RESOURCES		254,103
LIABILITIES		
Accounts payable	$	662,590
Accrued payroll and related items		302,089
Other current liabilities		10,000
Other long-term liabilities		935,828
Accrued interest payable		95,407
Long-term liabilities		
Portion due or payable within one year		
Bonds and other long-term debt		1,991,680
Accrued compensated absences		92,947
Portions due or payable after one year		
Bonds and other long-term debt		28,393,651
Accrued compensated absences		222,781
TOTAL LIABILITIES		32,706,973
NET POSITION		
Net investment in capital assets		27,243,448
Restricted for		
Operation and Maintenance		1,590,000
Debt service		879,398
Transportation		1,719,449
Social Security/IMRF		289,519
Capital projects		3,355,913
Tort immunity		424,060
Unrestricted		36,829,968
TOTAL NET POSITION	$	72,331,755

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

		Program Revenues		Net (Expenses)
	Expenses	Charges for Services	Operating Grants and Contributions	Revenues and Changes in Net Assets
Functions/Programs				
Governmental activities				
Instruction				
Regular instruction	$ 16,244,089	$ 953,042	$ 1,198,635	$ (14,092,412)
Special education instruction	4,585,876	-	1,853,311	(2,732,565)
Other instruction	3,977,924	56,596	277,628	(3,643,700)
State retirement contribution	4,983,196	-	4,983,196	-
	29,791,085	1,009,638	8,312,770	(20,468,677)
Support services				
Pupil services	3,498,066	-	150,789	(3,347,277)
Instructional staff services	2,124,002	-	2,872	(2,121,130)
General administration services	917,555	-	-	(917,555)
School administration services	2,036,818	-	-	(2,036,818)
Business services	599,478	-	-	(599,478)
Facilities acquisition and construction services	1,775,825	-	-	(1,775,825)
Operation & maintenance of plant services	4,465,896	213,319	50,000	(4,202,577)
Pupil transportation services	2,273,278	98	1,133,812	(1,139,368)
Food services	1,661,640	263,429	926,112	(472,099)
Central & other support services	456,756	-	-	(456,756)
State retirement contribution	1,203,896	-	1,203,896	-
	21,013,210	476,846	3,467,481	(17,068,883)
Community services	53,316	-	-	(53,316)
Nonprogrammed charges	2,870,382	-	-	(2,870,382)
Interest and fees	1,229,949	-	-	(1,229,949)
Tort immunity	356,088	-	-	(356,088)
Depreciation - unallocated *	704,102	-	-	(704,102)
Total governmental activities	$ 56,018,132	$ 1,486,484	$ 11,780,251	(42,751,397)

General revenues	
Taxes:	
Property taxes, levied for current operating purposes	27,716,912
Property taxes, levied for debt service	3,048,238
Corporate personal property replacement taxes	1,015,602
Flow through	24,419
General state aid	13,047,687
Premium on bonds sold	40,037
Investment earnings	306,775
Change in net assets	2,448,272
Net position - beginning	54,474,558
Adjustment to Net Position**	15,408,925
Net position - ending	$ 72,331,755

* This amount excludes the depreciation that is included in the direct expenses of various functions. See Note 3.

** Due to implementing GASB 65, a one time adjustment was done to include prior year deferred revenue. See Note 15.

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2013

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
ASSETS				
Cash/investments - pooled accounts	$ 16,052,027	$ 3,040,414	$ 10,013,711	$ 29,106,152
Cash at district	58,633	-	146	58,779
Property taxes receivable, net	11,706,356	1,433,088	3,214,374	16,353,818
Due from other governments	1,062,057	206,283	309,440	1,577,780
Accrued interest on investments	32,715	6,200	20,403	59,318
TOTAL ASSETS	$ 28,911,788	$ 4,685,985	$ 13,558,074	$ 47,155,847
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable	$ 571,012	$ 34,411	$ 57,167	$ 662,590
Accrued payroll and related liabilities	265,655	36,434	-	302,089
Other current liabilities	-	-	10,000	10,000
Other long-term liabilities	935,828	-	-	935,828
TOTAL LIABILITIES	1,772,495	70,845	67,167	1,910,507
DEFERRED INFLOWS OF RESOURCES				
Deferred revenue:				
Property taxes receivable	11,706,356	1,433,088	3,214,374	16,353,818
TOTAL DEFERRED INFLOWS OF RESOURCES	11,706,356	1,433,088	3,214,374	16,353,818
FUND BALANCES				
Restricted	-	-	1,686,898	1,686,898
Committed	-	1,590,000	-	1,590,000
Assigned	-	-	5,076,848	5,076,848
Unassigned	15,432,937	1,592,052	3,512,787	20,537,776
TOTAL FUND BALANCES	15,432,937	3,182,052	10,276,533	28,891,522
TOTAL LIABILITIES AND FUND BALANCES	$ 28,911,788	$ 4,685,985	$ 13,558,074	$ 47,155,847

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2013

Total fund balances for governmental funds (page 6)		$ 28,891,522
Amounts reported for governmental activities in the statement of net assets (page 5) are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		57,628,779
Certain property tax collections are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources.		16,353,818
Accrued interest payable on long-term liabilities is not currently due and therefore is not reported in the funds.		(95,407)
Bond issuance costs that are an expenditure in the fund financial statements are an asset that is amortized over the life of the bonds in the government-wide financial statements.		254,103
Premium on bonds that is an other financing source in the fund financial statements is a liability that is amortized over the life of the bonds in the government-wide financial statements.		(913,652)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:		
Bonds payable	(29,360,000)	
Capital lease obligations	(111,680)	
Accrued compensated absences	(315,728)	(29,787,408)
NET POSITION (page 4)		$ 72,331,755

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES				
Property taxes	$ 21,512,575	$ 2,661,050	$ 5,646,632	$ 29,820,257
Personal property replacement taxes	-	947,920	67,682	1,015,602
Charges for services	817,585	182,252	98	999,935
Refund of prior year expenses	455,482	31,067	-	486,549
Investment earnings	186,364	44,632	75,779	306,775
Flow through from state sources	24,419	-	-	24,419
Unrestricted state aid	9,652,687	2,635,000	760,000	13,047,687
Restricted state aid	1,775,616	50,000	1,444,031	3,269,647
State retirement contributions	6,187,092	-	-	6,187,092
Restricted federal aid	2,899,596	-	36,637	2,936,233
TOTAL REVENUES	43,511,416	6,551,921	8,030,859	58,094,196
EXPENDITURES				
Current operating				
Instruction				
Regular instruction	16,012,451	-	204,548	16,216,999
Special education instruction	4,467,764	-	118,112	4,585,876
Other instruction	3,925,729	-	68,382	3,994,111
State retirement contributions	4,983,196	-	-	4,983,196
Support services				
Pupil services	3,369,313	-	177,836	3,547,149
Instructional staff services	2,124,331	-	71,684	2,196,015
General administration services	904,141	-	21,292	925,433
School administration services	1,948,199	-	88,394	2,036,593
Business services	540,554	-	56,514	597,068
Operations & maintenance of plant services	603	4,102,904	367,221	4,470,728
Pupil transportation services	5,604	-	2,267,674	2,273,278
Food services	1,515,058	-	102,418	1,617,476
Central and other support services	405,686	-	52,178	457,864
State retirement contributions	1,203,896	-	-	1,203,896
Community services	52,678	-	638	53,316
Nonprogrammed charges	2,870,382	-	-	2,870,382
Tort immunity	-	-	356,088	356,088
Debt service	-	-	3,059,040	3,059,040
Capital outlay	272,249	157,712	3,230,718	3,660,679
TOTAL EXPENDITURES	44,601,834	4,260,616	10,242,737	59,105,187
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,090,418)	2,291,305	(2,211,878)	(1,010,991)
OTHER FINANCING SOURCES (USES)				
Permanent transfers	-	(2,957,013)	2,957,013	-
Proceeds from sale of bonds	-	-	14,760,000	14,760,000
Premium on bonds sold	-	-	953,688	953,688
Refunded Bonds - Principal	-	-	(11,365,000)	(11,365,000)
Refunded Bonds - Interest	-	-	(93,492)	(93,492)
Bond issuance costs	-	-	(263,798)	(263,798)
TOTAL OTHER FINANCING SOURCES (USES)	-	(2,957,013)	6,948,411	3,991,398
NET CHANGE IN FUND BALANCE	(1,090,418)	(665,708)	4,736,533	2,980,406
FUND BALANCES - Beginning of the year	16,523,356	3,847,760	5,540,000	25,911,116
FUND BALANCES - End of year	$ 15,432,937	$ 3,182,052	$ 10,276,533	$ 28,891,522

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2013

Net change in fund balances - total governmental funds (page 8)		$ 2,980,406
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. A difference results by the amount by which depreciation expense differs from capital outlay in the period:		
Capital outlay reported in governmental fund statements	3,660,679	
Depreciation expense reported in the statement of activities	(2,524,091)	
Net adjustment		1,136,588
Revenues reported in the governmental funds that were reported as revenue in the statement of activities in the prior year under the full accrual.		(612,721)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal on long-term debt is an expenditure in the government funds but reduces the liability in the statement of net assets.		
Debt issued:		
Bonds issued	(14,760,000)	
Refunded Bonds	11,365,000	
Repayments of debt		
Capital lease	137,283	
General obligation debt	1,920,000	(1,337,717)
Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities		
Issuance cost amortization	(9,695)	
Issue cost on current year refunding	263,798	
Bond premium amortization	40,037	
Premium on current year issuance	(953,688)	(659,548)
Property tax revenues in the government-wide statement of activities include economic resources that are not reported as revenues in the governmental fund operating statement.		
Deferred @ 6/30/13	16,353,818	
Deferred @ 6/30/12	(15,408,926)	944,892
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following balances:		
Accrued compensated absences	(15,906)	
Accrued interest on long-term liabilities	12,278	
Combined adjustment		(3,628)
Change in net position of governmental activities (page 5)		$ 2,451,900

The accompanying notes are an integral part of this statement.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2013

	Agency Funds
ASSETS	
Cash and investments	$ 346,406
LIABILITIES	
Due to activity fund organizations	$ 346,406

The accompanying notes are an integral part of this statement.

1. <u>SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES</u>

A. THE FINANCIAL REPORTING ENTITY

Thornton Fractional Township High School District No. 215 (the "District") is located in Southern Cook County, Illinois. The District is responsible for educating students in ninth through twelfth grades who reside within the geographical boundaries of the Village of Burnham, City of Calumet City, Village of Lansing, and Village of Lynwood.

The District is a primary government. It was organized as a legal township high school district on April 12, 1926 and is governed by a Board of Education composed of seven elected members. These financial statements present Thornton Fractional Township High School District No. 215, a legally separate and fiscally independent government.

Component units are legally separate entities for which the District (primary government) is financially accountable, or for which the exclusion of the component unit would render the financial statements of the primary government misleading. The criteria used to determine if the primary government is financially accountable for a component unit includes whether or not the primary government appoints the voting majority of the potential component unit's governing body, is able to impose its will on the potential component unit, is in a relationship of financial benefit or burden with the potential component unit, or is fiscally depended upon by the potential component unit. Based on these criteria, there are no legally separate organizations for which the elected officials of the District are financially accountable that would be considered to be a component unit of the District's financial reporting entity.

B. BASIS OF PRESENTATION

<u>District-wide Financial Statements</u>: The statement of net position and the statement of activities display information about the primary government. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. These statements present governmental activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

<u>Fund Financial Statements</u>: The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category – *governmental* and *fiduciary* – are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. A fund is considered major if it is the primary operating fund of the District or if the assets, liabilities, revenues, or expenditures of that individual governmental fund are at least 10 percent of the corresponding total for all governmental funds. Also, the school district may decide what is a major fund. All remaining governmental funds are aggregated and reported as nonmajor funds.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities (arising from cash transactions) are accounted for through governmental funds.

The District reports the following major governmental funds:

The *Educational Fund* is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Special Education is included in the Educational fund.

The *Operations and Maintenance Fund* is a special revenue fund used to account for all costs of maintaining, improving, or repairing school buildings and property or renting buildings and property for school purposes and the related revenues.

Other governmental (nonmajor) funds of the District consist of the following funds:

The *Transportation Fund* is a special revenue fund created when the District pays the costs of transporting pupils for any purpose. Moneys received for transportation purposes from any source and related costs of transportation are accounted for in this fund.

The *Municipal Retirement/Social Security Fund* is a special revenue fund created when a separate tax is levied for the purpose of providing resources for the District's share of retirement benefits and/or social security and medicare only payments for covered employees.

The *Bond and Interest Fund* is a debt service fund maintained to account for separate taxes levied to provide cash to retire bonds and to pay the interest and other related costs on them.

The *Site and Construction Fund* is a capital projects fund created to account for financial resources to be used for the acquisition or construction of major capital facilities.

The *Working Cash Fund* is a special revenue fund created when a separate tax is levied for working cash purposes or if bonds are sold for this purpose.

The *Tort Immunity Fund* is a special revenue fund created when a separate tax is levied for the purpose of paying all costs relating to insurance and loss prevention.

The *Fire Prevention and Safety Fund* is a capital projects fund created when a tax is levied or bonds issued for fire prevention, safety, energy conservation, or school security purposes. The moneys received from the levy or the proceeds of the bond issue may only be used for the purposes stipulated in Section 17-2.11 of the School Code.

Fiduciary fund types are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments, or other funds.

The District reports the following fiduciary fund type:

Agency Funds include both Student Activity Funds and Convenience Accounts. They account for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organizations are equal to the assets.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING

District-wide and Fiduciary Fund Financial Statements

The district-wide and fiduciary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (i.e., intended to finance). Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available.

The District considers all revenues reported in the governmental funds to be available if the revenues are due (or past due) within sixty days after year-end. Property taxes, grants, tuition, and interest are considered to be susceptible to accrual. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. It is the District's policy to first apply cost-reimbursement grant resources to such programs, followed by categorical block grants, and then by general revenues.

D. CASH AND INVESTMENTS

The Thornton Fractional Township School Treasurer is the official custodian of moneys for the school districts within the township, including the District, as prescribed by Chapter 105, Section 5, Article 8 of the *Illinois Compiled Statutes*. The Township School Treasurer's Office, a legally separate entity under the oversight of the Thornton Fractional Township Trustees of Schools, pools the districts' moneys and invests, on the districts' behalf, in a cash and investment portfolio.

The Thornton Fractional Township School Treasurer is separately audited and is not included in these financial statements. Financial information may be obtained directly from the Thornton Fractional Township School Treasurer at 606 Burnham Avenue, Calumet City, Illinois 60409.

The Township School Treasurer's Office has adopted a formal written investment and cash management policy. The policy requires collateralization or independent third party insurance for deposits in federally insured institutions in excess of FDIC coverage limits, and other institutions in which the Treasurer's Office has invested. The Township School Trustees must approve the type of institution in which investments are made.

Deposits held in the District's name, consisting of imprest and activity fund accounts, are reported at cost. The District's equity in the Township School Treasurer's Pool is reported based on the cost or amortization cost of the underlying deposits and investments of the pool, which approximates fair value. Interest earned is deposited quarterly into the participating school districts' various funds.

E. PROPERTY TAXES RECEIVABLE

Property taxes receivable represent the 2012 and prior net uncollected tax levies. An allowance for estimated collection losses of 5% of the total levy has been provided to reduce the receivable to the estimated amounts collectible.

F. CAPITAL ASSETS

Capital assets, which include land, buildings, furniture, and equipment, are reported in the applicable governmental activities column in the district-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of $2,000 or more and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital Assets are depreciated using the straight-line method over the following estimated useful lives:

Asset Class	Estimated Useful Lives (Years)
Land improvements	20
Building improvements	20 - 40
Transportation equipment	5
Other equipment	5 - 20

G. DEFERRED INFLOWS OF RESOURCES

Deferred revenues at the fund level arise when potential revenue does not meet the available criterion for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them. In subsequent periods, when the revenue recognition criterion is met, or when the District has a legal claim to the resources, the liability for deferred revenue is removed from the balance sheet and revenue is recognized. Deferred revenues at the district-wide level arise only when the District receives resources before it has a legal claim to them.

H. COMPENSATED ABSENCES

The District's vacation and sick leave policies and agreements permit employees to accumulate earned but unused vacation and sick leave. Noncertified employees earn vacation days during the year at varying rates based on years of service. These vacation days must be taken within the subsequent year or are lost. Certified employees who work less than 12 calendar months per year do not earn vacation days. Employees receive 15 sick days annually and the unused portion is accumulated and carried forward. Employees who retire, resign or are dismissed as a result of a reduction of force and who have at least ten years of full time service in the District receive compensation for their accumulated sick leave, less any days of sick leave credited to a retirement system. Members of TRS and IMRF (see Note 11) may receive a maximum of two years and one year of credit, respectively, at retirement for unused, uncompensated sick leave.

The liability for sick leave is estimated using the vesting method and assumes that any days available for up to one year of service credit will be credited to a retirement system rather than paid by the District. In the fund financial statements, governmental funds report compensated absences as expenditures and as fund liabilities to the extent that the liabilities have matured (that is, become due for payment during the period). The liabilities for compensated absences that are not currently payable are reported as long-term liabilities in the district-wide statements.

I. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

J. USE OF RESTRICTED RESOURCES

When both restricted and unrestricted resources are available to use, it is the District's policy to use restricted resources first, then unrestricted resources, as they are needed.

K. INVENTORIES

It is the District's policy to charge all purchases of items for resale or supplies to expenditures when purchased. No inventory accounts are maintained to reflect the values of resale or supply items on hand.

2. DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the *Illinois Compiled Statutes*, Chapter 30, Sections 235/2 and 235/6; and Chapter 105, Section 5/8-7.

The District's cash is deposited with the Thornton Fractional Township School Treasurer's Office. The Treasurer invests the cash in a pool under policy guidelines established through the Treasurer's investment policy. Credit risk, concentration of credit risk, and interest rate risk (as applicable) regarding the cash held by the Treasurer is included in the annual audited financial statements of the Thornton Fractional Township Trustees of Schools.

All deposits and investments of the District, except imprest and activity fund accounts, are maintained in the external cash and investment pool managed by the Thornton Fractional Township School Treasurer's Office. Each fund type's portion of this pool is displayed on the combined statement of assets and liabilities arising from cash transactions as "Cash/investments - pooled account." As of June 30, 2013, there was no material difference between the fair value and reported amount of the District's equity in the pool.

The District's imprest and activity fund accounts at year-end were entirely covered by federal depository insurance.

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance July 1, 2012	Additions	Deletions	Balance June 30, 2013
Government activities:				
Capital assets not being depreciated:				
Land	$ 560,301	$ -	$ -	$ 560,301
Construction in progress	159,634	233,738	(159,634)	233,738
Total capital assets not being depreciated	719,935	233,738	(159,634)	794,039
Capital assets being depreciated:				
Buildings	63,444,709	594,183	-	64,038,892
Land/Building improvements	11,565,722	2,111,691	-	13,677,413
Equipment	12,248,746	1,175,945	(295,244)	13,129,447
Total capital assets being depreciated	87,259,177	3,881,819	(295,244)	90,845,752
Less accumulated depreciation for:				
Buildings	20,538,822	1,256,083	-	21,794,905
Land/Building improvements	2,712,673	519,742	-	3,232,415
Equipment	8,235,426	748,266	-	8,983,692
Total accumulated depreciation	31,486,921	2,524,091	-	34,011,012
Total capital assets being depreciated, net	55,772,256	1,357,728	(295,244)	56,834,740
Governmental activity capital assets, net	$ 56,492,191	$ 1,591,466	$ (454,878)	$ 57,628,779

Total depreciation for the year is $2,524,091. Depreciation expense is reported on the Statement of Activities. It is allocated to specific functions/programs of the District as follows: $1,775,825 of depreciation on buildings and land improvements, which is charged to facilities acquisition and construction services and $44,164 of depreciation on food service equipment, which is charged to food services. The remaining $704,102 is recorded as unallocated.

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2013, was as follows:

	Balance July 1, 2012	Additions	Reductions	Balance June 30, 2013	Amounts Due Within One Year
General obligation	$ 27,885,000	$ 14,760,000	$ (13,285,000)	$ 29,360,000	$ 1,880,000
Capital lease	248,964	-	(137,284)	111,680	111,680
Bond premium	953,688	-	(40,037)	913,651	87,435
Accrued vacation	80,093	-	(11,183)	68,910	68,910
Accrued sick leave	219,729	27,089	-	246,818	24,037
	$ 29,387,474	$ 14,787,089	$ (13,473,504)	$ 30,701,059	$ 2,172,062

A. BONDS PAYABLE

General obligation bonds payable at June 30, 2013, consisted of the following individual issues:

$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2015 are subject to redemption at par at the option of the District as a whole or in part on December 1, 2015 or any date thereafter.	$4,510,000
$4,000,000 School Bonds, Series 2006, dated December 1, 2006 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.25 percent through December 2013; bonds are non-callable.	385,000
$1,275,000 G.O. School Bonds, Series 2009A, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 3.00 to 5.00 percent through December 1, 2020; bonds are non-callable.	1,005,000
$1,725,000 G.O. School Bonds, Series 2009B – Build America Bonds, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/20) and interest payable on June 1 and December 1 of each year at rates varying from 6.125 to 6.50 percent through December 1, 2029; bonds due on or after December 1, 2019 are subject to redemption at the option of the District as a whole or in part on December 1, 2018 or any date thereafter. The District receives a subsidy equaling thirty-five (35) percent of the interest payments due.	1,725,000
$6,975,000 G.O. Limited Bonds Series 2011, dated May 17, 2011 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/2013) and interest payable on June 1 and December 1 of each year at rates varying from 3.0 to 5.25 percent through December 1, 2029. bonds due on or after December 1, 2021 are subject to redemption at the option of the District as a whole or in part on December 1, 2020 or any date thereafter.	6,975,000
$1,500,000 G.O. Limited Tax School Bonds, Series 2012A – dated December 20, 2012 issued for working cash purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/30) and interest payable on June 1 and December 1 of each year at $23,437.50, starting December 1, 2013 interest rate will be 3.125 percent through December 1, 2032; bonds are non-callable.	1,500,000

$6,175,000 G.O. Refunding School Bonds Series 2012B, dated December 20, 2012 issued for refunding purposes of the 2002 bonds; providing for the serial retirement of principal on December 1 (beginning 12/1/2013) and interest payable on June 1 and December 1 of each year at rates varying from 2.0 to 4.0 percent through December 1, 2032; bonds are non-callable.	$6,175,000
$1,515,000 G.O. Limited Tax School Bonds Series 2013A, dated February 14, 2013 issued for working cash purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/2014) and interest payable on June 1 and December 1 of each year at rates varying from 2.0 to 4.0 percent through December 1, 2030; bonds are non-callable.	1,515,000
$5,570,000 G.O. Refunding School Bonds Series 2013B, dated February 14, 2013 issued for refunding purposes of the 2003 bonds; providing for the serial retirement of principal on December 1 (beginning 12/1/2013) and interest payable on June 1 and December 1 of each year at rates varying from 2.0 to 4.0 percent through December 1, 2032; bonds are non-callable.	5,570,000
	$29,360,000

At June 30, 2013, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 1,880,000	$ 1,047,794	$ 2,927,794
2015	1,815,000	1,048,475	2,863,475
2016	1,865,000	996,135	2,861,135
2017	1,920,000	938,109	2,858,109
2018	1,985,000	876,784	2,861,784
2019-2023	11,015,000	3,223,757	14,238,757
2024-2028	4,975,000	1,412,437	6,387,437
2029-2033	3,905,000	342,431	4,247,431
	$ 29,360,000	$ 9,885,922	$ 39,245,922

On December 20, 2012, the school district issued 2012B Refunding School Bonds. The bonds were issued to advance refund the 2002 Bonds in the amount of $6,048,039. The amount was transferred to an Escrow account the same day of the bond issuance. The Escrow account then paid off the 2002 bonds on January 15, 2013 in the amount of $6,048,039.

On February 14, 2013, the school district issued 2013B Refunding School Bonds. The bonds were issued to advance refund the 2003 Bonds in the amount of $5,410,453. The amount was transferred to an Escrow account the same day of the bond issuance. The Escrow account then paid off the 2003 bonds on March 7, 2013 in the amount of $5,410,453.

B. CAPITAL LEASE OBLIGATIONS

The District acquired four drivers-ed cars and six buses during fiscal year 2010. The Drivers-ed cars are being leased with First National Bank of Illinois in the amount of $63,271 with a maturity date of September 15, 2013. The monthly payments are $1,461. The buses are being leased by two companies. Two buses are leased with Sovereign Bank in the amount of $79,816 with five annual payments, with the final payment due August 28, 2013. The annual payments are $17,622. The remaining four buses are leased with Key Government Finance, Inc. in the amount of $175,896 with five annual payments, with the final payment due January 30, 2014. The annual payments are $38,476. These are reported as fixed assets purchases because when the leases expire the intention is to own the cars and buses. The District signed a new purchase agreement for copiers on December 14, 2010 in the amount of $212,073.

At June 30, 2013, the annual cash flow requirements of capital lease principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2014	$ 111,680	$ 3,643	$ 115,323
	$ 111,680	$ 3,643	$ 115,323

5. SPECIAL TAX LEVIES AND RESTRICTED EQUITY

A. TORT IMMUNITY LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Tort Immunity Fund. As of June 30, 2013, this fund's equity of $424,060 represents the excess of cumulative revenues over cumulative expenditures which is restricted for future tort immunity expenditures in accordance with Chapter 745, Section 10/9-101 to 9-107 of the *Illinois Compiled Statutes.* The following payments were made for insurance premiums from the Tort Immunity Fund:

Workers' Compensation Act and/or Workers' Occupational Disease Act	$ 178,289
Unemployment Insurance Act	$ 2,516
Insurance (Regular or Self-Insurance)	$ 146,215
Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	$ 29,068

B. SPECIAL EDUCATION LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Fund. As of June 30, 2013, cumulative expenditures equal or exceeded cumulative revenues, therefore, no portion of this fund's equity is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes.*

6. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by standard of 33-1/3 of fair market value.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in June or July. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

This year a portion of the first installment of the 2012 tax levy and prior tax levy collections were received and are included in the current year revenue. Property taxes receivable represent the uncollected portion of the 2012 tax levy. These property taxes receivable are not considered available to finance current operations; therefore, the revenue has been deferred and will be recognized as these taxes become available.

The Board passed the current levy on November 27, 2012. The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per $100.00 of equalized assessed valuation:

	Limit	Actual 2012 Levy	Actual 2011 Levy
Educational	3.5000	3.2313	2.8135
Special Education	0.4000	0.0248	0.0215
Operations and Maintenance	0.5500	0.3985	0.3470
Transportation	As needed	0.1202	0.1046
Municipal Retirement	As needed	0.0809	0.0387
Social Security	As needed	0.0979	0.0980
Bond and Interest	As needed	0.4894	0.3395
Working Cash	0.0500	0.0279	0.0433
Tort Immunity	As needed	0.0768	0.0669
		4.5477	3.8730

For taxing districts in Cook County, including the District, the tax rate limit is required to be applied to the equalized assessed valuation (EAV) of property for the levy year prior to the levy year for which taxes are then being extended. The actual levy rate is stated based on the current EAV of property. As a result, a tax rate may be at its maximum for the levy year even though it is less than its corresponding limit.

7. JOINT VENTURES

EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (A JOINT AGREEMENT)

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public school districts for the purpose of providing special education services to the children of its member districts. The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 145th Street, South Holland, Illinois 60473. The District paid $2,857,607 to ECHO for tuition and services during the year ended June 30, 2013.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2012, the most recent information available:

Total assets-modified cash basis	$ 19,233,591	Revenues received	$ 54,841,838
Total liabilities-modified cash basis	$ 3,459,874	Expenditures disbursed	$ 47,908,336
Net assets - invested in capital assets-modified cash basis	$ 5,939,949	Net increase in fund balance	$ 6,933,502
Unrestricted net assets - modified cash.	$ 9,833,768		
Total net assets-modified cash basis	$ 15,773,717		

8. CONTINGENCIES

The District has received funding from State and Federal grants in the current and prior years, which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.

9. RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property and casualty, errors and omissions, workers compensation, unemployment compensation and employee health and medical benefits. In lieu of paying unemployment contributions, the District has elected to reimburse the State of Illinois for the actual amount of benefits paid to their former workers.

The District has elected to provide employee health and medical benefits through a self-insured plan and accordingly, is liable for all employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending August 31, 2013 are $110,000 for individual claims and approximately $3,741,364 for aggregate claims. The aggregate stop-loss limit is equal to $13,492 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty, and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

Also, there were no significant reductions in insurance coverage in the current fiscal year.

10. EMPLOYEE RETIREMENT PROGRAMS

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). 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.

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2013, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2012 and 2011.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2013, State of Illinois contributions were based on 28.05 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of $5,986,402 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2012 and June 30, 2011, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 24.91 percent ($5,075,977) and 23.10 percent ($4,443,874), respectively.

The District makes other types of employer contributions directly to TRS:

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2013 were $126,522. Contributions for the years ending June 30, 2012 and June 30, 2011, were $120,507 and $114,078, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2013, the employer pension contribution was 28.05 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2012 and 2011, the employer contribution was 24.91 and 23.10 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2013, salaries totaling $472,318 were paid from federal and special trust funds that required employer contributions of $132,485.

For the years ended June 30, 2012 and June 30, 2011, required District contributions were $99,592 and $99,570, respectively.

Early Retirement Option (ERO). The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member.

The maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2013 and June 30, 2012, the District paid $0 to TRS for employer contributions under the ERO program. For the year ended June 30, 2011, the District paid $104,647 in employer ERO contributions.

Salary increases over 6 percent and excess sick leave. If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2013 and June 30, 2012, the district paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2011, the District paid $17,108 to TRS for employer contributions due on salary increases in excess of 6 percent.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary rate reported by the granting employer during the four-year sick leave review period, and the TRS total normal cost rate (17.63 percent of salary during the year ended June 30, 2013).

For the years ended June 30, 2013, 2012 and 2011, the District did not have anyone retire under this section.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2012. The report for the year ended June 30, 2013, is expected to be available in late 2013.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at trs.illinois.gov.

B. IMRF PENSION PLAN

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

Funding Policy. As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District annual required contribution rate for calendar year 2012 was 11.68 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Annual Pension Cost. The required contribution for the calendar year 2012 was $620,758.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2012	$620,758	100%	$0
12/31/2011	$552,484	100%	$0
12/31/2010	$529,661	100%	$0

The required contribution for 2012 was determined as part of the December 31, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2010, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3%

annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2010 is being amortized as a level percentage of projected payroll on an open 30 year basis.

Funded Status and Funding Progress. As of December 31, 2012, the most recent actuarial valuation date, the Regular plan was 77.30 percent funded. The actuarial accrued liability for benefits was $12,297,292 and the actuarial value of assets was $9,505,349, resulting in an underfunded actuarial accrued liability (UAAL) of $2,791,943. The covered payroll for calendar year 2012 (annual payroll of active employees covered by the plan) was $5,314,707, and the ratio of the UAAL to the covered payroll was 53 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

11. POSTEMPLOYMENT BENEFITS

A. TEACHER HEALTH INSURANCE SECURITY

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.92 percent of pay during the year ended June 30, 2013. State of Illinois contributions were $200,691, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2012 and June 30, 2011 were 0.88 percent of pay, both years. State contributions on behalf of District employees were $182,838 and $173,084, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.69 percent during the year ended June 30, 2013 and 0.66 percent during the years ended June 30, 2012 and June 30, 2011. For the year ended June 30, 2013, the District paid $150,518 to the THIS Fund. For the years ended June 30, 2012 and June 30, 2011, the District paid $137,129 and $129,813 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp. The 2013 report is listed under "Central Management

Services." Prior reports are available under "Healthcare and Family Services."

B. POSTRETIREMENT MEDICAL PLAN

Plan Description. The District's Health Insurance Plan for Retired Employees provides limited health care coverage for its eligible retired employees. The plan is funded on a pay-as-you-go basis. Employees are eligible upon retirement if they were enrolled in the active medical plan immediately prior to retiring. Eligibility and coverage varies based on employee classification as described below:

Certified (Teachers and Administrators): TRS-eligible employees are not eligible for continuation of coverage through the District plan.

Non-Certified: Eligible for benefits once they meet criteria for retirement under IMRF plan (age 55 and 8 years of service). All eligible Non-Certified employees and their spouses are eligible to continue medical, dental, vision and prescription drug coverage with the District plans upon retirement. Coverage is allowed to continue after age 65 with the retiree paying 100% of the required premium.

Membership in the plan consisted of the following as of June 30, 2013:

Actives	115
Retirees and Dependents	15
Total	130
Number of participating employers	1

ANNUAL OPEB COST AND NET OPEB OBLIGATIONS

	June 30, 2011	June 30, 2012	June 30, 2013
Annual required contribution	$ 47,039	$ 48,834	$ 55,218
Adjustment to Annual required contribution	-	-	(5,289)
Interest on net OPEB obligation	-	-	3,804
Annual OPEB cost	47,039	48,834	53,733
Assumed contributions	(29,164)	(12,307)	(27,950)
Increase in net OPEB obligation	17,875	36,527	25,783
Net OPEB obligation at beginning of year	40,706	58,581	95,108
Net OPEB obligation at end of year	$ 58,581	$ 95,108	$ 120,891

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2013	$ 53,733	52.02%	$ 120,891
6/30/2012	$ 48,834	25.20%	$ 95,108
6/30/2011	$ 47,039	62.00%	$ 58,581

ANNUAL REQUIRED CONTRIBUTION

	June 30, 2011	June 30, 2012	June 30, 2013
Normal cost (cost of upcoming year benefit accruals for actives)	N/A	$ 28,791	$ 32,520
Amortization of the UAAL (up to 30 year maximum)	N/A	19,230	21,397
Interest Adjustment (to end of year)	N/A	1,921	1,301
Annual Required Contribution	$ 47,785	$ 49,942	$ 55,218
Interest on Net OPEB Obligation	1,628	2,343	3,804
Adjustment to Annual required contribution	-	-	(5,289)
Amortization of NOO	(2,374)	(3,451)	-
Annual OPEB Cost	$ 47,039	$ 48,834	$ 53,733

FUNDED STATUS

(a) Actuarial accrued liability	$ 369,992
(b) Actuarial value of plan assets	-
Unfunded actuarial accrued liability (funding excess) [(a) - (b)]	$ 369,992
Funded ratio (b) / (a)	0.00%
(c) Covered payroll	$ 2,311,183
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ({(a) - (b)} / (c))	16%

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Actuarial valuation date	July 1, 2012
Data collection date	August-13
Participant data	Employee and retiree data was supplies by the plan sponsor as of the census date. Data on persons receiving benefits was supplies by the plan sponsor.
Fiscal year	July 1 - June 30
Actuarial cost method	Projected Unit Credit Method
Asset valuation method	N/A
Benefits not included	None
Nature of Actuarial Calculations	The results are estimates based on assumptions about future events. Assumptions may be made about participant data or other factors. All approximations and assumptions are noted. Reasonable efforts were made in this valuation to ensure that significant items in the context of the actuarial liabilities or costs are treated appropriately, and not excluded or included inappropriately. Actual future experience will differ from the assumptions used. As these differences arise, the expense for accounting purposes will be adjusted in future valuations to reflect such actual experience. The numbers are not rounded, but this is for convenience only and should not imply precision which is not inherent in actuarial calculations.
Actuarial assumptions:	
Discount rate	4.00%
Healthcare inflation rate	9.87% initial, 5.00% ultimate
Salary rate increase	N/A
Expected rate of return on assets	N/A
Retiree contribution trend	Same as Health Care Trend Rate
Mortality table	RP-2000 Combined Healthy Mortality Table for males and females with mortality improvement projected to 2013 using Scale AA.
Disability rates	None
Coverage status	Actual coverage status is used. Active employees are assumed to select the PPO plan at retirement at the current coverage level as that in the active medical plan.
Starting Per Capita Costs	Retiree Age 55 to 64 $8,553 to $12,174 / Spouse Age 55 to 64 $14,109 to $20,081
Retiree contributions	Retiree PPO Plan $6,307 / Spouse PPO Plan $10,403
Morbidity	Age: Under 65 / Rate Per Age: 4.00%
Election at Retirement	50% of future IMRF retirees will elect District coverage at retirement.
Marital Status	40% of active employees are assumed to be married with males three years older than females. Actual spouse data was used for current retirees.

12. FUND BALANCE REPORTING/NET POSITION

The intention of GASB 54 is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources. GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.
In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. Things such as restrictions imposed by creditors, grantors, and contributors.

- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Intent should be expresses by a) the governing body itself or b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has no fund balances that are classified here.

Spendable: The District has classified the spendable fund balances as:

Fund	Restricted	Committed	Assigned	Unassigned	Fund Balance Totals
Educational	$ -	$ -	$ -	$ 15,432,937	$ 15,432,937
Operations and Maintenance	-	1,590,000	-	1,592,052	3,182,052
Debt Service	973,319	-	-	-	973,319
Transportation	-	-	1,720,935	-	1,720,935
Municipal Retirement	289,519	-	-	-	289,519
Site and Construction	-	-	3,355,913	-	3,355,913
Working Cash	-	-	-	3,512,787	3,512,787
Tort Liability	424,060	-	-	-	424,060
Fire Prevention and Safety	-	-	-	-	-
	$ 1,686,898	$ 1,590,000	$ 5,076,848	$ 20,537,776	$ 28,891,522

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources on the district-wide financial statements. Net positions are classified in the following categories:

- Net investment in capital assets- This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of the assets.

- Restricted net position- This amount is restricted by creditors, grantors, contributors, or laws or regulations of other governments.
- Unrestricted net position- This amount is the net position that does not meet the definition of "net investment in capital assets" or "restricted net postion".

13. TRANSFERS

	TRANSFERS IN	TRANSFERS OUT
Operations and Maintanence (O&M)	$ 3,918,329	$ 6,875,342
Debt Service	267,013	-
Capital Projects	6,608,329	-
Working Cash	-	3,918,329
	$ 10,793,671	$ 10,793,671

A transfer of $2,003,194 from Working Cash Fund to O&M Fund was done to abate the working cash fund. A transfer was then done of $2,003,194 from O&M Fund to Capital Projects Fund to cover expenditures related to construction costs. A transfer of $267,013 from O&M Fund to Debt Service Fund was done to pay principal and interest on revenue bonds. A transfer of $2,690,000 from O&M Fund to Capital Projects Fund was done to cover expenditures related to construction costs. A transfer of $1,915,135 from Working Cash Fund to O&M Fund was done to move money to cover the transfer from O&M Fund to Capital Projects Fund in relation to construction costs.

14. IMPLEMENTATION OF NEW GASB PRONOUNCEMENTS

The Governmental Accounting Standards Board has issued two new pronouncements that the District has reviewed for application to their accounting and reporting.

The District implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* and early implemented GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities,* in the fiscal year ended June 30, 2013. These statements required changes in account captions in the statement of net position and improve financial reporting by clarifying the appropriate use of the financial statement elements deferred outflows of resources and deferred inflows of resources to ensure consistency in financial reporting. As a result, a one time adjustment of $15,408,925 is made to recognize revenue in its proper period. See Note 15 for further explanation.

15. PRIOR PERIOD ADJUSTMENT

The District has restated net position as of July 1, 2012 as follows:

Net position, July 1	
As previoulsy reported	$ 54,474,558
Restatement due to GASB 63/65	
Recognize revenue in proper period	15,408,925
Net position, July 1	
As restated	$ 69,883,483

16. RECENT GASB PRONOUNCEMENT

In June 2012, the GASB approved Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* and Statement No. 50, *Pension Disclosures*, as they relate to governments that provide pensions through pension plans administered as trusts or similar arrangements that meet certain criteria. Statement 68 requires governments providing defined benefit pensions to recognize their long-term obligation for pension benefits as a liability for the first time, and to more comprehensively and comparably measure the annual costs of pension benefits. Governmental employers participating in a cost-sharing plan will also be required to report a net pension liability, pension expense and pension-related assets and liabilities based on their proportionate share of the collective amounts for all governments in the plan. All governments participating in the defined benefit pension plan would also have the following in their note disclosures:

- Descriptions of the plan and benefits provided
- Significant assumptions employed in the measurement of the net pension liability
- Descriptions of benefit changes and changes in assumptions
- Assumptions related to the discount rate and impact on the total pension liability of a 1 percentage point increase and decrease in the discount rate
- Net pension assets and liabilities

The provisions of Statement 68 are effective for fiscal years beginning after June 15, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
EMPLOYER NUMBER: 02269R
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) -Entry Age (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percemtage of Covered Payroll ((b-a)/c)
12/31/12	$ 9,505,349	$ 12,297,292	$ 2,791,943	77.30	$ 5,314,707	52.53%
12/31/11	$ 8,952,391	$ 11,635,321	$ 2,682,930	76.94	$ 4,884,918	54.92%
12/31/10	$ 8,015,543	$ 10,878,654	$ 2,863,111	73.68	$ 4,691,421	61.03%

One a market value basis, the actuarial value of assets as of December 31, 2012 is $9,884,132. On a market basis, the funded ratio would be 80.38%.

The actuarial value of assets and accrued liability cover active and inactive members who have service credit with Thornton Fractional SD 215. They do not include the amounts for retirees. The actuarial accrued liability for retirees is 100% funded.

For information regarding pension contribution percentages rates, assumptions and amortization method, see Note 10-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
POSTRETIREMENT MEDICAL PLAN
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2013

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/08	$ -	$ 356,704	$ 356,704	0.00%	N/A	N/A
07/01/11	$ -	$ 325,976	$ 325,976	0.00%	N/A	N/A
07/01/12	$ -	$ 369,992	$ 369,992	0.00%	N/A	N/A

For information regarding postretirement medical plan percentages rates, assumptions and amortization method, see Note 11-B.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 20,936,140	$ 21,813,483	$ 20,899,324
Charges for services	1,078,700	817,083	911,399
Refund of prior year expenditures	382,000	443,163	402,901
Investment earnings	102,560	182,330	102,441
Flow-through revenue from state sources	-	24,419	3,061
Flow-through revenue from federal sources	112,000	7,498	109,380
Unrestricted general state aid	8,660,000	9,652,687	11,185,188
Restricted state aid			
Special education	1,717,000	1,784,215	1,716,271
Vocational education	117,415	167,853	99,250
Driver education	56,000	59,707	55,457
Other restricted state grants-in-aid	43,560	31,968	86,014
Total restricted state aid	1,933,975	2,043,743	1,956,992
Restricted federal aid			
National school lunch program	849,000	945,944	849,351
Title I - low income	1,167,430	821,454	507,022
Title I - school improvement	-	23,640	32,400
Title IV - safe and drug free schools	-	-	1,764
Title IV - 21st Century	-	54,125	-
Special education IDEA flow through	575,195	567,189	683,020
Special education IDEA room and board	-	686	157
Vocational education	123,641	136,583	95,034
ARRA - Title I school improv.	-	-	3,300
ARRA education jobs funds	-	-	18,920
Title II - teacher quality/Class size reduction	110,303	123,981	60,530
Medicaid matching fund	165,000	164,037	164,656
Total restricted federal aid	2,990,569	2,837,639	2,416,154
TOTAL DIRECT REVENUES	$ 36,195,944	$ 37,822,045	$ 37,986,840

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES			
Current			
Instruction			
Regular programs			
Salaries	$ 12,327,371	$ 12,507,940	$ 11,845,414
Employee benefits	1,789,781	2,314,534	1,496,047
Purchased services	182,177	189,356	161,441
Supplies and materials	736,700	688,580	944,440
Other	618,688	33,522	29,695
Non-capitalized equipment	-	33,339	-
	15,654,717	15,767,271	14,477,037
Special education programs			
Salaries	2,885,055	2,853,240	2,581,109
Employee benefits	456,262	419,611	374,634
Purchased services	125,800	134,902	114,169
Supplies and materials	16,695	16,012	16,451
Other	1,013,200	1,052,612	1,011,414
Non-capitalized equipment	-	3,653	-
	4,497,012	4,480,030	4,097,777
Remedial & suppl k-12			
Supplies and materials	10,000	-	-
	10,000	-	-
Other instructional programs			
Vocational programs			
Salaries	1,396,201	1,338,259	1,307,147
Employee benefits	171,898	159,886	152,177
Purchased services	195,459	192,096	152,503
Supplies and materials	85,160	58,758	78,654
	1,848,718	1,748,999	1,690,481
Interscholastic programs			
Salaries	1,396,640	1,392,096	1,318,904
Employee benefits	61,724	69,608	65,245
Purchased services	232,860	204,578	203,310
Supplies and materials	117,531	92,725	116,475
Other	54,987	55,082	52,091
Non-capitalized equipment	-	4,776	-
	$ 1,863,742	$ 1,818,865	$ 1,756,025

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Instruction (continued)			
Other instructional programs (continued)			
Summer school program			
Salaries	$ 152,470	$ 124,732	$ 159,123
Employee benefits	590	406	587
Supplies and materials	12,000	554	1,041
	165,060	125,692	160,751
Drivers education			
Salaries	184,895	187,049	182,309
Employee benefits	20,882	31,636	18,689
Purchased services	21,530	21,252	18,371
Supplies and materials	5,400	3,833	3,676
	232,707	243,770	223,045
Total other instructional programs	4,110,227	3,937,326	3,830,302
Support services			
Pupil services			
Attendance & social work services			
Salaries	1,521,594	1,491,215	1,470,493
Employee benefits	300,446	233,528	248,680
Purchased services	500	85	195
Supplies and materials	9,436	11,591	13,167
	1,831,976	1,736,419	1,732,535
Guidance services			
Salaries	1,006,826	1,031,706	994,238
Employee benefits	138,164	169,111	122,127
Purchased services	70,209	-	-
Supplies and materials	28,300	35,315	35,573
Other	1,500	935	1,175
	1,244,999	1,237,067	1,153,113
Health services			
Salaries	127,346	128,641	122,605
Employee benefits	18,522	28,045	16,331
Purchased services	26,405	3,495	34,125
Supplies and materials	5,960	3,888	32,691
	$ 178,233	$ 164,069	$ 205,752

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Support services (continued)			
Pupil services (continued)			
Psychological services			
Salaries	$ 120,020	$ 122,174	$ 120,524
Employee benefits	18,512	19,561	16,319
Supplies and materials	600	578	570
	139,132	142,313	137,413
Speech pathology and audiology services			
Salaries	89,294	91,447	85,974
Employee benefits	12,968	919	16,121
Supplies and materials	702	645	394
Other	450	225	225
	103,414	93,236	102,714
Total pupil services	3,497,754	3,373,104	3,331,527
Instructional staff services			
Improvement of instruction services			
Salaries	328,941	336,487	298,039
Employee benefits	49,405	52,622	58,736
Purchased services	69,000	93,167	97,361
Supplies and materials	20,500	4,253	18,132
Other	1,500	862	674
Non-capitalized equipment	-	7,801	-
	469,346	495,192	472,942
Educational media services			
Salaries	462,978	458,950	438,812
Employee benefits	63,312	43,678	55,645
Purchased services	445,000	491,677	455,099
Supplies and materials	549,660	396,875	630,518
Non-capitalized equipment	-	145,169	-
	$ 1,520,950	$ 1,536,349	$ 1,580,074

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Support services (continued)			
Instructional staff services (continued)			
Assessment/Testing			
Purchased services	$ 48,283	$ 82,981	$ 58,331
Other	35,000	6,338	1,889
	83,283	89,319	60,220
Total instructional staff services	2,073,579	2,120,860	2,113,236
General administration services			
Title I District			
Salaries	-	30,519	-
Employee benefits	-	16,366	-
	-	46,885	-
General administration services			
Board of education services			
Salaries	33,685	-	21,001
Employee benefits	9,705	-	7,895
Purchased services	279,445	253,570	256,725
	322,835	253,570	285,621
Executive administration services			
Salaries	340,654	350,597	353,548
Employee benefits	46,715	59,555	43,977
Purchased services	45,300	23,941	18,337
Supplies and materials	15,600	6,634	8,478
Other	13,000	14,073	13,000
	$ 461,269	$ 454,800	$ 437,340

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Support services (continued)			
General administration services (continued)			
Special area administration services			
Supplies and materials	$ -	$ -	$ 1,041
	-	-	1,041
Immunity services			
Purchased services	330,000	145,883	184,467
	330,000	145,883	184,467
Total general administration services	1,114,104	901,138	908,469
Office of the principal services			
Salaries	1,507,406	1,526,993	1,533,057
Employee benefits	313,194	299,656	290,195
Purchased services	15,467	10,242	6,396
Supplies and materials	44,039	42,280	106,284
Other	680	523	364
Non-capitalized equipment	-	55,615	-
Total office of the principal services	1,880,786	1,935,309	1,936,296
Business services			
Direction of business support services			
Salaries	93,786	123,468	123,381
Employee benefits	22,496	26,192	21,401
	116,282	149,660	144,782
Fiscal services			
Salaries	290,169	242,381	258,909
Employee benefits	40,077	60,308	35,148
Purchased services	10,250	3,370	4,191
Supplies and materials	5,000	654	1,583
Other	1,000	886	981
Non-capitalized equipment	-	2,999	-
	$ 346,496	$ 310,598	$ 300,812

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Food services			
Salaries	$ 546,275	$ 558,549	$ 567,975
Employee benefits	280,537	133,081	218,696
Purchases services	35,750	23,183	22,801
Supplies and materials	720,000	783,573	703,681
Non-capitalized equipment	-	3,399	-
	1,582,562	1,501,785	1,513,153
Internal services			
Salaries	64,657	65,488	67,100
Employee benefits	17,812	13,406	15,622
Purchased services	-	-	-
Supplies and materials	3,800	2,501	3,446
	86,269	81,395	86,168
Total business services	2,131,609	2,043,438	2,044,915
Operations and maintenance of plant services			
Salaries	-	6,829	-
Employee benefits	-	56	-
Total operations and maintenance of plant services	-	6,885	-
Pupil transportation services			
Purchased services	-	5,604	-
Total pupil transportation services	-	5,604	-
Central and other support services			
Planning, R&D & evaluation			
Purchased services	-	3,308	-
	-	3,308	-
Staff services			
Salaries	93,000	110,261	94,615
Employee benefits	8,906	13,462	7,810
Purchased services	11,500	9,751	9,177
Supplies and materials	1,000	774	1,228
Other	1,000	1,245	960
	$ 115,406	$ 135,493	$ 113,790

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES,, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Central and other support services (continued)			
Data processing services			
Salaries	$ 98,508	$ 101,728	$ 102,285
Employee benefits	8,906	5,069	7,810
Purchased services	3,000	-	906
Supplies and materials	2,000	874	782
Other	1,000	580	215
	113,414	108,251	111,998
Other support services			
Salaries	-	27,834	-
Employee benefits	-	271	-
Purchased services	120,418	128,166	88,801
Supplies and materials	3,300	1,126	1,254
	123,718	157,397	90,055
Total central and other support services	352,538	404,449	315,843
Community services			
Salaries	-	18,085	-
Employee benefits	-	4,612	-
Purchased services	32,445	29,734	9,486
Supplies and materials	-	247	-
Total community services	32,445	52,678	9,486
Nonprogrammed charges			
Payments to other governmental units			
Payments for special education programs	2,790,373	2,857,607	2,642,523
Payments for community college programs	20,000	12,775	5,056
Other payments to in state gov units	-	-	4,068
Total nonprogrammed charges	$ 2,810,373	$ 2,870,382	$ 2,651,647

EDUCATIONAL FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
EXPENDITURES (Continued)			
Current (continued)			
Capital outlay			
Regular programs	$ 89,725	$ 46,793	$ 79,604
Special education programs	1,500	-	-
Vocational programs	10,000	12,784	1,270
Interscholastic programs	4,500	2,000	2,216
Health services	-	-	18,434
Attendance and social work services	6,000	-	-
Improvement of instruction services	2,000	5,199	13,948
Educational media services	475,320	442,514	695,367
Executive administration services	2,000	2,500	-
Internal services	1,600	-	-
Office of the principal services	116,000	37,157	15,000
Fiscal services	3,000	-	-
Food services	75,000	18,546	6,744
Total capital outlay	786,645	567,493	832,583
TOTAL DIRECT EXPENDITURES	38,951,789	38,465,967	36,549,118
NET CHANGE IN FUND BALANCE	$ (2,755,845)	(643,922)	1,437,722
FUND BALANCE - Beginning (Budgetary Basis)		16,523,356	14,669,811
FUND BALANCE - Ending (Budgetary Basis)		15,879,433	16,107,533
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(497,721)	421,001
To adjust for expenditure accruals		51,225	(5,178)
FUND BALANCE - Ending (GAAP Basis)		$ 15,432,937	$ 16,523,356

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

OPERATIONS AND MAINTENANCE FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 2,561,650	$ 2,669,446	$ 2,559,521
Surplus	-	-	656,701
Corporate personal property replacement taxes	883,000	933,232	705,755
Charges for services	110,380	176,241	121,513
Refund of prior year expenditures	8,396	31,067	-
Investment earnings	21,200	38,857	21,202
Unrestricted general state aid	3,557,789	2,635,000	2,000,000
Other restricted state grants-in-aid	50,000	50,000	-
TOTAL REVENUES	7,192,415	6,533,843	6,064,692
EXPENDITURES			
Current			
Support services			
Operations & maintenance services			
Salaries	2,014,600	1,970,840	1,984,970
Employee benefits	419,762	379,848	374,909
Purchased services	1,764,550	1,495,190	1,578,902
Supplies and materials	303,300	273,187	310,134
Non-capitalized equipment	-	8,546	-
Total operations and maintenance services	4,502,212	4,127,611	4,248,915
Capital outlay			
Operations and maintenance	205,330	171,024	47,576
Total capital outlay	205,330	171,024	47,576
TOTAL EXPENDITURES	4,707,542	4,298,635	4,296,491
EXCESS OF REVENUES OVER EXPENDITURES	$ 2,484,873	$ 2,235,208	$ 1,768,201

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

OPERATIONS AND MAINTENANCE FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
OTHER FINANCING SOURCES (USES)			
Transfer from working cash fund	$ -	$ 3,918,329	$ -
Transfer to capital projects fund	(2,690,000)	(6,608,329)	-
Transfer to debt service fund	(267,013)	(267,013)	(264,701)
TOTAL OTHER FINANCING USES	(2,957,013)	(2,957,013)	(264,701)
NET CHANGE IN FUND BALANCE	$ (472,140)	(721,805)	1,503,500
FUND BALANCE - Beginning (Budgetary Basis)		3,847,760	2,313,654
FUND BALANCE - Ending (Budgetary Basis)		3,125,955	3,817,154
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		18,078	11,536
To adjust for expenditure accruals		38,019	19,070
FUND BALANCE - Ending (GAAP Basis)		$ 3,182,052	$ 3,847,760

BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the cash basis of accounting and excludes on-behalf payments for which the District is not legally responsible. This is a comprehensive basis of accounting other than generally accepted accounting principles. The budget, which was not amended, was passed on September 25, 2012.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. Unexpended budgetary balances lapse at the end of each fiscal year.

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes,* follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

OVEREXPENDITURE OF BUDGET

At June 30, 2013, the following funds over expended their budgets:

Fund	Budget	Actual	Overexpended Amount
Capital Projects	$ 2,808,611	$ 3,363,678	$ 555,067
IMRF/Social Security	$ 1,312,700	$ 1,329,217	$ 16,517

OTHER SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2013

	Transpor-tation	Municipal Retirement/ Social Security	Bond and Interest	Site and Construction	Working Cash	Tort Immunity	Total
ASSETS							
Cash/investments - pooled accounts	$ 1,451,657	$ 288,932	$ 981,856	3,362,422	$ 3,505,644	$ 423,200	$ 10,013,711
Cash at district	146	-	-	-	-	-	146
Property taxes receivable, net	434,510	643,070	1,760,035	-	100,836	275,923	3,214,374
Due from other governments	309,440	-	-	-	-	-	309,440
Accrued interest on investments	2,961	587	1,999	6,853	7,143	860	20,403
TOTAL ASSETS	$ 2,198,714	$ 932,589	$ 2,743,890	$ 3,369,275	$ 3,613,623	$ 699,983	$ 13,558,074
LIABILITIES							
Accounts payable	$ 43,269	$ -	$ 536	13,362	$ -	$ -	$ 57,167
Other current liabilities	-	-	10,000	-	-	-	10,000
TOTAL LIABILITIES	43,269	-	10,536	13,362	-	-	67,167
DEFERRED INFLOWS OF RESOURCES							
Deferred revenue:							
Property taxes receivable	434,510	643,070	1,760,035	-	100,836	275,923	3,214,374
TOTAL DEFERRED INFLOWS OF RESOURCES	434,510	643,070	1,760,035	-	100,836	275,923	3,214,374
FUND BALANCES							
Restricted	-	289,519	973,319	-	-	424,060	1,686,898
Assigned	1,720,935	-	-	3,355,913	-	-	5,076,848
Unassigned	-	-	-	-	3,512,787	-	3,512,787
TOTAL FUND BALANCES	1,720,935	289,519	973,319	3,355,913	3,512,787	424,060	10,276,533
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	$ 2,198,714	$ 932,589	$ 2,743,890	$ 3,369,275	$ 3,613,623	$ 699,983	$ 13,558,074

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Transpor-tation	Municipal Retirement/ Social Security	Bond and Interest	Site and Construction	Working Cash	Tort Immunity	Total
REVENUES							
Property taxes	$ 804,447	$ 1,123,923	$ 2,944,300	$ -	$ 260,121	$ 513,841	$ 5,646,632
Personal property replacement taxes	-	67,682	-	-	-	-	67,682
Charges for services	98	-	-	-	-	-	98
Investment income	16,555	5,224	8,561	7,790	34,463	3,186	75,779
Unrestricted state aid	725,000	-	-	-	-	35,000	760,000
Restricted state aid	1,444,031	-	-	-	-	-	1,444,031
Restricted federal aid	-	-	36,637	-	-	-	36,637
TOTAL REVENUES	2,990,131	1,196,829	2,989,498	7,790	294,584	552,027	8,030,859
EXPENDITURES							
Current operating							
Instruction							
Regular instruction	-	204,548	-	-	-	-	204,548
Special education instruction	-	118,112	-	-	-	-	118,112
Other instruction	-	68,382	-	-	-	-	68,382
Support services							
Pupil services	-	177,836	-	-	-	-	177,836
Instructional staff services	-	71,684	-	-	-	-	71,684
General administration services	-	21,292	-	-	-	-	21,292
School administration services	-	88,394	-	-	-	-	88,394
Business services	-	56,514	-	-	-	-	56,514
Facilities acquisition and Operation & maintenance of plant services	-	367,221	-	-	-	-	367,221
Pupil transportation services	2,267,674	-	-	-	-	-	2,267,674
Food services	-	102,418	-	-	-	-	102,418
Central and other support services	-	52,178	-	-	-	-	52,178
Community services	-	638	-		-	-	638
Tort immunity	-	-	-	-	-	356,088	356,088
Debt service	-	-	3,059,040	-	-	-	3,059,040
Capital outlay	-	-	-	3,230,718	-	-	3,230,718
TOTAL EXPENDITURES	2,267,674	1,329,217	3,059,040	3,230,718	-	356,088	10,242,737
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	722,457	(132,388)	(69,542)	(3,222,928)	294,584	195,939	(2,211,878)
OTHER FINANCING SOURCES (USES)							
Permanent transfer	-	-	333,616	6,608,329	(3,984,932)	-	2,957,013
Proceeds from sale of bonds	-	-	-	-	14,760,000	-	14,760,000
Premium from sale of bonds	-	-	-	-	953,688	-	953,688
Refunded bonds - principal	-	-	-	-	(11,365,000)	-	(11,365,000)
Refunded bonds-interest	-	-	-	-	(93,492)	-	(93,492)
Bond issuance costs	-	-	-	-	(263,798)	-	(263,798)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	333,616	6,608,329	6,466	-	6,948,411
NET CHANGE IN FUND BALANCE	722,457	(132,388)	264,074	3,385,401	301,050	195,939	4,736,533
FUND BALANCE (Deficit) - Beginning of Year	998,478	421,907	709,245	(29,488)	3,211,737	228,121	5,540,000
FUND BALANCE - End of Year	$ 1,720,935	$ 289,519	$ 973,319	$ 3,355,913	$ 3,512,787	$ 424,060	$ 10,276,533

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

TRANSPORTATION FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 782,480	$ 804,447	$ 771,658
Charges for services	-	98	-
Investment earnings	8,920	14,975	8,922
Unrestricted general state aid	725,000	725,000	725,000
Restricted state aid			
Transportation aid	1,006,600	1,398,965	1,006,577
TOTAL REVENUES	2,523,000	2,943,485	2,512,157
EXPENDITURES			
Current			
Support services			
Pupil transportation services			
Salaries	12,954	12,954	12,700
Employee benefits	2,252	2,821	2,206
Purchased services	2,531,848	2,281,199	2,455,141
Total pupil transportation services	2,547,054	2,296,974	2,470,047
TOTAL EXPENDITURES	2,547,054	2,296,974	2,470,047
NET CHANGE IN FUND BALANCE	$ (24,054)	646,511	42,110
FUND BALANCE - Beginning (Budgetary Basis)		998,478	1,205,283
FUND BALANCE - Ending (Budgetary Basis)		1,644,989	1,247,393
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		46,646	(298,576)
To adjust for expenditure accruals		29,300	49,661
FUND BALANCE - Ending (GAAP Basis)		$ 1,720,935	$ 998,478

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 987,710	$ 1,123,923	$ 986,297
Corporate personal property replacement taxes	67,000	67,682	240,000
Investment earnings	3,450	5,359	3,444
TOTAL REVENUES	1,058,160	1,196,964	1,229,741
EXPENDITURES			
Current operating			
Instruction			
Regular instruction	186,320	204,548	187,503
Special education instruction	93,250	118,112	93,253
Other instruction	92,960	68,382	92,955
Support services			
Pupil services	177,260	177,836	177,263
Instructional staff services	65,330	71,684	65,332
General administration services	22,660	21,292	22,664
School administration services	89,140	88,394	89,145
Business services	167,940	158,932	167,958
Operations and maintenance services	370,380	367,221	370,381
Pupil transportation services	180	-	184
Central and other support services	47,280	52,178	47,283
Community service	-	638	-
TOTAL EXPENDITURES	1,312,700	1,329,217	1,313,921
NET CHANGE IN FUND BALANCE	$ (254,540)	(132,253)	(84,180)
FUND BALANCE - Beginning (Budgetary Basis)		421,907	521,756
FUND BALANCE - Ending (Budgetary Basis)		289,654	437,576
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(135)	(15,669)
FUND BALANCE - Ending (GAAP Basis)		$ 289,519	$ 421,907

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

BOND AND INTEREST FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 2,452,000	$ 2,944,300	$ 2,499,462
Investment earnings	5,000	7,796	5,441
Restricted federal aid			
Build america bond interest	38,303	36,637	38,303
TOTAL REVENUES	2,495,303	2,988,733	2,543,206
EXPENDITURES			
Debt service			
Bond interest	1,239,662	1,136,657	1,309,829
Principal retired	1,945,000	1,920,000	1,840,000
Other debt service	1,870	2,432	2,132
TOTAL EXPENDITURES	3,186,532	3,059,089	3,151,961
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(691,229)	(70,356)	(608,755)
OTHER FINANCING SOURCES			
Transfer from working cash fund	-	66,603	-
Transfer from operation and maintanence fund	267,013	267,013	264,701
TOTAL OTHER FINANCING SOURCES	267,013	333,616	264,701
NET CHANGE IN FUND BALANCE	$ (424,216)	263,260	(344,054)
FUND BALANCE - Beginning (Budgetary Basis)		709,245	1,093,746
FUND BALANCE - Ending (Budgetary Basis)		972,505	749,692
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		765	(40,562)
To adjust for expenditure accruals		49	115
FUND BALANCE - Ending (GAAP Basis)		$ 973,319	$ 709,245

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

SITE AND CONSTRUCTION FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Investment earnings	$ 8,000	$ 7,160	$ 10,001
Restricted state aid			
Energy Efficiency Grant	-	-	250,000
TOTAL REVENUES	8,000	7,160	260,001
EXPENDITURES			
Capital outlay			
Facilities acquisition and construction services	2,808,611	3,363,678	5,325,517
TOTAL EXPENDITURES	2,808,611	3,363,678	5,325,517
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(2,800,611)	(3,356,518)	(5,065,516)
OTHER FINANCING SOURCES			
Transfer from operation and maintenance fund	2,690,000	6,608,329	-
TOTAL OTHER FINANCING SOURCES	2,690,000	6,608,329	-
NET CHANGE IN FUND BALANCE	$ (110,611)	3,251,811	(5,065,516)
FUND BALANCE (Deficit) - Beginning (Budgetary Basis)		(29,488)	4,454,624
FUND BALANCE - Ending (Budgetary Basis)		3,222,323	(610,892)
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		630	(10,001)
To adjust for expenditure accruals		132,960	591,405
FUND BALANCE - Ending (GAAP Basis)		$ 3,355,913	$ (29,488)

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

WORKING CASH FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 319,180	$ 260,121	$ 319,552
Investment earnings	22,820	32,823	22,819
TOTAL REVENUES	342,000	292,944	342,371
OTHER FINANCING SOURCES (USES)			
Principal on bonds sold	-	14,760,000	-
Premium on bonds sold	-	953,688	-
Transfer to operation and maintenance fund	-	(3,918,329)	-
Trasnfer to bond and interest funds		(66,603)	
Refunding of bonds	-	(11,365,000)	-
Refunded bonds interest		(93,492)	
Bond issuance costs	-	(263,798)	-
TOTAL OTHER FINANCING SOURCES (USES)	-	6,466	-
NET CHANGE IN FUND BALANCE	$ 342,000	299,410	342,371
FUND BALANCE - Beginning (Budgetary Basis)		3,211,737	2,877,716
FUND BALANCE - Ending (Budgetary Basis)		3,511,147	3,220,087
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		1,640	(8,350)
FUND BALANCE - Ending (GAAP Basis)		$ 3,512,787	$ 3,211,737

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

TORT IMMUNITY FUND

FOR THE YEAR ENDED JUNE 30, 2013
(WITH COMPARATIVE ACTUAL TOTALS FOR THE YEAR ENDED JUNE 30, 2012)

	2013		2012
	Original and Final Budget	Actual	Actual
REVENUES			
Property taxes	$ 411,930	$ 513,841	$ 415,983
Investment earnings	160	2,714	160
Refund of prior year expenditures	-	7,745	-
Unrestricted general state aid	-	35,000	170,000
TOTAL REVENUES	412,090	559,300	586,143
EXPENDITURES			
Current			
Tort immunity	443,776	361,954	378,637
Total tort immunity	443,776	361,954	378,637
TOTAL EXPENDITURES	443,776	361,954	378,637
NET CHANGE IN FUND BALANCE	$ (31,686)	197,346	207,506
FUND BALANCE - Beginning (Budgetary Basis)		228,121	8,410
FUND BALANCE - Ending (Budgetary Basis)		425,467	215,916
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(7,273)	3,011
To adjust for expenditure accruals		5,866	9,194
FUND BALANCE - Ending (GAAP Basis)		$ 424,060	$ 228,121

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ACTIVITY FUNDS

FOR THE YEAR ENDED JUNE 30, 2013

ASSETS	Balance July 1, 2012	Receipts	Disbursements	Balance June 30, 2013
Cash at district	$ 300,318	$ 327,705	$ 281,617	$ 346,406
LIABILITIES				
Amounts due to organizations:				
NORTH				
Activity Account	$ 2,046	$ 4,518	$ 5,824	$ 740
Adm. Center Pop Fund	13,195	467	1,500	12,162
Academic Decathlon	316	164	200	280
Art Club	44	-	44	-
Athletics	201	4,100	2,101	2,200
Attendance Improvement	397	1	-	398
Basketball Camp - Girls	1,341	50	-	1,391
Basketball Camp - Boys	(201)	50	533	(684)
Band Camp	2,833	1,710	1,407	3,136
Baseball Camp	165	-	-	165
Best Buddies	61	2,694	2,691	64
Business Professionals	47	-	47	-
Bowling Camp	480	-	-	480
Cap and Gown	586	-	586	-
Cheerleaders	92	-	-	92
Cheer Camp	130	-	-	130
Chess Club	498	475	369	604
Chronoscope	1,796	5,732	4,199	3,329
Class of 2010	112	-	112	-
Class of 2012	1,321	-	1,321	-
Class of 2013	6,327	11,413	9,688	8,052
Class of 2014	1,237	29,400	26,985	3,652
Class of 2015	1,440	1,045	379	2,106
Class of 2016	-	1,218	-	1,218
Concessions	1	7,865	7,210	656
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	15	1,545	1,542	18
Environmental Club	880	888	788	980
Flower Fund	(75)	170	112	(17)
Faculty Workroom	853	220	-	1,073
Football Camp	2,242	600	-	2,842
International Club	36	-	36	-
History Club	676	1,854	1,575	955
Honors Trip	255	929	255	929
Interrelated Coop Education	308	-	1	307
Interest Account	9,536	12	104	9,444
Literary Magazine	753	536	556	733
Mathletes	276	200	-	476
Memorial Fund - Jurek	390	-	-	390
Meteor Broadcasting	500	500	-	1,000
Monogram Club	2,829	3,521	2,117	4,233
Music	150	657	646	161
National Honor Society	(66)	3,187	2,266	855
Needy Student Fund	1,375	725	885	1,215
Peer Mediators	476	164	-	640
Pep Club	$ 40	$ -	$ 40	$ -

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 01, 2012	Receipts	Disbursements	Balance June 30, 2013
Philanthropy Club	$ -	$ 702	$ -	$ 702
Physical Education Rental	814	16,534	6,952	10,396
Poetry Slam	396	-	396	-
Pom Pom - Metorites	-	4,945	3,512	1,433
Pop Machine	(174)	3,093	2,450	469
Powerlifting	26	-	-	26
Principal's Leadership	1,453	9,691	7,065	4,079
PSE Student Incentive	1,169	-	-	1,169
Science & Tech - Auto Mech	917	20	-	937
Science & Tech - Pop	(2,447)	2,660	774	(561)
Soccer Camp	7,595	1,250	-	8,845
Softball Camp	145	-	-	145
Special Education	89	-	-	89
Speech Club	218	180	-	398
Student Council	2,318	7,423	4,309	5,432
Students Against Drunk Driving	398	132	135	395
Tennis Camp	570	-	-	570
TF Center Auto Technology	550	225	-	775
Thorntonian - Newspaper	12,765	3,172	10,446	5,491
Volleyball Camp	1,580	825	255	2,150
Wrestling	-	100	-	100
NORTH TOTAL	$ 85,008	$ 137,562	$ 112,413	$ 110,157
SOUTH				
Activity Executive Board	$ (318)	$ 959	$ -	$ 641
Art Executive Board	109	165	105	169
Athletic Invitational Fund	6,856	26,667	21,976	11,547
Band	203	70	-	273
Band Camp	8,215	3,600	4,807	7,008
Baseball Camp	2,633	795	502	2,926
Basketball Camp	6,033	1,785	1,026	6,792
Best Buddies	152	392	55	489
Boys Bowling	9	-	9	-
Class Concession Stand	1,702	2,878	4,429	151
Cap and Gown	38	-	-	38
Cheerleaders	30	-	30	-
Choral B	509	1,853	696	1,666
Choral Camp	-	25	-	25
Chess	55	-	-	55
Class of 2008	100	-	100	-
Class of 2010	2,043	-	2,043	-
Class of 2011	2,037	-	2,037	-
Class of 2012	1,993	-	1,100	893
Class of 2013	1,983	376	200	2,159
Class of 2013	2,628	33,213	27,666	8,175
Class of 2013	825	298	200	923
Class of 2016	-	1,346	-	1,346
Cultural Diversity Club	4,664	1,495	1,158	5,001
Cooperative Work Training	654	-	-	654
Drama	3,691	3,265	4,246	2,710
Drama Camp	1,255	1,605	284	2,576
Environmental Club	$ 628	$ 208	$ 150	$ 686

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
FOR THE YEAR ENDED JUNE 30, 2013

	Balance July 1, 2012	Receipts	Disbursements	Balance June 30, 2013
Football Camp	$ 14,118	$ 3,045	$ -	$ 17,163
FOR-Friends of Rachel	1,306	128	547	887
Girls Basketball Camp	2,287	730	335	2,682
GSA	238	424	250	412
History Club	362	235	-	597
Interest Account	18,613	7	355	18,265
Learning Resource Center	1,189	8	-	1,197
Literary Magazine	1,006	278	986	298
J Misiaves Memorial Drive	1,622	-	-	1,622
Jobs for IL Grads	24	-	24	-
Math Fund	65	-	-	65
Market Day	1,687	1,108	845	1,950
National Honor Society	1,889	2,153	1,609	2,433
Needy Student Fund	127	-	-	127
Patti Leach Memorial Fund	3,750	1,795	500	5,045
PE Rental Account	7,177	3,474	7,958	2,693
Pep Club	2,966	7,852	5,506	5,312
TV - Productions Club	504	224	-	728
Pom Pon	193	-	193	-
Postscript	(4,336)	12,474	6,468	1,670
Rebel Recognition	9,375	864	2,926	7,313
Rebel Rouser	24,226	6,924	8,222	22,928
Rebel Spirit Committee	820	-	163	657
Students Against Drunk Driving	494	229	105	618
Scholastic Bowl	222	-	69	153
Science Club	-	100	99	1
SICA Newspaper	3,662	-	1,181	2,481
Special Programs	1,150	3,184	3,015	1,319
Social Studies Activities	521	-	223	298
Speech Club	239	350	-	589
Student Senate	20,083	17,195	14,691	22,587
Tennis Club	240	140	142	238
T.F.S. Activity Office	9,401	18,748	12,415	15,734
T.F.S. Principal's Award	23,478	24,650	26,435	21,693
Teachers Lounge Coke Machine	10,143	869	-	11,012
T.F.S. Teen Staff	372	386	293	465
Volleyball Camp	4,923	1,100	620	5,403
Vocational Coop Club	104	-	-	104
Weight Room Improvements	443	204	-	647
Wrestling Camp	1,900	270	210	1,960
SOUTH TOTAL	215,310	190,143	169,204	236,249
TOTAL LIABILITIES	$ 300,318	$ 327,705	$ 281,617	$ 346,406

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES AND COLLECTIONS
JUNE 30, 2013

	2012 Levy	2011 Levy	2010 Levy
Equalized assessed valuation	$ 729,521,492	$ 812,065,570	$ 1,017,528,392
Tax rates (per $100 of assessed valuation)			
Educational	3.2313	2.8135	2.2231
Special education	0.0248	0.0215	0.0171
Operations and maintenance	0.3985	0.3470	0.2746
Bond and interest	0.4894	0.3395	0.2679
Transportation	0.1202	0.1046	0.0828
Municipal retirement	0.0809	0.0387	0.0258
Social security	0.0979	0.0980	0.0776
Working cash	0.0279	0.0433	0.0343
Tort immunity	0.0768	0.0669	0.0361
	4.5477	3.8730	3.0393
Extended tax levy			
Educational	$ 23,574,878	$ 22,846,811	$ 22,628,157
Special education	180,921	174,594	173,997
Operations and maintenance	2,907,143	2,817,867	2,794,132
Bond and interest	3,570,620	2,757,620	2,725,601
Transportation	876,884	849,420	842,513
Municipal retirement	590,182	314,269	262,522
Social security	714,201	795,824	789,602
Working Cash	203,536	351,624	349,012
Tort immunity	560,272	543,271	367,327
	$ 33,178,637	$ 31,451,300	$ 30,932,863
Taxes collected year ended:			
June 30, 2013	$ 15,167,788	$ 14,714,788	$ 246,983
June 30, 2012	-	14,469,810	14,568,298
June 30, 2011	-	-	14,686,536
Total collected	$ 15,167,788	$ 29,184,598	$ 29,501,817
Percent collected	45.72%	92.79%	95.37%

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF DEBT SERVICE REQUIREMENTS
JUNE 30, 2013

Year Ended	Series 2005 Dated 7/14/05		Series 2006 Dated 12/1/06		Series 2009A Dated 7/2/09		Series 2009B Dated 7/2/09		Series 2011 Dated 5/17/11		Series 2012A Dated 12/20/11		Series 2012B Dated 12/20/11		Series 2013A Dated 2/14/13		Series 2013B Dated 2/14/13		Total Debt Service
June 30,	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Requirements
2014	$ 270,000	$ 180,991	$ 385,000	$ 8,181	$ 110,000	$ 44,440	$ -	$ 109,438	$ 25,000	$ 315,881	$ -	$ 23,438	$ 555,000	$ 189,200	$ -	$ 28,525	$ 535,000	$ 147,700	$ 2,927,794
2015	280,000	168,616	-	-	115,000	40,840	-	109,438	330,000	310,556	-	46,875	555,000	178,100	25,000	56,800	510,000	137,250	2,863,475
2016	295,000	156,416	-	-	120,000	36,000	-	109,438	340,000	300,081	-	46,875	565,000	164,075	25,000	56,300	520,000	126,950	2,861,135
2017	305,000	144,416	-	-	125,000	29,875	-	109,437	350,000	288,431	-	46,875	585,000	146,825	30,000	55,750	525,000	116,500	2,858,109
2018	320,000	131,916	-	-	130,000	23,500	-	109,437	365,000	275,006	-	46,875	600,000	129,050	25,000	55,200	545,000	105,800	2,861,784
2019	330,000	118,916	-	-	135,000	16,875	-	109,437	380,000	259,631	-	46,875	620,000	110,750	25,000	54,575	550,000	92,100	2,849,159
2020	345,000	105,416	-	-	145,000	9,875	-	109,438	395,000	242,669	-	46,875	635,000	91,925	30,000	53,750	570,000	75,300	2,855,248
2021	355,000	91,416	-	-	125,000	3,125	30,000	108,519	415,000	223,925	-	46,875	660,000	69,200	25,000	52,925	585,000	57,975	2,848,960
2022	370,000	76,732	-	-	-	-	160,000	102,700	435,000	204,716	-	46,875	685,000	42,300	30,000	52,100	605,000	37,100	2,847,523
2023	385,000	61,206	-	-	-	-	165,000	92,747	450,000	184,114	-	46,875	715,000	14,300	35,000	51,125	625,000	12,500	2,837,867
2024	400,000	45,015	-	-	-	-	175,000	82,334	475,000	161,879	-	46,875	-	-	30,000	50,000	-	-	1,466,103
2025	420,000	27,735	-	-	-	-	180,000	71,237	495,000	139,139	-	46,875	-	-	35,000	48,700	-	-	1,463,686
2026	435,000	9,353	-	-	-	-	185,000	59,603	520,000	114,708	-	46,875	-	-	35,000	47,300	-	-	1,452,839
2027	-	-	-	-	-	-	195,000	47,491	545,000	88,408	-	46,875	-	-	35,000	45,900	-	-	1,003,674
2028	-	-	-	-	-	-	205,000	34,612	570,000	60,248	-	46,875	-	-	40,000	44,400	-	-	1,001,135
2029	-	-	-	-	-	-	210,000	21,125	600,000	30,338	-	46,875	-	-	40,000	42,800	-	-	991,138
2030	-	-	-	-	-	-	220,000	7,150	285,000	7,481	-	46,875	-	-	385,000	34,300	-	-	985,806
2031	-	-	-	-	-	-	-	-	-	-	40,000	46,250	-	-	665,000	13,300	-	-	764,550
2032	-	-	-	-	-	-	-	-	-	-	720,000	34,375	-	-	-	-	-	-	754,375
2033	-	-	-	-	-	-	-	-	-	-	740,000	11,562	-	-	-	-	-	-	751,562
	$ 4,510,000	$ 1,318,144	$ 385,000	$ 8,181	$ 1,005,000	$ 204,530	$ 1,725,000	$ 1,393,581	$ 6,975,000	$ 3,207,211	$ 1,500,000	$ 865,625	$ 6,175,000	$ 1,135,725	$ 1,515,000	$ 843,750	$ 5,570,000	$ 909,175	$ 39,245,922

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2013

Equalized Assessed Valuation - 2012 Tax Levy Year	$	729,521,492

		Amount
Legal debt limitation (6.9% of equalized assessed valuation)	$	50,336,983
General Obligation Debt Outstanding at June 30, 2013		29,471,680
Legal debt margin	$	20,865,303

RULE 15C2-12 CERTIFICATE

The undersigned hereby certifies and represents to BMO Capital Markets GKST Inc., Chicago, Illinois (the *"Underwriter"*), that s/he is a duly elected or appointed and acting official of Township High School District Number 215, Cook County, Illinois (the *"Issuer"*) authorized to execute and deliver this certificate and further certifies on behalf of the Issuer to the Underwriter as follows:

(1) This certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the *"Rule"*) in connection with the offering and sale of the Issuer's General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2014 (the *"Bonds"*).

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date hereof, setting forth information concerning the Bonds (the *"Preliminary Official Statement"*).

(3) The information contained in the Preliminary Official Statement is hereby deemed final within the meaning of the Rule as of this date, except for the information permitted to be omitted from the Preliminary Official Statement pursuant to paragraph (b)(1) of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand this 20th day of October, 2014.

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS

By:___________________________________
Title: ________________________________