STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

ORGANIZATION CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Board of Education (the *"Board"*) of Township High School District Number 215, Cook County, Illinois (the *"District"*), and as such officials we do further certify as follows:

1. That the District was organized in the year 1924, has continuously since its organization operated under the general laws of the State of Illinois providing for the establishment, operation and maintenance of public schools, is now operating under the provisions of the School Code of the State of Illinois, as amended (105 ILCS 5/1-1 *et seq.*), and is not now operating under the provisions of any special Act or charter.

2. That the present duly qualified and acting officials of the District are as follows:

Debbie Waitekus,	President, Board of Education
Rob Garrison,	Vice-President, Board of Education
Bob Garritano,	Member, Board of Education
Kathy Manno,	Member, Board of Education
Marcia Pavich,	Member, Board of Education
Henry Schneider,	Member, Board of Education
Karen Walker-Kehl,	Member, Board of Education
Karen Walker-Kehl,	Secretary, Board of Education
Thomas P. Stefaniak,	School Treasurer

and that said members of the Board have been the duly qualified and acting Board since November 13, 2001, and provided there are no vacancies created by resignation or otherwise, will constitute the Board until the election for members of the Board to be held on April 1, 2003, is canvassed and a new Board duly constituted.

3. That the changes in the boundaries of the District since June 9, 1998 were as follows: None.

4. That the only cities, villages or incorporated towns located wholly or partly within the District are as follows: Burnham, Calumet City, Lansing and Lynwood, and that none of said cities, villages or incorporated towns have adopted and are now operating under the provisions of Articles 6, 14 and 18 of the Election Code of the State of Illinois, as amended (10 ILCS 5/6, 5/14 and 5/18), said articles being known as the City Election Law.

5. That The County of Cook, Illinois, is the only county within which the District is wholly or partly located, and that said county has not adopted and is not now operating under the provisions of Article 6A of the Election Code of the State of Illinois, as amended (10 ILCS 5/6A), said article providing for a county board of election commissioners.

6. That since the year 1989, all of the District has been located in a county of 3,000,000 or more inhabitants.

7. That the *Daily Southtown* is a local, community newspaper published in and with a general circulation in the District.

8. That all of the news media that have filed a request for notice of the meetings of the Board pursuant to the Open Meetings Act of the State of Illinois, as amended (5 ILCS 120/1 *et seq.*), are as follows: *Daily Southtown, The Star, Hammond Times*.

9. That the regular meetings of the Board are held on the 4th Tuesday of each month at 7:00 o'clock P.M., at 1601 Wentworth, Calumet City, Illinois within the District, that the Board has given public notice of said schedule of regular meetings stating the regular dates, times and places of said meetings at the beginning of each calendar or fiscal year by posting a copy of said public notice at the principal office of the Board and by supplying copies of said public notice to all of the newspapers, radio or television stations and other news media that have filed a request for such notice, and that the Board has made said schedule available to the public.

10. That the District is now maintaining and operating a school system composed of grades 9 to 12, inclusive, such school system meeting and complying in all respects with all of the standards established for recognition by the State Board of Education of the State of Illinois.

11. That the District does not have an official corporate seal.

12. That the District has an estimated population of 60,667, and that there are approximately 33,323 legal voters in the District.

13. That no petition has been filed or is now pending affecting in any manner whatsoever the boundaries or the corporate existence of the District.

14. That there is no litigation or controversy pending or threatened and there are no tax objections pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes or the title of any of its present officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 21st day of January, 2003.

President, Board of Education

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

INDEBTEDNESS CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the *"District"*), and School Treasurer of the District, respectively, and as such officials we do further certify that the total aggregate indebtedness of the District, of every kind and nature and howsoever evidenced or incurred, excluding the proposed $9,000,000 School Bonds, Series 2003, does not exceed the total sum of $ 12,508,957, which said indebtedness is itemized as follows:

Bonds issued by the District (not including alternate bonds) .... $ 12,370,000

Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended .... $_________

Contracts (including all payments on installment purchase contracts and public utility contracts) .... $_________

Indebtedness resulting from annexations of territory .... $_________

Judgments .... $_________

Leases (including leases with the School Building Commission and public building commissions) .... $_________

Miscellaneous floating indebtedness .... $_________

Special assessments levied against District property .... $_________

Other forms of debt (not including warrants issued in anticipation of the collection of taxes levied) .... $ 138,957

all of which appears from the books and records in our respective care and custody.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 21st day of January, 2003.

Karen Walker-Kell
Secretary, Board of Education

School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

2001 VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "*County*"), and as such official I do further certify that the equalized assessed value of all taxable real property located in the County included within the boundaries of Township High School District Number 215, Cook County, Illinois, as of the date of this certificate, is the sum of $650,774,456, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2001, all as appears from the books of assessment of the County now in my possession.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 30th day of January, 2003.

David D. Orr
County Clerk of The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO ELECTION CONTEST CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Board of Education of Township High School District Number 215, Cook County, Illinois (the *"District"*), and as such officials we do further certify as follows:

1. That no written statement has ever been filed in the Circuit Court for the Cook County, Illinois, Judicial Circuit, contesting the results of the bond referendum regarding the proposition (the *"Proposition"*) to issue $19,000,000 School Building Bonds of the District (the *"Bonds"*) submitted to the voters of the District at the general election held on the 5th day of November, 2002 (the *"Election"*).

2. That except for the Proposition and the proposition to increase the educational purposes tax rate of the District, no public question relating in any manner whatsoever to the District was submitted to the voters of the District at the Election.

3. That except for the Proposition, no school bond proposition was submitted to the voters of the District during the year 2002.

4. That the voters of at least a portion of the District were scheduled and did cast votes for candidates for nomination for, election to or retention in public office at the Election.

5. That immediately upon the adoption and approval thereof, a signed copy or original duplicate of the Abstract of Votes of the Election on the Proposition was transmitted to the County Clerk of The County of Cook, Illinois, and the State Board of Elections of the State of Illinois, all in accordance with the general election law of the State of Illinois.

6. That the geographic or common name of the District by which the District is commonly known and referred to is Thornton Fractional Township High School District Number 215, Cook County, Illinois.

7. That prior to the date hereof, the District has issued $9,995,000 of the Bonds approved at the Election, and that as of the date hereof, the District is authorized to issue $9,005,000 of the Bonds.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 4th day of February, 2003.

Debra Whitetree

President, Board of Education

Karen Walker-Hall

Secretary, Board of Education

GK S&T

Griffin, Kubik, Stephens &Thompson, Inc.

300 Sears Tower / 233 South Wacker Dr. / Chicago, IL 60606 / 312•441•2500

BOND PURCHASE AGREEMENT

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
$9,000,000 School Bonds, Series 2003

January 21, 2003

Board of Education
Thornton Fractional Township
High School District Number 215
1601 Wentworth Avenue
Calumet City, Illinois 60409

Ladies and Gentlemen:

Griffin, Kubik, Stephens & Thompson, Inc. (the "Underwriter") hereby offers to enter into this Bond Purchase Agreement with Thornton Fractional Township High School District Number 215, Cook County, Illinois (the "District") for the purchase by the Underwriter and sale by the District, of your School Bonds, Series 2003 dated February 1, 2003 (the "Bonds"). This offer is made subject to acceptance by the District on January 21, 2003.

For the Bonds we will pay an aggregate purchase price of $9,046,777.30 (consisting of the par amount of the Bonds plus $168,277.30 net original issue premium and less $121,500.00 underwriting discount) plus accrued interest from February 1, 2003 to the date of closing. The Bonds are more fully described in the Near Final Official Statement dated January 9, 2003, which the District has provided the Underwriters and has "deemed final" for purposes of SEC Rule 15C2-12(b)(1). The Bonds shall mature starting December 1, 2003 in the amounts and at the rates set forth below and in the Final Official Statement dated the date hereof (the "Final Official Statement"). Interest is payable commencing June 1, 2003, and each December 1 and June 1 thereafter.

MATURITY SCHEDULE

Dec 1	Amount	Rate	Yield	Dec 1	Amount	Rate	Yield
2003	375,000	2.50%	1.25%	2013	445,000	3.80%	3.80%
2004	325,000	2.50%	1.50%	2014	460,000	3.90%	3.90%
2005	330,000	2.50%	1.70%	2015	480,000	4.00%	4.00%
2006	340,000	2.50%	2.00%	2016	495,000	4.10%	4.10%
2007	350,000	2.50%	2.40%	2017	520,000	4.20%	4.20%
2008	355,000	3.20%	2.80%	2018	540,000	4.30%	4.30%
2009	370,000	4.50%	3.00%	2019	565,000	4.40%	4.40%
2010	385,000	4.50%	3.30%	2020	590,000	4.40%	4.50%
2011	400,000	5.00%	3.50%	2021	615,000	4.50%	4.55%
2012	420,000	5.00%	3.70%	2022	640,000	4.50%	4.60%

The Bonds are being purchased subject to the following conditions at closing:

1. The unqualified approving opinion of Chapman and Cutler, Chicago, Illinois, stating that the Bonds have been duly authorized, executed and delivered by the District and constitute valid and binding obligations of the District and further stating that under existing law, interest on the Bonds is excluded from gross income for federal income tax purposes and is not an item of tax preference for purposes of the federal alternative minimum tax imposed on individuals and corporations, but is taken into account in determining adjusted net book income or adjusted current earnings for purposes of computing the alternative minimum tax imposed on corporations. Said opinion is to be accompanied by the customary non-litigation certificate concerning matters which would attest to the authority or validity or enforceability of the Bonds, the Ordinance, or this Bond Purchase Agreement.

2. The Near Final Official Statement, as supplemented and amended by the Final Official Statement as of the date of purchase and as of the date of closing, is true and correct in all material respects and does not contain an untrue statement of a material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they are made, not misleading, and our use of such official statement in offering the Bonds to investors is authorized; and, the District will indemnify the Underwriter against losses, claims, damages and liabilities arising out of any incorrect statements of information contained in the Near Final and Final Official Statements, except for the sections entitled "BOOK-ENTRY-ONLY SYSTEM," and "TAX EXEMPTION."

2. The delivery of a written agreement or contract by the District, constituting an undertaking (the "Undertaking") to provide ongoing disclosure about the District, for the benefit of the beneficial owners of the Bonds as required under paragraph (b)(5) of SEC Rule 15c2-12. The Undertaking shall be as described in the Final Official Statement, with such changes as may be agreed in writing by the Underwriter.

3. The execution and delivery of an insurance policy by Financial Security Assurance, Inc. and the rating of the Bonds by Standar and Poor's of "AAA" based thereon.

4. The rating of the Bonds by Standard and Poor's who has assigned an underlying rating of "A."

5. The Underwriters are hereby authorized to pay from the purchase price of the Bonds the following expenses on behalf of the District:

   a. Fees and disbursements of Chapman and Cutler, Chicago, Illinois as Bond Counsel equal to $12,500;
   b. Fees of LaSalle Bank National Association, Chicago, Illinois as Registrar/Paying Agent for the Bonds equal to $700;
   c. Fees of FSA as Bond Insurer equal to $22,123.14;
   d. Fees of Standard & Poor's for its credit rating on the Bonds: "AAA" insured and "A" underlying equal to $3,800;
   e. Fees of Griffin, Kubik, Stephens & Thompson, Inc. for printing of the Preliminary and Final Official Statements equal to $1,500.

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.

[signature]

James N. Rachlin
Senior Vice President

ACCEPTED: BOARD OF EDUCATION
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS

By: [signature]
President, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

RESCHEDULED REGULAR MEETING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education (the *"Board"*) of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify as follows:

1. That at the regular meeting of the Board held on the 17th day of December, 2003, the regular meeting of the Board scheduled for the 28th day of January, 2003, was rescheduled to the 21st day of January, 2003 (the *"Meeting"*), and that notice thereof was given to the members of the Board in writing, stating the time, place and purpose of, and including the agenda for, the Meeting (the *"Board Notice"*).

2. That the Board Notice was served upon all of the members of the Board by Fax, the same being the manner in which the Board Notice was served (*e.g.*, personal service or mail), not less than 48 hours before the Meeting.

3. That the *Daily Southtown, Star* and *Hammond Times,* the same being all of the news media that have filed a request for such notice, were also given the Board Notice in the same manner as was given to said members of the Board.

4. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the minutes of the regular meeting of the Board held on the 17th day of December, 2003, evidencing the rescheduling of the Meeting.

5. That attached hereto as *Exhibit 2* is a true, correct and complete copy of the Board Notice.

6. That on the 12th day of December, 2003, public notice of the Meeting, including the agenda for the Meeting, was posted at the Administrative Center,

1601 Wentworth, Calumet City Illinois, the same being the principal office of the Board (the *"Public Notice"*).

7. That on said day the Public Notice was also supplied to the news media listed in paragraph 3 hereof.

8. That attached hereto as *Exhibit 3* is a true, correct and complete copy of the Public Notice.

9. That the Meeting was duly called, noticed and held in strict compliance with all of the provisions of the Open Meetings Act of the State of Illinois, as amended, the School Code of the State of Illinois, as amended, and the resolutions, rules, regulations and proceedings of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 21st day of January, 2003.

Karen Walker-Kehl

Secretary, Board of Education

CALL TO ORDER

President Debbie Waitekus called the regular meeting to order at the Administrative Center in Calumet City, Illinois at 7:10 p.m. followed by the Pledge of Allegiance.

ROLL CALL

Roll Call:
Present: Garrison, Garritano, Manno, Schneider, Waitekus, Walker-Kehl
Absent: Pavich

COMMUNICATION

Member Walker-Kehl read the following correspondence:

> A letter from Mr. Jim Friesma commending the TF South staff for their support of students relative to the recent accidental death of Michael Billstrand.
>
> A letter from Reverend Van Dyck regarding student activities being held on Sundays.

The Board directed Superintendent Wilhite to review Sunday activities for further discussion.

COMMITTEE REPORTS

Member Garritano reported on the Building & Grounds committee meeting held earlier this evening. At this time, the architect is reporting 59,015 square feet of additions to both the North and South campus, with asbestos removal beginning this summer. Work will also begin on the Science and Tech. Center this summer.

FUTURE MEETINGS

A Committee of the Whole meeting was scheduled by the Finance Committee for Tuesday, January 14, 2003 at 5:00 p.m at the Administrative Center.

The regular January meeting will be held on Tuesday, January 21, 2003 at the Administrative Center. A Building & Grounds committee meeting will be held at 6:30 p.m.

A special meeting will be held on Tuesday, January 14, 2003 at 6:00 p.m at the Administrative Center.

The Board of Education will hold a workshop at 8:30 a.m. on Saturday, February 8, 2003 at the Science & Technology Center.

STAFF UPDATES

Dr. Marge Trybus presented an overview of the 2001-02 School Report Card. Dr. Trybus, along with Asst. Principal Mike Fies and instructors Petra Julian and Jim Smith, reported on TF North's work on NCA.

Principal Terrell reported on the recent graduation program held for the Certified Nursing Program. Twelve students successfully completed this first time program.

Principal Terrell presented the Class of 2001 followup study.

MINUTES

Member Garrison moved, seconded by Member Garritano, that the Board of Education approve the minutes from the open and closed meetings held on November 26, 2002.

Ayes: Garrison, Garritano, Manno, Schneider, Walker-Kehl, Waitekus
Nays: None

OLD BUSINESS

Member Garritano moved, seconded by Member Walker-Kehl, that the Board of Education adopt the 2002 tax levy resolution.

Ayes: Garrison, Garritano, Manno, Schneider, Walker-Kehl, Waitekus
Nays: None

Member Schneider moved, seconded by Member Garritano, that the Board of Education adopt the 2002 Special Education tax levy resolution.

Ayes: Garrison, Garritano, Manno, Schneider, Walker-Kehl, Waitekus
Nays: None

THORNTON FRACTIONAL TOWNSHIP
HIGH SCHOOLS

District 215

A PARTNERSHIP OF EXPECTATIONS

Burnham
Calumet City
Lansing
Lynwood

BOARD OF EDUCATION OF THORNTON FRACTIONAL TOWNSHIP
HIGH SCHOOL DISTRICT 215
MEETING NOTICE

NOTICE IS HEREBY GIVEN THAT THE BOARD OF EDUCATION OF THORNTON FRACTIONAL HIGH SCHOOL DISTRICT 215, COOK COUNTY, ILLINOIS WILL HOLD THEIR REGULAR MONTHLY MEETING TUESDAY, JANUARY 21, 2002 BEGINNING AT 7:00 P.M. AT THE ADMINISTRATIVE CENTER ,1601 WENTWORTH AVENUE, CALUMET CITY, ILLINOIS.

BUILDING & GROUNDS COMMITTEE MEETING AT 6:30 P.M.

BY ORDER OF THE BOARD OF EDUCATION

Karen Walker-Kehl

KAREN WALKER-KEHL, SECRETARY

1601 Wentworth Avenue
ADMINISTRATIVE CENTER
Calumet City, Illinois 60409
Phone: (708) 585-2310
Fax: (708) 585-2319

MINUTES of a rescheduled regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held at the District's Administrative Offices in said School District at 7:00 o'clock P.M., on the 21st day of January, 2003.

*　　*　　*

The meeting was called to order by the President, and upon the roll being called, Debbie Waitekus, the President, and the following members at said location answered present: ~~[illegible]~~ Walker-Kehl, Manno, Pavich, Schneider, Garrison, Garritano

The following members were absent: NONE

The President announced that a proposal had been received from Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, for the purchase of a portion of the District's general obligation school building bonds approved at the November 5, 2002 referendum and to be issued by the District pursuant to Section 19-3 of the School Code and that the Board of Education would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax sufficient to pay the principal and interest thereon.

Whereupon Member Waitekus presented and the Secretary read in full a resolution as follows:

RECEIVED BY
COOK CO. CLERKS OFFICE

JAN 30 2003

DAVID ORR
TAX EXTENSION DIVISION

RESOLUTION providing for the issue of $9,000,000 School Bonds, Series 2003, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

* * *

WHEREAS, the Board of Education (the *"Board"*) of Township High School District Number 215, Cook County, Illinois (the *"District"*), authorized the submission of the following proposition to the voters of the District at the general election held on the 5th day of November, 2002 (the *"Election"*):

> Shall the Board of Education of Thornton Fractional Township High School District Number 215, Cook County, Illinois, improve the sites of, build and equip additions to and alter, repair and equip the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology and issue bonds of said School District to the amount of $19,000,000 for the purpose of paying the costs thereof?

; and

WHEREAS, the County Clerk (the *"County Clerk"*) of The County of Cook, Illinois, caused proper notice to be given of the Election (the *"Notice"*) by (i) publishing the Notice once not more than 30 nor less than 10 days prior to the date of the Election in a local, community newspaper having general circulation in the District, and (ii) posting a copy of the Notice at least 10 days before the date of the Election at the principal office of the County Clerk; and

WHEREAS, the Secretary of the Board posted a copy of the Notice at the principal office of the District; and

WHEREAS, the Election was duly held in the manner provided by law, and it has heretofore been found, determined, declared and proclaimed that a majority of all the votes cast at the Election on said proposition was cast in favor of said proposition, and said proposition was properly carried; and

WHEREAS, the Board by the Election has heretofore been authorized to borrow the sum of $19,000,000 to improve the sites of, build and equip additions to and alter, repair and equip the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology (the *"Project"*), such money to be borrowed upon the credit of the District; and

WHEREAS, the Board has heretofore issued $9,995,000 of the bonds so authorized; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that $9,000,000 of the bonds so authorized be issued at this time (the *"Bonds"*); and

WHEREAS, the Bonds shall be payable from a direct annual ad valorem tax levied against all taxable property in the District, without limitation as to rate or amount; and

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended, imposes certain limitations on the *"aggregate extension"* of certain property taxes levied by the District, but provides that the definition of *"aggregate extension"* contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include "extensions made for the taxing district to pay interest or principal on general obligation bonds that were approved by referendum"; and

WHEREAS, the Board does hereby find and determine that the Bonds were approved by referendum; and

WHEREAS, the County Clerk is therefore authorized to extend and collect said tax so levied for the payment of the Bonds without limitation as to rate or amount:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 215, Cook County, Illinois, as follows:

Section 1. *Incorporation of Preambles.* The Board hereby finds that all of the recitals contained in the preambles to this Resolution are full, true and correct and does incorporate them into this Resolution by this reference.

Section 2. *Authorization.* It is hereby found and determined that the Board has been authorized by law to borrow the sum of $19,000,000 upon the credit of the District and as evidence of such indebtedness to issue the Bonds in said amount, the proceeds of the Bonds to be used for the Project, and it is necessary and for the best interests of the District that there be issued at this time $9,000,000 of the Bonds so authorized.

Section 3. *Bond Details.* There be borrowed on the credit of and for and on behalf of the District the sum of $9,000,000 for the purpose aforesaid; and that the Bonds shall be issued in said amount and shall be designated "School Bonds, Series 2003." The Bonds shall be dated February 1, 2003, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of $5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and the Bonds shall become due and payable serially (subject to prior redemption as hereinafter set forth) on December 1 of each of the years, in the amounts and bearing interest per annum as follows:

Year of Maturity	Principal Amount	Rate of Interest
2003	$375,000	2.50%
2004	325,000	2.50%
2005	330,000	2.50%
2006	340,000	2.50%
2007	350,000	2.50%
2008	355,000	3.20%
2009	370,000	4.50%
2010	385,000	4.50%
2011	400,000	5.00%
2012	420,000	5.00%
2013	445,000	3.80%
2014	460,000	3.90%
2015	480.000	4.00%
2016	495,000	4.10%
2017	520,000	4.20%
2018	540,000	4.30%
2019	565,000	4.40%
2020	590,000	4.40%
2021	615,000	4.50%
2022	640,000	4.50%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on June 1, 2003. Interest on each Bond shall be paid by check or draft of LaSalle Bank National Association, Chicago, Illinois (the *"Bond 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. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the President and Secretary of the Board, and shall be registered, numbered and countersigned by the School Treasurer who receives the taxes of the

District, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

All Bonds shall have thereon a certificate of authentication substantially in the form hereinafter set forth duly executed by the Bond Registrar as authenticating agent of the District and showing the date of authentication. No Bond shall be valid or obligatory for any purpose or be entitled to any security or benefit under this Resolution unless and until such certificate of authentication shall have been duly executed by the Bond Registrar by manual signature, and such certificate of authentication upon any such Bond shall be conclusive evidence that such Bond has been authenticated and delivered under this Resolution. The certificate of authentication on any Bond shall be deemed to have been executed by the Bond Registrar if signed by an authorized officer of the Bond Registrar, but it shall not be necessary that the same officer sign the certificate of authentication on all of the Bonds issued hereunder.

Section 4. Registration of Bonds; Persons Treated as Owners. (a) *General.* The District shall cause books (the *"Bond Register"*) for the registration and for the transfer of the Bonds as provided in this Resolution to be kept at the principal corporate trust office of the Bond Registrar, which is hereby constituted and appointed the registrar of the District. The District is authorized to prepare, and the Bond Registrar shall keep custody of, multiple Bond blanks executed by the District for use in the transfer and exchange of Bonds.

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in form satisfactory to the Bond Registrar and duly executed by, the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, *provided, however,* the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

The Bond 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 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.

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

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

(b) *Global Book-Entry System.* The Bonds shall be initially issued in the form of a separate single fully registered Bond for each of the maturities of the Bonds determined as described in Section 3 hereof. Upon initial issuance, the ownership of each such Bond shall be registered in the Bond Register in the name of Cede & Co., or any successor thereto (*"Cede"*), as nominee of The Depository Trust Company, New York, New York, and its successors and assigns (*"DTC"*). All of the outstanding Bonds shall be registered in the Bond Register in the name of Cede, as nominee of DTC, except as hereinafter provided. The President and Secretary of the Board, the Superintendent and chief business official of the District and the Bond Registrar are each authorized to execute and deliver, on behalf of the District, such letters to or agreements with DTC as shall be necessary to effectuate such book-entry system (any such letter or agreement being referred to herein as the *"Representation Letter"*), which Representation Letter may provide for the payment of principal of or interest on the Bonds by wire transfer.

With respect to Bonds registered in the Bond Register in the name of Cede, as nominee of DTC, the District and the Bond Registrar shall have no responsibility or obligation to any broker-dealer, bank or other financial institution for which DTC holds Bonds from time to time as securities depository (each such broker-dealer, bank or other financial institution being referred to herein as a *"DTC Participant"*) or to any person on behalf of whom such a DTC Participant holds an interest in the Bonds. Without limiting the immediately preceding sentence, the District and the Bond Registrar shall have no responsibility or obligation with respect to (i) the accuracy of the records of DTC, Cede or any DTC Participant with respect to any ownership interest in the Bonds, (ii) the delivery to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond Register, of any notice with respect to the Bonds, including any notice of redemption, or (iii) the payment to any DTC Participant or any other person, other than a registered owner of a Bond as shown in the Bond

Register, of any amount with respect to the principal of or interest on the Bonds. The District and the Bond Registrar may treat and consider the person in whose name each Bond is registered in the Bond Register as the holder and absolute owner of such Bond for the purpose of payment of principal and interest with respect to such Bond, for the purpose of giving notices of redemption and other matters with respect to such Bond, for the purpose of registering transfers with respect to such Bond, and for all other purposes whatsoever. The Bond Registrar shall pay all principal of and interest on the Bonds only to or upon the order of the respective registered owners of the Bonds, as shown in the Bond Register, or their respective attorneys duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the District's obligations with respect to payment of the principal of and interest on the Bonds to the extent of the sum or sums so paid. No person other than a registered owner of a Bond as shown in the Bond Register, shall receive a Bond evidencing the obligation of the District to make payments of principal and interest with respect to any Bond. Upon delivery by DTC to the Bond Registrar of written notice to the effect that DTC has determined to substitute a new nominee in place of Cede, and subject to the provisions in Section 3 hereof with respect to the payment of interest to the registered owners of Bonds at the close of business on the 15th day of the month next preceding the applicable interest payment date, the name "Cede" in this Resolution shall refer to such new nominee of DTC.

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

Notwithstanding any other provisions of this Resolution to the contrary, so long as any Bond is registered in the name of Cede, as nominee of DTC, all payments with respect to principal of and interest on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. The Bonds due on or after December 1, 2013, shall be subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of $5,000 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, 2012, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Bonds shall be redeemed only in the principal amount of $5,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond 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 Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any $5,000 Bond or $5,000 portion of a Bond shall be as likely to be called for redemption as any other such $5,000 Bond or $5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

The Bond Registrar shall promptly notify the District in writing of the Bonds or portions of Bonds selected for redemption and, in the case of any Bond selected for partial redemption, the principal amount thereof to be redeemed.

Section 6. Redemption Procedure. Unless waived by any holder of Bonds to be redeemed, notice of the call for any such redemption shall be given by the Bond Registrar on behalf of the District by mailing the redemption notice by first class mail at least thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the registered owner of the Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in writing by such registered owner to the Bond Registrar.

All notices of redemption shall state:

(1) the redemption date,

(2) the redemption price,

(3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,

(4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

(5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment shall be the principal corporate trust office of the Bond Registrar, and

(6) such other information then required by custom, practice or industry standard.

Prior to any redemption date, the District shall deposit with the Bond Registrar an amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds which are to be redeemed on that date.

Notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, 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 shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

If any Bond or portion of Bond called for redemption shall not be so paid upon surrender thereof for redemption, the principal shall, until paid, bear interest from the redemption date at the rate borne by the Bond or portion of Bond so called for redemption. All Bonds which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. The Bonds shall be in substantially the following form; *provided, however,* that if the text of the Bond is to be printed in its entirety on the front side of the Bond, then paragraph [2] and the legend, "See Reverse Side for Additional Provisions", shall be omitted and paragraphs [6] through [11] shall be inserted immediately after paragraph [1]:

(Form of Bond - Front Side)

REGISTERED
No. ______

REGISTERED
$________

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215

SCHOOL BOND, SERIES 2003

See Reverse Side for Additional Provisions

Interest Rate: _____%	Maturity Date: December 1, 20__	Dated Date: February 1, 2003	CUSIP _____

Registered Owner:

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Township High School District Number 215, Cook County, Illinois (the *"District"*), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assigns as hereinafter provided, on the Maturity Date identified above, the Principal Amount identified above and to pay interest (computed on the basis of a 360-day year of twelve 30-day months) on such Principal Amount from the date of this Bond or from the most recent interest payment date to which interest has been paid at the Interest Rate per annum set forth above on June 1 and December 1 of each year, commencing June 1, 2003, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of LaSalle Bank National Association, Chicago, Illinois, as bond registrar and paying agent (the *"Bond Registrar"*). Payment of the installments of interest shall be made to the Registered Owner hereof as shown

on the registration books of the District maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged.

[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax sufficient to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity.

[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] In Witness Whereof, said Township High School District Number 215, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by

the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

____
President, Board of Education

Registered, Numbered and Countersigned:

____
Secretary, Board of Education

____
School Treasurer

Date of Authentication: ____________, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within mentioned resolution and is one of the School Bonds, Series 2003, of Township High School District Number 215, Cook County, Illinois.

LASALLE BANK NATIONAL ASSOCIATION,
as Bond Registrar

By____________________________________
Authorized Officer

Bond Registrar and Paying Agent:
LaSalle Bank National Association,
Chicago, Illinois

[Form of Bond - Reverse Side]

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215

COOK COUNTY, ILLINOIS

SCHOOL BOND, SERIES 2003

[6] This Bond is one of a series of bonds issued by the District to improve the sites of, build and equip additions to and alter, repair and equip the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology, in full compliance with the provisions of the School Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by a majority of all votes cast on the proposition at an election duly called and held for that purpose in the District, and by the Board of Education of the District by a resolution duly and properly adopted for that purpose, in all respects as provided by law.

[7] Bonds of the issue of which this Bond is one due on or after December 1, 2013, 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 in any order of their maturity as determined by the District (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 2012, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

[8] Notice of any such redemption shall be sent by first class mail not less than thirty (30) days nor more than sixty (60) days prior to the date fixed for redemption to the registered owner of each Bond to be redeemed at the address shown on the registration books of the District maintained by the Bond Registrar or at such other address as is furnished in writing by such registered owner to the Bond Registrar. When so called for redemption, this Bond will cease to

bear interest on the specified redemption date, provided funds for redemption are on deposit at the place of payment at that time, and shall not be deemed to be outstanding.

[9] This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Chicago, Illinois, but only in the manner, subject to the limitations and upon payment of the charges provided in the authorizing resolution, and upon surrender and cancellation of this Bond. Upon such transfer a new Bond or Bonds of authorized denominations of the same maturity and for the same aggregate principal amount will be issued to the transferee in exchange therefor.

[10] The Bonds are issued in fully registered form in the denomination of $5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond 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 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.

[11] The District and the Bond Registrar may deem and treat the Registered Owner hereof as the absolute owner hereof for the purpose of receiving payment of or on account of principal hereof and interest due hereon and for all other purposes and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

(ASSIGNMENT)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto ____________________

____

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint ______________________

____

attorney to transfer the said Bond on the books kept for registration thereof with full power of substitution in the premises.

Dated: ___________________________ ___________________________

Signature guaranteed: ___________________________

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears upon the face of the within Bond in every particular, without alteration or enlargement or any change whatever.

Section 8. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the passage hereof as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and be by said Treasurer delivered to Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois (the *"Purchaser"*), upon receipt of the purchase price therefor, the same being $9,046,777.30, plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into (the *"Purchase Contract"*) is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract; and the Bonds before being issued shall be registered, numbered and countersigned by said Treasurer, such registration being made in a book provided for that purpose, in which shall be entered the record of the election authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

The use by the Purchaser of any Preliminary Official Statement and any final Official Statement relating to the Bonds (the *"Official Statement"*) is hereby ratified, approved and authorized; the execution and delivery of the Official Statement is hereby authorized; and the officers of the Board are hereby authorized to take any action as may be required on the part of the District to consummate the transactions contemplated by the Purchase Contract, this Resolution, said Preliminary Official Statement, the Official Statement and the Bonds.

Section 9. Tax Levy. In order to provide for the collection of a direct annual tax sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

For the Year	A Tax Sufficient to Produce the Sum of:	
2002	$671,695.83	for interest and principal up to and including December 1, 2003
2003	671,660.00	for interest and principal
2004	668,535.00	for interest and principal
2005	670,285.00	for interest and principal
2006	671,785.00	for interest and principal
2007	668,035.00	for interest and principal
2008	671,675.00	for interest and principal
2009	670,025.00	for interest and principal
2010	667,700.00	for interest and principal
2011	667,700.00	for interest and principal
2012	671,700.00	for interest and principal
2013	669,790.00	for interest and principal
2014	671,850.00	for interest and principal
2015	667,650.00	for interest and principal
2016	672,355.00	for interest and principal
2017	670,515.00	for interest and principal
2018	672,295.00	for interest and principal
2019	672,435.00	for interest and principal
2020	671,475.00	for interest and principal
2021	668,800.00	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District, and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders 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 levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

Section 10. Filing of Resolution. Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerk, and it shall be the duty of the County Clerk to annually in and for each of the years 2002 to 2021, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "School Bond and Interest Fund of 2003" (the *"Bond Fund"*), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this resolution shall also be filed with the School Treasurer who receives the taxes of the District.

Section 11. Use of Bond Proceeds. Accrued interest and any premium received on the delivery of the Bonds are hereby appropriated for the purpose of paying first interest due on the Bonds and are hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds are hereby appropriated for the purpose of paying the cost of the Project and are hereby ordered deposited into the Site and Construction/Capital Improvements Fund of the District (the *"Project Fund"*). The District and the Board hereby covenant that all of the proceeds of the Bonds shall be used in strict compliance with the authorization of the voters of the District at the Election and with all of the requirements of the School Code of the State of Illinois, as amended.

Section 12. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the

District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District is treated as the "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the Internal Revenue Service in connection with such an examination. The Board and the District certify, covenant and represent as follows:

1.1. *Definitions.* In addition to such other words and terms used and defined in this Resolution, the following words and terms used in this Section shall have the following meanings unless, in either case, the context or use clearly indicates another or different meaning is intended:

"Bond Counsel" means Chapman and Cutler or any other nationally recognized firm of attorneys experienced in the field of municipal bonds whose opinions are generally accepted by purchasers of municipal bonds.

"Capital Expenditures" means costs of a type that would be properly chargeable to a capital account under the Code (or would be so chargeable with a proper election) under federal income tax principles if the District were treated as a corporation subject to federal income taxation, taking into account the definition of Placed-in-Service set forth herein.

"Closing" means the first date on which the District is receiving the purchase price for the Bonds.

"Code" means the Internal Revenue Code of 1986, as amended.

"Commingled Fund" means any fund or account containing both Gross Proceeds and an amount in excess of $25,000 that are not Gross Proceeds if the amounts in the fund or account are invested and accounted for, collectively, without regard to the source of funds deposited in the fund or account. An open-ended regulated investment company under Section 851 of the Code is not a Commingled Fund.

"Control" means the possession, directly or indirectly through others, of either of the following discretionary and non-ministerial rights or powers over another entity:

(a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or

(b) to require the use of funds or assets of a Controlled Entity for any purpose.

"Controlled Entity" means any entity or one of a group of entities that is subject to Control by a Controlling Entity or group of Controlling Entities.

"Controlling Entity" means any entity or one of a group of entities directly or indirectly having Control of any entities or group of entities.

"Controlled Group" means a group of entities directly or indirectly subject to Control by the same entity or group of entities, including the entity that has Control of the other entities.

"Costs of Issuance" means the costs of issuing the Bonds, including underwriters' discount and legal fees, but not including the fees for the Credit Facility described in paragraph 5.5 hereof.

"Credit Facility" means the municipal bond insurance policy issued by the Credit Facility Provider.

"Credit Facility Provider" means the insurer, if any, of all or a portion of the Bonds.

"De minimis Amount of Original Issue Discount or Premium" means with respect to an obligation (a) any original issue discount or premium that does not exceed two percent of the stated redemption price at maturity of the Bonds plus (b) any original issue premium that is attributable exclusively to reasonable underwriter's compensation.

"External Commingled Fund" means a Commingled Fund in which the District and all members of the same Controlled Group as the District own, in the aggregate, not more than ten percent of the beneficial interests.

"GIC" means (a) any investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate and (b) any agreement to supply investments on two or more future dates (*e.g.*, a forward supply contract).

"Gross Proceeds" means amounts in the Bond Fund and the Project Fund.

"Net Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds reduced by any such amounts that are deposited in a reasonably required reserve or replacement fund for the Bonds.

"Person" means any entity with standing to be sued or to sue, including any natural person, corporation, body politic, governmental unit, agency, authority, partnership, trust, estate, association, company, or group of any of the above.

"Placed-in-Service" means the date on which, based on all facts and circumstances (a) a facility has reached a degree of completion that would permit its operation at substantially its design level and (b) the facility is, in fact, in operation at such level.

"Private Business Use" means any use of the Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

"Qualified Administrative Costs of Investments" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions (other than a broker's commission paid on behalf of either the District or the provider of a GIC to the extent such commission exceeds the lesser of a reasonable amount or the present value of annual payments equal to 0.05 percent of the weighted average amount reasonably expected to be invested each year of the term of the GIC (for this purpose, present value is computed using the yield on the GIC), but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

"Qualified Tax Exempt Obligations" means (a) any obligation described in Section 103(a) of the Code, the interest on which is excludable from gross income of the owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; (b) an

interest in a regulated investment company to the extent that at least ninety-five percent of the income to the holder of the interest is interest which is excludable from gross income under Section 103 of the Code of any owner thereof for federal income tax purposes and is not an item of tax preference for purposes of the alternative minimum tax imposed by Section 55 of the Code; and (c) certificates of indebtedness issued by the United States Treasury pursuant to the Demand Deposit State and Local Government Series program described in 31 C.F.R. part 344.

"Rebate Fund" means the fund, if any, identified and defined in paragraph 4.2 herein.

"Rebate Provisions" means the rebate requirements contained in Section 148(f) of the Code and in the Regulations.

"Regulations" means United States Treasury Regulations dealing with the tax-exempt bond provisions of the Code.

"Reimbursed Expenditures" means expenditures of the District paid prior to Closing to which Sale Proceeds or investment earnings thereon are or will be allocated.

"Sale Proceeds" means amounts actually or constructively received from the sale of the Bonds, including (a) amounts used to pay underwriters' discount or compensation and accrued interest, other than accrued interest for a period not greater than one year before Closing but only if it is to be paid within one year after Closing and (b) amounts derived from the sale of any right that is part of the terms of a Bond or is otherwise associated with a Bond (*e.g.*, a redemption right).

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

"Yield Reduction Payment" means a rebate payment or any other amount paid to the United States in the same manner as rebate amounts are required to be paid or at such other time or in such manner as the Internal Revenue Service may prescribe that will be treated as a reduction in Yield of an investment under the Regulations.

2.1. *Purpose of the Bonds.* The Bonds are being issued to finance the Project in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Resolution. At least 75% of the sum of (i) Sale Proceeds plus (ii) investment earnings thereon, less (iii) Costs of Issuance paid from Sale Proceeds or investment earnings thereon, less (iv) Sale Proceeds or investment earnings thereon deposited in a reasonably required reserve or replacement fund, are expected to be used for construction purposes with respect to property owned by a governmental unit or a Section 501(c)(3) organization.

Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

2.2. *The Project — Binding Commitment and Timing.* The District has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the District or any member of the same Controlled Group as the District) to a third party to expend at least five percent of the Net Sale Proceeds on the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through February 1, 2006, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

2.3. *Reimbursement.* None of the Sale Proceeds or investment earnings thereon will be used for Reimbursed Expenditures.

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures other than the following:

(a) an amount not to exceed five percent of the Sale Proceeds for working capital expenditures directly related to Capital Expenditures financed by the Bonds;

(b) payments of interest on the Bonds for a period commencing at Closing and ending on the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service;

(c) Costs of Issuance and Qualified Administrative Costs of Investments;

(d) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;

(e) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon;

(f) fees for a qualified guarantee within the meaning of Treas. Reg. Section 1.148-4(f); and

(g) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

No Gross Proceeds may be spent for non-capital purposes pursuant to Section 2.4 hereof if the expenditure merely substitutes Gross Proceeds for other amounts that would have been used to make expenditures in a manner that gives rise to Replacement Proceeds.

2.5. *Consequences of Contrary Expenditure.* The District acknowledges that if Sale Proceeds and investment earnings thereon are spent for non-Capital Expenditures other than as permitted by paragraph 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

2.6. *Investment of Bond Proceeds.* Not more than 50% of the Sale Proceeds and investment earnings thereon are or will be invested in investments (other than Qualified Tax Exempt Obligations) having a Yield that is substantially guaranteed for four years or more. No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund, will be spent to pay costs of the Project and interest on the Bonds not later than the date set forth in the preceding paragraph, the investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Project Fund and the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

2.7. *No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

2.8. *Hedges.* Neither the District nor any member of the same Controlled Group as the District has entered into or expects to enter into any hedge (*e.g.*, an interest rate swap, interest rate cap, futures contract, forward contract or an option) with respect to the Bonds. The District acknowledges that any such hedge could affect, among other things, the calculation of Bond Yield under the Regulations. The Internal Revenue Service could recalculate Bond Yield if the failure to account for the hedge fails to clearly reflect the economic substance of the transaction.

2.9. *Internal Revenue Service Audits.* The District represents that the Internal Revenue Service has not contacted the District regarding any obligations issued by or on behalf of the District.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Resolution at the time of Closing are described in the preceding Section of this Resolution. No Sale Proceeds will be used to pre-pay for services or goods prior to the date such services or goods are to be received, except for any payment to the Credit Facility Provider.

(b) Only the funds and accounts described in said Section will be funded at Closing. There are no other funds or accounts created under this Resolution, other than the Rebate Fund if it is created as provided in paragraph 4.2 hereof.

(c) Principal of and interest on the Bonds will be paid from the Bond Fund.

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid from the Project Fund.

(e) The costs of the Project will be paid from the Project Fund and no other moneys (except for investment earnings on amounts in the Project Fund) are expected to be deposited therein.

3.2. Purpose of Bond Fund. The Bond Fund will be used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Bonds in each bond year. It is expected that the Bond Fund will be depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (a) the earnings on the investment of moneys in the Bond Fund for the immediately preceding bond year or (b) 1/12th of the principal and interest payments on the Bonds for the immediately preceding bond year.

3.3. No Other Gross Proceeds. (a) Except for the Bond Fund and the Project Fund, and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

(ii) amounts in any fund and account with respect to the Bonds (other than the Rebate Fund);

(iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been used for that governmental purpose if the Bonds were not used or to be used for that governmental purpose (the mere availability or preliminary earmarking of such amounts for a governmental purpose, however, does not itself establish such a sufficient nexus);

(iv) amounts in a debt service fund, redemption fund, reserve fund, replacement fund or any similar fund to the extent reasonably expected to be used directly or indirectly to pay principal of or interest on the Bonds or any amounts for which there is provided, directly or indirectly, a reasonable assurance that the amount will be available to pay principal of or interest on the Bonds or any obligations under any credit enhancement or liquidity device with respect to the Bonds, even if the District encounters financial difficulties;

(v) any amounts held pursuant to any agreement (such as an agreement to maintain certain levels of types of assets) made for the benefit of the Bondholders or any credit enhancement provider, including any liquidity device or negative pledge (*e.g.*, any amount pledged to pay principal of or interest on an issue held under an agreement to maintain the amount at a particular level for the direct or indirect benefit of holders of the Bonds or a guarantor of the bonds); or

(vi) amounts actually or constructively received from the investment and reinvestment of the amounts described in (i) or (ii) above.

(b) No compensating balance, liquidity account, negative pledge of property held for investment purposes required to be maintained at least at a particular level or similar arrangement exists with respect to, in any way, the Bonds or any credit enhancement or liquidity device related to the Bonds.

(c) The term of the Bonds is not longer than is reasonably necessary for the governmental purposes of the Bonds. The average reasonably expected economic life of the Project is at least 20 years. The weighted average maturity of the Bonds does not exceed 15 years and does not exceed 120 percent of the average reasonably expected economic life of the Project. The maturity schedule of the Bonds (the *"Principal Payment Schedule"*) is based on an analysis of revenues expected to be available to pay debt service on the Bonds. The Principal Payment Schedule is not more rapid (*i.e.*, having a lower average maturity) because a more rapid schedule would place an undue burden on tax rates and cause such rates to be increased beyond prudent levels, and would be inconsistent with the governmental purpose of the Bonds as set forth in paragraph 2.1 hereof.

4.1. Compliance with Rebate Provisions. The District covenants to take such actions and make, or cause to be made, all calculations, transfers and payments that may be necessary to comply with the Rebate Provisions applicable to the Bonds. The District will make, or cause to be made, rebate payments with respect to the Bonds in accordance with law.

4.2. Rebate Fund. The District is hereby authorized to create and establish a special fund to be known as the Rebate Fund (the *"Rebate Fund"*), which, if created, shall be continuously held, invested, expended and accounted for in accordance with this Resolution. Moneys in the Rebate Fund shall not be considered moneys held for the benefit of the owners of the Bonds. Except as provided in the Regulations, moneys in the Rebate Fund (including earnings and deposits therein) shall be held in trust for payment to the United States as required by the Rebate Provisions and by the Regulations and as contemplated under the provisions of this Resolution.

4.3. Records. The District agrees to keep and retain or cause to be kept and retained until six years (three years for the records required by paragraph 4.4(c) hereof) after the Bonds are paid in full adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

If any investment becomes Gross Proceeds on a date other than the date such investment is purchased, the records required to be kept shall include the fair market value of such investment on the date it becomes Gross Proceeds. If any investment is retained after the date the last Bond is retired, the records required to be kept shall include the fair market value of such investment on the date the last Bond is retired. Amounts or investments will be segregated whenever necessary to maintain these records.

4.4. Fair Market Value; Certificates of Deposit and Investment Agreements. The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Resolution. The District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in guaranteed investment contracts ("*GICs*") shall be invested only in accordance with the following provisions:

(a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

(i) the bid specifications are in writing, include all material terms of the bid and are timely forwarded to potential providers (a term is material if it may directly or indirectly affect the yield on the GIC);

(ii) the terms of the bid specifications are commercially reasonable (a term is commercially reasonable if there is a legitimate business purpose for the term other than to reduce the yield on the GIC);

(iii) all bidders for the GIC have equal opportunity to bid so that, for example, no bidder is given the opportunity to review others bids (a last look) before bidding;

(iv) any agent used to conduct the bidding for the GIC does not bid to provide the GIC;

(v) at least three of the providers solicited for bids for the GIC are reasonably competitive providers of investments of the type purchased (*i.e.*, providers that have established industry reputations as competitive providers of the type of investments being purchased);

(vi) at least three of the entities that submit a bid do not have a financial interest in the Bonds;

(vii) at least one of the entities that provided a bid is a reasonably competitive provider that does not have a financial interest in the Bonds;

(viii) the bid specifications include a statement notifying potential providers that submission of a bid is a representation that the potential provider did not consult with any other provider about its bid, that the bid was determined without regard to any other formal or informal agreement that the potential provider has with the District or any other person (whether or not in connection with the Bonds) and that the bid is not being submitted solely as a courtesy to the District or any other person for purposes of satisfying the federal income tax requirements relating to the bidding for the GIC;

(ix) the determination of the terms of the GIC takes into account the reasonably expected deposit and drawdown schedule for the amounts to be invested;

(x) the highest-yielding GIC for which a qualifying bid is made (determined net of broker's fees) is in fact purchased; and

(xi) the obligor on the GIC certifies the administrative costs that it is paying or expects to pay to third parties in connection with the GIC.

(c) If a GIC is purchased, the District will retain the following records with its bond documents until three years after the Bonds are redeemed in their entirety:

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under subparagraph (b)(xi) of this paragraph;

(iii) for each bid that is submitted, the name of the person and entity submitting the bid, the time and date of the bid, and the bid results; and

(iv) the bid solicitation form and, if the terms of the GIC deviated from the bid solicitation form or a submitted bid is modified, a brief statement explaining the deviation and stating the purpose for the deviation.

Moneys to be rebated to the United States shall be invested to mature on or prior to the anticipated rebate payment date. All investments made with Gross Proceeds or amounts in the Rebate Fund shall be bought and sold at fair market value. The fair market value of an investment is the price at which a willing buyer would purchase the investment from a willing seller in a bona fide, arm's length transaction. Except for investments specifically described in this Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an "established securities market" includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

An investment of Gross Proceeds in an External Commingled Fund shall be made only to the extent that such investment is made without an intent to reduce the amount to be rebated to the United States Government or to create a smaller profit or a larger loss than would have resulted if the transaction had been at arm's length and had the rebate or Yield restriction requirements not been relevant to the District. An investment of Gross Proceeds shall be made in a Commingled Fund other than an External Commingled Fund only if the investments made by such Commingled Fund satisfy the provisions of this paragraph.

A single investment, or multiple investments awarded to a provider based on a single bid may not be used for funds subject to different rules relating to rebate or yield restriction.

The foregoing provisions of this paragraph satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this paragraph are contained herein for the protection of the District, who has covenanted not to take any action to adversely affect the tax-exempt status of the interest on the Bonds. The District will contact Bond Counsel if it does not wish to comply with the provisions of this paragraph and forego the protection provided by the safe harbors provided herein.

4.5. Arbitrage Elections. The President and Secretary of the Board and the School Treasurer of the District are hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

4.6. Small Issuer Exception. The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The District is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a "private activity bond" (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds will be used for local governmental activities of the District. Neither the District, any entity that issues tax-exempt bonds on behalf of the District nor any entity subject to Control by the District will issue, during the calendar year 2003, any tax-exempt bonds in an aggregate face amount in excess of the *maximum aggregate face amount* (as hereinafter defined). As used herein, (a) *"tax-exempt bonds"* means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including "private activity bonds" (as defined in Section 141 of the Code), (b) *"aggregate face amount"* means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the face amount of the issue and (c) *"maximum aggregate face amount"* means, the sum of (i) $5,000,000 and (ii) the aggregate face amount of bonds issued during the calendar year that are allocable to financing construction expenditures for public school facilities, but in no event can the *maximum aggregate face amount* exceed $15,000,000. As of the date hereof, no tax-exempt bonds or other obligations (other than the Bonds) have been issued by the District, any entity that issues tax-exempt bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2003. The District does not reasonably expect that it, any entity that issues tax-exempt bonds on behalf of the District or any entity subject to Control by the District (including but not limited to the District) will issue any such tax-exempt bonds or other obligations within calendar year 2003. Therefore, subject to compliance with all the terms and provisions hereof, the District is excepted from the required rebate of arbitrage profits on the Bonds under Section 148(f)(4)(D) of the Code and from the terms and provisions of this Resolution that need only be complied with if the District is subject to the arbitrage rebate requirement.

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser sold at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. Yield Limits. (a) Except as provided in paragraph (b) or (c), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds plus, if only for amounts in the Project Fund are subject to this yield limitation, 1/8th of one percent.

The following may be invested without Yield restriction:

(b)(i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Resolution for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;

(ii) amounts on deposit in the Project Fund that are reasonably expected to pay for the costs of the Project, costs of issuance of the Bonds, or interest on the Bonds during the three year period beginning on the date of issue of the Bonds prior to three years after Closing;

(iii) amounts in the Bond Fund to be used to pay capitalized interest on the Bonds prior to the earlier of three years after Closing or the payment of all capitalized interest;

(c)(i) An amount not to exceed the lesser of $100,000 or five percent of the Sale Proceeds;

(ii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Resolution);

(iii) amounts in the Rebate Fund;

(iv) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and

(v) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

5.3. *Continuing Nature of Yield Limits*. Except as provided in paragraph 7.9 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.4. *Federal Guarantees*. Except for investments meeting the requirements of paragraph 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury, or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.5. *Investments After the Expiration of Temporary Periods, Etc.* After the expiration of the temporary period set forth in paragraph 5.2(b)(ii) hereof, amounts in the Project Fund may not be invested in (i) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code) or (ii) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank Act, as amended (*e.g.*, Refcorp Strips). Any other amounts that are subject to the yield limitation in paragraph 5.2(a) hereof because paragraph 5.2(b) hereof is not applicable and amounts not subject to yield restriction only because they are described in paragraph 5.2(c) hereof, are also subject to the limitation set forth in the preceding sentence.

5.6. *Treatment of Certain Credit Facility Fees.* The fee paid to the Credit Facility Provider with respect to the Credit Facility may be treated as interest in computing Bond Yield.

Neither the District nor any member of the same Controlled Group as the District is a Related Person as defined in Section 144(a)(3) of the Code to the Credit Facility Provider. The fee paid to the Credit Facility Provider does not exceed ten percent of the Sale Proceeds. Other than the fee paid to the Credit Facility Provider, neither the Credit Facility Provider nor any person who is a Related Person to the Credit Facility Provider within the meaning of Section 144(a)(3) of the Code will use any Sale Proceeds or investment earnings thereon. The fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk. The fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

6.1. *Payment and Use Tests.* (a) No more than five percent of the Sale Proceeds plus investment earnings thereon will be used, directly or indirectly, in whole or in part, in any Private Business Use. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(b) The payment of more than five percent of the principal of or the interest on the Bonds will not be, directly or indirectly (i) secured by any interest in (A) property used or to be used in any Private Business Use or (B) payments in respect of such property or (ii) on a present value basis, derived from payments (whether or not to the District or a member of the same Controlled Group as the District) in respect of property, or borrowed money, used or to be used in any Private Business Use.

(c) No more than the lesser of five percent of the sum of the Sale Proceeds and investment earnings thereon or $5,000,000 will be used, directly or indirectly, to make or finance loans to any persons. The District acknowledges that, for purposes of the preceding sentence, Gross Proceeds used to pay costs of issuance and other common costs (such as capitalized interest and fees paid for a qualified guarantee or qualified hedge) or invested in a reserve or replacement fund must be ratably allocated among all the purposes for which Gross Proceeds are being used.

(d) No user of the Project other than a state or local governmental unit will use more than five percent of the Project, in the aggregate, on any basis other than the same basis as the general public.

(e) No more than the lesser of five percent of the proceeds of the Bonds or $5,000,000 have been or will be used to provide professional sports facilities. For purposes of this paragraph, the term "professional sports facilities" (i) means real property or related improvements used for professional sports exhibitions, games or training, regardless of whether the admission of the public or press is allowed or paid and

(ii) includes any use of a facility that generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sport exhibitions, games or training.

6.2. I.R.S. Form 8038-G. The information contained in the Information Return for Tax-Exempt Governmental Obligations, Form 8038-G, is true and complete. The District will file Form 8038-G (and all other required information reporting forms) in a timely manner.

6.3. Bank Qualification. (a) The District hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code) other than a "qualified 501(c)(3) bond" (as defined in Section 145 of the Code), (ii) as of the date hereof in calendar year 2003, the District has not issued any tax-exempt obligations of any kind other than the Bonds nor have any tax-exempt obligations of any kind been issued on behalf of the District and (iii) not more than $10,000,000 of obligations of any kind (including the Bonds) issued by or on behalf of the District during calendar year 2003 will be designated for purposes of Section 265(b)(3) of the Code.

(b) The District is not subject to Control by any entity, and there are no entities subject to Control by the District.

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2003 it will issue any Section 265 Tax-Exempt Obligations (other than the Bonds), or that any Section 265 Tax-Exempt Obligations will be issued on behalf of it. *"Section 265 Tax-Exempt Obligations"* are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, *except for* private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not issue or permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence) of Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of $10,000,000 during calendar year 2003 unless it first obtains an opinion of Bond Counsel to the effect that such issuance will not adversely affect the treatment of the Bonds as "qualified tax-exempt obligations" for the purposes and within the meaning of Section 265(b)(3) of the Code.

7.1. Termination; Interest of District in Rebate Fund. The terms and provisions set forth in this Section shall terminate at the later of (a) 75 days after the Bonds have been fully paid and retired or (b) the date on which all amounts remaining on deposit in the Rebate Fund, if any, shall have been paid to or upon the order of the United States and any other payments required to satisfy the Rebate Provisions of the Code have been made to the United States. Notwithstanding the foregoing, the provisions of paragraph 4.3 hereof shall not terminate until the sixth anniversary of the date the Bonds are fully paid and retired, and the provisions of paragraph 4.4(c) hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. No Common Plan of Financing. Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date hereof any obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

7.3. No Sale of the Project. (a) Other than as provided in the next sentence, neither the Project nor any portion thereof has been, is expected to be, or will be sold or otherwise disposed of, in whole or in part, prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity date of the Bonds. The District may dispose of personal property in the ordinary course of an established government program prior to the earlier of (i) the last date of the reasonably expected economic life to the District of the property (determined on the date of issuance of the Bonds) or (ii) the last maturity of the Bonds, provided: (A) the weighted average maturity of the Bonds financing the personal property is not greater than 120 percent of the reasonably expected actual use of that property for governmental purposes; (B) the District reasonably expects on the issue date that the fair market value of that property on the date of disposition will be not greater than 25 percent of its cost; (C) the property is no longer suitable for its governmental purposes on the date of disposition; and (D) the District deposits amounts received from the disposition in a commingled fund with substantial tax or other governmental revenues and the District reasonably expects to spend the amounts on governmental programs within six months from the date of the commingling.

(b) The District acknowledges that if Bond-financed property is sold or otherwise disposed of in a manner contrary to (a) above, such sale or disposition may constitute a "deliberate action" within the meaning of the Regulations that may require remedial actions to prevent the Bonds from becoming private activity bonds. The District shall promptly contact Bond Counsel if a sale or other disposition of bond-financed property is considered by the District.

7.4. Purchase of Bonds by District. The District will not purchase any of the Bonds except to cancel such Bonds.

7.5. First Call Date Limitation. The period between the date of Closing and the first call date of the Bonds is not more than 10-1/2 years.

7.6. Registered Form. The District recognizes that Section 149(a) of the Code requires the Bonds to be issued and to remain in fully registered form in order that interest thereon be exempt from federal income taxation under laws in force at the time the Bonds are delivered. In this connection, the District agrees that it will not take any action to permit the Bonds to be issued in, or converted into, bearer or coupon form.

7.7. First Amendment. The District acknowledges and agrees that it will not use, or allow the Project to be used, in a manner which is prohibited by the Establishment of Religion Clause of the First Amendment to the Constitution of the United States of America or by any comparable provisions of the Constitution of the State of Illinois.

7.8. Future Events. The District acknowledges that any changes in facts or expectations from those set forth herein may result in different Yield restrictions or rebate requirements from those set forth herein. The District shall promptly contact Bond Counsel if such changes do occur.

7.9. Permitted Changes; Opinion of Bond Counsel. The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the District receives an opinion of Bond Counsel to such effect.

7.10. Successors and Assigns. The terms, provisions, covenants and conditions of this Section shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

7.11. Expectations. The Board has reviewed the facts, estimates and circumstances in existence on the date of issuance of the Bonds. Such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in this Section. Such facts and estimates are true and are not incomplete in any material respect. On the basis of the facts and estimates contained herein, the District has adopted the expectations contained herein. On the basis of such facts, estimates, circumstances and expectations, it is not expected that Sale Proceeds, investment earnings thereon or any other moneys or property will be used in a manner that will cause the Bonds to be arbitrage bonds within the meaning of the Rebate Provisions and the Regulations. Such expectations are reasonable and there are no other facts, estimates and circumstances that would materially change such expectations.

The District also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their officers, to make such further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

Section 13. List of Bondholders. The Bond Registrar shall maintain a list of the names and addresses of the holders of all Bonds and upon any transfer shall add the name and address of the new Bondholder and eliminate the name and address of the transferor Bondholder.

Section 14. Duties of Bond Registrar. If requested by the Bond Registrar, the President and Secretary of the Board are authorized to execute the Bond Registrar's standard form of agreement between the District and the Bond Registrar with respect to the obligations and duties of the Bond Registrar hereunder which may include the following:

(a) to act as bond registrar, authenticating agent, paying agent and transfer agent as provided herein;

(b) to maintain a list of Bondholders as set forth herein and to furnish such list to the District upon request, but otherwise to keep such list confidential;

(c) to give notice of redemption of Bonds as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity or upon earlier redemption or submitted for exchange or transfer;

(e) to furnish the District at least annually a certificate with respect to Bonds cancelled and/or destroyed; and

(f) to furnish the District at least annually an audit confirmation of Bonds paid, Bonds outstanding and payments made with respect to interest on the Bonds.

Section 15. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange Act of 1934, as amended (the *"Continuing Disclosure Undertaking"*). When the Continuing Disclosure Undertaking is executed and delivered on behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things and to execute all such documents as may be necessary to carry out and comply with the provisions of the Continuing Disclosure Undertaking as executed. Notwithstanding any other provision of this Resolution, the sole remedy for failure to comply with the Continuing Disclosure Undertaking shall be the ability of the beneficial owner of any Bond to seek mandamus or specific performance by court order to cause the District to comply with its obligations under the Continuing Disclosure Undertaking.

Section 16. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 17. *Repeal.* All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted January 21, 2003.

Debra Whitters

President, Board of Education

Karen Walker-Lehl

Secretary, Board of Education

Member Carritano moved and Member Pavich seconded the motion that said resolution as presented and read by the Secretary be adopted.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion to adopt said resolution as read.

Upon the roll being called, the following members voted

AYE: Waitekus, Walker-Kehl, Manno, Pavich, Schneider, Garrison, Carritano

NAY: None

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Education of Township High School District Number 215, Cook County, Illinois, which was done.

Other business not pertinent to the adoption of said resolution was duly transacted at the meeting.

Upon motion duly made, seconded and carried, the meeting was adjourned.

Karen Walker-Kehl

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the *"Board"*), and as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 21st day of January, 2003, insofar as same relates to the adoption of a resolution entitled:

> RESOLUTION providing for the issue of $9,000,000 School Bonds, Series 2003, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said resolution, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 21st day of January, 2003.

Karen Walker-Fell

Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the 30th day of January, 2003, there was filed in my office a duly certified copy of a resolution entitled:

> RESOLUTION providing for the issue of $9,000,000 School Bonds, Series 2003, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of Township High School District Number 215, Cook County, Illinois, on the 21st day of January, 2003, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 30th day of January, 2003.

David D. Orr

County Clerk of The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify that on the 21st day of January, 2003, there was filed in my office a duly certified copy of a resolution entitled:

> RESOLUTION providing for the issue of $9,000,000 School Bonds, Series 2003, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of said School District on the 21st day of January, 2003, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 21st day of January, 2003.

School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

TREASURER'S SURETY BOND CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, and as such official I do further certify that I am ex-officio Clerk of the Trustees of Schools of said Township and Range (the *"Trustees"*) and am also the Township School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the *"District"*), all or the greater part of which District is located within said Township and Range.

I do further certify that I have executed a surety bond in accordance with all of the provisions of Section 19-6 of the School Code of the State of Illinois, as amended, said surety bond being payable to the Trustees and conditioned upon the faithful discharge of my duties with respect to the disbursement of the proceeds of the sale of the $9,000,000 School Bonds, Series 2003, dated December 15, 2003, proposed to be issued by the District.

I do further certify that said surety bond in the amount of $2,250,000 and with Hanover Insurance as surety thereon was duly submitted to the Trustees for approval or rejection at a legally convened meeting held on the 22nd day of November, 2003, and pursuant to motion duly made, seconded and adopted was approved by the Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 21st day of January, 2003.

Township School Treasurer and ex-officio
Clerk of the Trustees of Schools

I, the undersigned, do hereby certify that I am the duly qualified and acting Regional Superintendent of Schools for the Regional Office of Education serving the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, and as such official I do further certify that as of the date hereof said surety bond has been filed in my office and has been approved by me and deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 31st day of January, 2003.

Regional Superintendent of Schools

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Regional Superintendent of Schools for the Regional Office of Education serving the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, and as such official I do further certify that the records of my office do evidence that Township High School District Number 215, Cook County, Illinois, or any part thereof, is not involved in any manner whatsoever in any proceedings to organize a new School District, a Community Consolidated School District, a Community Unit School District or a Combined School District pursuant to the provisions of Articles 7A, 11A, 11B or 11D of the School Code of the State of Illinois, as amended, or of any other provision of said Code.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 31st day of January 2003.

Joseph Kaczmarek

Regional Superintendent of Schools

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, and as such official I do further certify that I am ex-officio Clerk of the Trustees of Schools of said Township and Range and am also the Township School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the *"District"*), all or the greater part of which District is located within said Township and Range.

I do further certify that as such official I do further certify that the records of my office do evidence that there has not been filed in my office nor is there now pending any petition or petitions affecting in any manner whatsoever the present boundaries of the District as the District is now constituted.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 21st day of January, 2003.

Township School Treasurer and ex-officio Clerk
of the Trustees of Schools

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

INCUMBENCY, NON-LITIGATION, NON-CERTIFICATION, NON-ARBITRAGE, COMFORT AND SIGNATURE IDENTIFICATION CERTIFICATE

We, the undersigned, being authorized and directed to sign the bonds hereinafter described, do hereby certify that we are now and were at the time of signing said bonds the duly qualified and acting officials of Township High School District Number 215, Cook County, Illinois (the *"District"*), as indicated by the titles appended to our respective signatures, and that as such officials we have executed $9,000,000 School Bonds, Series 2003, of the District (the *"Bonds"*), dated February 1, 2003, fully registered and without coupons, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2003	$375,000	2.50%
2004	325,000	2.50%
2005	330,000	2.50%
2006	340,000	2.50%
2007	350,000	2.50%
2008	355,000	3.20%
2009	370,000	4.50%
2010	385,000	4.50%
2011	400,000	5.00%
2012	420,000	5.00%
2013	445,000	3.80%
2014	460,000	3.90%
2015	480,000	4.00%
2016	495,000	4.10%
2017	520,000	4.20%
2018	540,000	4.30%
2019	565,000	4.40%
2020	590,000	4.40%
2021	615,000	4.50%
2022	640,000	4.50%

the Bonds due on or after December 1, 2013, 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, 2012, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Bonds or the issue, sale or validity of the Bonds, and that none of the proceedings providing for the issue or sale of the Bonds have been revoked or rescinded.

We do further certify that the District has not been certified to be in financial difficulty by the State Board of Education of the State of Illinois pursuant to Section 1A-8 of the School Code of the State of Illinois, as amended.

We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the Board of Education of the District in Section 12 of the resolution adopted on the 21st day of January, 2003, authorizing the Bonds (the "*Resolution*") are still reasonable and true; that the foregoing certification is based in part upon the amounts set forth in said section of the Resolution having actually been received and paid into the various funds and accounts of the District as set forth in said section; that the undersigned have reviewed the facts, estimates and circumstances in existence on the date hereof and such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in said section; that said facts and estimates are true and are not incomplete in any material respect; and that such expectations are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

We do further certify that to the best of our knowledge and belief all Official Statements, Notices of Sale and other documents, information or materials, together with any supplements thereto, distributed and all representations made by the District and by its officials in any manner whatsoever in connection with the sale of the Bonds were at all times and are now true and correct in all material respects and did not at any time and do not now contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading; that the District has duly performed all of its obligations under the Resolution to be performed on or prior to the date hereof; and that all representations and warranties of the District contained in all contracts entered into by the District providing for the sale of the Bonds are true and correct on and as of the date hereof as if made at the date hereof and the District has complied with all of the agreements and satisfied all the conditions on its part to be performed or satisfied prior to the date hereof.

We do further certify that the District is in compliance with each and every undertaking previously entered into by it pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 4th day of February, 2003.

SIGNATURES	OFFICIAL TITLES
Debra Whitaker	President, Board of Education
Karen Holker-Kehl	Secretary, Board of Education
	School Treasurer

I do hereby certify that I am James Rachlin of Griffin Kubik Stephens + Thompson, and that I am personally acquainted with the officials whose signatures appear above and that I know that they are now and were at the time of signing the Bonds the duly qualified and acting officials of the District, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the Bonds, as being in all respects true and genuine.

DATED as of the date shown hereinabove.

[BANK SEAL]

Treasurer's Receipt

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the *"District"*), and as such official I do further certify that $9,000,000 School Bonds, Series 2003, of the District (the *"Bonds"*), dated February 1, 2003, fully registered and without coupons, have been delivered to the purchaser thereof, namely, Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, that the Bonds have been paid for in full by said purchaser in accordance with the terms of sale and at a price of not less than $9,046,777.30, plus accrued interest to date of delivery, and that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received by the District upon such sale exceed 5.00%.

I do further certify that the total aggregate indebtedness of the District, howsoever evidenced and howsoever incurred, including the Bonds but not including (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (*"Alternate Bonds"*), does not exceed the sum of $21,508,957.

I do further certify that no taxes, other than a designated revenue source, have ever been extended to pay Alternate Bonds.

I do further certify that the officials whose signatures appear upon the Bonds were in occupancy and possession of their respective offices at the time of signing and delivery of the Bonds.

I do further certify that simultaneously with and as a part of the same transaction as the delivery and issue of the Bonds, I applied the proceeds of sale of the Bonds as follows:

(a)	In the Site and Construction/Capital Improvements Fund of the District	$9,005,000.00
(b)	To paying the expenses of issuing the Bonds	$ 41,777.30
(c)	In the School Bond and Interest Fund of 2003 of the District..	$ 2,966.96

IN WITNESS WHEREOF, I hereunto affix my official signature, this 4th day of February, 2003.

School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATE OF BOND REGISTRAR

We, the undersigned, do hereby certify that we are officers of LaSalle Bank National Association, Chicago, Illinois (the *"Bond Registrar"*), and as such officers we do further certify as follows:

1. That the Bond Registrar has been appointed bond registrar for $9,000,000 School Bonds, Series 2003, dated December 15, 2003 (the *"Bonds"*), of Township High School District Number 215, Cook County, Illinois (the *"District"*), pursuant to a resolution adopted by the Board of Education of the District on the 21st day of January, 2003 (the *"Bond Resolution"*).

2. That the Bond Registrar has heretofore and does hereby accept the duties as bond registrar so imposed by the Bond Resolution.

3. That pursuant to proper authorization and direction from the District dated as of the date hereof, the Bond Registrar has authenticated and delivered Bonds in the amount of $9,995,000 to the purchaser thereof, namely, Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois.

4. That each of the persons named below is an authorized agent of the Bond Registrar; one or more of such persons, in accordance with the provisions of the Bond Resolution, are duly authorized and empowered to authenticate and did authenticate on the date hereof the Bonds issued under the Bond Resolution; and the signature appearing after the name of each such person as follows is a true and correct specimen of each such person's genuine signature:

NAME	OFFICE	SIGNATURE
VERNITA L. ANDERSON	Authorized Signer	Vernita L Anderson

5. That the Bond Registrar has full power and authority under the applicable laws of the United States of America and the State of Illinois to act as bond registrar for the Bonds in the manner contemplated by the Bond Resolution; it has taken all necessary corporate action by its properly authorized officers, employees or agents to accept said offices and duties; and the undersigned are duly qualified and acting officers of the Bond Registrar as indicated by the titles set under their names and are authorized by the Bond Registrar to execute and attest this Certificate.

6. That the Bond Registrar acknowledges receipt of a certified copy of the Bond Resolution.

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this 4th day of February, 2003.

LASALLE BANK NATIONAL ASSOCIATION
Chicago, Illinois

By ______________________________
Its FIRST VICE PRESIDENT

Attest:

____
Its Assistant Secretary

(SEAL OF BOND REGISTRAR)

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 $9,000,000 School Bonds, Series 2003 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 21st day of January, 2003 (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 financial information and operating data of the type contained in the Official Statement under the following captions:

DEBT STRUCTURE
  Summary of Outstanding Debt
TAX BASE INFORMATION
  District Equalized Assessed Valuation
  Composition of 2000 Equalized Assessed Valuation
  Tax Extensions and Collections
  Tax Rate Trend per $100 of Equalized Assessed Valuation
FINANCIAL INFORMATION
  General Fund
  Working Cash Fund

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.

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

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

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

MSRB means the Municipal Securities Rulemaking Board.

NRMSIRs means, as of any date, all Nationally Recognized Municipal Securities Information Repositories then recognized by the Commission for purposes of the Rule. As of the date of this Agreement, the NRMSIRs are:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
http://www.bloomberg.com/markets/muni_contactinfo.html
E-Mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
http://www.dpcdata.com
E-Mail: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
http://www.interactivedata.com
E-Mail: NRMSIR@FTID.com

Standard & Poor's J. J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
E-Mail: nrmsir_repository@sandp.com

The names and addresses of all current NRMSIRs should be verified each time information is delivered to the NRMSIRs pursuant to this Agreement.

Official Statement means the Final Official Statement, dated December 17, 2002, 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.

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

SID means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule. As of the date of this Agreement there is no SID.

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 9 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 each NRMSIR and to the SID, if any. The District is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

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

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner Material Events Disclosure to each NRMSIR or to the MSRB and to the SID, if any. 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. DUTY TO UPDATE NRMSIRs/SID. The District shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, 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.

8. 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) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District, or type of business conducted;

(b) 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

(c) 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).

9. 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 in a timely manner if this Section is applicable to each NRMSIR or to the MSRB and to the SID, if any.

10. 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.

11. 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 Material 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 Material 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 Material Event.

12. 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.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Material 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.

14. 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.

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

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 215, COOK COUNTY, ILLINOIS

By Debra Whitaker
President, Board of Education

Date: February 4, 2003

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 each NRMSIR and to the SID, if any, 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 from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID or the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the District's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in Appendix A to the Official Statement. Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the District.

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 MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
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 or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER
2003	215651 EG 1
2004	215651 EH 9
2005	215651 EJ 5
2006	215651 EK 2
2007	215651 EL 0
2008	215651 EM 8
2009	215651 EN 6
2010	215651 EP 1
2011	215651 EQ 9
2012	215651 ER 7
2013	215651 ES 5
2014	215651 ET 3
2015	215651 EU 0
2016	215651 EV 8
2017	215651 EW 6
2018	215651 EX 4
2019	215651 EY 2
2020	215651 EZ 9
2021	215651 FA 3
2022	215651 FB 1

NEAR FINAL OFFICIAL STATEMENT

NEW ISSUE
• BANK QUALIFIED

RATING: Standard & Poor's
Insured: "AAA" (FSA Insured) Underlying: "A"

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler, Chicago, Illinois, Bond Counsel, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "LEGAL MATTERS – TAX EXEMPTION" and "ORIGINAL ISSUE DISCOUNT" herein for a more complete discussion. Interest on the Bonds is not exempt from present Illinois income tax. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS - Qualified Tax Exempt Obligations" herein for a more complete discussion.

$9,000,000*
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
School Bonds, Series 2003

DATED: February 1, 2003 **DUE: December 1, As Shown Below**

The School Bonds, Series 2003 (the "Bonds"), of Thornton Fractional Township High School District Number 215, Cook County, Illinois (the "District"), are issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, to which principal and interest payments on the Bonds will be made. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any whole multiple thereof. Purchasers of the Bonds will not receive physical delivery of certificates. So long as Cede & Co. is the registered owner of the Bonds, reference herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest (payable semiannually on each June 1 and December 1, commencing June 1, 2003) on the Bonds are payable to Cede & Co., which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM." Interest is calculated based on a 360-day year of twelve 30-day months.

The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS - Qualified Tax Exempt Obligations" herein for a more complete discussion.

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended. The Bonds will constitute valid and legally binding full faith and credit general obligations of the District, payable from ad valorem taxes levied on all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Security Assurance Inc.

FSA.

THE BONDS MATURING DECEMBER 1, 2013 AND THEREAFTER ARE SUBJECT TO OPTIONAL REDEMPTION ON DECEMBER 1, 2012 AND ON ANY DATE THEREAFTER AT PAR PLUS ACCRUED INTEREST. SEE "THE BONDS – Redemption Provisions" HEREIN.

MATURITY SCHEDULE*

Dec 1	Amount*	Rate	Yield	Dec 1	Amount*	Rate	Yield
2003	375,000	%	%	2013	440,000	%	%
2004	325,000			2014	460,000		
2005	330,000			2015	480,000		
2006	340,000			2016	495,000		
2007	345,000			2017	520,000		
2008	360,000			2018	540,000		
2009	370,000			2019	565,000		
2010	385,000			2020	590,000		
2011	400,000			2021	615,000		
2012	420,000			2022	645,000		

(Plus accrued interest from February 1, 2003)

The Bonds are offered when, as and if issued and received by the Underwriter subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler, Chicago, Illinois, Bond Counsel. The Bonds will be awarded on or about January 21, 2003 and are expected to be delivered on or about February 4, 2003.

Griffin, Kubik, Stephens & Thompson, Inc.

The date of this Near Final Official Statement is January 9, 2003

*Preliminary, subject to change

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Near Final Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Near Final Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Near Final Official Statement. The information and opinions expressed herein are subject to change without notice, and the delivery of this Near Final Official Statement or any sale made hereunder shall not, under any circumstances, create any implication that there has been no change in the operations of the District since the date of this Near Final Official Statement.

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

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Near Final Official Statement.

The information in this Near Final Official Statement has been compiled from sources believed to be reliable, but is not guaranteed. As far as any statements herein involve matters of opinion, whether or not so stated, they are intended as opinions and not representations of fact.

For purposes of compliance with Rule 15c(2)-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 a Final 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 such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Near Final Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "Final Official Statement" of the District with respect to the Bonds, as that term is defined in Rule 15c(2)-12.

This Near Final Official Statement has been prepared under the authority of Thornton Fractional Township High School District Number 215, Cook County, Illinois. Additional copies may be secured from Thornton Fractional Township High School District Number 215, 1601 Wentworth Avenue, Calumet City, Illinois, 60409 (708/585-2300), or from the Underwriter, Griffin, Kubik, Stephens & Thompson, Inc., Public Finance Department, 300 Sears Tower / 233 South Wacker Drive, Chicago, Illinois, 60606 (312/441-2600).

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

1601 Wentworth Avenue
Calumet City, Illinois 60409
(708) 585-2300

ADMINISTRATION

Name	Position
Dr. Robert K. Wilhite	Superintendent
Emerson Ahrens	Associate Superintendent
Margaret Trybus	Assistant Superintendent
Douglas D. Handley	Assistant Superintendent
Sally Bintz	Director of Special Education

BOARD OF EDUCATION

Official	Position	Term Expires
Debbie Waitekus	President	2003
Rob Garrison	Vice President	2003
Karen Walker-Kehl	Secretary	2005
Bob Garritano	Board Member	2005
Kathy Manno	Board Member	2005
Marcia Pavich	Board Member	2005
Henry Schneider	Board Member	2003

Paying Agent/Registrar
LaSalle Bank National Association
Chicago, Illinois

Independent Auditors
Mann, Benzinger & Co., Inc.
Downers Grove, Illinois

Bond Counsel
Chapman and Cutler
Chicago, Illinois

Underwriter
Griffin, Kubik, Stephens & Thompson, Inc.
300 Sears Tower
233 South Wacker
Chicago, Illinois 60606
(312)441-2600

NEAR FINAL OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the attached Near Final Official Statement in its entirety. No person shall be authorized to detach this Summary Statement from the Near Final Official Statement or to otherwise use such Summary Statement without the Near Final Official Statement in its entirety.

Issuer:	Thornton Fractional Township High School District Number 215, Cook County, Illinois
Issue:	$9,000,000* School Bonds, Series 2003
Dated Date:	February 1, 2003
Book-Entry-Only Form:	The Bonds are issued as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in $5,000 denominations or integral multiples thereof, and will be in Book-Entry-Only Form.
Delivery Date:	On or about February 4, 2003.
Interest Payment Dates:	Each June 1 and December 1 commencing June 1, 2003.
Principal Payment Dates:	Each December 1 beginning December 1, 2003 and ending December 1, 2022.
Record Date:	The close of the business day on the 15th day of the calendar month next preceding any principal or interest payment date.
Redemption Provisions:	The Bonds maturing December 1, 2013 and thereafter are subject to optional redemption beginning December 1, 2012 and on any date thereafter at par plus accrued interest.
Authority and Purpose:	The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and pursuant to an election held on November 5, 2002. At such election 7,992 votes were cast in favor of the issuance of such Bonds and 5,359 votes were cast in opposition. Proceeds of the Bonds, when issued, will be used to i) pay a portion of the cost of improving the sites of, building and equipping additions to and altering, repairing and equipping the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology (the "Project"); and ii) to pay costs associated with the issuance of the Bonds. The total cost of the Project is anticipated to be $38,000,000. The cost of the Project not funded with proceeds of the Bonds and the Series 2002 Bonds will be funded through a $19,000,000 grant from the State of Illinois Capital Development Board.
Security:	The Bonds will constitute valid and legally binding full faith and credit general obligations of the District, payable from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
Tax Exemption:	Chapman and Cutler will provide an opinion as to the tax exemption of the Bonds. See Appendix B.
Bank Qualification:	The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – Qualified Tax-Exempt Obligations" herein for a more complete discussion.
Paying Agent/Registrar:	LaSalle Bank National Association, Chicago, Illinois
Bond Rating/ Insurance:	Insured: Standard and Poor's "AAA" (FSA Insured) / Underlying: "A"
Legal Opinion:	Chapman and Cutler, Chicago, Illinois

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NEAR FINAL OFFICIAL STATEMENT
$9,000,000*
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
School Bonds, Series 2003

INTRODUCTION

The purpose of this Near Final Official Statement is to set forth certain information concerning Thornton Fractional Township High School District Number 215, Cook County, Illinois (the "District"), in connection with the offering and sale of $9,000,000* aggregate principal amount of School Bonds, Series 2003 (the "Bonds"). This Near Final Official Statement includes the cover page, the reverse thereof and the Appendices.

THE BONDS

General Description

The Bonds will be issued in fully registered form, without coupons, 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 as described under the caption "BOOK-ENTRY-ONLY SYSTEM" by LaSalle Bank National Association, Chicago, Illinois, as Paying Agent and Registrar (the "Registrar").

The Bonds will be dated February 1, 2003 and will mature as shown on the cover page of this Near Final Official Statement. Interest will be payable each June 1 and December 1 beginning June 1, 2003. The Bonds are subject to optional redemption prior to maturity as discussed under "THE BONDS – Redemption Provisions" herein.

Authority

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and pursuant to an election held on November 5, 2002. At such election 7,992 votes were cast in favor of the issuance of such Bonds and 5,359 votes were cast in opposition.

Purpose

Proceeds of the Bonds, when issued, will be used to i) pay a portion of the cost of improving the sites of, building and equipping additions to and altering, repairing and equipping the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology (the "Project"); and ii) to pay costs associated with the issuance of the Bonds. The total cost of the Project is anticipated to be $38,000,000. The cost of the Project not funded with proceeds of the Bonds and the Series 2002 Bonds will be funded through a $19,000,000 grant from the State of Illinois Capital Development Board.

Security and Payment

The Bonds will constitute valid and legally binding full faith and credit general obligations of the District payable from ad valorem taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Redemption Provisions

Bonds maturing on and after December 1, 2013 are subject to redemption prior to maturity, at the option of the District, in whole or in part in any order of maturity, in integral multiples of $5,000, selected by lot by the Registrar, on December 1, 2012 and on any date thereafter, at par plus accrued interest to the redemption date. Notice of any such call shall be given once not less than 30 days prior to the date of redemption by first class mail to the registered owners thereof.

Estimated Sources and Uses

Sources	
Par Amount of Bonds	
Net Original Issue Premium	
Accrued Interest	
Total Sources:	

Uses	
Deposit to Construction Fund	
Deposit to Bond Fund	
Costs of Issuance*	
Total Uses:	

*Includes underwriter's discount, bond insurance premium, paying agent fee, bond counsel fee and other costs of issuance.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter referred to in this section as the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Securities under the DTC system must be made by or through Direct Participants, which will receive a credit for the Securities on DTC's records. The ownership interest of each actual purchaser of each Security ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the

Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Securities are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Securities, except in the event that use of the book-entry system for the Securities is discontinued.

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

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.

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

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

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

Financial Security is a New York domiciled insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At September 30, 2002 Financial Security's total policyholders' surplus and contingency reserves were approximately \$1,728,433,000 and its total unearned premium reserve was approximately \$972,390,000 in accordance with statutory accounting principles. At September 30, 2002, Financial Security's total shareholder's equity was approximately \$1,928,564,000 and its total net unearned premium reserve was approximately \$814,684,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 350 Park Avenue, New York, New York 10022, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

THORNTON FRACTIONAL HIGH SCHOOL DISTRICT NUMBER 215

Location, Organization and Government

Thornton Fractional Township High School District Number 215 is situated in Southern Cook County and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the Village of Burnham and about half of the City of Calumet City.

According to the 2000 US Census, the population of the District is 60,779.

The District is located approximately 27 miles south of downtown Chicago and is 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 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 is available from PACE to reach additional surrounding communities.

Providing education for ninth through twelfth grade, the District operates three high school facilities and one administrative building. The District enrolled 2,867 students for the 2002-2003 academic year.

The District is governed by a seven-member Board of Education, elected at large for four year overlapping terms. Meetings are scheduled for the fourth Tuesday of each month at 7p.m., at the District Administrative Center at 1601 Wentworth Avenue, Calumet City, Illinois. Day-to-day operations are administered by the Superintendent and staff.

Board of Education

Official	Position	Term Expires
Debbie Waitekus	President	2003
Rob Garrison	Vice President	2003
Karen Walker-Kehl	Secretary	2005
Bob Garritano	Board Member	2005
Kathy Manno	Board Member	2005
Marcia Pavich	Board Member	2005
Henry Schneider	Board Member	2003

Educational Facilities

The District currently provides educational services at three locations as shown below.

School	Location	Grades	Approx # of Students
Thornton Fractional North High School	755 Pulaski Rd., Calumet City	9-12	1450
Thornton Fractional South High School	18500 Burnham Ave., Lansing	9-12	1317
Center for Science and Technology	135 167th Street, Calumet City	9-12	100

Enrollment Trend

The trend in total enrollment is as follows:

Year	Enrollment
1998/99	2,512
1999/00	2,533
2000/01	2,593
2001/02	2,747

Source: Illinois State Board of Education. Figures represent the number of students housed as of September 30 of each school year.

Employees and Labor Relations

In order to provide a wide variety of educational programs and services, the District maintains a qualified staff as follows:

Personnel	**2001-2002**
Superintendent	1
Principals	3
Instructional	225
Support Services	95
TOTAL	324

Under the current contract, salary ranges for the teachers, based upon degree and experience, are approximately as follows:

Degree	Experience	Salary (2001-2002)
B.A.	No experience, starting	$35,618
B.A. + 24 sem. hrs	14 years experience	61,568
M.A.	No experience, starting	39,350
M.A. + 12 sem. hrs	14 years experience	63,604

The District Education Association contract is in effect until 2006. The Association represents 208 full time equivalent staff. There was a teachers' strike in the District in 1995. Employee relations are satisfactory.

SOCIOECONOMIC INFORMATION

Population Data

Name of Entity	1980	1990	2000	% Change 1990-2000
City of Burnham	4,030	3,916	4,170	6.5%
City of Calumet City	39,697	37,840	39,071	3.3%
Village of Lansing	29,039	28,086	28,332	0.9%
Cook County	5,253,628	5,105,067	5,376,741	5.3%
State of Illinois	11,427,409	11,430,602	12,419,293	8.6%

Source: U.S. Census Bureau

Economic Characteristics

Name of Entity	Median Gross Rent	Median Housing Value	Per Capita Income	Median Household Income
City of Burnham	$ 621	$ 90,400	$ 16,747	$ 39,053
City of Calumet City	630	90,300	18,123	38,902
Village of Lansing	658	118,700	22,547	47,554
Cook County	648	157,700	23,227	45,922
State of Illinois	605	130,800	23,104	46,590

Source: U.S. Census Bureau, 2000 Census (latest information available)

Unemployment Rates

Year	City of Calumet City	Village of Lansing	Cook County	State of Illinois
1996	6.6%	3.9%	5.6%	5.3%
1997	6.0%	3.9%	5.0%	4.7%
1998	6.2%	3.7%	4.8%	4.5%
1999	5.5%	3.5%	4.5%	4.3%
2000	6.1%	3.6%	4.6%	4.3%
2001	7.1%	4.3%	5.9%	5.4%
2002 (1)	9.6%	5.7%	6.9%	6.0%

(1) Preliminary rates for the month of October 2002.
Source: State of Illinois Department of Employment Security

Largest Area Employers

Below is a listing of the major employers in the area of the District:

Company Name	Product or Service	Approx # of Employees
Monico Inc. (1)	Mechanical Contractor	500
Morton Automotive Coatings (1)	Manufacturer Chemicals	400
City of Calumet City (2)	Government	392
Times Illinois Inc. (1)	Newspaper Publishing	350
Marshall Fields (2)	Retail	350
Carson Pirie Scott (2)	Retail	350
Coldwell Banker First American (1)	Real Estate	300
Pals Express (2)	Transportation Services	300
Tioga International Inc. (2)	Manufacturer Chemicals	300
Advance Bancorp (1)	Bank Holding Company	260
Land O'Frost Inc. (1)	Food Products Manufacturers	250

(1) Lansing
(2) Calumet City

Source: 2002 Sorkins Directories, Inc.

DEBT STRUCTURE

Summary of Outstanding Debt

The following table sets forth the general obligation debt of the District as of the issuance of the Bonds:

Type	Dated Date	Original Amount of Issue	Current Amount Outstanding	Maturity Date
Limited School Bonds Series 1998	7/1/98	$3,100,000	$2,375,000	12/1/06
ISBE Promissory Note	9/27/99	404,950	173,165	12/31/03
Series 2002 GO School Bonds	12/15/02	9,995,000	9,995,000	12/1/22
The Bonds	2/1/03	9,000,000*	9,000,000*	12/1/22
		$22,499,950*	$21,543,165*	

preliminary, subject to change

Bonded Debt Repayment Schedule

The following table sets forth the general obligation bonded debt repayment schedule of the District as of the issuance of the Bonds.

Calendar Year Ended Dec 30	The Bonds*	Series 2002 GO Bonds	Series 1998 Limited Bonds	Total Outstanding Principal	Cumulative Principal Retired	
					Amount	Percent
2003	375,000	360,000	590,000	1,325,000	1,325,000	6.200%
2004	325,000	355,000	620,000	1,300,000	2,625,000	12.284%
2005	330,000	360,000	650,000	1,340,000	3,965,000	18.554%
2006	340,000	370,000	515,000	1,225,000	5,190,000	24.286%
2007	345,000	380,000		725,000	5,915,000	27.679%
2008	360,000	395,000		755,000	6,670,000	31.212%
2009	370,000	410,000		780,000	7,450,000	34.862%
2010	385,000	430,000		815,000	8,265,000	38.676%
2011	400,000	450,000		850,000	9,115,000	42.653%
2012	420,000	470,000		890,000	10,005,000	46.818%
2013	440,000	490,000		930,000	10,935,000	51.170%
2014	460,000	510,000		970,000	11,905,000	55.709%
2015	480,000	535,000		1,015,000	12,920,000	60.459%
2016	495,000	560,000		1,055,000	13,975,000	65.395%
2017	520,000	585,000		1,105,000	15,080,000	70.566%
2018	540,000	610,000		1,150,000	16,230,000	75.948%
2019	565,000	635,000		1,200,000	17,430,000	81.563%
2020	590,000	665,000		1,255,000	18,685,000	87.436%
2021	615,000	695,000		1,310,000	19,995,000	93.566%
2022	645,000	730,000		1,375,000	21,370,000	100.000%
Total	$9,000,000*	$9,995,000	$2,375,000	$21,370,000		

Note: The above schedule excludes the District's Promissory Note outstanding in the amount of $173,165.

preliminary, subject to change

Debt Statement

ESTIMATED OVERLAPPING BONDED DEBT			Applicable to the District	
Taxing Body		Outstanding Debt	Percent	Amount
Cook County Majors:				
Cook County	$	2,673,225,000	0.702%	18,758,497
Cook County Forest Preserve District		41,445,000	0.702%	290,827
Metropolitan Water Reclamation District		1,153,855	0.717%	8,272
Municipalities				
Village of Lansing		2,845,463	96.963%	2,759,048
Village of Burnham		155,000	72.402%	112,224
City of Calumet City		55,642,000	58.040%	32,294,495
School Districts				
School District 155		7,091,190	100.000%	7,091,190
School District 156		6,108,000	100.000%	6,108,000
School District 157		11,190,000	70.245%	7,860,411
School District 158		6,065,000	100.000%	6,065,000
School District 171		5,440,000	98.100%	5,336,661
South Suburban CCD 510		26,339,998	24.200%	6,374,240
Park Districts				
Calumet Memorial Park District		2,260,000	56.989%	1,287,958
			Total Overlapping Debt:	$ 94,346,822
			Net Direct and Overlapping Direct Debt:	$ 115,889,987*

District Estimated Population		60,667			
2001 Estimated Full Valuation	$	1,952,323,368			
2001 Equalized Assessed Valuation	$	650,774,456			
Estimated Full Value per Capita	$	32,181			
			% Full Value		**Per Capita**
Direct Debt:	$	21,543,165	1.10%	$	355*
Direct and Overlapping Debt:	$	115,889,987	5.94%	$	1,910*

Debt Limit

The District's statutory debt limit is 6.9% of the Equalized Assessed Valuation of all taxable property within the boundaries of the District.

		Statutory Debt Limit		
		Amount		% of Limit
2001 Equalized Assessed Valuation	$650,774,456			
Statutory Debt limit @ 6.9% of EAV		$44,903,437		100.00%
Total Debt Applicable to Limit		$21,543,165		47.98%
Remaining Debt Margin		$23,360,272	*	52.02%

**Preliminary, subject to change*

Future Financing

Other than the Bonds, the District does not anticipate issuing any additional debt in the next year.

Short-Term Debt

As of the closing of this issue, the District has no tax anticipation warrants or notes outstanding.

History of Debt Administration

The District has never issued any obligations to avoid default; nor has the District ever defaulted in the payment of any of its obligations.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Real Property Assessment

The County Assessor (the *"Cook County Assessor"*) is responsible for the assessment of all taxable real property within Cook County, except for certain railroad property, low sulfur dioxide emission coal-fueled devices and pollution control facilities which are assessed directly by the State. One-third of the real property in Cook County is reassessed each year on a repeating triennial schedule established by statute.

Real property in Cook County is separated into nine classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. The current classification percentages range from 16% for certain residential, commercial and industrial properties to 38% for other industrial and commercial property.

The Cook County Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Cook County Assessor certifies the Assessed Valuations, a taxpayer can seek review of the assessment by the Cook County Board of (Tax) Appeals. In addition, beginning with assessments for tax year 1996, owners of residential property having six or fewer units could also appeal assessments to the Illinois Property Tax Appeal Board (the *"PTAB"*), a state-wide administrative body. Owners of real estate other than residential property with six or fewer units can appeal Assessed Valuations of the PTAB beginning with tax year 1997. 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 decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review (described below) may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, subject to certain time limits, in cases where the Cook County Assessor agrees that an assessment error has been made after the assessment process is complete, the Cook County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization

After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year (including any revisions made by the Board of Appeals or the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county. The purpose of equalization is to bring the aggregated assessed value of all real estate in each county to the statutory requirement of 33-1/3% of fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. For tax year 2001, the Equalization Factor for Cook County was 2.3098. The Assessed Valuation of each parcel of real estate in Cook County is multiplied by Cook County's Equalization Factor to determine the parcel's equalized assessed valuation (the *"Equalized Assessed Valuation"*).

The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate the tax rates (the *"Assessment Base"*).

The following table sets forth the Equalization Factors for the tax years 1989 through 2001:

Tax Year	Equalization Factor
2001	2.3098
2000	2.2235
1999	2.2505
1998	2.1799
1997	2.1489
1996	2.1517
1995	2.1243
1994	2.1135
1993	2.1407
1992	2.0897
1991	2.0523
1990	1.9946
1989	1.9133

Tax bills in Cook County are based on the Equalized Assessed Valuation for the preceding year. Property taxes billed in 2002 (for the 2001 tax year) will be based on the 2001 Equalized Assessed Valuation when available.

Exemptions

The annual General Homestead Exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used for residential purposes by the amount of any increase over the 1977 Equalized Assessed Valuation, up to a maximum reduction of $4,500. Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the Equalized Assessed Valuation on a senior citizen's home by a minimum of $2,500 and (ii) disabled veterans, with the exemption operating annually to exempt up to $58,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. A Homestead Improvement Exemption allows owners of single-family residences to make up to $45,000 in home improvements without increasing the Assessed Valuation of their property for at least four (4) years. For rehabilitation of certain historic property, the Equalized Assessed Valuation is limited for eight (8) years to the value of such property when the rehabilitation work began. The Senior Citizens Tax Homestead Exemption was enacted in 1994 and freezes property tax assessments for homeowners who are 65 and older and have annual incomes of $40,000 or less. In general, the exemption limits the annual real property tax bill of such property by granting to senior citizens an exemption as to a portion of the valuation of their property. In addition, certain property is exempt from taxation on the basis of ownership and/or use such as public parks, public schools, churches and not for profit and public hospitals.

Tax Levy

There are 800 units of local government (the *"Units"*) located in whole or in part in Cook County that have taxing powers. The major Units having taxing power over real property within the County are the City of Chicago, the Chicago School Board, the School Finance Authority, the Community College District, the Water Reclamation District, the County, the Chicago Park District and the Forest Preserve District.

As part of the annual budgetary process of the Units, proceedings are adopted by the designated body for each Unit each year in which it levies real estate taxes. In the proceedings, the Unit levies the real estate taxes applicable to it in a total dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the Cook County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the Cook County Clerk and the Cook County Treasurer, who is also the County Collector of Cook County (*"Cook County Collector"*).

After the Units file their annual tax levies, the Cook County Clerk determines the maximum allowable levy for each fund of each Unit's levy by dividing each levy by the prior year's Assessment Base plus the current year's new property assessment figures of each respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the Cook County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Once the maximum allowable levy rate is determined, the Cook County Clerk then computes the annual tax rate for each Unit by dividing the levy for each Unit by the Assessment Base of the respective Unit.

The Cook 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 that particular parcel. The Cook County Clerk enters the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel and reflecting applicable exemptions) in the warrant books prepared for the Cook County Collector, along with the tax rates, the Assessed Valuation, Equalized Assessed Valuation and applicable exemptions. The warrant books are the Cook County Collector's authority for the collection of taxes and are used by the Cook County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the Cook County Collector, who remits to each Unit its share of the collections. Taxes levied in one year are extended and become payable during the following year in two installments. The statutory delinquency date for the second installment of taxes is August 1, which would require the Cook County Clerk to mail tax bills on or before July 2 of each year. However, it is not unusual for tax bills to be mailed on a date later than July 2. By statute, taxpayers have 30 days after the mailing of the tax bills to remit payment without incurring a penalty. Therefore, the actual delinquency date for the second installment is a date other than August 1 to the extent tax bills are mailed on a date later than July 2.

The following table sets forth the second installment penalty date (that is, the date after which interest is due on unpaid amounts) for the last ten years; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2001	November 1, 2002
2000	November 1, 2001
1999	October 2, 2000
1998	November 1, 1999
1997	October 29, 1998
1996	September 19, 1997
1995	September 11, 1996
1994	November 3, 1995
1993	September 1, 1994
1992	September 1, 1993
1991	September 25, 1992
1990	September 6, 1991

The first installment is an estimated bill equal to one-half of the prior year's tax bill. The final installment is for the balance of the current year's tax bill, and is based on the current levies, assessment and equalization, and for affected Units, the tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the final installment.

Under legislation signed into law by the Governor in 1991, Cook County may provide for tax bills to be payable in four installments instead of two. To date, Cook County has not acted to require payment of tax bills in four installments.

During the periods of peak collections, the Cook County Collector, in his capacity as recipient of tax collections, forwards tax receipts to each Unit, including the District, on a weekly basis. Upon receipt of taxes from the Cook County Collector, the District Treasurer promptly credits the taxes received to the funds for which they were levied. In addition to the prior year's Equalized Assessed Valuation, the Cook County Clerk will also include the current year new construction valuation.

At the end of each collection year, the Cook County Collector presents the warrant books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on that year's warrant books (the *"Annual Tax Sale"*). The Annual Tax

Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. 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 18% for each six-month period after the sale. If no redemption is made within the applicable period (ranging from six months to two and one-half years depending on the type and occupancy of the property), the tax buyer may initiate an action to receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens and for civil actions to collect taxes.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, and the taxes remain unpaid, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest 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 scheduled to be 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 the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

LEGISLATION CONCERNING PROPERTY TAX AUTHORITY

The Cook County Truth in Taxation Law

Public Act 91-0523, effective January 1, 2000, creates the "Cook County Truth in Taxation Act" (the "Cook County Act"). The Cook County Act requires taxing districts with any territory in Cook County, including home rule units, to disclose by publication and to hold public hearings on specific dates beginning in December, 2000, on their intention to adopt aggregate levies. "Aggregate levy" means annual corporate and special purpose levies, but specifically excludes levies for debt service. If a taxing district violates the Cook County Act, the County Clerk can not extend the final aggregate levy in an amount more than the aggregate levy extended for the preceding year. The provisions of the Cook County Act do not apply to levies made to pay principal and interest on the Bonds. The Cook County Act is repealed on January 1, 2003.

As of the date of this Official Statement, the District is in compliance with the Cook County Truth in Taxation Law. The taxes levied by the District to make payments of principal of and interest on the Bonds will not be included in the District's aggregate annual levy and will not be subject to the notice and hearing provision of the Cook County Truth in Taxation Law.

Property Tax Extension Limitation Law

On February 12, 1995, Public Act 89-1 extended the provisions of the Property Tax Extension Limitation Law (the "Limitation Law") previously applicable only to non-home rule taxing districts located in DuPage, Kane, Lake, McHenry and Will Counties, to non-home rule taxing districts in Cook County including the District. The Limitation Law limits the annual growth in property tax extensions for the District to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the relevant levy year. Generally, extensions can be increased beyond this limitation due to new construction and referendum approval of tax or limitation rate increases.

The effect of the Limitation Law is to limit or retard the growth in the amount of property taxes that can be extended for a taxing body. In addition, the District can now only issue its general obligation bonds secured by an unlimited tax levy after first receiving referendum approval or unless such bonds are issued for certain refunding purposes. The limitations on the extensions of property taxes contained in the Limitation Law do not apply to the taxes levied by the District to pay the principal of and interest on its currently outstanding general obligation bonds or alternate bonds.

Public Act 89-385, effective August 18, 1995, permits local governments, including the District, to issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. Limited bonds issued by the District would be secured by a 1994 non-referendum bond debt service extension base. The base amount for the District will become available as its existing general obligation bonds are paid or retired. The District could also increase its debt service extension base by referendum.

Personal Property Replacement Tax

A Corporate Personal Property Replacement Tax ("CPPRT") was enacted and became effective on May 1, 1979. The constitutionality of this replacement tax has been upheld by the Supreme Court of Illinois and the period for review by the United States Supreme Court has expired.

The CPPRT represents an additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; a new income tax for partnerships and Subchapter S corporations at the rate of 1.5% of net taxable income; and a new tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical, and water services. Partnerships and Subchapter S corporations previously had not been subject to the Illinois income tax.

Revenues collected under the CPPRT are held in a special fund in the State Treasury called the Corporate Personal Property Replacement Tax Fund and are allocated to each taxing District.

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation

Year	EAV	Percent Change
1997	578,995,391	
1998	587,480,721	1.47%
1999	647,687,695	10.25%
2000	634,403,907	-2.05%
2001	650,774,456	2.58%

Source: County Clerk's Office

Composition of District's 2000 Equalized Assessed Valuation*

Property Type	EAV	% of Total
Residential	382,600,193	60.309%
Commercial	159,792,618	25.188%
Industrial	89,787,678	14.153%
Farm	125,500	0.020%
Railroad	2,097,918	0.331%
Total	634,403,907	100.000%

Source: County Clerk's Office
* 2000 is the most recent year for which such composition is available.

Tax Extensions and Collections

Tax Year	Net Tax Extension	Total Collections (1)	Percent Collected
1997	19,749,533	18,650,188	94.43%
1998	20,156,464	19,621,939	97.35%
1999	20,667,714	20,327,224	98.35%
2000	20,586,407	20,153,703	97.90%
2001	21,345,402	in collection *	n/a*

* As of October 3, 2002 $9,515,491, or 44.58%, was already collected.

(1) Tax payments, including late payments and proceeds from sales, are shown as collections in the year when due.
Source: Cook County Extension Office and County Treasurer's Office

Tax Rate Trend per $100 of Equalized Assessed Valuation

Fund	1997	1998	1999	2000	2001	Maximum Authorized Rate
IMRF	$0.0178	$0.0263	$0.0278	$0.0203	$0.0237	None
Social Security	0.0409	0.0657	0.0676	0.0568	0.0752	None
Liability Insurance	0.0840	0.0946	0.0763	0.0325	0.0502	None
Transportation	0.0623	0.0701	0.0795	0.0162	0.0791	0.1200
Education	2.5842	2.5569	2.3732	2.5842	2.5262	2.5842
Building	0.3500	0.3463	0.3214	0.3500	0.3421	0.3500
Building Bonds	0.1038	0.1000	0.0000	0.0000	0.0000	None
Working Cash Funds	0.0500	0.0495	0.0459	0.0500	0.0489	0.0500
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500
Special Education	0.0200	0.0198	0.0184	0.0200	0.0196	0.0200
Capital Improvement	0.0000	0.0000	0.0000	0.0000	0.0000	None
EducationFund Notes	0.0000	0.0000	0.0000	0.0000	0.0000	1.3342
Building Fund Notes	0.0000	0.0000	0.0000	0.0000	0.0000	0.3500
Life Safety Bond	0.0979	0.1013	0.1808	0.0000	0.0000	None
Limited Bonds	0.0000	0.0000	0.0000	0.1141	0.1149	None
	$3.4109	$3.4305	$3.1909	$3.2441	$3.2799	

Source: County Clerk's Office

Representative Tax Rate per $100 of Equalized Assessed Valuation

The following is a representative 2001 tax rate for a District property owner.

Taxing District	01 Tax Rate
Cook County	$ 0.746
Forest Preserve District	0.067
Suburban Sanitary District	0.007
Consolidated Elections	0.032
Thornton Township	0.171
Road and Bridge	0.018
General Assistance	0.073
Metropolitan Water Reclamation Dist	0.401
South Cook Cnty Mosquito Abatemt Dist	0.015
Thornton Fractional HSD 215	3.280
HSD 205/Annex HSD 215	0.007
South Suburban College Dist 510	0.454
Lan-Oak Park District	0.333
Village of Lansing Library Fund	0.368
Village of Lansing	1.162
Elementary SD 158	3.457
Total Representative Tax Rate	**$ 10.591**

Source: Cook County Extension Office

Largest Taxpayers

The following are among the largest taxpayers in the District:

Name	Product or Service	2001 EAV
Simon Property Group	Developer	45,042,973
Sears	Retail	16,036,981
Amalgamated Bank	Banking	12,855,529
Lynn Minnici	Individual	6,221,003
JC Penny	Retail	5,509,834
Temperature Equipment Corp	Mechanical Contractor	5,333,638
Waterton Association	Real Estate	4,777,108
Walmart Stores	Discount Retail	4,547,045
Burnham Terrace Ltd.	Residential Development	4,094,753
ESA	Individual	3,593,769
	TOTAL	108,012,632
	Total as % of 2001 EAV	17%

Source: County Assessor's Office. Note that valuations are obtained from the warrant book which provides details as to owner, valuation, tax bill amount, etc. for each parcel in the County. These books are searched, noting larger assessed valuations within the District. Since a taxpayer may own numerous parcels in the District, such a taxpayer may be overlooked. Thus, the valuations presented herewith are noted as approximations.

FINANCIAL INFORMATION

Summary of Operations

The accompanying financial statements are prepared on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is collected. In the same manner, expenditures are recognized and recorded upon the payments of cash.

The following tables contain information from the annual audits of the District but do not purport to be the complete audits, copies of which are available upon request from the District. See Appendix A for a copy of the District's 2001 fiscal year audit.

General Fund

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – Modified Accrual GENERAL FUND FISCAL YEAR ENDING JUNE 30

	1999	2000	2001
REVENUES			
Local Sources	$20,006,118	$18,593,994	$20,441,734
State Sources	6,210,873	6,330,351	6,678,567
Federal Sources	593,281	1,179,593	968,886
TOTAL	$ 26,810,272	$ 26,103,938	$ 28,089,187
EXPENDITURES			
Instruction	$14,052,556	$14,985,139	$14,863,580
Support Services	8,536,109	9,610,284	11,595,815
Community Services	31,399	31,220	96,868
Non-Programmed Charges	1,118,606	896,103	1,221,207
Debt Service P&I	0	149,512	162,218
Capital Outlay	1,393,085	2,015,709	1,832,756
TOTAL	$25,131,755	$27,687,967	$29,772,444
Excess of Revenue Received Over (Under) Expenditures Disbursed	$ 1,678,517	$ (1,584,029)	$ (1,683,257)
OTHER FINANCING SOURCES (USES)			
Other	$565,427	$ 209,297	404,950
TOTAL	$ 565,427	$ 209,297	$ 404,950
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	$ 2,243,944	$ (1,374,732)	$ (1,278,307)
Beginning General Fund Balance	$ 9,509,443	$ 11,753,387	$ 10,378,655
Ending General Fund Balance	$ 11,753,387	$ 10,378,655	$ 9,100,348

Working Cash Fund

The District is authorized to issue general obligation bonds to create a Working Cash Fund. Such fund can also be created or increased by a levy of an annual tax not to exceed $.05 per hundred dollars of equalized assessed valuation. The purpose of the fund is to enable the District to have sufficient money to meet demands for ordinary and necessary expenditures for school operating purposes. In order to achieve this purpose, the money in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board of Education of the District, to any fund of the District in anticipation of the receipt by the District of money from the State of Illinois, the Federal government or other sources, or in anticipation of corporate personal property replacement taxes to be received by the District. The Working Cash Fund is reimbursed when the anticipated taxes or money are received by the District. The District's Working Cash Fund had a balance of $5,884,879 as of June 30, 2001.

STATEMENT OF REVENUE, EXPENDITURES, AND
CHANGES IN FUND BALANCE - Modified Accrual
WORKING CASH FUND
FISCAL YEAR ENDING JUNE 30

	1999	2000	2001
OPERATING REVENUES			
Local Sources	$ 508,119	$ 556,805	$ 697,505
TOTAL	$ 508,119	$ 556,805	$ 697,505
Operating Transfers In (Out)	-	-	-
Sale of Bonds	-	-	-
Net Income	$ 508,119	$ 556,805	$ 697,505
Beginning Working Cash Fund Balance	$ 4,122,450	$ 4,630,569	$ 5,187,374
Ending Working Cash Fund Balance	$ 4,630,569	$ 5,187,374	$ 5,884,879

Pension and Retirement Plan

In addition to Social Security, the District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois ("TRS") and the Illinois Municipal Retirement Fund ("IMRF"). Information regarding the District's obligations to these systems is described in the Audited Financial Statements for the fiscal year ending June 30, 2001, Note 11.

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 certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. The information which is to be provided on an annual basis, the events which will be reported on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix C, "FORM OF THE CONTINUING DISCLOSURE UNDERTAKING."

The District has represented that it is in compliance with the undertaking previously entered into by it pursuant to the Rule. 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 C, "FORM OF THE CONTINUING DISCLOSURE UNDERTAKING." A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability or the liquidity of the Bonds and their market price.

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

UNDERWRITING

Griffin, Kubik, Stephens & Thompson, Inc., (the "Underwriter"), has agreed to purchase the Bonds from the District at a purchase price of $__________ (consisting of the par amount of the Bonds plus $_________ net original issue premium and less $_________ underwriting discount) plus accrued interest to the date of delivery. The Underwriter intends to reoffer the Bonds at an average price of _______% of the principal amount of the Bonds.

LEGAL MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments and 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 not includible in 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. Interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

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

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the 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 (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) 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 all tax exempt interest, including interest on the Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as 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.

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 a Bond issued with original issue discount, its Revised Issue Price (as discussed below), 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. 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.

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 adversely 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 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 will treat the District as the taxpayer and the Bond holders may have no right to participate in such procedure.

Certain Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Near Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Near Final Official Statement.

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 tax treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or questioning the proceedings or authority pursuant to which the Bonds are issued, or questioning or relating to the validity of the Bonds or contesting the corporate existence of the District or the titles of its present officers to the respective offices.

BOND RATING

Standard & Poor's has assigned its municipal bond rating of "AAA" to the Bonds with the understanding that upon delivery of the Bonds, a Policy insuring the scheduled payment of principal of and interest on the Bonds will be issued by Financial Security Assurance, Inc.

Standard & Poor's has assigned an underlying rating of "A" to the capacity of the District to pay the Bonds, subject to delivery of the Bonds, without giving effect to the third party financial guarantee which applies to the Bonds.

This rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in rating may have an effect on the market price of the Bonds.

THE NEAR FINAL OFFICIAL STATEMENT

This Near Final Official Statement includes the cover page, reverse thereof, Summary Statement, and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Near Final Official Statement

This Near Final Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Bonds, by the District. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the District.

The District's officials will provide to the original purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Near Final Official Statement and Final Official Statement, with respect to the Bonds, at the time of the sale and 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, in light of the circumstances under which they were made, not misleading.

____
President, Board of Education
Thornton Fractional Township High School
District Number 215, Cook County, Illinois

Date: ____________

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR

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

FOR THE YEAR ENDED
JUNE 30, 2001

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL

DISTRICT NO. 215, COOK COUNTY, ILLINOIS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2001

MANN, BENZINGER & CO., LTD.

Certified Public Accountants
Business Consultants

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

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MANN, BENZINGER & CO., LTD.

Certified Public Accountants
Business Development Consultants

2001 Butterfield Road, Suite 180
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Phone (630) 390-1620
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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, Thornton Fractional Township High School District No. 215 does not maintain detailed property records relating to general fixed assets. Accordingly, we were unable to satisfy ourselves as to the amount of general fixed assets.

In our opinion, except for the effects of the adjustments, if any, that might have been determined to be necessary had we been able to examine detailed property records to support the balance of general fixed assets, as discussed in the paragraph above, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Thornton Fractional Township High School District No. 215 as of June 30, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2001, on our consideration of Thornton Fractional Township High School District No. 215's internal control structure and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund financial statements and other schedules listed in the Table of Contents as supplementary information are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Thornton Fractional Township High School District No. 215. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Mann, Benzinger & Co., Ltd.

August 31, 2001

MANN, BENZINGER & CO., LTD.

Certified Public Accountants
Business Development Consultants

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the general-purpose financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 31, 2001. Our report disclosed that, as described in Note 1 to the financial statements, Thornton Fractional Township High School District No. 215, does not maintain detailed property records relating to general fixed assets and consequently we were unable to satisfy ourselves as to the amount of general fixed assets. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Thornton Fractional Township High School District No. 215's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the School Board, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mann, Benzinger & Co., Ltd.

August 31, 2001

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fixed Assets	General Long-term Debt	2001	2000
Assets and Other Debits									
Cash/investments - pooled accounts	$ 8,862,550	$ 1,075,289	$ 571,268	$ 1,930,600	$ 5,881,496	$ -	$ -	$ 18,321,203	$ 20,242,516
Cash at district	35,000	-	-	-	224,006	-	-	259,006	213,68
Property taxes receivable	9,707,893	303,241	371,328	-	162,647	-	-	10,545,109	10,278,33
Due from other governments	812,428	438,166	-	-	-	-	-	1,250,594	1,112,22
General fixed assets	-	-	-	-	-	29,458,928	-	29,458,928	27,559,18
Amount available in debt service fund	-	-	-	-	-	-	568,978	568,978	839,71
Amount to be provided for payment of long-term debt	-	-	-	-	-	-	3,179,422	3,179,422	3,784,89
TOTAL ASSETS & OTHER DEBITS	$ 19,417,871	$ 1,816,696	$ 942,596	$ 1,930,600	$ 6,268,149	$ 29,458,928	$ 3,748,400	$ 63,583,240	$ 64,030,54
Liabilities									
Accounts payable	$ 515,237	$ 26,253	$ -	$ 11,681	$ -	$ -	$ -	$ 553,171	$ 541,40
Accrued payroll and related liabilities	296,634	422	-	-	-	-	139,860	436,916	543,64
Deferred revenue	9,505,652	296,915	363,618	-	159,264	-	-	10,325,449	10,278,33
Other current liabilities	-	-	10,000	-	-	-	-	10,000	10,00
Due to activity fund organizations	-	-	-	-	224,006	-	-	224,006	178,68
Bonds payable	-	-	-	-	-	-	3,100,000	3,100,000	4,150,00
Other long-term debt	-	-	-	-	-	-	508,540	508,540	314,11
Total Liabilities	10,317,523	323,590	373,618	11,681	383,270	-	3,748,400	15,158,082	16,016,17
Equity and Other Credits									
Fund balance									
Reserved	1,605,980	-	-	-	-	-	-	1,605,980	1,966,69
Unreserved	7,494,368	1,493,106	568,978	1,918,919	5,884,879	-	-	17,360,250	18,488,48
Investment in general fixed assets	-	-	-	-	-	29,458,928	-	29,458,928	27,559,18
Total Equity and Other Credits	9,100,348	1,493,106	568,978	1,918,919	5,884,879	29,458,928	-	48,425,158	48,014,36
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	$ 19,417,871	$ 1,816,696	$ 942,596	$ 1,930,600	$ 6,268,149	$ 29,458,928	$ 3,748,400	$ 63,583,240	$ 64,030,54

The accompanying notes are an integral part of this statement

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2001	2000
REVENUES							
Property taxes	$ 17,792,243	$ 841,251	$ 916,708	$ -	$ 295,386	$ 19,845,588	$ 18,431,940
Payments in lieu of taxes	724,190	28,453	-	-	-	752,643	806,808
Charges for services	1,070,401	33,048	-	-	-	1,103,449	946,801
Interest	854,900	95,234	52,283	143,963	402,119	1,548,499	1,301,100
Unrestricted state aid	3,911,802	-	-	-	-	3,911,802	4,070,694
Restricted state aid	1,133,040	438,166	-	-	-	1,571,206	1,232,112
State on-behalf payments	1,633,725	-	-	-	-	1,633,725	1,465,008
Restricted federal aid	968,886	-	-	-	-	968,886	1,179,593
	28,089,187	1,436,152	968,991	143,963	697,505	31,335,798	29,434,056
EXPENDITURES							
Current operating							
Instruction	14,863,580	140,189	-	-	-	15,003,769	15,131,428
Support services	11,595,815	1,501,051	-	31,032	-	13,127,898	11,074,837
Community services	96,868	12,466	-	-	-	109,334	31,220
Nonprogrammed charges	1,221,207	-	-	-	-	1,221,207	896,103
Debt service	162,218	-	1,239,725	-	-	1,401,943	1,401,868
Capital outlay	1,832,756	-	-	532,792	-	2,365,548	2,158,369
	29,772,444	1,653,706	1,239,725	563,824	-	33,229,699	30,693,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,683,257)	(217,554)	(270,734)	(419,861)	697,505	(1,893,901)	(1,259,769)
OTHER FINANCING SOURCES							
Loan proceeds	404,950	-	-	-	-	404,950	-
Amount financed under capital lease	-	-	-	-	-	-	209,297
	404,950	-	-	-	-	404,950	209,297
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(1,278,307)	(217,554)	(270,734)	(419,861)	697,505	(1,488,951)	(1,050,472)
FUND BALANCE - JULY 1	10,378,655	1,710,660	839,712	2,338,780	5,187,374	20,455,181	21,505,653
FUND BALANCE - JUNE 30	$ 9,100,348	$ 1,493,106	$ 568,978	$ 1,918,919	$ 5,884,879	$ 18,966,230	$ 20,455,181

The accompanying notes are an integral part of this statement

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMBINED STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

YEAR ENDED JUNE 30, 2001

	Governmental Fund Types								Fiduciary Fund Type	
	General		Special Revenue		Debt Service		Capital Projects		Expendable Trust	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES RECEIVED										
Property taxes	$ 18,090,209	$ 17,590,002	$ 1,098,811	$ 834,925	$ 967,824	$ 908,998	$ 10	$ -	$ 306,938	$ 292,003
Payments in lieu of taxes	800,000	741,988	36,000	28,453	-	-	-	-	-	-
Charges for services	824,610	1,070,401	35,000	33,048	-	-	-	-	-	-
Interest	685,000	854,900	67,000	95,234	45,000	52,283	105,000	143,963	300,000	402,119
Unrestricted state aid	3,903,000	3,845,631	-	-	-	-	-	-	-	-
Restricted state aid	1,106,397	1,044,765	430,000	422,145	-	-	-	-	-	-
Restricted federal aid	932,429	983,183	-	-	-	-	-	-	-	-
	26,341,645	26,130,870	1,666,811	1,413,805	1,012,824	961,281	105,010	143,963	606,938	694,122
EXPENDITURES DISBURSED										
Current operating										
Instruction	13,961,914	14,492,696	159,707	140,189	-	-	-	-	-	-
Support services	10,025,378	10,343,397	1,591,865	1,503,033	-	-	85,000	29,909	-	-
Community services	92,012	94,224	50	12,466	-	-	-	-	-	-
Nonprogrammed charges	1,387,512	1,176,573	10	-	-	-	-	-	-	-
Debt service	231,000	162,218	-	-	1,242,875	1,239,725	-	-	-	-
Capital outlay	2,002,892	1,945,906	-	-	-	-	855,350	529,752	-	-
	27,700,708	28,215,014	1,751,632	1,655,688	1,242,875	1,239,725	940,350	559,661	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	(1,359,063)	(2,084,144)	(84,821)	(241,883)	(230,051)	(278,444)	(835,340)	(415,698)	606,938	694,122
OTHER FINANCING SOURCES										
Loan proceeds	404,950	404,950	-	-	-	-	-	-	-	-
Amount financed under capital lease	500,000	-	-	-	-	-	-	-	-	-
	904,950	404,950	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues received and other financing sources over (under) expenditures disbursed	$ (454,113)	(1,679,194)	$ (84,821)	(241,883)	$ (230,051)	(278,444)	$ (835,340)	(415,698)	$ 606,938	694,122
Fund Balances, July 1 (budgetary basis)		10,560,002		1,316,863		839,712		2,346,298		5,187,374
Fund Balances, June 30 (budgetary basis)		8,880,808		1,074,980		561,268		1,930,600		5,881,496
Adjustment for revenue accruals/deferrals		1,014,669		444,492		7,710		-		3,383
Adjustment for expenditure accruals		(795,129)		(26,366)		-		(11,681)		-
FUND BALANCE - June 30 (GAAP basis)		$ 9,100,348		$ 1,493,106		$ 568,978		$ 1,918,919		$ 5,884,879

The accompanying notes are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 - FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District uses the following fund types and account groups:

Governmental Fund Types

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 are accounted for through governmental funds.

The General Fund, which consists of the Educational Account and the Operations and Maintenance Account, 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 another fund. Tort Immunity and Special Education are included in this fund.

Special Revenue Funds, which include both the Transportation Fund and the Municipal Retirement/Social Security Fund, are used to account for revenues from specific sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

The Debt Service Fund (Bond and Interest Fund) accounts for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

The Capital Projects Fund (Fire Prevention and Safety Fund) accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types

Fiduciary Funds 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 Expendable Trust Fund (Working Cash Fund) accounts for financial resources held by the District to be used for temporary interfund loans to any fund that levies taxes.

The Agency Funds (Activity 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.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all governmental funds and the expendable trust fund focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental and expendable trust fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Group

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used on governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. BASIS OF ACCOUNTING

All governmental fund types, expendable trust funds, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available.) "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues except property taxes. The District considers property taxes as available if they are due within the period and are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when they are due.

Those revenues susceptible to accrual are property taxes, personal property replacement taxes, state and federal grants, interest revenue, and charges for services.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them, as when grant moneys are received prior to the incurrance of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Property taxes receivable represent the 2000 and prior net uncollected tax levies. Based on past experience, an allowance for estimated collection losses of 3% of the total levy has been provided to reduce the receivable to the estimated amounts collectible. That portion of the receivable which is not expected to be collected within sixty days after year end is not considered available to be used to pay liabilities of the current period and is therefore reported as deferred revenue.

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types and for the expendable trust fund 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 19, 2000.

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 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.

E. 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 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 amortized cost of the underlying deposits and investments of the pool, which approximates fair value.

F. GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures in the Governmental or Activity Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable. The District does not maintain detailed property records for fixed assets included in the General Fixed Assets Account Group.

G. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the district and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the district and its employees are accounted for in the period in which such services are rendered or such events take place.

Accumulated Unpaid Vacation Pay

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. Accumulated unpaid vacations, which have been earned but not used, are reported as an expenditure and as a liability of the General Fund.

Accumulated Unpaid Sick Leave

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 one year of credit at retirement for unused, uncompensated sick leave. Accumulated unpaid sick leave is reported as a liability in the general long-term debt account group. The liability is estimated using the vesting method and assumes that the maximum number of days will be credited to a retirement system rather than paid by the District.

H. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns presented in the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position or results of operations of the District as a whole.

I. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data (presentation of prior year amounts by fund type) in each of the statements has not been included since their inclusion would make the combined statements unduly complex and difficult to read.

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.

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 accounts". As of June 30, 2001, 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. CHANGES IN GENERAL FIXED ASSETS

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land	$ 560,301	$ --	$ --	$ 560,301
Land Improvements	1,597,705	260,399	2,313	1,855,791
Buildings and improvements	20,112,695	1,098,319	--	21,211,014
Equipment	5,288,483	1,044,200	500,861	5,831,822
	$27,559,184	$2,402,918	$503,174	$29,458,928

4. GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in long-term debt are summarized as follows:

	Balance July 1, 2000	Increases	Decreases	Balance June 30, 2001
General obligation bonds	$4,150,000	$ --	$1,050,000	$3,100,000
Capital lease obligation	314,118	404,950	210,528	508,540
Accrued sick leave	160,486	--	20,626	139,860
	$4,624,604	$404,950	$1,281,154	$3,748,400

A. BONDS PAYABLE

General obligation bonds payable at June 30, 2001, consisted of the following individual issue:

$3,100,000 School Bonds, Series 1998, dated July 1, 1998, $2,250,000 issued for life safety purposes and $850,000 issued for funding purposes, providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at a rate of 5.00 percent through December 2006.	$3,100,000

At June 30, 2001, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2002	$ 160,000	$151,000	$ 311,000
2003	565,000	132,875	697,875
2004	590,000	104,000	694,000
2005	620,000	73,750	693,750
2006	650,000	42,000	692,000
2007	515,000	12,875	527,875
	$3,100,000	$516,500	$3,616,500

The above principal and interest will be liquidated from net equity available in the Debt Service Fund and debt service levies in future periods.

B. OTHER LONG-TERM LIABILITIES

Other long-term liabilities at June 30, 2001, consisted of the following:

Capital lease obligation with a finance company dated July 27, 1998 to acquire computer equipment, due in annual installments over a three-year term. For financial reporting purposes, the present value of the minimum lease payments have been recorded as capital outlay expenditures in the General (Educational) Fund. The leased assets also are included in the General Fixed Assets Account Group at their capitalized cost of $233,100.	$ 81,700
Capital lease obligation with a finance company dated July 15, 1999 to acquire telecommunications equipment, due in annual installments over a three-year term. For financial reporting purposes, the present value of the minimum lease payments have been recorded as capital outlay expenditures in the General (Educational) Fund. The leased assets also are included in the General Fixed Assets Account Group at their capitalized cost of $209,297.	85,773
Promissory note dated September 27, 1999 with the Illinois State Board of Education, issued in accordance with the School Technology Revolving Loan Program for the principal sum of $404,950, due in quarterly installments of principal and interest of $35,298, with fixed interest at 2.50 percent through December 31, 2003.	341,067
	$508,540

At June 30, 2001, the annual cash flow requirements of other long-term liabilities were as follows:

Year Ending June 30	Principal	Interest	Total
2002	$288,769	$14,642	$303,411
2003	149,902	3,997	153,899
2004	69,869	661	70,530
	$508,540	$19,300	$527,840

The above principal and interest will be retired from funds annually budgeted for such purpose from the General (Educational) Fund.

In November 1995, the District issued Installment Payment Contract Certificates, Series 1995 to finance guaranteed energy savings contract obligations with annual maturities on December 1 through the year 2002. On July 2, 1998, the District issued funding bonds to advance refund these certificates. Bond proceeds in the amount of $517,673 were used to purchase US government securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the certificates. As a result, the Series 1995 certificates are considered defeased and the liability for the certificates has been removed from the general long-term debt account group.

As of June 30, 2001, defeased installment payment contract certificates in the amount of $200,000 are still outstanding.

5. SPECIAL TAX LEVIES AND RESERVED FUND BALANCE

A. TORT IMMUNITY LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Fund. A portion, $1,586,560, of this fund's equity 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*.

B. SPECIAL EDUCATION LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Fund. A portion, $19,420, of this fund's equity represents the excess of cumulative revenues over cumulative expenditures, which 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 one half 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.

The Board passed the current levy on December 19, 2000. 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 2000 Levy	Actual 1999 Levy
Educational	2.5842	2.5842	2.3732
Tort Immunity	As needed	.0325	.0763
Special Education	.020	.0200	.0184
Operations and Maintenance	.350	.3500	.3214
Transportation	.120	.0162	.0795
Municipal Retirement	As needed	.0203	.0278
Social Security	As needed	.0568	.0676
Bond and Interest	As needed	.1141	.1808
Life Safety	.050	--	--
Working Cash	.050	.0500	.0459
		3.2441	3.1909

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. OVEREXPENDITURE OF BUDGET

Expenditures disbursed exceeded the budget in the following individual fund:

Fund	Budget	Actual	Overexpended Amount
Educational	$23,882,608	$24,487,778	$605,170

8. JOINT VENTURES

A. 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 154th Street, South Holland, Illinois 60473. The District paid $981,507 to ECHO for tuition and services during the year ended June 30, 2001.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2000, the most recent information available:

Total fund assets-cash basis	$7,179,768	General long-term debt	$ --
Total fund liabilities-cash basis	28,880	Revenues received	27,605,357
Total fund balance-cash basis	7,150,888	Expenditures disbursed	24,842,850
General fixed assets	4,586,168	Net increase in fund balance	2,762,507

B. THORNTON FRACTIONAL AREA EDUCATIONAL COOPERATIVE

The District is a participant in Thornton Fractional Area Educational Cooperative, which was established as a result of a joint agreement between 7 local public school districts for the purpose of promoting articulation and effectively utilizing state and federal funds. Its responsibilities include operation of the federal Title I program for its member districts. The cooperative is governed by a Board of Superintendents composed of the superintendent from each member district. As of June 30, 2000, the most recent information available, the total cash and fund balance for the entity was $143,558. Complete financial statements for the cooperative may be obtained from its administrative office at 340 Superior Avenue, Calumet City, Illinois 60409.

9. 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. The school board believes any adjustments that may arise from these audits will be insignificant to district operations.

10. 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 employee 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 December 31, 2001 were $60,000 for individual claims and will be approximately $1,600,000 for aggregate claims. The aggregate stop-loss limit is equal to $5,703 multiplied by the average number of employees during the stop-loss coverage period. Claims expenditures and liabilities are reported in the General Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The liability for unpaid claims is estimated based on known claims incurred but not paid that were processed in the two months following year-end. A summary of changes in the reported claims liability for the current and prior fiscal year is presented below.

Year Ended June 30	Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2001	$129,120	$1,153,116	$1,158,550	$123,686
2000	147,867	985,865	1,004,612	129,120

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.

11. EMPLOYEE RETIREMENT SYSTEMS

The District participates in two retirement systems: the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF).

A. TEACHERS' RETIREMENT SYSTEM

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 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 members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9 percent of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all members pay a ½ of 1 percent contribution to the Teachers' Health Insurance Security Fund, a separate fund in the State Treasury that is not a part of this retirement plan.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees as follows:

> On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2001, State of Illinois contributions were based on 11.47 percent of creditable earnings, and the District recognized revenues received and expenditures disbursed of $1,633,725 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2000, and June 30, 1999, the State of Illinois contribution rates as percentages of creditable earnings were 10.77 percent ($1,465,008) and 10.20 percent ($1,314,587), respectively.

The District makes four other types of employer contributions directly to TRS as follows:

> 2.2 formula contributions. For the years ended June 30, 2001 and 2000, TRS-covered employers were required to contribute .58 percent of creditable earnings as the employer share of the 2.2 formula change. The contributions for the years ended June 30, 2001 and 2000, were $82,612 and $78,895, respectively. For the year ended June 30, 1999, the required 2.2 formula contribution was .3 percent of creditable earnings and the amount contributed was $38,664. The year ended June 30, 1999, was the first year that 2.2 formula contributions were required.

Federal and trust fund contributions. When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an additional contribution that is currently 10.5 percent of salaries paid from those funds. For the year ended June 30, 2001, salaries totaling $183,048 were paid from federal and trust funds that required employer contributions of $19,220. For the years ended June 30, 2000, and June 30, 1999, required District contributions were $19,023 and $13,660, respectively.

Early Retirement Incentive. The District is required to make employer contributions to TRS for members who retired under the 1993-1995 Early Retirement Incentive (ERI). For each year of service purchased, members received an equal number of years of age. Employers contributed 20 percent of the highest salary used in the calculation of final average salary for each year purchased; member contributions were also required. Employer contributions could be made in a lump sum, over five years in quarterly installments or under a different schedule approved by the TRS Board of Trustees. For the year ending June 30, 2001, the District paid $-0- for employer contributions under the Early Retirement Incentive. For the years ended June 30, 2000, and June 30, 1999, the District paid $107,403 and $423,928, respectively. The District's liability for contributions it had been paying over five years in quarterly installments has been paid in full.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2001, the District paid $172,292 for employer contributions under the Early Retirement Option. For the years ended June 30, 2000, and June 30, 1999, the District paid $8,457 and $254,534, respectively.

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, 2000. The report for the year ended June 30, 2001, is expected to be available in late 2001. 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 www.trs.state.il.us.

B. ILLINOIS MUNICIPAL RETIREMENT FUND

The District contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2000 was 9.73 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (an overfunded liability is amortized on an open basis). The amortization period at December 31, 2000 was 32 years.

For December 31, 2000, the District's annual pension cost of $297,695 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 1998 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 1998 actuarial valuation were based on the 1993 - 1995 experience study. However, the 2000 actuarial valuation information shown below is based on the assumptions based on the 1996 - 1998 experience study.

Trend information and a schedule of funding progress follows for the current year and preceding five years.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/00	$297,695	100%	$0
12/31/99	$277,108	100%	$0
12/31/98	$254,164	100%	$0
12/31/97	$194,131	100%	$0
12/31/96	$199,012	100%	$0
12/31/95	$191,473	100%	$0

SCHEDULE OF FUNDING PROGRESS

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 % of Covered Payroll ((b-a)/c)
12/31/00	$7,235,271	$5,885,525	$(1,349,746)	122.93%	$3,059,555	0.00%
12/31/99	$6,390,570	$5,634,850	$(755,720)	113.41%	$2,687,762	0.00%
12/31/98	$4,977,112	$4,793,191	$(183,921)	103.84%	$2,513,982	0.00%
12/31/97	$4,070,619	$4,411,686	$341,067	92.27%	$2,239,501	15.23%
12/31/96	$3,667,894	$4,002,219	$334,325	91.65%	$2,041,148	16.38%
12/31/95	$3,825,975	$4,024,384	$198,409	95.07%	$1,903,308	10.42%

Digest of Changes:

Assumptions

The actuarial assumptions used to determine actuarial accrued liability for 2000 were changed due to the 1996 - 1998 Experience Study. The principal changes were:

- More members are expected to take refunds early in their career.
- For both Regular and SLEP members, more normal and early retirements are expected to occur.
- Expected salary increases due to longevity for employees with less than 6 years of service were increased.

These changes will be more significant for the actuarial valuation of SLEP employers.

SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
BALANCE SHEET, BY ACCOUNTS

GENERAL FUND

JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Educational	Operations & Maintenance	Totals 2001	Totals 2000
ASSETS				
Cash/investments - pooled accounts	$ 8,696,774	$ 165,776	$ 8,862,550	$ 10,541,959
Cash at district	35,000	-	35,000	35,000
Property taxes receivable	8,570,304	1,137,589	9,707,893	8,982,114
Due from other governments	742,389	70,039	812,428	690,077
TOTAL ASSETS	$ 18,044,467	$ 1,373,404	$ 19,417,871	$ 20,249,150
LIABILITIES				
Accounts payable	$ 432,032	$ 83,205	$ 515,237	$ 506,265
Accrued payroll	189,326	107,308	296,634	382,116
Deferred revenue	8,391,764	1,113,888	9,505,652	8,982,114
TOTAL LIABILITIES	9,013,122	1,304,401	10,317,523	9,870,495
FUND BALANCE				
Reserved fund balance	1,605,980	-	1,605,980	1,966,695
Unreserved fund balance	7,425,365	69,003	7,494,368	8,411,960
TOTAL FUND BALANCE	9,031,345	69,003	9,100,348	10,378,655
TOTAL LIABILITIES AND FUND BALANCE	$ 18,044,467	$ 1,373,404	$ 19,417,871	$ 20,249,150

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, BY ACCOUNT

GENERAL FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	Educational	Operations & Maintenance	Totals 2001	Totals 2000
REVENUES				
Property taxes	$ 15,724,692	$ 2,067,551	$ 17,792,243	$ 16,164,476
Other payments in lieu of taxes	362,095	362,095	724,190	770,868
Charges for services	1,035,269	35,132	1,070,401	916,166
Interest	833,128	21,772	854,900	742,484
Unrestricted state aid	3,511,802	400,000	3,911,802	4,070,694
Restricted state aid	1,018,797	114,243	1,133,040	794,649
State on-behalf payments	1,633,725	-	1,633,725	1,465,008
Restricted federal aid	968,886	-	968,886	1,179,593
TOTAL REVENUES	25,088,394	3,000,793	28,089,187	26,103,938
EXPENDITURES				
Current operating				
Instruction	14,863,580	-	14,863,580	14,985,139
Support services	8,817,628	2,778,187	11,595,815	9,610,284
Community services	96,868	-	96,868	31,220
Nonprogrammed charges	1,221,207	-	1,221,207	896,103
Debt service	162,218	-	162,218	149,512
Capital outlay	988,120	844,636	1,832,756	2,015,709
TOTAL EXPENDITURES	26,149,621	3,622,823	29,772,444	27,687,967
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,061,227)	(622,030)	(1,683,257)	(1,584,029)
OTHER FINANCING SOURCES				
Loan proceeds	404,950	-	404,950	-
Amount financed under capital lease	-	-	-	209,297
	404,950	-	404,950	209,297
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	(656,277)	(622,030)	(1,278,307)	(1,374,732)
FUND BALANCE - JULY 1	9,687,622	691,033	10,378,655	11,753,387
FUND BALANCE - JUNE 30	$ 9,031,345	$ 69,003	$ 9,100,348	$ 10,378,655

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED. EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL ACCOUNT

YEAR ENDED JUNE 30. 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30. 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 15.941.199	$ 15.546.152	$ 14.821.992
Payments in lieu of taxes	400.000	370.994	380.526
Charges for services	818.600	1.035.269	905.836
Interest	635.000	833.128	682.644
Unrestricted state aid	3.503.000	3,445.631	3.670.694
Restricted state aid	1.042.153	930.522	908.024
Restricted federal aid	932.429	983.183	821.902
TOTAL REVENUES RECEIVED	23.272.381	23.144.879	22.191.618
EXPENDITURES DISBURSED			
Current operating			
Instruction	13.961.914	14.492.696	13.750.743
Support services	7.320,478	7,547.762	6.673.631
Community services	92,012	94.224	31.324
Nonprogrammed charges	1.387.512	1.176.573	910.305
Debt service	231.000	162.218	149.512
Capital outlay	889.692	1.014.305	1.387.442
TOTAL EXPENDITURES DISBURSED	23.882.608	24.487.778	22.902.957
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	(610.227)	(1.342.899)	(711.339)
OTHER FINANCING SOURCES			
Loan proceeds	404.950	404,950	-
Amount financed under capital lease obligation	-	-	209.297
	404.950	404.950	209.297
DEFICIENCY OF REVENUES RECEIVED AND OTHER FINANCING SOURCES UNDER EXPENDITURES DISBURSED	$ (205.277)	(937,949)	(502,042)
FUND BALANCE - July 1 (Budgetary Basis)		9,652,981	10.155.023
FUND BALANCE - June 30 (Budgetary Basis)		8,715,032	9,652,981
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		920,929	611,139
To adjust for expenditure accruals		(604,616)	(576,498)
FUND BALANCE - June 30 (GAAP Basis)		$ 9,031,345	$ 9,687,622

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

OPERATIONS AND MAINTENANCE ACCOUNT

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 2,149,010	$ 2,043,850	$ 1,925,197
Payments in lieu of taxes	400,000	370,994	380,526
Charges for services	6,010	35,132	10,330
Interest	50,000	21,772	59,840
Unrestricted state aid	400,000	400,000	400,000
Restricted state aid	64,244	114,243	50,000
TOTAL REVENUES RECEIVED	3,069,264	2,985,991	2,825,893
EXPENDITURES DISBURSED			
Current operating			
Support services	2,704,900	2,795,635	2,670,473
Capital outlay	1,113,200	931,601	624,536
TOTAL EXPENDITURES DISBURSED	3,818,100	3,727,236	3,295,009
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	(748,836)	(741,245)	(469,116)
OTHER FINANCING SOURCES			
Amount financed under capital lease	500,000	-	-
DEFICIENCY OF REVENUES RECEIVED AND OTHER FINANCING SOURCES UNDER EXPENDITURES DISBURSED	$ (248,836)	(741,245)	(469,116)
FUND BALANCE - July 1 (Budgetary Basis)		907,021	1,376,137
FUND BALANCE - June 30 (Budgetary Basis)		165,776	907,021
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		93,740	78,938
To adjust for expenditure accruals		(190,513)	(294,926)
FUND BALANCE - June 30 (GAAP Basis)		$ 69,003	$ 691,033

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Transportation	Municipal Retirement/ Social Security	Totals 2001	Totals 2000
ASSETS				
Cash/investments-pooled accounts	$ 541,134	$ 534,155	$ 1,075,289	$ 1,317,173
Property taxes receivable	52,820	250,421	303,241	567,314
Due from other governments	438,166	-	438,166	422,145
TOTAL ASSETS	$ 1,032,120	$ 784,576	$ 1,816,696	$ 2,306,632
LIABILITIES				
Accounts payable	$ 26,253	$ -	$ 26,253	$ 27,618
Payroll related liabilities	113	309	422	1,040
Deferred revenue	51,722	245,193	296,915	567,314
TOTAL LIABILITIES	78,088	245,502	323,590	595,972
FUND BALANCE				
Unreserved fund balance	954,032	539,074	1,493,106	1,710,660
TOTAL FUND BALANCE	954,032	539,074	1,493,106	1,710,660
TOTAL LIABILITIES AND FUND BALANCE	$ 1,032,120	$ 784,576	$ 1,816,696	$ 2,306,632

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	Transportation	Municipal Retirement/ Social Security	Totals 2001	Totals 2000
REVENUES				
Property taxes	$ 305,016	$ 536,235	$ 841,251	$ 938,477
Payments in lieu of taxes	-	28,453	28,453	35,940
Charges for services	33,048	-	33,048	30,635
Interest	53,171	42,063	95,234	80,858
Restricted state aid	438,166	-	438,166	437,463
TOTAL REVENUES	829,401	606,751	1,436,152	1,523,373
EXPENDITURES				
Current operating				
Instruction	-	140,189	140,189	146,289
Support services	1,006,688	494,363	1,501,051	1,451,598
Community services	-	12,466	12,466	-
TOTAL EXPENDITURES	1,006,688	647,018	1,653,706	1,597,887
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(177,287)	(40,267)	(217,554)	(74,514)
FUND BALANCE - JULY 1	1,131,319	579,341	1,710,660	1,785,174
FUND BALANCE - JUNE 30	$ 954,032	$ 539,074	$ 1,493,106	$ 1,710,660

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 471,757	$ 303,918	$ 430,768
Charges for services	35,000	33,048	30,635
Interest	35,000	53,171	44,739
Restricted state aid	430,000	422,145	486,516
TOTAL REVENUES RECEIVED	971,757	812,282	992,658
EXPENDITURES DISBURSED			
Current operating			
Support services	1,030,450	1,008,670	924,422
Nonprogrammed charges	10	-	-
TOTAL EXPENDITURES DISBURSED	1,030,460	1,008,670	924,422
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (58,703)	(196,388)	68,236
FUND BALANCE - July 1 (Budgetary Basis)		737,522	669,286
FUND BALANCE - June 30 (Budgetary Basis)		541,134	737,522
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		439,264	422,145
To adjust for expenditure accruals		(26,366)	(28,348)
FUND BALANCE - June 30 (GAAP Basis)		$ 954,032	$ 1,131,319

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS)

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 627,054	$ 531,007	$ 539,044
Payments in lieu of taxes	36,000	28,453	35,940
Interest	32,000	42,063	36,119
TOTAL REVENUES RECEIVED	695,054	601,523	611,103
EXPENDITURES DISBURSED			
Current operating			
Instruction	159,707	140,189	146,289
Support services	561,415	494,363	513,311
Community services	50	12,466	-
TOTAL EXPENDITURES DISBURSED	721,172	647,018	659,600
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (26,118)	(45,495)	(48,497)
FUND BALANCE - July 1 (Budgetary Basis)		579,341	627,838
FUND BALANCE - June 30 (Budgetary Basis)		533,846	579,341
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		5,228	-
FUND BALANCE - June 30 (GAAP Basis)		$ 539,074	$ 579,341

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMPARATIVE BALANCE SHEETS

DEBT SERVICE (BOND AND INTEREST) FUND

JUNE 30, 2001 AND 2000

	2001	2000
ASSETS		
Cash/investments - pooled accounts	$ 571,268	$ 849,712
Property taxes receivable	371,328	581,100
TOTAL ASSETS	$ 942,596	$ 1,430,812
LIABILITIES		
Deferred revenue	$ 363,618	$ 581,100
Other current liabilities	10,000	10,000
TOTAL LIABILITIES	373,618	591,100
FUND BALANCE		
Unreserved fund balance	568,978	839,712
TOTAL FUND BALANCE	568,978	839,712
TOTAL LIABILITIES AND FUND BALANCE	$ 942,596	$ 1,430,812

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

DEBT SERVICE (BOND AND INTEREST) FUND

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ 916,708	$ 1,063,490
Interest	52,283	47,122
TOTAL REVENUES	968,991	1,110,612
EXPENDITURES		
Debt service	1,239,725	1,252,356
TOTAL EXPENDITURES	1,239,725	1,252,356
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(270,734)	(141,744)
FUND BALANCE - JULY 1	839,712	981,456
FUND BALANCE - JUNE 30	$ 568,978	$ 839,712

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

BOND AND INTEREST FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 967,824	$ 908,998	$ 1,102,377
Interest	45,000	52,283	47,122
TOTAL REVENUES RECEIVED	1,012,824	961,281	1,149,499
EXPENDITURES DISBURSED			1,252,356
Debt service	1,242,875	1,239,725	1,252,356
TOTAL EXPENDITURES DISBURSED	1,242,875	1,239,725	1,252,356
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (230,051)	(278,444)	(102,857)
FUND BALANCE - July 1 (Budgetary Basis)		839,712	942,569
FUND BALANCE - June 30 (Budgetary Basis)		561,268	839,712
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		7,710	-
FUND BALANCE - June 30 (GAAP Basis)		$ 568,978	$ 839,712

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMPARATIVE BALANCE SHEETS

CAPITAL PROJECTS (FIRE PREVENTION AND SAFETY) FUND

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
ASSETS		
Cash/investments - pooled accounts	$ 1,930,600	$ 2,346,298
TOTAL ASSETS	$ 1,930,600	$ 2,346,298
LIABILITIES		
Accounts payable	$ 11,681	$ 7,518
TOTAL LIABILITIES	11,681	7,518
FUND BALANCE		
Unreserved fund balance	1,918,919	2,338,780
TOTAL FUND BALANCE	1,918,919	2,338,780
TOTAL LIABILITIES AND FUND BALANCE	$ 1,930,600	$ 2,346,298

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ -	$ 2
Interest	143,963	139,326
TOTAL REVENUES	143,963	139,328
EXPENDITURES		
Support services		
Current operating	31,032	12,955
Capital outlay	532,792	142,660
TOTAL EXPENDITURES	563,824	155,615
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(419,861)	(16,287)
FUND BALANCE - JULY 1	2,338,780	2,355,067
FUND BALANCE - JUNE 30	$ 1,918,919	$ 2,338,780

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS)

FIRE PREVENTION AND SAFETY FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 10	$ -	$ 2
Interest	105,000	143,963	139,326
TOTAL REVENUES RECEIVED	105,010	143,963	139,328
EXPENDITURES DISBURSED			
Current operating			
Support services	85,000	29,909	12,955
Capital outlay	855,350	529,752	197,273
TOTAL EXPENDITURES DISBURSED	940,350	559,661	210,228
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (835,340)	(415,698)	(70,900)
FUND BALANCE - July 1 (Budgetary Basis)		2,346,298	2,417,198
FUND BALANCE - June 30 (Budgetary Basis)		1,930,600	2,346,298
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for expenditure accruals		(11,681)	(7,518)
FUND BALANCE - June 30 (GAAP Basis)		$ 1,918,919	$ 2,338,780

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMBINING BALANCE SHEET

TRUST AND AGENCY FUNDS

JUNE 30, 2001

(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Working Cash	Activity Funds	Totals 2001	Totals 2000
ASSETS				
Cash/investments - pooled accounts	$ 5,881,496	$ -	$ 5,881,496	$ 5,187,374
Cash at district	-	224,006	224,006	178,683
Property taxes receivable	162,647	-	162,647	147,804
TOTAL ASSETS	$ 6,044,143	$ 224,006	$ 6,268,149	$ 5,513,861
LIABILITIES				
Deferred revenue	$ 159,264	$ -	$ 159,264	$ 147,804
Due to activity fund organizations	-	224,006	224,006	178,683
TOTAL LIABILITIES	159,264	224,006	383,270	326,487
FUND BALANCE				
Unreserved fund balance	5,884,879	-	5,884,879	5,187,374
TOTAL FUND BALANCE	5,884,879	-	5,884,879	5,187,374
TOTAL LIABILITIES AND FUND BALANCE	$ 6,044,143	$ 224,006	$ 6,268,149	$ 5,513,861

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

EXPENDABLE TRUST (WORKING CASH) FUND

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ 295,386	$ 265,495
Interest	402,119	291,310
TOTAL REVENUES	697,505	556,805
FUND BALANCE - JULY 1	5,187,374	4,630,569
FUND BALANCE - JUNE 30	$ 5,884,879	$ 5,187,374

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

WORKING CASH FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 306,938	$ 292,003	$ 275,035
Interest	300,000	402,119	291,310
TOTAL REVENUES RECEIVED	$ 606,938	694,122	566,345
FUND BALANCE - July 1 (Budgetary Basis)		5,187,374	4,621,029
FUND BALANCE - June 30 (Budgetary Basis)		5,881,496	5,187,374
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		3,383	-
FUND BALANCE - June 30 (GAAP Basis)		$ 5,884,879	$ 5,187,374

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Receipts	Disbursements	Balance June 30, 2001
ASSETS				
Cash at district	$ 178,683	$ 344,531	$ 299,208	$ 224,006
LIABILITIES				
Amounts due to organizations:				
NORTH				
Activity Account	$ 5,686	$ 5,171	$ 4,674	$ 6,183
Adm. Center Pop Fund	802	306	-	1,108
Art Club	9	-	-	9
Athletics	6,853	15,909	14,465	8,297
Attendance Improvement	316	-	-	316
Beautification - T.F.N.	322	-	-	322
Big Brother/Big Sister	703	904	686	921
Building Const. V.I.C.A.	(131)	-	-	(131)
Business Professionals	94	2,431	2,482	43
Cap and Gown	1,530	-	-	1,530
Cheerleaders	1,628	2,270	3,113	785
Class of 1998	826	-	-	826
Class of 1999	402	-	-	402
Class of 2000	3,711	-	-	3,711
Class of 2001	2,817	8,721	6,956	4,582
Class of 2002	3,157	24,135	23,219	4,073
Class of 2003	2,556	750	473	2,833
Class of 2004	-	2,873	1,393	1,480
Cooperative Work Training	(69)	455	118	268
Cultural Diversity Club	120	-	-	120
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	3,557	2,296	3,471	2,382
Environmental Club	1,450	2,663	2,042	2,071
Faculty Workroom	305	253	-	558
Football Camp	-	120	-	120
Foreign Language	511	790	1,115	186
Girls Club	85	1,516	694	907
History Club	-	2,639	2,669	(30)
Honors Trip	255	-	-	255
Interrelated Coop Education	597	1,668	2,094	171
Interest Account	6,730	2,055	-	8,785
Mathletes	840	140	200	780
Memorial Fund - Jurek	390	-	-	390
Memorial Fund - Lynn	161	40	96	105

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Receipts	Disbursements	Balance June 30, 2001
Meteor Broadcasting	841	1,779	668	1,952
Monogram Club	4,510	9,881	9,227	5,164
Music	195	-	43	152
National Honor Society	869	2,628	3,445	52
Needy Student Fund	3,660	880	416	4,124
North Football Lights	14,575	10,083	2,703	21,955
Pep Club	190	-	-	190
Pom Pon	404	-	-	404
Pop Machine	5,823	9,622	9,150	6,295
Chronoscope	8,732	15,493	20,118	4,107
Special Education	89	-	-	89
Speech Club	83	-	-	83
Stat Girls	115	-	-	115
Student Council	5,698	7,725	11,801	1,622
Students Against Drnk Drv	114	269	218	165
Science & Tech - Auto Mech	3,454	1,500	1,277	3,677
Science & Tech - Pop	1,445	8,096	7,206	2,335
Teacher Lounge Vending Machine	171	-	-	171
TF North Unified Voices	406	-	-	406
Thorntonian	3,773	6,695	4,850	5,618
NORTH TOTAL	102,072	152,756	141,082	113,746
SOUTH				
American Field Services	6,660	-	110	6,550
Art Club	98	200	206	92
Band	20	-	-	20
Band Camp	6,170	11,180	11,320	6,030
Basketball Camp	19	2,645	1,920	744
Bill Beckwith Memorial	-	3,000	1,000	2,000
Class concession stand	1,270	2,595	3,348	517
Cap and Gown	68	-	-	68
Cheerleaders	1,612	973	1,868	717
Choral B	6	327	-	333
Class of 1988	260	-	-	260
Class of 1999	942	-	698	244
Class of 2000	1,835	-	128	1,707
Class of 2001	460	2,933	2,856	537
Class of 2002	904	13,893	14,369	428
Class of 2003	165	715	445	435
Class of 2004	-	829	348	481
Cultural Diversity Club	1,784	1,149	1,496	1,437
Cooperative Work Training	363	-	102	261

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2001

	July 1, 2000	Receipts	Disbursements	June 30, 2001
Distributive Education	638	1,511	1,837	312
Drama	1,658	12,541	11,294	2,905
Environmental Club	200	296	239	257
Ferrado/Gagnon Scholarship	100	8,117	1,000	7,217
Football Camp	(4)	4,900	4,900	(4)
Foreign Language	564	-	48	516
Girls Basketball Camp	37	1,416	-	1,453
Girls Club	2,195	7,180	7,991	1,384
Athletic Invitational Fund	1,447	5,834	4,874	2,407
I.C.E.	461	2,418	1,632	1,247
Interest Account	6,624	5,117	4,394	7,347
Joan Baldwin Memorial	2,788	158	-	2,946
Juice Machine	670	847	1,123	394
Math Fund	-	169	158	11
National Honor Society	544	13,634	12,639	1,539
Needy Student Fund	494	-	-	494
Pep Club	2,302	5,197	4,424	3,075
Photo Club	473	-	-	473
Pom Pon	82	507	294	295
Postscript	9,878	28,155	22,801	15,232
Rebel Recognition	2,090	1,019	1,987	1,122
Rebel Rouser	7,188	12,207	9,055	10,340
S.A.D.D.	332	-	36	296
Social Studies Activities	135	-	-	135
Speech Club	680	208	276	612
Student Body Activity Fund	515	2,109	930	1,694
Student Senate	5,290	14,478	13,509	6,259
Summer Swim	-	11,861	2,533	9,328
T.F.S. Activity Office	778	1,075	693	1,160
T.F.S. Ambassadors	120	1,543	1,029	634
T.F.S. Principal's Award	311	862	300	873
T.F.S. Recognition Program	1,754	366	-	2,120
T.F.S. Teen Staff	236	-	-	236
Volleyball Camp	1,520	2,610	2,280	1,850
Vocational Coop Club	104	-	-	104
Weight Room Improvements	1,775	4,361	5,636	500
Wrestling Camp	(4)	640	-	636
SOUTH TOTAL	76,611	191,775	158,126	110,260
TOTAL LIABILITIES	$ 178,683	$ 344,531	$ 299,208	$ 224,006

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES AND COLLECTIONS
JUNE 30, 2001

	2000 Levy	1999 Levy	1998 Levy
Equalized assessed valuation	$ 634,403,907	$ 647,687,695	$ 587,480,721
Tax rates (per $100 of assessed valuation)			
Educational	2.5842	2.3732	2.5569
Tort immunity	0.0325	0.0763	0.0946
Special education	0.0200	0.0184	0.0198
Operations and maintenance	0.3500	0.3214	0.3463
Bond and interest	0.1141	0.1808	0.2013
Transportation	0.0162	0.0795	0.0701
Municipal retirement	0.0203	0.0278	0.0263
Social security	0.0568	0.0676	0.0657
Working Cash	0.0500	0.0459	0.0495
	3.2441	3.1909	3.4305
Extended tax levy			
Educational	$ 16,394,266	$ 15,370,895	$ 15,021,410
Tort immunity	206,000	494,309	555,514
Special education	126,881	118,961	116,256
Operations and maintenance	2,220,414	2,081,810	2,034,476
Bond and interest	723,611	1,171,118	1,182,682
Transportation	103,000	515,000	412,000
Municipal retirement	128,750	180,250	154,500
Social security	360,500	437,750	386,250
Working Cash	317,202	297,401	290,639
	$20,580,624	$20,667,494	$20,153,727
Taxes collected year ended:			
June 30, 2001	$ 9,418,097	$ 10,708,935	$ 378,659
June 30, 2000	-	9,281,959	9,560,687
June 30, 1999	-	-	9,614,643
Total collected	$ 9,418,097	$ 19,990,894	$ 19,553,989
Percent collected	45.76%	96.73%	97.02%

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS
JUNE 30, 2001

Year Ended June 30,	Life Safety and Funding Bonds Dated 7/1/98		
	Principal	Interest	TOTAL
2002	$ 160,000	$ 151,000	$ 311,000
2003	565,000	132,875	697,875
2004	590,000	104,000	694,000
2005	620,000	73,750	693,750
2006	650,000	42,000	692,000
2007	515,000	12,875	527,875
	$ 3,100,000	$ 516,500	$ 3,616,500

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF LEGAL DEBT MARGIN
JUNE 30, 2001

Equalized assessed valuation - 2000 tax levy year	$634,403,907

	Amount
Legal debt limitation (6.9% of equalized assessed valuation)	$ 43,773,870
General obligation debt June 30, 2001	3,608,540
Legal debt margin	$ 40,165,330

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

[PROPOSED OPINION OF BOND COUNSEL

TO BE DATED THE 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 School Bonds, Series 2003 (the "*Bonds*"), to the amount of $9,000,000, dated February 1, 2003, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022

the Bonds due on or after December 1, 2013, 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 all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in 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 included 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 solely 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 C
FORM OF CONTINUING DISCLOSURE UNDERTAKING

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 $9,000,000 School Bonds, Series 2003 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 21st day of January, 2003 (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 financial information and operating data of the type contained in the Official Statement under the following captions:

DEBT STRUCTURE
- Summary of Outstanding Debt

TAX BASE INFORMATION
- District Equalized Assessed Valuation
- Composition of 2000 Equalized Assessed Valuation
- Tax Extensions and Collections
- Tax Rate Trend per $100 of Equalized Assessed Valuation

FINANCIAL INFORMATION
- General Fund
- Working Cash Fund

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.

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

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

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

MSRB means the Municipal Securities Rulemaking Board.

NRMSIRs means, as of any date, all Nationally Recognized Municipal Securities Information Repositories then recognized by the Commission for purposes of the Rule. As of the date of this Agreement, the NRMSIRs are:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
http://www.bloomberg.com/markets/muni_contactinfo.html
E-Mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
http://www.dpcdata.com
E-Mail: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
http://www.interactivedata.com
E-Mail: NRMSIR@FTID.com

Standard & Poor's J. J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
E-Mail: nrmsir_repository@sandp.com

The names and addresses of all current NRMSIRs should be verified each time information is delivered to the NRMSIRs pursuant to this Agreement.

Official Statement means the Final Official Statement, dated December 17, 2002, 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.

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

SID means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule. As of the date of this Agreement there is no SID.

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 9 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 each NRMSIR and to the SID, if any. The District is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

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 is made to this Agreement, the Annual Financial Information for the year in which such amendment is made (or in any notice or supplement provided to each

NRMSIR and the SID, if any) shall contain a narrative description of the reasons for such amendment and its impact on the type of information being provided.

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner Material Events Disclosure to each NRMSIR or to the MSRB and to the SID, if any. 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. DUTY TO UPDATE NRMSIRs/SID. The District shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, 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.

8. 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) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District, or type of business conducted;

(b) 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

(c) 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).

9. 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 in a timely manner if this Section is applicable to each NRMSIR or to the MSRB and to the SID, if any.

10. 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.

11. 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 Material 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 Material 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 Material Event.

12. 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.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Material 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.

14. 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.

15. 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: ____________________, 2003

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 each NRMSIR and to the SID, if any, 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 from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID or the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the District's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in Appendix A to the Official Statement. Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the District.

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 MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
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 or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

EXHIBIT III
CUSIP NUMBERS

YEAR OF MATURITY	CUSIP NUMBER
2003	
2004	
2005	
2006	
2007	
2008	
2009	
2010	
2011	
2012	
2013	
2014	
2015	
2016	
2017	
2018	
2019	
2020	
2021	
2022	

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER:

BONDS:

Policy No.: -N

Effective Date:

Premium:

SPECIMEN

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature] FINANCIAL SECURITY ASSURANCE INC.

By ______________________ By ______________________
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.
350 Park Avenue, New York, N.Y. 10022-6022
(212) 826-0100

Form 500NY (5/90)

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or questioning the proceedings or authority pursuant to which the Bonds are issued, or questioning or relating to the validity of the Bonds or contesting the corporate existence of the District or the titles of its present officers to the respective offices.

BOND RATING

Standard & Poor's has assigned its municipal bond rating of "AAA" to the Bonds with the understanding that upon delivery of the Bonds, a Policy insuring the scheduled payment of principal of and interest on the Bonds will be issued by Financial Security Assurance, Inc.

Standard & Poor's has assigned an underlying rating of "A" to the capacity of the District to pay the Bonds, subject to delivery of the Bonds, without giving effect to the third party financial guarantee which applies to the Bonds.

This rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in rating may have an effect on the market price of the Bonds.

THE FINAL OFFICIAL STATEMENT

This Final Official Statement includes the cover page, reverse thereof, Summary Statement, and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Final Official Statement

This Final Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Bonds, by the District. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the District.

The District's officials will provide to the original purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Near Final Official Statement and Final Official Statement, with respect to the Bonds, at the time of the sale and 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, in light of the circumstances under which they were made, not misleading.

Debra Aellatotes

President, Board of Education
Thornton Fractional Township High School
District Number 215, Cook County, Illinois

Date: January 21, 2003

FINAL OFFICIAL STATEMENT

NEW ISSUE
BANK QUALIFIED

RATING: Standard & Poor's
Insured: "AAA" (FSA Insured) Underlying: "A"

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler, Chicago, Illinois. Bond Counsel, under present law. interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "LEGAL MATTERS – TAX EXEMPTION" and "ORIGINAL ISSUE DISCOUNT" herein for a more complete discussion. Interest on the Bonds is not exempt from present Illinois income tax. The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986. as amended. See "LEGAL MATTERS - Qualified Tax Exempt Obligations" herein for a more complete discussion.

$9,000,000
THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215
COOK COUNTY, ILLINOIS
School Bonds, Series 2003

DATED: February 1, 2003 **DUE: December 1, As Shown Below**

The School Bonds, Series 2003 (the "Bonds"), of Thornton Fractional Township High School District Number 215, Cook County. Illinois (the "District"), are issued as fully registered Bonds and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York, to which principal and interest payments on the Bonds will be made. Individual purchases will be made in book-entry form only, in the principal amount of $5,000 or any whole multiple thereof. Purchasers of the Bonds will not receive physical delivery of certificates. So long as Cede & Co. is the registered owner of the Bonds, reference herein to the holders of the Bonds or registered owners of the Bonds shall mean Cede & Co. and shall not mean the Beneficial Owners of the Bonds. So long as Cede & Co. is the registered owner of the Bonds, the principal and interest (payable semiannually on each June 1 and December 1, commencing June 1, 2003) on the Bonds are payable to Cede & Co., which will in turn remit such principal and interest to the DTC Participants (as defined herein) for subsequent disbursement to the Beneficial Owners of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM." Interest is calculated based on a 360-day year of twelve 30-day months.

The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS - Qualified Tax Exempt Obligations" herein for a more complete discussion.

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended. The Bonds will constitute valid and legally binding full faith and credit general obligations of the District, payable from ad valorem taxes levied on all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Financial Security Assurance Inc.

FSA.

THE BONDS MATURING DECEMBER 1, 2013 AND THEREAFTER ARE SUBJECT TO OPTIONAL REDEMPTION ON DECEMBER 1, 2012 AND ON ANY DATE THEREAFTER AT PAR PLUS ACCRUED INTEREST. SEE "THE BONDS – Redemption Provisions" HEREIN.

MATURITY SCHEDULE

Dec 1	Amount	Rate	Yield	Dec 1	Amount	Rate	Yield
2003	$ 375,000	2.50%	1.25%	2013	$ 445,000	3.80%	3.80%
2004	325,000	2.50%	1.50%	2014	460,000	3.90%	3.90%
2005	330,000	2.50%	1.70%	2015	480,000	4.00%	4.00%
2006	340,000	2.50%	2.00%	2016	495,000	4.10%	4.10%
2007	350,000	2.50%	2.40%	2017	520,000	4.20%	4.20%
2008	355,000	3.20%	2.80%	2018	540,000	4.30%	4.30%
2009	370,000	4.50%	3.00%	2019	565,000	4.40%	4.40%
2010	385,000	4.50%	3.30%	2020	590,000	4.40%	4.50%
2011	400,000	5.00%	3.50%	2021	615,000	4.50%	4.55%
2012	420,000	5.00%	3.70%	2022	640,000	4.50%	4.60%

(Plus accrued interest from February 1, 2003)

The Bonds are offered when, as and if issued and received by the Underwriter subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler, Chicago, Illinois, Bond Counsel. The Bonds will be awarded on or about January 21, 2003 and are expected to be delivered on or about February 4, 2003.

GKST Griffin, Kubik, Stephens & Thompson, Inc.

The date of this Final Official Statement is January 21, 2003

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Final Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Final Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Final Official Statement. The information and opinions expressed herein are subject to change without notice, and the delivery of this Final Official Statement or any sale made hereunder shall not, under any circumstances, create any implication that there has been no change in the operations of the District since the date of this Final Official Statement.

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

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other federal, state, municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Final Official Statement.

The information in this Final Official Statement has been compiled from sources believed to be reliable, but is not guaranteed. As far as any statements herein involve matters of opinion, whether or not so stated, they are intended as opinions and not representations of fact.

For purposes of compliance with Rule 15c(2)-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 a Final 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 such supplement or correction) except for the omission of certain information referred to in the succeeding paragraph.

The Near Final Official Statement, when further supplemented by adding information specifying the interest rates and certain other information relating to the Bonds, shall constitute a "Final Official Statement" of the District with respect to the Bonds, as that term is defined in Rule 15c(2)-12.

Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "Bond Insurance" and Appendix D "Specimen Municipal Bond Insurance Policy" herein, none of the information in this Official Statement has been supplied or verified by Financial Security and Financial Security makes no representation or warranty, express or implied, as to (i) the accuracy or completeness of such information; (ii) the validity of the Bonds; or (iii) the tax exempt status of the interest on the Bonds.

This Final Official Statement has been prepared under the authority of Thornton Fractional Township High School District Number 215, Cook County, Illinois. Additional copies may be secured from Thornton Fractional Township High School District Number 215, 1601 Wentworth Avenue, Calumet City, Illinois, 60409 (708/585-2300), or from the Underwriter, Griffin, Kubik, Stephens & Thompson, Inc., Public Finance Department, 300 Sears Tower / 233 South Wacker Drive, Chicago, Illinois, 60606 (312/441-2600).

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

1601 Wentworth Avenue
Calumet City, Illinois 60409
(708) 585-2300

ADMINISTRATION

Name	Position
Dr. Robert K. Wilhite	Superintendent
Emerson Ahrens	Associate Superintendent
Margaret Trybus	Assistant Superintendent
Douglas D. Handley	Assistant Superintendent
Sally Bintz	Director of Special Education

BOARD OF EDUCATION

Official	Position	Term Expires
Debbie Waitekus	President	2003
Rob Garrison	Vice President	2003
Karen Walker-Kehl	Secretary	2005
Bob Garritano	Board Member	2005
Kathy Manno	Board Member	2005
Marcia Pavich	Board Member	2005
Henry Schneider	Board Member	2003

Paying Agent/Registrar
LaSalle Bank National Association
Chicago, Illinois

Independent Auditors
Mann, Benzinger & Co., Inc.
Downers Grove, Illinois

Bond Counsel
Chapman and Cutler
Chicago, Illinois

Underwriter
Griffin, Kubik, Stephens & Thompson, Inc.
300 Sears Tower
233 South Wacker
Chicago, Illinois 60606
(312)441-2600

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FINAL OFFICIAL STATEMENT SUMMARY

This offering of Bonds is made only by means of the attached Final Official Statement in its entirety. No person shall be authorized to detach this Summary Statement from the Final Official Statement or to otherwise use such Summary Statement without the Final Official Statement in its entirety.

Issuer:	Thornton Fractional Township High School District Number 215, Cook County, Illinois
Issue:	$9,000,000 School Bonds, Series 2003
Dated Date:	February 1, 2003
Book-Entry-Only Form:	The Bonds are issued as fully registered Bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in $5,000 denominations or integral multiples thereof, and will be in Book-Entry-Only Form.
Delivery Date:	On or about February 4, 2003.
Interest Payment Dates:	Each June 1 and December 1 commencing June 1, 2003.
Principal Payment Dates:	Each December 1 beginning December 1, 2003 and ending December 1, 2022.
Record Date:	The close of the business day on the 15th day of the calendar month next preceding any principal or interest payment date.
Redemption Provisions:	The Bonds maturing December 1, 2013 and thereafter are subject to optional redemption beginning December 1, 2012 and on any date thereafter at par plus accrued interest.
Authority and Purpose:	The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and pursuant to an election held on November 5, 2002. At such election 7,992 votes were cast in favor of the issuance of such Bonds and 5,359 votes were cast in opposition. Proceeds of the Bonds, when issued, will be used to i) pay a portion of the cost of improving the sites of, building and equipping additions to and altering, repairing and equipping the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology (the "Project"); and ii) to pay costs associated with the issuance of the Bonds. The total cost of the Project is anticipated to be $38,000,000. The cost of the Project not funded with proceeds of the Bonds and the Series 2002 Bonds will be funded through a $19,000,000 grant from the State of Illinois Capital Development Board.
Security:	The Bonds will constitute valid and legally binding full faith and credit general obligations of the District, payable from ad valorem property taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.
Tax Exemption:	Chapman and Cutler will provide an opinion as to the tax exemption of the Bonds. See Appendix B.
Bank Qualification:	The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "LEGAL MATTERS – Qualified Tax-Exempt Obligations" herein for a more complete discussion.
Paying Agent/Registrar:	LaSalle Bank National Association, Chicago, Illinois
Bond Rating/ Insurance:	Insured: Standard and Poor's "AAA" (FSA Insured) / Underlying: "A"
Legal Opinion:	Chapman and Cutler, Chicago, Illinois

FINAL OFFICIAL STATEMENT

$9,000,000

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215

COOK COUNTY, ILLINOIS

School Bonds, Series 2003

INTRODUCTION

The purpose of this Final Official Statement is to set forth certain information concerning Thornton Fractional Township High School District Number 215, Cook County, Illinois (the "District"), in connection with the offering and sale of $9,000,000 aggregate principal amount of School Bonds, Series 2003 (the "Bonds"). This Final Official Statement includes the cover page, the reverse thereof and the Appendices.

THE BONDS

General Description

The Bonds will be issued in fully registered form, without coupons, 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 as described under the caption "BOOK-ENTRY-ONLY SYSTEM" by LaSalle Bank National Association, Chicago, Illinois, as Paying Agent and Registrar (the "Registrar").

The Bonds will be dated February 1, 2003 and will mature as shown on the cover page of this Final Official Statement. Interest will be payable each June 1 and December 1 beginning June 1, 2003. The Bonds are subject to optional redemption prior to maturity as discussed under "THE BONDS – Redemption Provisions" herein.

Authority

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and pursuant to an election held on November 5, 2002. At such election 7,992 votes were cast in favor of the issuance of such Bonds and 5,359 votes were cast in opposition.

Purpose

Proceeds of the Bonds, when issued, will be used to i) pay a portion of the cost of improving the sites of, building and equipping additions to and altering, repairing and equipping the Thornton Fractional North and Thornton Fractional South High Schools and the Thornton Fractional Center for Science and Technology (the "Project"); and ii) to pay costs associated with the issuance of the Bonds. The total cost of the Project is anticipated to be $38,000,000. The cost of the Project not funded with proceeds of the Bonds and the Series 2002 Bonds will be funded through a $19,000,000 grant from the State of Illinois Capital Development Board.

Security and Payment

The Bonds will constitute valid and legally binding full faith and credit general obligations of the District payable from ad valorem taxes levied upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Redemption Provisions

Bonds maturing on and after December 1, 2013 are subject to redemption prior to maturity, at the option of the District, in whole or in part in any order of maturity, in integral multiples of $5,000, selected by lot by the Registrar, on December 1, 2012 and on any date thereafter, at par plus accrued interest to the redemption date. Notice of any such call shall be given once not less than 30 days prior to the date of redemption by first class mail to the registered owners thereof.

Estimated Sources and Uses

Sources	
Par Amount of Bonds	$9,000,000.00
Net Original Issue Premium	168,277.30
Accrued Interest	2,966.96
Total Sources:	$9,171,244.26

Uses	
Deposit to Construction Fund	9,006,154.16
Deposit to Bond Fund	2,966.96
Costs of Issuance*	162,123.14
Total Uses:	$9,171,244.26

*Includes underwriter's discount, bond insurance premium, paying agent fee, bond counsel fee and other costs of issuance.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, NY, will act as securities depository for the Bonds (hereinafter referred to in this section as the "Securities"). The Securities will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for each maturity of the Securities.

DTC, the world's largest depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 2 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 85 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, in turn, is owned by a number of Direct Participants of DTC and Members of the National Securities Clearing Corporation, Government Securities Clearing Corporation, MBS Clearing Corporation, and Emerging Markets Clearing Corporation, (NSCC, GSCC, MBSCC, and EMCC, also subsidiaries of DTCC), as well as by the New York Stock Exchange, Inc., the American Stock Exchange LLC, and the National Association of Securities Dealers, Inc. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

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

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

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.

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

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

Redemption proceeds, distributions, and dividend payments on the Securities will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of redemption proceeds, distributions, and dividend payments to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Securities at any time by giving reasonable notice to the District or the Paying Agent. Under such circumstances, in the event that a successor depository is not obtained, Security certificates are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, Security certificates will be printed and delivered.

The information in this section concerning DTC and DTC's book-entry system has been obtained from DTC, and the District and the Underwriter take no responsibility for the accuracy thereof, and neither the DTC Participants nor the Beneficial Owners should rely on the foregoing information with respect to such matters but should instead confirm the same with DTC or the DTC Participants, as the case may be.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Financial Security Assurance Inc. ("Financial Security") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an exhibit to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Financial Security Assurance Inc.

Financial Security is a New York domiciled insurance company and a wholly owned subsidiary of Financial Security Assurance Holdings Ltd. ("Holdings"). Holdings is an indirect subsidiary of Dexia, S.A., a publicly held Belgian corporation. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At September 30, 2002 Financial Security's total policyholders' surplus and contingency reserves were approximately $1,728,433,000 and its total unearned premium reserve was approximately $972,390,000 in accordance with statutory accounting principles. At September 30, 2002, Financial Security's total shareholder's equity was approximately $1,928,564,000 and its total net unearned premium reserve was approximately $814,684,000 in accordance with generally accepted accounting principles.

The financial statements included as exhibits to the annual and quarterly reports filed by Holdings with the Securities and Exchange Commission are hereby incorporated herein by reference. Also incorporated herein by reference are any such financial statements so filed from the date of this Official Statement until the termination of the offering of the Bonds. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 350 Park Avenue, New York, New York 10022, Attention: Communications Department (telephone (212) 826-0100).

The Policy does not protect investors against changes in market value of the Bonds, which market value may be impaired as a result of changes in prevailing interest rates, changes in applicable ratings or other causes. Financial Security makes no representation regarding the Bonds or the advisability of investing in the Bonds. Financial Security makes no representation regarding the Official Statement, nor has it participated in the preparation thereof, except that Financial Security has provided to the Issuer the information presented under this caption for inclusion in the Official Statement.

THORNTON FRACTIONAL HIGH SCHOOL DISTRICT NUMBER 215

Location, Organization and Government

Thornton Fractional Township High School District Number 215 is situated in Southern Cook County and comprises an area of approximately 14 square miles. The District serves the Village of Lansing, most of the Village of Burnham and about half of the City of Calumet City.

According to the 2000 US Census, the population of the District is 60,779.

The District is located approximately 27 miles south of downtown Chicago and is 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 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 is available from PACE to reach additional surrounding communities.

Providing education for ninth through twelfth grade, the District operates three high school facilities and one administrative building. The District enrolled 2,867 students for the 2002-2003 academic year.

The District is governed by a seven-member Board of Education, elected at large for four year overlapping terms. Meetings are scheduled for the fourth Tuesday of each month at 7p.m., at the District Administrative Center at 1601 Wentworth Avenue, Calumet City, Illinois. Day-to-day operations are administered by the Superintendent and staff.

Board of Education

Official	Position	Term Expires
Debbie Waitekus	President	2003
Rob Garrison	Vice President	2003
Karen Walker-Kehl	Secretary	2005
Bob Garritano	Board Member	2005
Kathy Manno	Board Member	2005
Marcia Pavich	Board Member	2005
Henry Schneider	Board Member	2003

Educational Facilities

The District currently provides educational services at three locations as shown below.

School	Location	Grades	Approx # of Students
Thornton Fractional North High School	755 Pulaski Rd., Calumet City	9-12	1450
Thornton Fractional South High School	18500 Burnham Ave., Lansing	9-12	1317
Center for Science and Technology	135 167th Street, Calumet City	9-12	100

Enrollment Trend

The trend in total enrollment is as follows:

Year	Enrollment
1998/99	2,512
1999/00	2,533
2000/01	2,593
2001/02	2,747

Source: Illinois State Board of Education. Figures represent the number of students housed as of September 30 of each school year.

Employees and Labor Relations

In order to provide a wide variety of educational programs and services, the District maintains a qualified staff as follows:

Personnel	**2001-2002**
Superintendent	1
Principals	3
Instructional	225
Support Services	95
TOTAL	324

Under the current contract, salary ranges for the teachers, based upon degree and experience, are approximately as follows:

Degree	Experience	Salary (2001-2002)
B.A.	No experience, starting	$35,618
B.A. + 24 sem. hrs	14 years experience	61,568
M.A.	No experience, starting	39,350
M.A. + 12 sem. hrs	14 years experience	63,604

The District Education Association contract is in effect until 2006. The Association represents 208 full time equivalent staff. There was a teachers' strike in the District in 1995. Employee relations are satisfactory.

SOCIOECONOMIC INFORMATION

Population Data

Name of Entity	1980	1990	2000	% Change 1990-2000
City of Burnham	4,030	3,916	4,170	6.5%
City of Calumet City	39,697	37,840	39,071	3.3%
Village of Lansing	29,039	28,086	28,332	0.9%
Cook County	5,253,628	5,105,067	5,376,741	5.3%
State of Illinois	11,427,409	11,430,602	12,419,293	8.6%

Source: U.S. Census Bureau

Economic Characteristics

Name of Entity	Median Gross Rent	Median Housing Value	Per Capita Income	Median Household Income
City of Burnham	$ 621	$ 90,400	$ 16,747	$ 39,053
City of Calumet City	630	90,300	18,123	38,902
Village of Lansing	658	118,700	22,547	47,554
Cook County	648	157,700	23,227	45,922
State of Illinois	605	130,800	23,104	46,590

Source: U.S. Census Bureau, 2000 Census (latest information available)

Unemployment Rates

Year	City of Calumet City	Village of Lansing	Cook County	State of Illinois
1996	6.6%	3.9%	5.6%	5.3%
1997	6.0%	3.9%	5.0%	4.7%
1998	6.2%	3.7%	4.8%	4.5%
1999	5.5%	3.5%	4.5%	4.3%
2000	6.1%	3.6%	4.6%	4.3%
2001	7.1%	4.3%	5.9%	5.4%
2002 (1)	9.6%	5.7%	6.9%	6.0%

(1) Preliminary rates for the month of October 2002.
Source: State of Illinois Department of Employment Security

Largest Area Employers

Below is a listing of the major employers in the area of the District:

Company Name	Product or Service	Approx # of Employees
Monico Inc. (1)	Mechanical Contractor	500
Morton Automotive Coatings (1)	Manufacturer Chemicals	400
City of Calumet City (2)	Government	392
Times Illinois Inc. (1)	Newspaper Publishing	350
Marshall Fields (2)	Retail	350
Carson Pirie Scott (2)	Retail	350
Coldwell Banker First American (1)	Real Estate	300
Pals Express (2)	Transportation Services	300
Tioga International Inc. (2)	Manufacturer Chemicals	300
Advance Bancorp (1)	Bank Holding Company	260
Land O'Frost Inc. (1)	Food Products Manufacturers	250

(1) Lansing
(2) Calumet City

Source: 2002 Sorkins Directories, Inc.

DEBT STRUCTURE

Summary of Outstanding Debt

The following table sets forth the general obligation debt of the District as of the issuance of the Bonds:

Type	Dated Date	Original Amount of Issue	Current Amount Outstanding	Maturity Date
Limited School Bonds Series 1998	7/1/98	$3,100,000	$2,375,000	12/1/06
ISBE Promissory Note	9/27/99	404,950	173,165	12/31/03
Series 2002 GO School Bonds	12/15/02	9,995,000	9,995,000	12/1/22
The Bonds	2/1/03	9,000,000	9,000,000	12/1/22
		$22,499,950	$21,543,165	

Bonded Debt Repayment Schedule

The following table sets forth the general obligation bonded debt repayment schedule of the District as of the issuance of the Bonds.

Calendar Year Ended Dec 30	The Bonds	Series 2002 GO Bonds	Series 1998 Limited Bonds	Total Outstanding Principal	Cumulative Principal Retired	
					Amount	Percent
2003	375,000	360,000	590,000	1,325,000	1,325,000	6.200%
2004	325,000	355,000	620,000	1,300,000	2,625,000	12.284%
2005	330,000	360,000	650,000	1,340,000	3,965,000	18.554%
2006	340,000	370,000	515,000	1,225,000	5,190,000	24.286%
2007	350,000	380,000		730,000	5,920,000	27.702%
2008	355,000	395,000		750,000	6,670,000	31.212%
2009	370,000	410,000		780,000	7,450,000	34.862%
2010	385,000	430,000		815,000	8,265,000	38.676%
2011	400,000	450,000		850,000	9,115,000	42.653%
2012	420,000	470,000		890,000	10,005,000	46.818%
2013	445,000	490,000		935,000	10,940,000	51.193%
2014	460,000	510,000		970,000	11,910,000	55.732%
2015	480,000	535,000		1,015,000	12,925,000	60.482%
2016	495,000	560,000		1,055,000	13,980,000	65.419%
2017	520,000	585,000		1,105,000	15,085,000	70.590%
2018	540,000	610,000		1,150,000	16,235,000	75.971%
2019	565,000	635,000		1,200,000	17,435,000	81.586%
2020	590,000	665,000		1,255,000	18,690,000	87.459%
2021	615,000	695,000		1,310,000	20,000,000	93.589%
2022	640,000	730,000		1,370,000	21,370,000	100.000%
Total	$9,000,000	$9,995,000	$2,375,000	$21,370,000		

Note: The above schedule excludes the District's Promissory Note outstanding in the amount of $173,165.

Debt Statement

DIRECT DEBT OF THE DISTRICT				
Limited School Bonds Series 1998	$	2,375,000	100%	$ 2,375,000
ISBE Prom 'Notes		173,165	100%	173,165
Series 2002 GO Bonds		9,995,000	100%	9,995,000
The Bonds		9,000,000	100%	9,000,000
Total Direct Debt				$ 21,543,165

ESTIMATED OVERLAPPING BONDED DEBT			Applicable to the District	
Taxing Body		Outstanding Debt	Percent	Amount
Cook County Majors:				
Cook County	$	2,673,225,000	0.702%	18,758,497
Cook County Forest Preserve District		41,445,000	0.702%	290,827
Metropolitan Water Reclamation District		1,153,855	0.717%	8,272
Municipalities				
Village of Lansing		2,845,463	96.963%	2,759,048
Village of Burnham		155,000	72.402%	112,224
City of Calumet City		55,642,000	58.040%	32,294,495
School Districts				
School District 155		7,091,190	100.000%	7,091,190
School District 156		6,108,000	100.000%	6,108,000
School District 157		11,190,000	70.245%	7,860,411
School District 158		6,065,000	100.000%	6,065,000
School District 171		5,440,000	98.100%	5,336,661
South Suburban CCD 510		26,339,998	24.200%	6,374,240
Park Districts				
Calumet Memorial Park District		2,260,000	56.989%	1,287,958
			Total Overlapping Debt:	$ 94,346,822
			Net Direct and Overlapping Direct Debt:	$ 115,889,987

District Estimated Population		60,779			
2001 Estimated Full Valuation	$	1,952,323,368			
2001 Equalized Assessed Valuation	$	650,774,456			
Estimated Full Value per Capita	$	32,122			
			% Full Value		**Per Capita**
Direct Debt:	$	21,543,165	1.10%	$	354
Direct and Overlapping Debt:	$	115,889,987	5.94%	$	1,907

Debt Limit

The District's statutory debt limit is 6.9% of the Equalized Assessed Valuation of all taxable property within the boundaries of the District.

		Amount	% of Limit
2001 Equalized Assessed Valuation	$650,774,456		
Statutory Debt limit @ 6.9% of EAV		$44,903,437	100.00%
Total Debt Applicable to Limit		$21,543,165	47.98%
Remaining Debt Margin		$23,360,272	52.02%

Future Financing

Other than the Bonds, the District does not anticipate issuing any additional debt in the next year.

Short-Term Debt

As of the closing of this issue, the District has no tax anticipation warrants or notes outstanding.

History of Debt Administration

The District has never issued any obligations to avoid default; nor has the District ever defaulted in the payment of any of its obligations.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Real Property Assessment

The County Assessor (the *"Cook County Assessor"*) is responsible for the assessment of all taxable real property within Cook County, except for certain railroad property, low sulfur dioxide emission coal-fueled devices and pollution control facilities which are assessed directly by the State. One-third of the real property in Cook County is reassessed each year on a repeating triennial schedule established by statute.

Real property in Cook County is separated into nine classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the *"Assessed Valuation"*) for the parcel. The current classification percentages range from 16% for certain residential, commercial and industrial properties to 38% for other industrial and commercial property.

The Cook County Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Cook County Assessor certifies the Assessed Valuations, a taxpayer can seek review of the assessment by the Cook County Board of (Tax) Appeals. In addition, beginning with assessments for tax year 1996, owners of residential property having six or fewer units could also appeal assessments to the Illinois Property Tax Appeal Board (the *"PTAB"*), a state-wide administrative body. Owners of real estate other than residential property with six or fewer units can appeal Assessed Valuations of the PTAB beginning with tax year 1997. 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 decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review (described below) may file an objection in the Circuit Court of Cook County similar to the previous judicial review procedure but with a different standard of proof than that previously required. In addition, subject to certain time limits, in cases where the Cook County Assessor agrees that an assessment error has been made after the assessment process is complete, the Cook County Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization

After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year (including any revisions made by the Board of Appeals or the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the *"Equalization Factor"*), commonly called the "multiplier," for each county. The purpose of equalization is to bring the aggregated assessed value of all real estate in each county to the statutory requirement of 33-1/3% of fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. For tax year 2001, the Equalization Factor for Cook County was 2.3098. The Assessed Valuation of each parcel of real estate in Cook County is multiplied by Cook County's Equalization Factor to determine the parcel's equalized assessed valuation (the *"Equalized Assessed Valuation"*).

The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate the tax rates (the *"Assessment Base"*).

The following table sets forth the Equalization Factors for the tax years 1989 through 2001:

Tax Year	Equalization Factor
2001	2.3098
2000	2.2235
1999	2.2505
1998	2.1799
1997	2.1489
1996	2.1517
1995	2.1243
1994	2.1135
1993	2.1407
1992	2.0897
1991	2.0523
1990	1.9946
1989	1.9133

Tax bills in Cook County are based on the Equalized Assessed Valuation for the preceding year. Property taxes billed in 2002 (for the 2001 tax year) will be based on the 2001 Equalized Assessed Valuation when available.

Exemptions

The annual General Homestead Exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used for residential purposes by the amount of any increase over the 1977 Equalized Assessed Valuation, up to a maximum reduction of $4,500. Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the Equalized Assessed Valuation on a senior citizen's home by a minimum of $2,500 and (ii) disabled veterans, with the exemption operating annually to exempt up to $58,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. A Homestead Improvement Exemption allows owners of single-family residences to make up to $45,000 in home improvements without increasing the Assessed Valuation of their property for at least four (4) years. For rehabilitation of certain historic property, the Equalized Assessed Valuation is limited for eight (8) years to the value of such property when the rehabilitation work began. The Senior Citizens Tax Homestead Exemption was enacted in 1994 and freezes property tax assessments for homeowners who are 65 and older and have annual incomes of $40,000 or less. In general, the exemption limits the annual real property tax bill of such property by granting to senior citizens an exemption as to a portion of the valuation of their property. In addition, certain property is exempt from taxation on the basis of ownership and/or use such as public parks, public schools, churches and not for profit and public hospitals.

Tax Levy

There are 800 units of local government (the *"Units"*) located in whole or in part in Cook County that have taxing powers. The major Units having taxing power over real property within the County are the City of Chicago, the Chicago School Board, the School Finance Authority, the Community College District, the Water Reclamation District, the County, the Chicago Park District and the Forest Preserve District.

As part of the annual budgetary process of the Units, proceedings are adopted by the designated body for each Unit each year in which it levies real estate taxes. In the proceedings, the Unit levies the real estate taxes applicable to it in a total dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the Cook County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the Cook County Clerk and the Cook County Treasurer, who is also the County Collector of Cook County (*"Cook County Collector"*).

After the Units file their annual tax levies, the Cook County Clerk determines the maximum allowable levy for each fund of each Unit's levy by dividing each levy by the prior year's Assessment Base plus the current year's new property assessment figures of each respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the Cook County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Once the maximum allowable levy rate is determined, the Cook County Clerk then computes the annual tax rate for each Unit by dividing the levy for each Unit by the Assessment Base of the respective Unit.

The Cook 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 that particular parcel. The Cook County Clerk enters the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of that parcel and reflecting applicable exemptions) in the warrant books prepared for the Cook County Collector, along with the tax rates, the Assessed Valuation, Equalized Assessed Valuation and applicable exemptions. The warrant books are the Cook County Collector's authority for the collection of taxes and are used by the Cook County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the Cook County Collector, who remits to each Unit its share of the collections. Taxes levied in one year are extended and become payable during the following year in two installments. The statutory delinquency date for the second installment of taxes is August 1, which would require the Cook County Clerk to mail tax bills on or before July 2 of each year. However, it is not unusual for tax bills to be mailed on a date later than July 2. By statute, taxpayers have 30 days after the mailing of the tax bills to remit payment without incurring a penalty. Therefore, the actual delinquency date for the second installment is a date other than August 1 to the extent tax bills are mailed on a date later than July 2.

The following table sets forth the second installment penalty date (that is, the date after which interest is due on unpaid amounts) for the last ten years; the first installment penalty date has been March 1 for all years.

Tax Year	Second Installment Penalty Date
2001	November 1, 2002
2000	November 1, 2001
1999	October 2, 2000
1998	November 1, 1999
1997	October 29, 1998
1996	September 19, 1997
1995	September 11, 1996
1994	November 3, 1995
1993	September 1, 1994
1992	September 1, 1993
1991	September 25, 1992
1990	September 6, 1991

The first installment is an estimated bill equal to one-half of the prior year's tax bill. The final installment is for the balance of the current year's tax bill, and is based on the current levies, assessment and equalization, and for affected Units, the tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the final installment.

Under legislation signed into law by the Governor in 1991, Cook County may provide for tax bills to be payable in four installments instead of two. To date, Cook County has not acted to require payment of tax bills in four installments.

During the periods of peak collections, the Cook County Collector, in his capacity as recipient of tax collections, forwards tax receipts to each Unit, including the District, on a weekly basis. Upon receipt of taxes from the Cook County Collector, the District Treasurer promptly credits the taxes received to the funds for which they were levied. In addition to the prior year's Equalized Assessed Valuation, the Cook County Clerk will also include the current year new construction valuation.

At the end of each collection year, the Cook County Collector presents the warrant books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on that year's warrant books (the *"Annual Tax Sale"*). The Annual Tax

Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. 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 18% for each six-month period after the sale. If no redemption is made within the applicable period (ranging from six months to two and one-half years depending on the type and occupancy of the property), the tax buyer may initiate an action to receive a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens and for civil actions to collect taxes.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, and the taxes remain unpaid, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest 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 scheduled to be 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 the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

LEGISLATION CONCERNING PROPERTY TAX AUTHORITY

The Cook County Truth in Taxation Law

Public Act 91-0523, effective January 1, 2000, creates the "Cook County Truth in Taxation Act" (the "Cook County Act"). The Cook County Act requires taxing districts with any territory in Cook County, including home rule units, to disclose by publication and to hold public hearings on specific dates beginning in December, 2000, on their intention to adopt aggregate levies. "Aggregate levy" means annual corporate and special purpose levies, but specifically excludes levies for debt service. If a taxing district violates the Cook County Act, the County Clerk can not extend the final aggregate levy in an amount more than the aggregate levy extended for the preceding year. The provisions of the Cook County Act do not apply to levies made to pay principal and interest on the Bonds. The Cook County Act is repealed on January 1, 2003.

As of the date of this Official Statement, the District is in compliance with the Cook County Truth in Taxation Law. The taxes levied by the District to make payments of principal of and interest on the Bonds will not be included in the District's aggregate annual levy and will not be subject to the notice and hearing provision of the Cook County Truth in Taxation Law.

Property Tax Extension Limitation Law

On February 12, 1995, Public Act 89-1 extended the provisions of the Property Tax Extension Limitation Law (the "Limitation Law") previously applicable only to non-home rule taxing districts located in DuPage, Kane, Lake, McHenry and Will Counties, to non-home rule taxing districts in Cook County including the District. The Limitation Law limits the annual growth in property tax extensions for the District to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the relevant levy year. Generally, extensions can be increased beyond this limitation due to new construction and referendum approval of tax or limitation rate increases.

The effect of the Limitation Law is to limit or retard the growth in the amount of property taxes that can be extended for a taxing body. In addition, the District can now only issue its general obligation bonds secured by an unlimited tax levy after first receiving referendum approval or unless such bonds are issued for certain refunding purposes. The limitations on the extensions of property taxes contained in the Limitation Law do not apply to the taxes levied by the District to pay the principal of and interest on its currently outstanding general obligation bonds or alternate bonds.

Public Act 89-385, effective August 18, 1995, permits local governments, including the District, to issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law. Limited bonds issued by the District would be secured by a 1994 non-referendum bond debt service extension base. The base amount for the District will become available as its existing general obligation bonds are paid or retired. The District could also increase its debt service extension base by referendum.

Personal Property Replacement Tax

A Corporate Personal Property Replacement Tax ("CPPRT") was enacted and became effective on May 1, 1979. The constitutionality of this replacement tax has been upheld by the Supreme Court of Illinois and the period for review by the United States Supreme Court has expired.

The CPPRT represents an additional income tax for corporations (including certain utilities) at the rate of 2.5% of net taxable income; an additional income tax for trusts at the rate of 1.5% of net taxable income; a new income tax for partnerships and Subchapter S corporations at the rate of 1.5% of net taxable income; and a new tax at the rate of 0.8% of invested capital for public utilities providing gas, communications, electrical, and water services. Partnerships and Subchapter S corporations previously had not been subject to the Illinois income tax.

Revenues collected under the CPPRT are held in a special fund in the State Treasury called the Corporate Personal Property Replacement Tax Fund and are allocated to each taxing District.

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation

Year	EAV	Percent Change
1997	578,995,391	
1998	587,480,721	1.47%
1999	647,687,695	10.25%
2000	634,403,907	-2.05%
2001	650,774,456	2.58%

Source: County Clerk's Office

Composition of District's 2000 Equalized Assessed Valuation*

Property Type	EAV	% of Total
Residential	382,600,193	60.309%
Commercial	159,792,618	25.188%
Industrial	89,787,678	14.153%
Farm	125,500	0.020%
Railroad	2,097,918	0.331%
Total	634,403,907	100.000%

Source: County Clerk's Office
* 2000 is the most recent year for which such composition is available.

Tax Extensions and Collections

Tax Year	Net Tax Extension	Total Collections (1)	Percent Collected
1997	19,749,533	18,650,188	94.43%
1998	20,156,464	19,621,939	97.35%
1999	20,667,714	20,327,224	98.35%
2000	20,586,407	20,153,703	97.90%
2001	21,345,402	in collection *	n/a *

* As of October 3, 2002 $9,515,491, or 44.58%, was already collected.

(1) Tax payments, including late payments and proceeds from sales, are shown as collections in the year when due.
Source: Cook County Extension Office and County Treasurer's Office

Tax Rate Trend per $100 of Equalized Assessed Valuation

Fund	**1997**	**1998**	**1999**	**2000**	**2001**	**Maximum Authorized Rate**
IMRF	$0.0178	$0.0263	$0.0278	$0.0203	$0.0237	None
Social Security	0.0409	0.0657	0.0676	0.0568	0.0752	None
Liability Insurance	0.0840	0.0946	0.0763	0.0325	0.0502	None
Transportation	0.0623	0.0701	0.0795	0.0162	0.0791	0.1200
Education	2.5842	2.5569	2.3732	2.5842	2.5262	2.5842
Building	0.3500	0.3463	0.3214	0.3500	0.3421	0.3500
Building Bonds	0.1038	0.1000	0.0000	0.0000	0.0000	None
Working Cash Funds	0.0500	0.0495	0.0459	0.0500	0.0489	0.0500
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500
Special Education	0.0200	0.0198	0.0184	0.0200	0.0196	0.0200
Capital Improvement	0.0000	0.0000	0.0000	0.0000	0.0000	None
EducationFund Notes	0.0000	0.0000	0.0000	0.0000	0.0000	1.3342
Building Fund Notes	0.0000	0.0000	0.0000	0.0000	0.0000	0.3500
Life Safety Bond	0.0979	0.1013	0.1808	0.0000	0.0000	None
Limited Bonds	0.0000	0.0000	0.0000	0.1141	0.1149	None
	$3.4109	$3.4305	$3.1909	$3.2441	$3.2799	

Source: County Clerk's Office

Representative Tax Rate per $100 of Equalized Assessed Valuation

The following is a representative 2001 tax rate for a District property owner.

Taxing District	01 Tax Rate
Cook County	$ 0.746
Forest Preserve District	0.067
Suburban Sanitary District	0.007
Consolidated Elections	0.032
Thornton Township	0.171
Road and Bridge	0.018
General Assistance	0.073
Metropolitan Water Reclamation Dist	0.401
South Cook Cnty Mosquito Abatemt Dist	0.015
Thornton Fractional HSD 215	3.280
HSD 205/Annex HSD 215	0.007
South Suburban College Dist 510	0.454
Lan-Oak Park District	0.333
Village of Lansing Library Fund	0.368
Village of Lansing	1.162
Elementary SD 158	3.457
Total Representative Tax Rate	**$ 10.591**

Source: Cook County Extension Office

Largest Taxpayers

The following are among the largest taxpayers in the District:

Name	Product or Service	2001 EAV
Simon Property Group	Developer	45,042,973
Sears	Retail	16,036,981
Amalgamated Bank	Banking	12,855,529
Lynn Minnici	Individual	6,221,003
JC Penny	Retail	5,509,834
Temperature Equipment Corp	Mechanical Contractor	5,333,638
Waterton Association	Real Estate	4,777,108
Walmart Stores	Discount Retail	4,547,045
Burnham Terrace Ltd.	Residential Development	4,094,753
ESA	Individual	3,593,769
	TOTAL	108,012,632
	Total as % of 2001 EAV	17%

Source: County Assessor's Office. Note that valuations are obtained from the warrant book which provides details as to owner, valuation, tax bill amount, etc. for each parcel in the County. These books are searched, noting larger assessed valuations within the District. Since a taxpayer may own numerous parcels in the District, such a taxpayer may be overlooked. Thus, the valuations presented herewith are noted as approximations.

FINANCIAL INFORMATION

Summary of Operations

The accompanying financial statements are prepared on the modified accrual basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is collected. In the same manner, expenditures are recognized and recorded upon the payments of cash.

The following tables contain information from the annual audits of the District but do not purport to be the complete audits, copies of which are available upon request from the District. See Appendix A for a copy of the District's 2001 fiscal year audit.

General Fund

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE – Modified Accrual GENERAL FUND FISCAL YEAR ENDING JUNE 30

	1999	2000	2001
REVENUES			
Local Sources	$20,006,118	$18,593,994	$20,441,734
State Sources	6,210,873	6,330,351	6,678,567
Federal Sources	593,281	1,179,593	968,886
TOTAL	$ 26,810,272	$ 26,103,938	$ 28,089,187
EXPENDITURES			
Instruction	$14,052,556	$14,985,139	$14,863,580
Support Services	8,536,109	9,610,284	11,595,815
Community Services	31,399	31,220	96,868
Non-Programmed Charges	1,118,606	896,103	1,221,207
Debt Service P&I	0	149,512	162,218
Capital Outlay	1,393,085	2,015,709	1,832,756
TOTAL	$25,131,755	$27,687,967	$29,772,444
Excess of Revenue Received Over (Under) Expenditures Disbursed	$ 1,678,517	$ (1,584,029)	$ (1,683,257)
OTHER FINANCING SOURCES (USES)			
Other	$565,427	$ 209,297	404,950
TOTAL	$ 565,427	$ 209,297	$ 404,950
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	$ 2,243,944	$ (1,374,732)	$ (1,278,307)
Beginning General Fund Balance	$ 9,509,443	$ 11,753,387	$ 10,378,655
Ending General Fund Balance	$ 11,753,387	$ 10,378,655	$ 9,100,348

Working Cash Fund

The District is authorized to issue general obligation bonds to create a Working Cash Fund. Such fund can also be created or increased by a levy of an annual tax not to exceed $.05 per hundred dollars of equalized assessed valuation. The purpose of the fund is to enable the District to have sufficient money to meet demands for ordinary and necessary expenditures for school operating purposes. In order to achieve this purpose, the money in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board of Education of the District, to any fund of the District in anticipation of the receipt by the District of money from the State of Illinois, the Federal government or other sources, or in anticipation of corporate personal property replacement taxes to be received by the District. The Working Cash Fund is reimbursed when the anticipated taxes or money are received by the District. The District's Working Cash Fund had a balance of $5,884,879 as of June 30, 2001.

STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE - Modified Accrual WORKING CASH FUND FISCAL YEAR ENDING JUNE 30

	1999	2000	2001
OPERATING REVENUES			
Local Sources	$ 508,119	$ 556,805	$ 697,505
TOTAL	$ 508,119	$ 556,805	$ 697,505
Operating Transfers In (Out)	-	-	-
Sale of Bonds	-	-	-
Net Income	$ 508,119	$ 556,805	$ 697,505
Beginning Working Cash Fund Balance	$ 4,122,450	$ 4,630,569	$ 5,187,374
Ending Working Cash Fund Balance	$ 4,630,569	$ 5,187,374	$ 5,884,879

Pension and Retirement Plan

In addition to Social Security, the District participates in two retirement systems: The Teachers' Retirement System of the State of Illinois ("TRS") and the Illinois Municipal Retirement Fund ("IMRF"). Information regarding the District's obligations to these systems is described in the Audited Financial Statements for the fiscal year ending June 30, 2001, Note 11.

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 certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934. The information which is to be provided on an annual basis, the events which will be reported on an occurrence basis and the other terms of the Undertaking, including termination, amendment and remedies, are set forth in Appendix C, "FORM OF THE CONTINUING DISCLOSURE UNDERTAKING."

The District has represented that it is in compliance with the undertaking previously entered into by it pursuant to the Rule. 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 C, "FORM OF THE CONTINUING DISCLOSURE UNDERTAKING." A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability or the liquidity of the Bonds and their market price.

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

UNDERWRITING

Griffin, Kubik, Stephens & Thompson, Inc., (the "Underwriter"), has agreed to purchase the Bonds from the District at a purchase price of $9,046,777.30 (consisting of the par amount of the Bonds plus $168,277.30 net original issue premium and less $121,500.00 underwriting discount) plus accrued interest to the date of delivery. The Underwriter intends to reoffer the Bonds at an average price of 101.87% of the principal amount of the Bonds.

LEGAL MATTERS

Tax Exemption

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments and 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 not includible in 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. Interest on the Bonds is taken into account, however, in computing an adjustment used in determining the federal alternative minimum tax for certain corporations and in computing the "branch profits tax" imposed on certain foreign corporations.

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

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the 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 (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) 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 all tax exempt interest, including interest on the Bonds.

Under the provisions of Section 884 of the Code, a branch profits tax is levied on the "effectively connected earnings and profits" of certain foreign corporations, which include tax-exempt interest such as 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.

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 a Bond issued with original issue discount, its Revised Issue Price (as discussed below), 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. 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.

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 adversely 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 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 will treat the District as the taxpayer and the Bond holders may have no right to participate in such procedure.

Certain Legal Matters

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this Final Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Final Official Statement.

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 tax treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

ORIGINAL ISSUE DISCOUNT

The initial public offering price of each maturity of the Bonds due on December 1 of the years 2020 through 2022 inclusive (the "Discount Bonds"), is less than the principal amount payable at maturity. The difference between the Issue Price (defined below) of each maturity of the Discount Bonds and the principal amount payable at maturity is original issue discount. The issue price (the "Issue Price") for each maturity of the Discount Bonds is the price at which a substantial amount of such maturity of the Discount Bonds is first sold to the public. The Issue Price of each maturity of the Discount Bonds is expected to be the amount corresponding to the yield set forth on the cover page hereof, but is subject to change based on actual sales.

For an investor who purchases a Discount Bond in the initial public offering at the Issue Price for such maturity and who holds such Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed under **"TAX EXEMPTION"** above, (a) the full amount of original issue discount with respect to such Bond constitutes interest which is not includible in 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 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 alternate 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.

If a Bond issued with original issue discount is purchased at any time for a price that is less than the Bond's Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased such Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Such treatment would apply to any purchaser who purchases such Bond for a price that is less than its Revised Issue Price.

Owners of Discount Bonds who dispose of such Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase such Bonds in the initial public offering, but at a price different from the Issue Price or purchase such Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of Bonds issued with original issue discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such Bonds.

ABSENCE OF MATERIAL LITIGATION

There is no controversy or litigation of any nature now pending or, to the knowledge of the District, threatened to restrain or enjoin the issuance, sale, execution or delivery of the Bonds, or questioning the proceedings or authority pursuant to which the Bonds are issued, or questioning or relating to the validity of the Bonds or contesting the corporate existence of the District or the titles of its present officers to the respective offices.

BOND RATING

Standard & Poor's has assigned its municipal bond rating of "AAA" to the Bonds with the understanding that upon delivery of the Bonds, a Policy insuring the scheduled payment of principal of and interest on the Bonds will be issued by Financial Security Assurance Inc.

Standard & Poor's has assigned an underlying rating of "A" to the capacity of the District to pay the Bonds, subject to delivery of the Bonds, without giving effect to the third party financial guarantee which applies to the Bonds.

This rating may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in rating may have an effect on the market price of the Bonds.

THE FINAL OFFICIAL STATEMENT

This Final Official Statement includes the cover page, reverse thereof, Summary Statement, and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provision thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Final Official Statement

This Final Official Statement has been approved for distribution to prospective purchasers and the Underwriter of the Bonds, by the District. All of the statements and data presented herein have been obtained from reliable sources and are believed to be correct but are not guaranteed by the District.

The District's officials will provide to the original purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of their knowledge and belief, the Near Final Official Statement and Final Official Statement, with respect to the Bonds, at the time of the sale and 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, in light of the circumstances under which they were made, not misleading.

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

Date: January 21, 2003

APPENDIX A

AUDITED FINANCIAL STATEMENTS FOR

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

FOR THE YEAR ENDED
JUNE 30, 2001

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL

DISTRICT NO. 215, COOK COUNTY, ILLINOIS

FINANCIAL STATEMENTS

YEAR ENDED JUNE 30, 2001

MANN, BENZINGER & CO., LTD.

Certified Public Accountants
Business Consultants

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

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THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

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MANN, BENZINGER & CO., LTD.

Certified Public Accountants
Business Development Consultants

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying general-purpose financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2001, as listed in the Table of Contents. These general-purpose financial statements are the responsibility of the District's management. Our responsibility is to express an opinion 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 includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described in Note 1 to the financial statements, Thornton Fractional Township High School District No. 215 does not maintain detailed property records relating to general fixed assets. Accordingly, we were unable to satisfy ourselves as to the amount of general fixed assets.

In our opinion, except for the effects of the adjustments, if any, that might have been determined to be necessary had we been able to examine detailed property records to support the balance of general fixed assets, as discussed in the paragraph above, the general-purpose financial statements referred to above present fairly, in all material respects, the financial position of Thornton Fractional Township High School District No. 215 as of June 30, 2001, and the results of its operations for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued a report dated August 31, 2001, on our consideration of Thornton Fractional Township High School District No. 215's internal control structure and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general-purpose financial statements taken as a whole. The combining and individual fund financial statements and other schedules listed in the Table of Contents as supplementary information are presented for purposes of additional analysis and are not a required part of the general-purpose financial statements of Thornton Fractional Township High School District No. 215. Such information has been subjected to the auditing procedures applied in the audit of the general-purpose financial statements and, in our opinion, is fairly stated in all material respects in relation to the general-purpose financial statements taken as a whole.

Mann, Benzinger & Co., Ltd.

August 31, 2001

Certified Public Accountants
Business Development Consultants

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REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited the general-purpose financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2001, and have issued our report thereon dated August 31, 2001. Our report disclosed that, as described in Note 1 to the financial statements, Thornton Fractional Township High School District No. 215, does not maintain detailed property records relating to general fixed assets and consequently we were unable to satisfy ourselves as to the amount of general fixed assets. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Thornton Fractional Township High School District No. 215's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of management, the School Board, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

Mann, Benzinger & Co., Ltd.

August 31, 2001

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINED BALANCE SHEET - ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Trust and Agency	General Fixed Assets	General Long-term Debt	2001	2000
Assets and Other Debits									
Cash/investments - pooled accounts	$ 8,862,550	$ 1,075,289	$ 571,268	$ 1,930,600	$ 5,881,496	$ -	$ -	$ 18,321,203	$ 20,242,5
Cash at district	35,000	-	-	-	224,006	-	-	259,006	213,6
Property taxes receivable	9,707,893	303,241	371,328	-	162,647	-	-	10,545,109	10,278,3
Due from other governments	812,428	438,166	-	-	-	-	-	1,250,594	1,112,2
General fixed assets	-	-	-	-	-	29,458,928	-	29,458,928	27,559,1
Amount available in debt service fund	-	-	-	-	-	-	568,978	568,978	839,7
Amount to be provided for payment of long-term debt	-	-	-	-	-	-	3,179,422	3,179,422	3,784,8
TOTAL ASSETS & OTHER DEBITS	$ 19,417,871	$ 1,816,696	$ 942,596	$ 1,930,600	$ 6,268,149	$ 29,458,928	$ 3,748,400	$ 63,583,240	$ 64,030,5
Liabilities									
Accounts payable	$ 515,237	$ 26,253	$ -	$ 11,681	$ -	$ -	$ -	$ 553,171	$ 541,4
Accrued payroll and related liabilities	296,634	422	-	-	-	-	139,860	436,916	543,6
Deferred revenue	9,505,652	296,915	363,618	-	159,264	-	-	10,325,449	10,278,3
Other current liabilities	-	-	10,000	-	-	-	-	10,000	10,0
Due to activity fund organizations	-	-	-	-	224,006	-	-	224,006	178,6
Bonds payable	-	-	-	-	-	-	3,100,000	3,100,000	4,150,0
Other long-term debt	-	-	-	-	-	-	508,540	508,540	314,1
Total Liabilities	10,317,523	323,590	373,618	11,681	383,270	-	3,748,400	15,158,082	16,016,1
Equity and Other Credits									
Fund balance									
Reserved	1,605,980	-	-	-	-	-	-	1,605,980	1,966,0
Unreserved	7,494,368	1,493,106	568,978	1,918,919	5,884,879	-	-	17,360,250	18,488,4
Investment in general fixed assets	-	-	-	-	-	29,458,928	-	29,458,928	27,559,1
Total Equity and Other Credits	9,100,348	1,493,106	568,978	1,918,919	5,884,879	29,458,928	-	48,425,158	48,014,3
TOTAL LIABILITIES, EQUITY AND OTHER CREDITS	$ 19,417,871	$ 1,816,696	$ 942,596	$ 1,930,600	$ 6,268,149	$ 29,458,928	$ 3,748,400	$ 63,583,240	$ 64,030,5

The accompanying notes are an integral part of this statement

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND
YEAR ENDED JUNE 30, 2001

	Governmental Fund Types				Fiduciary Fund Type	Totals (Memorandum Only)	
	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust	2001	2000
REVENUES							
Property taxes	$ 17,792,243	$ 841,251	$ 916,708	$ -	$ 295,386	$ 19,845,588	$ 18,431,940
Payments in lieu of taxes	724,190	28,453	-	-	-	752,643	806,808
Charges for services	1,070,401	33,048	-	-	-	1,103,449	946,801
Interest	854,900	95,234	52,283	143,963	402,119	1,548,499	1,301,100
Unrestricted state aid	3,911,802	-	-	-	-	3,911,802	4,070,694
Restricted state aid	1,133,040	438,166	-	-	-	1,571,206	1,232,112
State on-behalf payments	1,633,725	-	-	-	-	1,633,725	1,465,008
Restricted federal aid	968,886	-	-	-	-	968,886	1,179,593
	28,089,187	1,436,152	968,991	143,963	697,505	31,335,798	29,434,056
EXPENDITURES							
Current operating							
Instruction	14,863,580	140,189	-	-	-	15,003,769	15,131,428
Support services	11,595,815	1,501,051	-	31,032	-	13,127,898	11,074,837
Community services	96,868	12,466	-	-	-	109,334	31,220
Nonprogrammed charges	1,221,207	-	-	-	-	1,221,207	896,103
Debt service	162,218	-	1,239,725	-	-	1,401,943	1,401,868
Capital outlay	1,832,756	-	-	532,792	-	2,365,548	2,158,369
	29,772,444	1,653,706	1,239,725	563,824	-	33,229,699	30,693,825
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	(1,683,257)	(217,554)	(270,734)	(419,861)	697,505	(1,893,901)	(1,259,769)
OTHER FINANCING SOURCES							
Loan proceeds	404,950	-	-	-	-	404,950	-
Amount financed under capital lease	-	-	-	-	-	-	209,297
	404,950	-	-	-	-	404,950	209,297
EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER (UNDER) EXPENDITURES	(1,278,307)	(217,554)	(270,734)	(419,861)	697,505	(1,488,951)	(1,050,472)
FUND BALANCE - JULY 1	10,378,655	1,710,660	839,712	2,338,780	5,187,374	20,455,181	21,505,653
FUND BALANCE - JUNE 30	$ 9,100,348	$ 1,493,106	$ 568,978	$ 1,918,919	$ 5,884,879	$ 18,966,230	$ 20,455,181

The accompanying notes are an integral part of this statement

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMBINED STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED, AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS) - ALL GOVERNMENTAL FUND TYPES AND EXPENDABLE TRUST FUND

YEAR ENDED JUNE 30, 2001

	Governmental Fund Types								Fiduciary Fund Type	
	General		Special Revenue		Debt Service		Capital Projects		Expendable Trust	
	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual	Budget	Actual
REVENUES RECEIVED										
Property taxes	$ 18,090,209	$ 17,590,002	$ 1,098,811	$ 834,925	$ 967,824	$ 908,998	$ 10	$ -	$ 306,938	$ 292,003
Payments in lieu of taxes	800,000	741,988	36,000	28,453	-	-	-	-	-	-
Charges for services	824,610	1,070,401	35,000	33,048	-	-	-	-	-	-
Interest	685,000	854,900	67,000	95,234	45,000	52,283	105,000	143,963	300,000	402,119
Unrestricted state aid	3,903,000	3,845,631	-	-	-	-	-	-	-	-
Restricted state aid	1,106,397	1,044,765	430,000	422,145	-	-	-	-	-	-
Restricted federal aid	932,429	983,183	-	-	-	-	-	-	-	-
	26,341,645	26,130,870	1,666,811	1,413,805	1,012,824	961,281	105,010	143,963	606,938	694,122
EXPENDITURES DISBURSED										
Current operating										
Instruction	13,961,914	14,492,696	159,707	140,189	-	-	-	-	-	-
Support services	10,025,378	10,343,397	1,591,865	1,503,033	-	-	85,000	29,909	-	-
Community services	92,012	94,224	50	12,486	-	-	-	-	-	-
Nonprogrammed charges	1,387,512	1,176,573	10	-	-	-	-	-	-	-
Debt service	231,000	162,218	-	-	1,242,875	1,239,725	-	-	-	-
Capital outlay	2,002,892	1,945,906	-	-	-	-	855,350	529,752	-	-
	27,700,708	28,215,014	1,751,632	1,655,688	1,242,875	1,239,725	940,350	559,661	-	-
Excess (deficiency) of revenues received over (under) expenditures disbursed	(1,359,063)	(2,084,144)	(84,821)	(241,883)	(230,051)	(278,444)	(835,340)	(415,698)	606,938	694,122
OTHER FINANCING SOURCES										
Loan proceeds	404,950	404,950	-	-	-	-	-	-	-	-
Amount financed under capital lease	500,000	-	-	-	-	-	-	-	-	-
	904,950	404,950	-	-	-	-	-	-	-	-
Excess (deficiency) of revenues received and other financing sources over (under) expenditures disbursed	$ (454,113)	(1,679,194)	$ (84,821)	(241,883)	$ (230,051)	(278,444)	$ (835,340)	(415,698)	$ 606,938	694,122
Fund Balances, July 1 (budgetary basis)		10,560,002		1,316,863		839,712		2,346,298		5,187,374
Fund Balances, June 30 (budgetary basis)		8,880,808		1,074,980		561,268		1,930,600		5,881,496
Adjustment for revenue accruals/deferrals		1,014,669		444,492		7,710		-		3,383
Adjustment for expenditure accruals		(795,129)		(26,366)		-		(11,681)		-
FUND BALANCE - June 30 (GAAP basis)		$ 9,100,348		$ 1,493,106		$ 568,978		$ 1,918,919		$ 5,884,879

The accompanying notes are an integral part of this statement

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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.

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 - FUND ACCOUNTING

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues and expenditures. The District maintains individual funds required by the State of Illinois. The various funds are summarized by type in the financial statements. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The District uses the following fund types and account groups:

Governmental Fund Types

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 are accounted for through governmental funds.

The General Fund, which consists of the Educational Account and the Operations and Maintenance Account, 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 another fund. Tort Immunity and Special Education are included in this fund.

Special Revenue Funds, which include both the Transportation Fund and the Municipal Retirement/Social Security Fund, are used to account for revenues from specific sources (other than those accounted for in the Debt Service Fund, Capital Projects Fund or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

The Debt Service Fund (Bond and Interest Fund) accounts for the accumulation of resources for the payment of general long-term debt principal, interest and related costs.

The Capital Projects Fund (Fire Prevention and Safety Fund) accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Fiduciary Fund Types

Fiduciary Funds 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 Expendable Trust Fund (Working Cash Fund) accounts for financial resources held by the District to be used for temporary interfund loans to any fund that levies taxes.

The Agency Funds (Activity 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.

Governmental and Expendable Trust Funds - Measurement Focus

The financial statements of all governmental funds and the expendable trust fund focus on the measurement of spending or "financial flow" and the determination of changes in financial position rather than upon net income determination. This means that only current assets and current liabilities are generally included on their balance sheets. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental and expendable trust fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

General Fixed Assets and General Long-Term Debt Account Group

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used on governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

The two account groups are not "funds". They are concerned only with the measurement of financial position. They are not involved with measurement of results of operations.

C. BASIS OF ACCOUNTING

All governmental fund types, expendable trust funds, and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available.) "Measurable" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. A one-year availability period is used for revenue recognition for all governmental fund revenues except property taxes. The District considers property taxes as available if they are due within the period and are collected within 60 days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt are recorded as fund liabilities when they are due.

Those revenues susceptible to accrual are property taxes, personal property replacement taxes, state and federal grants, interest revenue, and charges for services.

The District reports deferred revenue on its combined balance sheet. Deferred revenues arise when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Deferred revenues also arise when the District receives resources before it has a legal claim to them, as when grant moneys are received prior to the incurrance of qualifying expenditures. In subsequent periods when both revenue recognition criteria are met or when the government has a legal claim to the resources, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

Property taxes receivable represent the 2000 and prior net uncollected tax levies. Based on past experience, an allowance for estimated collection losses of 3% of the total levy has been provided to reduce the receivable to the estimated amounts collectible. That portion of the receivable which is not expected to be collected within sixty days after year end is not considered available to be used to pay liabilities of the current period and is therefore reported as deferred revenue.

D. BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types and for the expendable trust fund 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 19, 2000.

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 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.

E. 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 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 amortized cost of the underlying deposits and investments of the pool, which approximates fair value.

F. GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures in the Governmental or Activity Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable. The District does not maintain detailed property records for fixed assets included in the General Fixed Assets Account Group.

G. COMPENSATED ABSENCES

Compensated absences are absences for which employees will be paid, such as vacation and sick leave. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the district and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the district and its employees are accounted for in the period in which such services are rendered or such events take place.

<u>Accumulated Unpaid Vacation Pay</u>

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. Accumulated unpaid vacations, which have been earned but not used, are reported as an expenditure and as a liability of the General Fund.

Accumulated Unpaid Sick Leave

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 one year of credit at retirement for unused, uncompensated sick leave. Accumulated unpaid sick leave is reported as a liability in the general long-term debt account group. The liability is estimated using the vesting method and assumes that the maximum number of days will be credited to a retirement system rather than paid by the District.

H. MEMORANDUM ONLY - TOTAL COLUMNS

The total columns presented in the combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. No consolidating entries or other eliminations were made in the aggregation of the totals; thus, they do not present consolidated information and do not purport to present financial position or results of operations of the District as a whole.

I. COMPARATIVE DATA

Comparative totals for the prior year have been presented in the accompanying financial statements in order to provide an understanding of changes in the District's financial position and operations. However, comparative data (presentation of prior year amounts by fund type) in each of the statements has not been included since their inclusion would make the combined statements unduly complex and difficult to read.

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.

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 accounts". As of June 30, 2001, 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. CHANGES IN GENERAL FIXED ASSETS

	Balance July 1, 2000	Additions	Deletions	Balance June 30, 2001
Land	$ 560,301	$ --	$ --	$ 560,301
Land Improvements	1,597,705	260,399	2,313	1,855,791
Buildings and improvements	20,112,695	1,098,319	--	21,211,014
Equipment	5,288,483	1,044,200	500,861	5,831,822
	$27,559,184	$2,402,918	$503,174	$29,458,928

4. GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in long-term debt are summarized as follows:

	Balance July 1, 2000	Increases	Decreases	Balance June 30, 2001
General obligation bonds	$4,150,000	$ --	$1,050,000	$3,100,000
Capital lease obligation	314,118	404,950	210,528	508,540
Accrued sick leave	160,486	--	20,626	139,860
	$4,624,604	$404,950	$1,281,154	$3,748,400

A. BONDS PAYABLE

General obligation bonds payable at June 30, 2001, consisted of the following individual issue:

$3,100,000 School Bonds, Series 1998, dated July 1, 1998, $2,250,000 issued for life safety purposes and $850,000 issued for funding purposes, providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at a rate of 5.00 percent through December 2006.	$3,100,000

At June 30, 2001, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30	Principal	Interest	Total
2002	$ 160,000	$151,000	$ 311,000
2003	565,000	132,875	697,875
2004	590,000	104,000	694,000
2005	620,000	73,750	693,750
2006	650,000	42,000	692,000
2007	515,000	12,875	527,875
	$3,100,000	$516,500	$3,616,500

The above principal and interest will be liquidated from net equity available in the Debt Service Fund and debt service levies in future periods.

B. OTHER LONG-TERM LIABILITIES

Other long-term liabilities at June 30, 2001, consisted of the following:

Capital lease obligation with a finance company dated July 27, 1998 to acquire computer equipment, due in annual installments over a three-year term. For financial reporting purposes, the present value of the minimum lease payments have been recorded as capital outlay expenditures in the General (Educational) Fund. The leased assets also are included in the General Fixed Assets Account Group at their capitalized cost of $233,100.	$ 81,700
Capital lease obligation with a finance company dated July 15, 1999 to acquire telecommunications equipment, due in annual installments over a three-year term. For financial reporting purposes, the present value of the minimum lease payments have been recorded as capital outlay expenditures in the General (Educational) Fund. The leased assets also are included in the General Fixed Assets Account Group at their capitalized cost of $209,297.	85,773
Promissory note dated September 27, 1999 with the Illinois State Board of Education, issued in accordance with the School Technology Revolving Loan Program for the principal sum of $404,950, due in quarterly installments of principal and interest of $35,298, with fixed interest at 2.50 percent through December 31, 2003.	341,067
	$508,540

At June 30, 2001, the annual cash flow requirements of other long-term liabilities were as follows:

Year Ending June 30	Principal	Interest	Total
2002	$288,769	$14,642	$303,411
2003	149,902	3,997	153,899
2004	69,869	661	70,530
	$508,540	$19,300	$527,840

The above principal and interest will be retired from funds annually budgeted for such purpose from the General (Educational) Fund.

In November 1995, the District issued Installment Payment Contract Certificates, Series 1995 to finance guaranteed energy savings contract obligations with annual maturities on December 1 through the year 2002. On July 2, 1998, the District issued funding bonds to advance refund these certificates. Bond proceeds in the amount of $517,673 were used to purchase US government securities. Those securities were placed in an irrevocable trust with an escrow agent to provide for all future debt service payments on the certificates. As a result, the Series 1995 certificates are considered defeased and the liability for the certificates has been removed from the general long-term debt account group.

As of June 30, 2001, defeased installment payment contract certificates in the amount of $200,000 are still outstanding.

5. SPECIAL TAX LEVIES AND RESERVED FUND BALANCE

A. TORT IMMUNITY LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Fund. A portion, $1,586,560, of this fund's equity 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*.

B. SPECIAL EDUCATION LEVY

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Fund. A portion, $19,420, of this fund's equity represents the excess of cumulative revenues over cumulative expenditures, which 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 one half 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.

The Board passed the current levy on December 19, 2000. 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 2000 Levy	Actual 1999 Levy
Educational	2.5842	2.5842	2.3732
Tort Immunity	As needed	.0325	.0763
Special Education	.020	.0200	.0184
Operations and Maintenance	.350	.3500	.3214
Transportation	.120	.0162	.0795
Municipal Retirement	As needed	.0203	.0278
Social Security	As needed	.0568	.0676
Bond and Interest	As needed	.1141	.1808
Life Safety	.050	--	--
Working Cash	.050	.0500	.0459
		3.2441	3.1909

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. OVEREXPENDITURE OF BUDGET

Expenditures disbursed exceeded the budget in the following individual fund:

Fund	Budget	Actual	Overexpended Amount
Educational	$23,882,608	$24,487,778	$605,170

8. JOINT VENTURES

A. 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 154th Street, South Holland, Illinois 60473. The District paid $981,507 to ECHO for tuition and services during the year ended June 30, 2001.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2000, the most recent information available:

Total fund assets-cash basis	$7,179,768	General long-term debt	$ --
Total fund liabilities-cash basis	28,880	Revenues received	27,605,357
Total fund balance-cash basis	7,150,888	Expenditures disbursed	24,842,850
General fixed assets	4,586,168	Net increase in fund balance	2,762,507

B. THORNTON FRACTIONAL AREA EDUCATIONAL COOPERATIVE

The District is a participant in Thornton Fractional Area Educational Cooperative, which was established as a result of a joint agreement between 7 local public school districts for the purpose of promoting articulation and effectively utilizing state and federal funds. Its responsibilities include operation of the federal Title I program for its member districts. The cooperative is governed by a Board of Superintendents composed of the superintendent from each member district. As of June 30, 2000, the most recent information available, the total cash and fund balance for the entity was $143,558. Complete financial statements for the cooperative may be obtained from its administrative office at 340 Superior Avenue, Calumet City, Illinois 60409.

9. 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. The school board believes any adjustments that may arise from these audits will be insignificant to district operations.

10. 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 employee 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 December 31, 2001 were $60,000 for individual claims and will be approximately $1,600,000 for aggregate claims. The aggregate stop-loss limit is equal to $5,703 multiplied by the average number of employees during the stop-loss coverage period. Claims expenditures and liabilities are reported in the General Fund when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. The liability for unpaid claims is estimated based on known claims incurred but not paid that were processed in the two months following year-end. A summary of changes in the reported claims liability for the current and prior fiscal year is presented below.

Year Ended June 30	Liability at Beginning of Year	Current Year Claims and Changes in Estimates	Claim Payments	Liability at End of Year
2001	$129,120	$1,153,116	$1,158,550	$123,686
2000	147,867	985,865	1,004,612	129,120

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.

11. EMPLOYEE RETIREMENT SYSTEMS

The District participates in two retirement systems: the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF).

A. TEACHERS' RETIREMENT SYSTEM

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 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 members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9 percent of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. In addition, virtually all members pay a ½ of 1 percent contribution to the Teachers' Health Insurance Security Fund, a separate fund in the State Treasury that is not a part of this retirement plan.

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employees as follows:

On-behalf contributions. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2001, State of Illinois contributions were based on 11.47 percent of creditable earnings, and the District recognized revenues received and expenditures disbursed of $1,633,725 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2000, and June 30, 1999, the State of Illinois contribution rates as percentages of creditable earnings were 10.77 percent ($1,465,008) and 10.20 percent ($1,314,587), respectively.

The District makes four other types of employer contributions directly to TRS as follows:

2.2 formula contributions. For the years ended June 30, 2001 and 2000, TRS-covered employers were required to contribute .58 percent of creditable earnings as the employer share of the 2.2 formula change. The contributions for the years ended June 30, 2001 and 2000, were $82,612 and $78,895, respectively. For the year ended June 30, 1999, the required 2.2 formula contribution was .3 percent of creditable earnings and the amount contributed was $38,664. The year ended June 30, 1999, was the first year that 2.2 formula contributions were required.

Federal and trust fund contributions. When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an additional contribution that is currently 10.5 percent of salaries paid from those funds. For the year ended June 30, 2001, salaries totaling $183,048 were paid from federal and trust funds that required employer contributions of $19,220. For the years ended June 30, 2000, and June 30, 1999, required District contributions were $19,023 and $13,660, respectively.

Early Retirement Incentive. The District is required to make employer contributions to TRS for members who retired under the 1993-1995 Early Retirement Incentive (ERI). For each year of service purchased, members received an equal number of years of age. Employers contributed 20 percent of the highest salary used in the calculation of final average salary for each year purchased; member contributions were also required. Employer contributions could be made in a lump sum, over five years in quarterly installments or under a different schedule approved by the TRS Board of Trustees. For the year ending June 30, 2001, the District paid $-0- for employer contributions under the Early Retirement Incentive. For the years ended June 30, 2000, and June 30, 1999, the District paid $107,403 and $423,928, respectively. The District's liability for contributions it had been paying over five years in quarterly installments has been paid in full.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option. The payments vary depending on the age and salary of the member. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ending June 30, 2001, the District paid $172,292 for employer contributions under the Early Retirement Option. For the years ended June 30, 2000, and June 30, 1999, the District paid $8,457 and $254,534, respectively.

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, 2000. The report for the year ended June 30, 2001, is expected to be available in late 2001. 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 www.trs.state.il.us.

B. ILLINOIS MUNICIPAL RETIREMENT FUND

The District contributes to the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer defined benefit public employee retirement system that acts as a common investment and administrative agent for local governments and school districts in Illinois. IMRF provides retirement, disability, annual cost of living adjustments and death benefits to plan members and beneficiaries. The Illinois Pension Code establishes the benefit provisions of the plan that can only be amended by the Illinois General Assembly. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Illinois Municipal Retirement Fund, 2211 York Road, Suite 500, Oak Brook, Illinois 60523.

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 2000 was 9.73 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis (an overfunded liability is amortized on an open basis). The amortization period at December 31, 2000 was 32 years.

For December 31, 2000, the District's annual pension cost of $297,695 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 1998 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 11.6% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 1998 actuarial valuation were based on the 1993 - 1995 experience study. However, the 2000 actuarial valuation information shown below is based on the assumptions based on the 1996 - 1998 experience study.

Trend information and a schedule of funding progress follows for the current year and preceding five years.

TREND INFORMATION

Actuarial Valuation Date	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/00	$297,695	100%	$0
12/31/99	$277,108	100%	$0
12/31/98	$254,164	100%	$0
12/31/97	$194,131	100%	$0
12/31/96	$199,012	100%	$0
12/31/95	$191,473	100%	$0

SCHEDULE OF FUNDING PROGRESS

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 % of Covered Payroll ((b-a)/c)
12/31/00	$7,235,271	$5,885,525	$(1,349,746)	122.93%	$3,059,555	0.00%
12/31/99	$6,390,570	$5,634,850	$(755,720)	113.41%	$2,687,762	0.00%
12/31/98	$4,977,112	$4,793,191	$(183,921)	103.84%	$2,513,982	0.00%
12/31/97	$4,070,619	$4,411,686	$341,067	92.27%	$2,239,501	15.23%
12/31/96	$3,667,894	$4,002,219	$334,325	91.65%	$2,041,148	16.38%
12/31/95	$3,825,975	$4,024,384	$198,409	95.07%	$1,903,308	10.42%

Digest of Changes:

Assumptions

The actuarial assumptions used to determine actuarial accrued liability for 2000 were changed due to the 1996 - 1998 Experience Study. The principal changes were:

- More members are expected to take refunds early in their career.
- For both Regular and SLEP members, more normal and early retirements are expected to occur.
- Expected salary increases due to longevity for employees with less than 6 years of service were increased.

These changes will be more significant for the actuarial valuation of SLEP employers.

SUPPLEMENTARY INFORMATION

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
BALANCE SHEET, BY ACCOUNTS

GENERAL FUND

JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Educational	Operations & Maintenance	Totals 2001	Totals 2000
ASSETS				
Cash/investments - pooled accounts	$ 8,696,774	$ 165,776	$ 8,862,550	$ 10,541,959
Cash at district	35,000	-	35,000	35,000
Property taxes receivable	8,570,304	1,137,589	9,707,893	8,982,114
Due from other governments	742,389	70,039	812,428	690,077
TOTAL ASSETS	$ 18,044,467	$ 1,373,404	$ 19,417,871	$ 20,249,150
LIABILITIES				
Accounts payable	$ 432,032	$ 83,205	$ 515,237	$ 506,265
Accrued payroll	189,326	107,308	296,634	382,116
Deferred revenue	8,391,764	1,113,888	9,505,652	8,982,114
TOTAL LIABILITIES	9,013,122	1,304,401	10,317,523	9,870,495
FUND BALANCE				
Reserved fund balance	1,605,980	-	1,605,980	1,966,695
Unreserved fund balance	7,425,365	69,003	7,494,368	8,411,960
TOTAL FUND BALANCE	9,031,345	69,003	9,100,348	10,378,655
TOTAL LIABILITIES AND FUND BALANCE	$ 18,044,467	$ 1,373,404	$ 19,417,871	$ 20,249,150

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, BY ACCOUNT

GENERAL FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	Educational	Operations & Maintenance	Totals 2001	Totals 2000
REVENUES				
Property taxes	$ 15,724,692	$ 2,067,551	$ 17,792,243	$ 16,164,476
Other payments in lieu of taxes	362,095	362,095	724,190	770,868
Charges for services	1,035,269	35,132	1,070,401	916,166
Interest	833,128	21,772	854,900	742,484
Unrestricted state aid	3,511,802	400,000	3,911,802	4,070,694
Restricted state aid	1,018,797	114,243	1,133,040	794,649
State on-behalf payments	1,633,725	-	1,633,725	1,465,008
Restricted federal aid	968,886	-	968,886	1,179,593
TOTAL REVENUES	25,088,394	3,000,793	28,089,187	26,103,938
EXPENDITURES				
Current operating				
Instruction	14,863,580	-	14,863,580	14,985,139
Support services	8,817,628	2,778,187	11,595,815	9,610,284
Community services	96,868	-	96,868	31,220
Nonprogrammed charges	1,221,207	-	1,221,207	896,103
Debt service	162,218	-	162,218	149,512
Capital outlay	988,120	844,636	1,832,756	2,015,709
TOTAL EXPENDITURES	26,149,621	3,622,823	29,772,444	27,687,967
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(1,061,227)	(622,030)	(1,683,257)	(1,584,029)
OTHER FINANCING SOURCES				
Loan proceeds	404,950	-	404,950	-
Amount financed under capital lease	-	-	-	209,297
	404,950	-	404,950	209,297
DEFICIENCY OF REVENUES AND OTHER FINANCING SOURCES UNDER EXPENDITURES	(656,277)	(622,030)	(1,278,307)	(1,374,732)
FUND BALANCE - JULY 1	9,687,622	691,033	10,378,655	11,753,387
FUND BALANCE - JUNE 30	$ 9,031,345	$ 69,003	$ 9,100,348	$ 10,378,655

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

EDUCATIONAL ACCOUNT

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 15,941,199	$ 15,546,152	$ 14,821,992
Payments in lieu of taxes	400,000	370,994	380,526
Charges for services	818,600	1,035,269	905,836
Interest	635,000	833,128	682,644
Unrestricted state aid	3,503,000	3,445,631	3,670,694
Restricted state aid	1,042,153	930,522	908,024
Restricted federal aid	932,429	983,183	821,902
TOTAL REVENUES RECEIVED	23,272,381	23,144,879	22,191,618
EXPENDITURES DISBURSED			
Current operating			
Instruction	13,961,914	14,492,696	13,750,743
Support services	7,320,478	7,547,762	6,673,631
Community services	92,012	94,224	31,324
Nonprogrammed charges	1,387,512	1,176,573	910,305
Debt service	231,000	162,218	149,512
Capital outlay	889,692	1,014,305	1,387,442
TOTAL EXPENDITURES DISBURSED	23,882,608	24,487,778	22,902,957
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	(610,227)	(1,342,899)	(711,339)
OTHER FINANCING SOURCES			
Loan proceeds	404,950	404,950	-
Amount financed under capital lease obligation	-	-	209,297
	404,950	404,950	209,297
DEFICIENCY OF REVENUES RECEIVED AND OTHER FINANCING SOURCES UNDER EXPENDITURES DISBURSED	$ (205,277)	(937,949)	(502,042)
FUND BALANCE - July 1 (Budgetary Basis)		9,652,981	10,155,023
FUND BALANCE - June 30 (Budgetary Basis)		8,715,032	9,652,981
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		920,929	611,139
To adjust for expenditure accruals		(604,616)	(576,498)
FUND BALANCE - June 30 (GAAP Basis)		$ 9,031,345	$ 9,687,622

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

OPERATIONS AND MAINTENANCE ACCOUNT

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 2,149,010	$ 2,043,850	$ 1,925,197
Payments in lieu of taxes	400,000	370,994	380,526
Charges for services	6,010	35,132	10,330
Interest	50,000	21,772	59,840
Unrestricted state aid	400,000	400,000	400,000
Restricted state aid	64,244	114,243	50,000
TOTAL REVENUES RECEIVED	3,069,264	2,985,991	2,825,893
EXPENDITURES DISBURSED			
Current operating			
Support services	2,704,900	2,795,635	2,670,473
Capital outlay	1,113,200	931,601	624,536
TOTAL EXPENDITURES DISBURSED	3,818,100	3,727,236	3,295,009
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	(748,836)	(741,245)	(469,116)
OTHER FINANCING SOURCES			
Amount financed under capital lease	500,000	-	-
DEFICIENCY OF REVENUES RECEIVED AND OTHER FINANCING SOURCES UNDER EXPENDITURES DISBURSED	$ (248,836)	(741,245)	(469,116)
FUND BALANCE - July 1 (Budgetary Basis)		907,021	1,376,137
FUND BALANCE - June 30 (Budgetary Basis)		165,776	907,021
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		93,740	78,938
To adjust for expenditure accruals		(190,513)	(294,926)
FUND BALANCE - June 30 (GAAP Basis)		$ 69,003	$ 691,033

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET

SPECIAL REVENUE FUNDS

JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Transportation	Municipal Retirement/ Social Security	Totals 2001	Totals 2000
ASSETS				
Cash/investments-pooled accounts	$ 541,134	$ 534,155	$ 1,075,289	$ 1,317,173
Property taxes receivable	52,820	250,421	303,241	567,314
Due from other governments	438,166	-	438,166	422,145
TOTAL ASSETS	$ 1,032,120	$ 784,576	$ 1,816,696	$ 2,306,632
LIABILITIES				
Accounts payable	$ 26,253	$ -	$ 26,253	$ 27,618
Payroll related liabilities	113	309	422	1,040
Deferred revenue	51,722	245,193	296,915	567,314
TOTAL LIABILITIES	78,088	245,502	323,590	595,972
FUND BALANCE				
Unreserved fund balance	954,032	539,074	1,493,106	1,710,660
TOTAL FUND BALANCE	954,032	539,074	1,493,106	1,710,660
TOTAL LIABILITIES AND FUND BALANCE	$ 1,032,120	$ 784,576	$ 1,816,696	$ 2,306,632

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

SPECIAL REVENUE FUNDS

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	Transportation	Municipal Retirement/ Social Security	Totals 2001	Totals 2000
REVENUES				
Property taxes	$ 305,016	$ 536,235	$ 841,251	$ 938,477
Payments in lieu of taxes	-	28,453	28,453	35,940
Charges for services	33,048	-	33,048	30,635
Interest	53,171	42,063	95,234	80,858
Restricted state aid	438,166	-	438,166	437,463
TOTAL REVENUES	829,401	606,751	1,436,152	1,523,373
EXPENDITURES				
Current operating				
Instruction	-	140,189	140,189	146,289
Support services	1,006,688	494,363	1,501,051	1,451,598
Community services	-	12,466	12,466	-
TOTAL EXPENDITURES	1,006,688	647,018	1,653,706	1,597,887
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(177,287)	(40,267)	(217,554)	(74,514)
FUND BALANCE - JULY 1	1,131,319	579,341	1,710,660	1,785,174
FUND BALANCE - JUNE 30	$ 954,032	$ 539,074	$ 1,493,106	$ 1,710,660

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS)

TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 471,757	$ 303,918	$ 430,768
Charges for services	35,000	33,048	30,635
Interest	35,000	53,171	44,739
Restricted state aid	430,000	422,145	486,516
TOTAL REVENUES RECEIVED	971,757	812,282	992,658
EXPENDITURES DISBURSED			
Current operating			
Support services	1,030,450	1,008,670	924,422
Nonprogrammed charges	10	-	-
TOTAL EXPENDITURES DISBURSED	1,030,460	1,008,670	924,422
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (58,703)	(196,388)	68,236
FUND BALANCE - July 1 (Budgetary Basis)		737,522	669,286
FUND BALANCE - June 30 (Budgetary Basis)		541,134	737,522
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		439,264	422,145
To adjust for expenditure accruals		(26,366)	(28,348)
FUND BALANCE - June 30 (GAAP Basis)		$ 954,032	$ 1,131,319

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 627,054	$ 531,007	$ 539,044
Payments in lieu of taxes	36,000	28,453	35,940
Interest	32,000	42,063	36,119
TOTAL REVENUES RECEIVED	695,054	601,523	611,103
EXPENDITURES DISBURSED			
Current operating			
Instruction	159,707	140,189	146,289
Support services	561,415	494,363	513,311
Community services	50	12,466	-
TOTAL EXPENDITURES DISBURSED	721,172	647,018	659,600
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (26,118)	(45,495)	(48,497)
FUND BALANCE - July 1 (Budgetary Basis)		579,341	627,838
FUND BALANCE - June 30 (Budgetary Basis)		533,846	579,341
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		5,228	-
FUND BALANCE - June 30 (GAAP Basis)		$ 539,074	$ 579,341

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMPARATIVE BALANCE SHEETS

DEBT SERVICE (BOND AND INTEREST) FUND

JUNE 30, 2001 AND 2000

	2001	2000
ASSETS		
Cash/investments - pooled accounts	$ 571,268	$ 849,712
Property taxes receivable	371,328	581,100
TOTAL ASSETS	$ 942,596	$ 1,430,812
LIABILITIES		
Deferred revenue	$ 363,618	$ 581,100
Other current liabilities	10,000	10,000
TOTAL LIABILITIES	373,618	591,100
FUND BALANCE		
Unreserved fund balance	568,978	839,712
TOTAL FUND BALANCE	568,978	839,712
TOTAL LIABILITIES AND FUND BALANCE	$ 942,596	$ 1,430,812

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES

DEBT SERVICE (BOND AND INTEREST) FUND

YEARS ENDED JUNE 30, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ 916,708	$ 1,063,490
Interest	52,283	47,122
TOTAL REVENUES	968,991	1,110,612
EXPENDITURES		
Debt service	1,239,725	1,252,356
TOTAL EXPENDITURES	1,239,725	1,252,356
DEFICIENCY OF REVENUE UNDER EXPENDITURES	(270,734)	(141,744)
FUND BALANCE - JULY 1	839,712	981,456
FUND BALANCE - JUNE 30	$ 568,978	$ 839,712

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

BOND AND INTEREST FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 967,824	$ 908,998	$ 1,102,377
Interest	45,000	52,283	47,122
TOTAL REVENUES RECEIVED	1,012,824	961,281	1,149,499
EXPENDITURES DISBURSED			1,252,356
Debt service	1,242,875	1,239,725	1,252,356
TOTAL EXPENDITURES DISBURSED	1,242,875	1,239,725	1,252,356
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (230,051)	(278,444)	(102,857)
FUND BALANCE - July 1 (Budgetary Basis)		839,712	942,569
FUND BALANCE - June 30 (Budgetary Basis)		561,268	839,712
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		7,710	-
FUND BALANCE - June 30 (GAAP Basis)		$ 568,978	$ 839,712

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMPARATIVE BALANCE SHEETS

CAPITAL PROJECTS (FIRE PREVENTION AND SAFETY) FUND

YEARS ENDED JUNE 31. 2000 AND 2000

	2001	2000
ASSETS		
Cash/investments - pooled accounts	$ 1.930.600	$ 2.346.298
TOTAL ASSETS	$ 1.930.600	$ 2.346.298
LIABILITIES		
Accounts payable	$ 11.681	$ 7.518
TOTAL LIABILITIES	11.681	7.518
FUND BALANCE		
Unreserved fund balance	1.918.919	2.338.780
TOTAL FUND BALANCE	1.918.919	2.338.780
TOTAL LIABILITIES AND FUND BALANCE	$ 1.930.600	$ 2.346.298

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

CAPITAL PROJECTS FUNDS

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ -	$ 2
Interest	143,963	139,326
TOTAL REVENUES	143,963	139,328
EXPENDITURES		
Support services		
Current operating	31,032	12,955
Capital outlay	532,792	142,660
TOTAL EXPENDITURES	563,824	155,615
DEFICIENCY OF REVENUES UNDER EXPENDITURES	(419,861)	(16,287)
FUND BALANCE - JULY 1	2,338,780	2,355,067
FUND BALANCE - JUNE 30	$ 1,918,919	$ 2,338,780

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL - NON-GAAP (BUDGETARY BASIS)

FIRE PREVENTION AND SAFETY FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 10	$ -	$ 2
Interest	105,000	143,963	139,326
TOTAL REVENUES RECEIVED	105,010	143,963	139,328
EXPENDITURES DISBURSED			
Current operating			
Support services	85,000	29,909	12,955
Capital outlay	855,350	529,752	197,273
TOTAL EXPENDITURES DISBURSED	940,350	559,661	210,228
DEFICIENCY OF REVENUES RECEIVED UNDER EXPENDITURES DISBURSED	$ (835,340)	(415,698)	(70,900)
FUND BALANCE - July 1 (Budgetary Basis)		2,346,298	2,417,198
FUND BALANCE - June 30 (Budgetary Basis)		1,930,600	2,346,298
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for expenditure accruals		(11,681)	(7,518)
FUND BALANCE - June 30 (GAAP Basis)		$ 1,918,919	$ 2,338,780

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMBINING BALANCE SHEET

TRUST AND AGENCY FUNDS

JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR JUNE 30, 2000)

	Working Cash	Activity Funds	Totals 2001	Totals 2000
ASSETS				
Cash/investments - pooled accounts	$ 5,881,496	$ -	$ 5,881,496	$ 5,187,374
Cash at district	-	224,006	224,006	178,683
Property taxes receivable	162,647	-	162,647	147,804
TOTAL ASSETS	$ 6,044,143	$ 224,006	$ 6,268,149	$ 5,513,861
LIABILITIES				
Deferred revenue	$ 159,264	$ -	$ 159,264	$ 147,804
Due to activity fund organizations	-	224,006	224,006	178,683
TOTAL LIABILITIES	159,264	224,006	383,270	326,487
FUND BALANCE				
Unreserved fund balance	5,884,879	-	5,884,879	5,187,374
TOTAL FUND BALANCE	5,884,879	-	5,884,879	5,187,374
TOTAL LIABILITIES AND FUND BALANCE	$ 6,044,143	$ 224,006	$ 6,268,149	$ 5,513,861

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
COMPARATIVE STATEMENTS OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES

EXPENDABLE TRUST (WORKING CASH) FUND

YEARS ENDED JUNE 31, 2000 AND 2000

	2001	2000
REVENUES		
Property taxes	$ 295,386	$ 265,495
Interest	402,119	291,310
TOTAL REVENUES	697,505	556,805
FUND BALANCE - JULY 1	5,187,374	4,630,569
FUND BALANCE - JUNE 30	$ 5,884,879	$ 5,187,374

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED
AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL -
NON-GAAP (BUDGETARY BASIS)

WORKING CASH FUND

YEAR ENDED JUNE 30, 2001
(WITH COMPARATIVE TOTALS FOR YEAR ENDED JUNE 30, 2000)

	2001		2000
	Budget	Actual	Actual
REVENUES RECEIVED			
Property taxes	$ 306,938	$ 292,003	$ 275,035
Interest	300,000	402,119	291,310
TOTAL REVENUES RECEIVED	$ 606,938	694,122	566,345
FUND BALANCE - July 1 (Budgetary Basis)		5,187,374	4,621,029
FUND BALANCE - June 30 (Budgetary Basis)		5,881,496	5,187,374
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		3,383	-
FUND BALANCE - June 30 (GAAP Basis)		$ 5,884,879	$ 5,187,374

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Receipts	Disbursements	Balance June 30, 2001
ASSETS				
Cash at district	\$ 178.683	\$ 344.531	\$ 299.208	\$ 224.006
LIABILITIES				
Amounts due to organizations:				
NORTH				
Activity Account	\$ 5.686	\$ 5.171	\$ 4.674	\$ 6.183
Adm. Center Pop Fund	802	306	-	1.108
Art Club	9	-	-	9
Athletics	6.853	15.909	14.465	8.297
Attendance Improvement	316	-	-	316
Beautification - T.F.N.	322	-	-	322
Big Brother/Big Sister	703	904	686	921
Building Const. V.I.C.A.	(131)	-	-	(131)
Business Professionals	94	2.431	2.482	43
Cap and Gown	1.530	-	-	1.530
Cheerleaders	1.628	2.270	3.113	785
Class of 1998	826	-	-	826
Class of 1999	402	-	-	402
Class of 2000	3.711	-	-	3.711
Class of 2001	2.817	8.721	6.956	4.582
Class of 2002	3.157	24.135	23.219	4.073
Class of 2003	2.556	750	473	2.833
Class of 2004	-	2.873	1,393	1,480
Cooperative Work Training	(69)	455	118	268
Cultural Diversity Club	120	-	-	120
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	3.557	2.296	3.471	2.382
Environmental Club	1.450	2.663	2.042	2.071
Faculty Workroom	305	253	-	558
Football Camp	-	120	-	120
Foreign Language	511	790	1.115	186
Girls Club	85	1.516	694	907
History Club	-	2.639	2.669	(30)
Honors Trip	255	-	-	255
Interrelated Coop Education	597	1.668	2,094	171
Interest Account	6.730	2.055	-	8.785
Mathletes	840	140	200	780
Memorial Fund - Jurek	390	-	-	390
Memorial Fund - Lynn	161	40	96	105

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
ACTIVITY FUNDS
YEAR ENDED JUNE 30, 2001

	Balance July 1, 2000	Receipts	Disbursements	Balance June 30, 2001
Meteor Broadcasting	841	1,779	668	1,952
Monogram Club	4,510	9,881	9,227	5,164
Music	195	-	43	152
National Honor Society	869	2,628	3,445	52
Needy Student Fund	3,660	880	416	4,124
North Football Lights	14,575	10,083	2,703	21,955
Pep Club	190	-	-	190
Pom Pon	404	-	-	404
Pop Machine	5,823	9,622	9,150	6,295
Chronoscope	8,732	15,493	20,118	4,107
Special Education	89	-	-	89
Speech Club	83	-	-	83
Stat Girls	115	-	-	115
Student Council	5,698	7,725	11,801	1,622
Students Against Drnk Drv	114	269	218	165
Science & Tech - Auto Mech	3,454	1,500	1,277	3,677
Science & Tech - Pop	1,445	8,096	7,206	2,335
Teacher Lounge Vending Machine	171	-	-	171
TF North Unified Voices	406	-	-	406
Thorntonian	3,773	6,695	4,850	5,618
NORTH TOTAL	102,072	152,756	141,082	113,746
SOUTH				
American Field Services	6,660	-	110	6,550
Art Club	98	200	206	92
Band	20	-	-	20
Band Camp	6,170	11,180	11,320	6,030
Basketball Camp	19	2,645	1,920	744
Bill Beckwith Memorial	-	3,000	1,000	2,000
Class concession stand	1,270	2,595	3,348	517
Cap and Gown	68	-	-	68
Cheerleaders	1,612	973	1,868	717
Choral B	6	327	-	333
Class of 1988	260	-	-	260
Class of 1999	942	-	698	244
Class of 2000	1,835	-	128	1,707
Class of 2001	460	2,933	2,856	537
Class of 2002	904	13,893	14,369	428
Class of 2003	165	715	445	435
Class of 2004	-	829	348	481
Cultural Diversity Club	1,784	1,149	1,496	1,437
Cooperative Work Training	363	-	102	261

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

STATEMENT OF CHANGES IN ASSETS AND LIABILITIES

ACTIVITY FUNDS

YEAR ENDED JUNE 30, 2001

	July 1, 2000	Receipts	Disbursements	June 30, 2001
Distributive Education	638	1,511	1,837	312
Drama	1,658	12,541	11,294	2,905
Environmental Club	200	296	239	257
Ferrado/Gagnon Scholarship	100	8,117	1,000	7,217
Football Camp	(4)	4,900	4,900	(4)
Foreign Language	564	-	48	516
Girls Basketball Camp	37	1,416	-	1,453
Girls Club	2,195	7,180	7,991	1,384
Athletic Invitational Fund	1,447	5,834	4,874	2,407
I.C.E.	461	2,418	1,632	1,247
Interest Account	6,624	5,117	4,394	7,347
Joan Baldwin Memorial	2,788	158	-	2,946
Juice Machine	670	847	1,123	394
Math Fund	-	169	158	11
National Honor Society	544	13,634	12,639	1,539
Needy Student Fund	494	-	-	494
Pep Club	2,302	5,197	4,424	3,075
Photo Club	473	-	-	473
Pom Pon	82	507	294	295
Postscript	9,878	28,155	22,801	15,232
Rebel Recognition	2,090	1,019	1,987	1,122
Rebel Rouser	7,188	12,207	9,055	10,340
S.A.D.D.	332	-	36	296
Social Studies Activities	135	-	-	135
Speech Club	680	208	276	612
Student Body Activity Fund	515	2,109	930	1,694
Student Senate	5,290	14,478	13,509	6,259
Summer Swim	-	11,861	2,533	9,328
T.F.S. Activity Office	778	1,075	693	1,160
T.F.S. Ambassadors	120	1,543	1,029	634
T.F.S. Principal's Award	311	862	300	873
T.F.S. Recognition Program	1,754	366	-	2,120
T.F.S. Teen Staff	236	-	-	236
Volleyball Camp	1,520	2,610	2,280	1,850
Vocational Coop Club	104	-	-	104
Weight Room Improvements	1,775	4,361	5,636	500
Wrestling Camp	(4)	640	-	636
SOUTH TOTAL	76,611	191,775	158,126	110,260
TOTAL LIABILITIES	$ 178,683	$ 344,531	$ 299,208	$ 224,006

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF ASSESSED VALUATIONS. TAX LEVIES AND COLLECTIONS
JUNE 30, 2001

	2000 Levy	1999 Levy	1998 Levy
Equalized assessed valuation	$ 634.403.907	$ 647.687.695	$ 587.480.721
Tax rates (per $100 of assessed valuation)			
Educational	2.5842	2.3732	2.5569
Tort immunity	0.0325	0.0763	0.0946
Special education	0.0200	0.0184	0.0198
Operations and maintenance	0.3500	0.3214	0.3463
Bond and interest	0.1141	0.1808	0.2013
Transportation	0.0162	0.0795	0.0701
Municipal retirement	0.0203	0.0278	0.0263
Social security	0.0568	0.0676	0.0657
Working Cash	0.0500	0.0459	0.0495
	3.2441	3.1909	3.4305
Extended tax levy			
Educational	$ 16,394,266	$ 15,370,895	$ 15,021,410
Tort immunity	206,000	494,309	555,514
Special education	126,881	118,961	116,256
Operations and maintenance	2,220,414	2,081,810	2,034,476
Bond and interest	723,611	1,171,118	1,182,682
Transportation	103,000	515,000	412,000
Municipal retirement	128,750	180,250	154,500
Social security	360,500	437,750	386,250
Working Cash	317,202	297,401	290,639
	$20,580,624	$20,667,494	$20,153,727
Taxes collected year ended:			
June 30, 2001	$ 9,418,097	$ 10,708,935	$ 378,659
June 30, 2000	-	9,281,959	9,560,687
June 30, 1999	-	-	9,614,643
Total collected	$ 9,418,097	$ 19,990,894	$ 19,553,989
Percent collected	45.76%	96.73%	97.02%

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215
SCHEDULE OF BONDED DEBT SERVICE REQUIREMENTS
JUNE 30, 2001

Year Ended June 30,	Life Safety and Funding Bonds Dated 7/1/98 Principal	Interest	TOTAL
2002	$ 160,000	$ 151,000	$ 311,000
2003	565,000	132,875	697,875
2004	590,000	104,000	694,000
2005	620,000	73,750	693,750
2006	650,000	42,000	692,000
2007	515,000	12,875	527,875
	$ 3,100,000	$ 516,500	$ 3,616,500

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215

SCHEDULE OF LEGAL DEBT MARGIN

JUNE 30, 2001

Equalized assessed valuation - 2000 tax levy year	$634,403,907

	Amount
Legal debt limitation (6.9% of equalized assessed valuation)	$ 43,773,870
General obligation debt June 30, 2001	3,608,540
Legal debt margin	$ 40,165,330

APPENDIX B
PROPOSED FORM OF OPINION OF BOND COUNSEL

[PROPOSED OPINION OF BOND COUNSEL

TO BE DATED THE 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 School Bonds, Series 2003 (the "*Bonds*"), to the amount of $9,000,000, dated February 1, 2003, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2003	$375,000	2.50%
2004	325,000	2.50
2005	330,000	2.50
2006	340,000	2.50
2007	350,000	2.50
2008	355,000	3.20
2009	370,000	4.50
2010	385,000	4.50
2011	400,000	5.00
2012	420,000	5.00
2013	445,000	3.80
2014	460,000	3.90
2015	480,000	4.00
2016	495,000	4.10
2017	520,000	4.20
2018	540,000	4.30
2019	565,000	4.40
2020	590,000	4.40
2021	615,000	4.50
2022	640,000	4.50

the Bonds due on or after December 1, 2013, 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, 2012, 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 all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in 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 included 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 solely 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 C
FORM OF CONTINUING DISCLOSURE UNDERTAKING

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 $9,000,000 School Bonds, Series 2003 (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 21st day of January, 2003 (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 financial information and operating data of the type contained in the Official Statement under the following captions:

DEBT STRUCTURE
- Summary of Outstanding Debt

TAX BASE INFORMATION
- District Equalized Assessed Valuation
- Composition of 2000 Equalized Assessed Valuation
- Tax Extensions and Collections
- Tax Rate Trend per $100 of Equalized Assessed Valuation

FINANCIAL INFORMATION
- General Fund
- Working Cash Fund

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.

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

Material Event means the occurrence of any of the Events with respect to the Bonds set forth in *Exhibit II* that is material, as materiality is interpreted under the Exchange Act.

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

MSRB means the Municipal Securities Rulemaking Board.

NRMSIRs means, as of any date, all Nationally Recognized Municipal Securities Information Repositories then recognized by the Commission for purposes of the Rule. As of the date of this Agreement, the NRMSIRs are:

Bloomberg Municipal Repository
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
http://www.bloomberg.com/markets/muni_contactinfo.html
E-Mail: Munis@Bloomberg.com

DPC Data Inc.
One Executive Drive
Fort Lee, NJ 07024
Phone: (201) 346-0701
Fax: (201) 947-0107
http://www.dpcdata.com
E-Mail: nrmsir@dpcdata.com

FT Interactive Data
Attn: NRMSIR
100 Williams Street
New York, NY 10038
Phone: (212) 771-6999
Fax: (212) 771-7390 (Secondary Market Information)
(212) 771-7391 (Primary Market Information)
http://www.interactivedata.com
E-Mail: NRMSIR@FTID.com

Standard & Poor's J. J. Kenny Repository
55 Water Street
45th Floor
New York, NY 10041
Phone: (212) 438-4595
Fax: (212) 438-3975
www.jjkenny.com/jjkenny/pser_descrip_data_rep.html
E-Mail: nrmsir_repository@sandp.com

The names and addresses of all current NRMSIRs should be verified each time information is delivered to the NRMSIRs pursuant to this Agreement.

Official Statement means the Final Official Statement, dated December 17, 2002, 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.

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

SID means the public or private repository designated by the State as the state information depository and recognized as such by the Commission for purposes of the Rule. As of the date of this Agreement there is no SID.

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 9 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 each NRMSIR and to the SID, if any. The District is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

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

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner Material Events Disclosure to each NRMSIR or to the MSRB and to the SID, if any. 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. DUTY TO UPDATE NRMSIRs/SID. The District shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, 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.

8. 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) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District, or type of business conducted;

(b) 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

(c) 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).

9. 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 in a timely manner if this Section is applicable to each NRMSIR or to the MSRB and to the SID, if any.

10. 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.

11. 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 Material 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 Material 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 Material Event.

12. 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.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Material 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.

14. 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.

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

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

(b) 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

(c) 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).

9. 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 in a timely manner if this Section is applicable to each NRMSIR or to the MSRB and to the SID, if any.

10. 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.

11. 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 Material 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 Material 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 Material Event.

12. 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.

13. RECORDKEEPING. The District shall maintain records of all Annual Financial Information Disclosure and Material 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.

14. 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.

15. 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: February 4, 2003

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 each NRMSIR and to the SID, if any, 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 from the MSRB; the Final Official Statement need not be available from each NRMSIR, the SID or the Commission. The District shall clearly identify each such item of information included by reference.

Annual Financial Information exclusive of Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, by 210 days after the last day of the District's fiscal year. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, unaudited financial statements shall be included.

Audited Financial Statements will be prepared in accordance with the accounting principles described in Appendix A to the Official Statement. Audited Financial Statements will be provided to each NRMSIR and to the SID, if any, within 30 days after availability to the District.

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 MATERIAL EVENTS DISCLOSURE IS REQUIRED

1. Principal and interest payment delinquencies
2. Non-payment related defaults
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 or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

Exhibit III
CUSIP Numbers

Year of Maturity	CUSIP Number
2003	215651 EG 1
2004	215651 EH 9
2005	215651 EJ 5
2006	215651 EK 2
2007	215651 EL 0
2008	215651 EM 8
2009	215651 EN 6
2010	215651 EP 1
2011	215651 EQ 9
2012	215651 ER 7
2013	215651 ES 5
2014	215651 ET 3
2015	215651 EU 0
2016	215651 EV 8
2017	215651 EW 6
2018	215651 EX 4
2019	215651 EY 2
2020	215651 EZ 9
2021	215651 FA 3
2022	215651 FB 1

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: Effective Date:

Premium:

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

[Countersignature] FINANCIAL SECURITY ASSURANCE INC.

By ______________________ By ______________________
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd. (212) 826-0100
350 Park Avenue, New York, N.Y. 10022-6022

Form 500NY (5/90)

FINANCIAL SECURITY ASSURANCE®

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Thornton Fractional Township High School District Number 215, Cook County, Illinois

BONDS: $9,000,000 in aggregate principal amount of School Bonds, Series 2003

Policy No.: 200286-N

Effective Date: February 4, 2003

Premium: $22,123.14

FINANCIAL SECURITY ASSURANCE INC. ("Financial Security"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of Financial Security, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the Business Day next following the Business Day on which Financial Security shall have received Notice of Nonpayment, Financial Security will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by Financial Security, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in Financial Security. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by Financial Security is incomplete, it shall be deemed not to have been received by Financial Security for purposes of the preceding sentence and Financial Security shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, Financial Security shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by Financial Security hereunder. Payment by Financial Security to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of Financial Security under this Policy.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity unless Financial Security shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the

United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to Financial Security which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

Financial Security may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee and the Paying Agent specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee and the Paying Agent, (a) copies of all notices required to be delivered to Financial Security pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to Financial Security and shall not be deemed received until received by both and (b) all payments required to be made by Financial Security under this Policy may be made directly by Financial Security or by the Insurer's Fiscal Agent on behalf of Financial Security. The Insurer's Fiscal Agent is the agent of Financial Security only and the Insurer's Fiscal Agent shall in no event be liable to any Owner for any act of the Insurer's Fiscal Agent or any failure of Financial Security to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, Financial Security agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to Financial Security to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of Financial Security, and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, (a) any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, FINANCIAL SECURITY ASSURANCE INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

FINANCIAL SECURITY ASSURANCE INC.

By Suzanne M Finnegan
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd. (212) 826-0100
350 Park Avenue, New York, N.Y. 10022-6022

DISCLOSURE, NO DEFAULT AND TAX CERTIFICATE OF FINANCIAL SECURITY ASSURANCE INC.

The undersigned hereby certifies on behalf of Financial Security Assurance Inc. ("Financial Security"), in connection with the issuance by Financial Security of its Policy No. 200286-N (the "Policy") in respect of the $9,000,000 in aggregate principal amount of Thornton Fractional Township High School District Number 215, Cook County, Illinois School Bonds, Series 2003 (the "Bonds") that:

(i) the information set forth under the caption "BOND INSURANCE – Financial Security Assurance Inc." in the official statement dated January 21, 2003, relating to the Bonds is true and correct,

(ii) Financial Security is not currently in default nor has Financial Security ever been in default under any policy or obligation guaranteeing the payment of principal of or interest on an obligation,

(iii) the Policy is an unconditional and recourse obligation of Financial Security (enforceable by or on behalf of the holders of the Bonds) to pay the scheduled principal of and interest on the Bonds in the event of Nonpayment by the Issuer (as set forth in the Policy),

(iv) the insurance premium of $22,123.14 (the "Premium") is a charge for the transfer of credit risk and was determined in arm's length negotiations and is required to be paid to Financial Security as a condition to the issuance of the Policy,

(v) no portion of such Premium represents an indirect payment of costs of issuance, including rating agency fees, other than fees paid by Financial Security to maintain its ratings, which, together with all other overhead expenses of Financial Security, are taken into account in the formulation of its rate structure, or for the provision of additional services by us, nor the direct or indirect payment for a cost, risk or other element that is not customarily borne by insurers of tax-exempt bonds (in transactions in which the guarantor has no involvement other than as a guarantor),

(vi) Financial Security is not providing any services in connection with the Bonds other than providing the Policy, and except for the Premium, Financial Security will not use any portion of the Bond proceeds,

(vii) except for payments under the Policy in the case of Nonpayment by the Issuer, there is no obligation to pay any amount of principal or interest on the Bonds by Financial Security,

(viii) Financial Security does not expect that a claim will be made on the Policy,

(ix) the Issuer is not entitled to a refund of the premium for the Policy in the event a Bond is retired before the final maturity date, and

(x) for Bonds which are secured by a debt service reserve, Financial Security would not have issued the Policy unless the authorizing or security agreement for the Bonds provided for a debt service reserve account or fund funded and maintained in an amount at least equal to, as of any particular date of computation, the reserve requirement as set forth in such agreement.

Financial Security makes no representation as to the nature of the interest to be paid on the Bonds or the treatment of the Policy under Section 1.148-4(f) of the Income Tax Regulations.

FINANCIAL SECURITY ASSURANCE INC.

By: Andrea R. Bozzo
Authorized Officer

Dated: February 4, 2003

FSA
A Dexia Company

February 4, 2003

Municipal Bond Insurance Policy No. 200286-N With Respect to
$9,000,000 In Aggregate Principal Amount of
Thornton Fractional Township High School District Number 215, Cook County, Illinois
School Bonds, Series 2003

Ladies and Gentlemen:

I am Associate General Counsel of Financial Security Assurance Inc., a New York stock insurance company ("Financial Security"). You have requested my opinion in such capacity as to the matters set forth below in connection with the issuance by Financial Security of its above-referenced policy (the "Policy"). In that regard, and for purposes of this opinion, I have examined such corporate records, documents and proceedings as I have deemed necessary and appropriate.

Based upon the foregoing, I am of the opinion that:

1. Financial Security is a stock insurance company duly organized and validly existing under the laws of the State of New York and authorized to transact financial guaranty insurance business therein.

2. The Policy has been duly authorized, executed and delivered by Financial Security.

3. The Policy constitutes the valid and binding obligation of Financial Security, enforceable in accordance with its terms, subject, as to the enforcement of remedies, to bankruptcy, insolvency, reorganization, rehabilitation, moratorium and other similar laws affecting the enforceability of creditors' rights generally applicable in the event of the bankruptcy or insolvency of Financial Security and to the application of general principles of equity.

In addition, please be advised that I have reviewed the description of the Policy under the caption "BOND INSURANCE – Bond Insurance Policy" in the official statement relating to the above-referenced Bonds dated January 21, 2003 (the "Official Statement"). There has not come to my attention any information which would cause me to believe that the description of the Policy referred to above, as of the date of the Official Statement or as of the date of this opinion, contains any untrue statement of a material fact or omits to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading. Please be advised that I express no opinion with respect to any information contained in, referred to or omitted from under the caption "BOND INSURANCE – Financial Security Assurance Inc."

I am a member of the Bar of the State of New York, and do not express any opinion as to any law other than the laws of the State of New York.

Very truly yours,

Associate General Counsel

Thornton Fractional Township High School District No. 215,
1601 Wentworth Avenue,
Calumet City, Illinois 60409-6309.

Griffin, Kubik, Stephens & Thompson, Inc.,
300 Sears Tower, 233 South Wacker Drive,
Chicago, Illinois 60606.

Financial Security Assurance
350 Park Avenue · New York, New York 10022 · Tel: 212.826.0100 · Fax: 212.688.3101
New York · Dallas · San Francisco · London · Madrid · Paris · Singapore · Sydney · Tokyo

Ratings Services
55 Water Street, 38th Floor
New York, NY 10041-0003
Tel 212 438-2074
Reference No.: 40136811

Vincent Orgo
Administrative Officer
Public Finance Ratings

Standard & Poor's
A Division of The McGraw-Hill Companies

February 3, 2003

Ms. Suzanne M. Finnegan
Chief Municipal Underwriting Officer
Financial Security Assurance Inc.
Financial Guaranty Group
350 Park Avenue
New York, NY 10022

Re: ***$9,000,000 Thornton Fractional Township High School District No. 215, Cook County, Illinois, School Bonds, Series 2003, dated: February 1, 2003, due: December 1, 2003-2022, (POLICY #200286-N)***

Dear Ms. Finnegan:

This is to advise you that we have changed the rating to 'AAA' from 'A' on the subject bonds.

The rating change reflects our assessment of the likelihood of repayment of principal and interest based on the bond insurance policy your company is providing.

When using the Standard & Poor's rating, include the definition of the rating together with a statement that this may be changed, suspended or withdrawn as a result of changes in, or unavailability of, information. This rating is not a "market rating", because it is not a recommendation to buy, hold or sell the obligations.

If you have any questions, please contact us.

Very truly yours

Vincent S Orgo

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Form **8038-G** (Rev. November 2000)
Department of the Treasury Internal Revenue Service

Information Return for Tax-Exempt Governmental Obligations

▶ Under Internal Revenue Code section 149(e)
▶ See separate instructions.
Caution: *If the issue price is under $100,000, use Form 8038-GC.*

OMB No. 1545-0720

Part I Reporting Authority

If Amended Return, check here ▶ ☐

1 Issuer's name: **Township High School District Number 215**	2 Issuer's employer identification number: **36 : 6004406**
3 Number and street (or P.O. box if mail is not delivered to street address): **1601 Wentworth Avenue**	Room/suite: — 4 Report number: **3 01**
5 City, town, or post office, state, and ZIP code: **Calumet City, Illinois 60409**	6 Date of issue: **February 4, 2003**
7 Name of issue: **School Bonds, Series 2002**	8 CUSIP number: **215651 FB1**
9 Name and title of officer or legal representative whom the IRS may call for more information: **Douglas D. Handley, Assistant Superintendent for Business**	10 Telephone number of officer or legal representative: **(708) 585-2303**

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

11	☑ Education	11	9,168,277.30
12	☐ Health and hospital	12	
13	☐ Transportation	13	
14	☐ Public safety	14	
15	☐ Environment (including sewage bonds)	15	
16	☐ Housing	16	
17	☐ Utilities	17	
18	☐ Other. Describe ▶	18	
19	If obligations are TANs or RANs, check box ▶ ☐ If obligations are BANs, check box ▶ ☐		
20	If obligations are in the form of a lease or installment sale, check box ▶ ☐		

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12-1-22	$ 9,168,277.30	$ 9,000,000	11.447 years	4.0308 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22	Proceeds used for accrued interest			22	2,966.96
23	Issue price of entire issue (enter amount from line 21, column (b))			23	9,168,277.30
24	Proceeds used for bond issuance costs (including underwriters' discount)	24	141,154.16		
25	Proceeds used for credit enhancement	25	22,123.14		
26	Proceeds allocated to reasonably required reserve or replacement fund	26	-0-		
27	Proceeds used to currently refund prior issues	27	-0-		
28	Proceeds used to advance refund prior issues	28	-0-		
29	Total (add lines 24 through 28)			29	163,277.30
30	Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)			30	9,005,000.00

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

31 Enter the remaining weighted average maturity of the bonds to be currently refunded ▶ ______ years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded ▶ ______ years
33 Enter the last date on which the refunded bonds will be called ▶ ______
34 Enter the date(s) the refunded bonds were issued ▶

Part VI Miscellaneous

35	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)	35	-0-
36a	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions)	36a	-0-
b	Enter the final maturity date of the guaranteed investment contract ▶		
37	Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units	37a	-0-

b If this issue is a loan made from the proceeds of another tax-exempt issue, check box ▶ ☐ and enter the name of the issuer ▶ ______ and the date of the issue ▶ ______
38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ ☑
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ ☐
40 If the issuer has identified a hedge, check box ▶ ☐

Sign Here

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Signature of issuer's authorized representative — Date: February 4, 2003 — Type or print name and title: Thomas Stefaniak, Treasurer

1457981

Law Offices of

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

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February 4, 2003

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 School Bonds, Series 2003 (the "*Bonds*"), to the amount of $9,000,000, dated February 1, 2003, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2003	$375,000	2.50%
2004	325,000	2.50
2005	330,000	2.50
2006	340,000	2.50
2007	350,000	2.50
2008	355,000	3.20
2009	370,000	4.50
2010	385,000	4.50
2011	400,000	5.00
2012	420,000	5.00
2013	445,000	3.80
2014	460,000	3.90
2015	480,000	4.00
2016	495,000	4.10
2017	520,000	4.20
2018	540,000	4.30
2019	565,000	4.40
2020	590,000	4.40
2021	615,000	4.50
2022	640,000	4.50

the Bonds due on or after December 1, 2013, 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, 2012, 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.

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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 all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in 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 included 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 solely 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.

Chapman and Cutler

DLJohnson/EPBartholomy:sw