

CHAPMAN AND CUTLER LLP

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December 7, 2006

Salt Lake City  
201 South Main Street  
Salt Lake City, UT 84111  
(801) 533-0066

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 Limited Tax School Bonds, Series 2006 (the "Bonds"), to the amount of \$4,000,000, dated December 1, 2006, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2007	\$545,000	4.000%
2008	565,000	4.000%
2009	590,000	4.125%
2010	610,000	4.250%
2011	640,000	4.250%
2012	665,000	4.250%
2013	385,000	4.250%

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, 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. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Law"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

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

certain of such District covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

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

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

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

*Chapman and Cutler LLP*

DLJohnson/SAScinto:ddn

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

Marcia Pavich, Vice-President, Board of Education

Charles Maricich, Member, Board of Education

Kathleen Manno, Member, Board of Education

Henry Schneider, Member, Board of Education

Natalie Owen, 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 April 26, 2005, 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 17, 2007, is canvassed and a new Board duly constituted.

3. That the changes in the boundaries of the District since June 28, 2005, were as follows: None

(Attach copy of the orders providing for all such changes. If no changes have occurred, please so indicate with the word "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 Thornton Fractional Township No. 36, Range No. 15, Cook County, Illinois, is the only township located wholly or partly within the District and that the School Treasurer of said Township and Range is the lawful custodian of all school funds of the District.
7. That since the year 1989, all of the District has been located in a county of 3,000,000 or more inhabitants.
8. That the *Daily Southtown* is a local, community newspaper with a general circulation in the District.
9. 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:

Hammond Times, Daily Southtown, The Star

(If no requests have been made, please so indicate with the word "none".)

10. That the regular meetings of the Board are held on the fourth 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.

11. 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.
12. That the District does not have an official corporate seal.
13. That the District has an estimated population of 60,779, and that there are 30,910 legal voters in the District.
14. That no petition has been filed or is now pending affecting in any manner whatsoever the boundaries or the corporate existence of the District.
15. 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 16th day of November, 2006.

  
\_\_\_\_\_  
President, Board of Education

  
\_\_\_\_\_  
Secretary, Board of Education

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

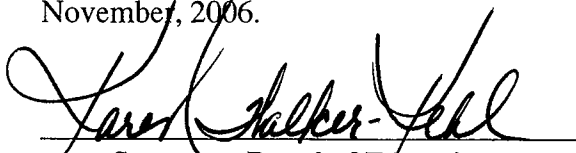
**INDEBTEDNESS CERTIFICATE**

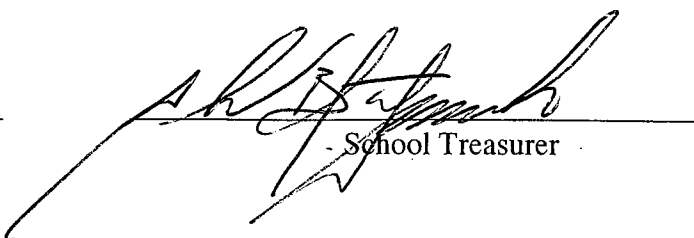
We, the undersigned, do hereby certify that we are the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), and School Treasurer of the District, respectively, and as such officials we do further certify that the total aggregate indebtedness of the District, of every kind and nature and howsoever evidenced or incurred, excluding the proposed \$4,000,000 Limited Tax School Bonds, Series 2006, does not exceed the total sum of \$ 22,080,000, which said indebtedness is itemized as follows:

Bonds issued by the District (not including alternate bonds) .....	\$ <u>16,180,000</u>
Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended .....	\$ <u>5,900,000</u>
Contracts (including all payments on installment purchase contracts, debt certificates and public utility contracts).....	\$ <u>-</u>
Indebtedness resulting from annexations of territory .....	\$ <u>-</u>
Judgments.....	\$ <u>-</u>
Leases (including leases with the School Building Commission and public building commissions) .....	\$ <u>-</u>
Miscellaneous floating indebtedness .....	\$ <u>-</u>
Special assessments levied against District property.....	\$ <u>-</u>
Other forms of debt (not including warrants issued in anticipation of the collection of taxes levied).....	\$ <u>-</u>

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 16th day of November, 2006.

  
Secretary, Board of Education

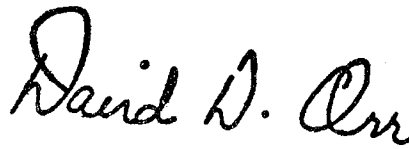
  
School Treasurer

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

**2005 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 \$875,282,762, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2005, 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 6th day of December, 2006.



\_\_\_\_\_  
County Clerk of The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**WORKING CASH FUND CERTIFICATE**

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary of the Board of Education (the "Board") 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 as follows:

1. That the District is presently maintaining, administering and operating a Working Cash Fund in and for the District (the "Fund") in the manner prescribed in Article 20 of the School Code of the State of Illinois, as amended, for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes, and that the amount now to the credit of the Fund is \$857,691.44, including the amount of any cash on hand in the Fund and the amount of any transfers from the Fund to any other funds of the District.

2. That on the 22nd day of June, 2004, the Board adopted a resolution abating or abolishing the working cash fund of the District, and that attached hereto as *Exhibit 1* is a true, correct and complete copy of (i) said resolution, (ii) minutes showing the adoption thereof, and (iii) the agenda for the meeting at which said resolution was adopted.

3. That except for \$3,200,000 Working Cash Fund Bonds, dated June 30, 1989, \$4,400,000 Working Cash Fund Bonds, dated August 15, 1990, \$1,595,000 Working Cash Fund Bonds, dated June 1, 1991, and \$3,100,000 Limited School Bonds, dated July 1, 1998, the District has never issued bonds for working cash fund purposes, and that \$515,000 of said bonds are presently outstanding and unpaid.

4. That on the 28th day of September, 2004, the Board adopted a resolution (the "Resolution") declaring the intention to issue \$7,000,000 Working Cash Fund Bonds of the District (the "Bonds").

5. That notice of intention to issue the Bonds was published on the 1st day of October, 2004, in the *Daily Southtown*, the same being a newspaper of general circulation in the District (the "Notice"), and was not posted electronically on the District's World Wide Web pages.

6. That no petition has ever been filed in the office of the Secretary of the Board (the "Secretary") or has ever been presented to the Secretary requesting that the proposition to issue the Bonds be submitted to the voters of the District, but that the Secretary provided a petition form regarding the same to every individual requesting one.

7. That except for the Resolution and the Notice, no resolution has been adopted by the Board declaring the intention to issue working cash fund bonds and no notice of intention to issue working cash fund bonds of the District has been published during the last twelve months.

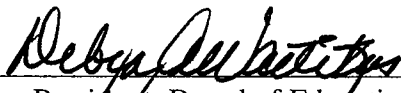
8. That at the time of publication of the Notice, 10% of the number of voters registered in the District on the date registration closed before the regular election next preceding the day on which a petition could have been filed objecting to the issuance of the Bonds was equal to 3,091 voters.

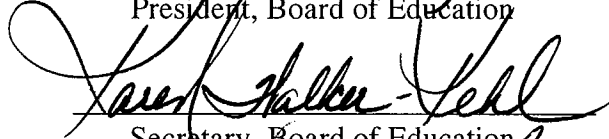
9. That attached hereto as *Exhibit 2* is a true, correct and complete copy of the last known entitlement of the District to taxes as by law now imposed by the General Assembly of the State of Illinois to replace revenue lost by units of local government and school districts as a result of the abolition of ad valorem personal property taxes, pursuant to Article IX, Section 5(c) of the Constitution of the State of Illinois, as set forth on the website of the Illinois Department of Revenue.

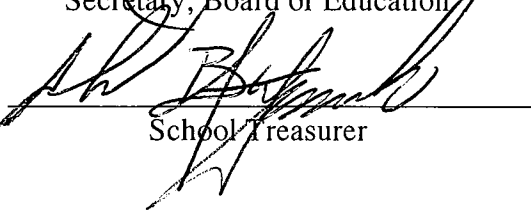
10. That the District is authorized to levy a tax annually for educational purposes at the maximum rate of 3.50% upon all the taxable property of the District at the value, as equalized or assessed by the Department of Revenue of the State of Illinois.

11. That there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the right of the District to levy taxes for educational purposes at said maximum annual rate, to levy taxes for working cash fund purposes, to maintain, administer or operate the Fund, to increase the Fund or to issue the Bonds.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 16th day of November, 2006.

  
\_\_\_\_\_  
President, Board of Education

  
\_\_\_\_\_  
Secretary, Board of Education

  
\_\_\_\_\_  
School Treasurer

RESOLUTION TO ABATE THE WORKING CASH FUND OF SCHOOL DISTRICT NO. 215, COOK COUNTY ILLINOIS

Whereas, the Board of Education (the Board) of Thornton Fractional Township High School District Number 215, Cook County, Illinois (the "District"), has heretofore created and established a Working Cash Fund in and for the District, pursuant to Article 20 of The School Code 105 ILCS 5/20-1 et seq: and

Whereas, the Board has determined and does hereby determine that it is necessary and in the best interests of the District that the Fund be abated; and

Whereas, Section 20-9 of The School Code authorized the Board to abate the Fund:

Now, Therefore, Be it resolved by the Board of Education of Thornton Fractional Township High School District 215, Cook County, Illinois, as follows:

Section 1: The Working Cash Fund of said District shall be abated as of July 1, 2004 in the amount of \$2,400,000.00 ("the Abatement Amount").

Section 2: That the School Treasurer of the District is hereby authorized and directed to forthwith permanently transfer the Abatement Amount to the Education Fund of the District.

Section 3: That if necessary to effectuate such abatement and permanent transfer, outstanding loans from Working Cash Fund to any other funds of the District in an amount, together with any cash immediately transferred pursuant to Section 2 above, equal in the aggregate to the Abatement Amount shall be paid to the Education Fund of the District, and any remaining outstanding loans shall be paid to the Working Cash Fund at the time and in the manner required by The School Code.

Section 4: That 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 upon its passage.

Adopted this 22<sup>nd</sup> Day of June, 2004

Board of Education, Thornton Fractional Township High School District No. 215 Cook County, Illinois

[Signature]
President, Board of Education

ATTEST:

[Signature]
Secretary, Board of Education

MINUTES:

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL  
DISTRICT 215  
JUNE 22, 2004

President Kathy Manno called the regular meeting to order at the Administration Center in Calumet City, Illinois at 7:00 p.m. followed by the Pledge of Allegiance.

CALL TO ORDER

Roll Call:

Present: Manno, Pavich, Schneider, Waitekus, Walker-Kehl  
Absent: Garritano, Holba

Superintendent Wilhite reported that Calumet City resident Inez Webb had filed a Freedom of Information request relative the construction at the Science & Technology Center. The requested information has been provided.

COMMUNICATION

A timeline for the Financial Task Force was presented to the Board of Education. Applications for members to sit on the Task Force will be accepted until July 31, 2004. A press release will be issued calling for interested residents to serve on the Task Force.

Dr. Wilhite will be working with South Suburban College on holding a GED extension program at the District 215 Science & Technology Center. More information will be available after July.

The Board of Education agreed to have Dr. Wilhite pursue District 215's participation in a "2nd Chance" program offered at the Markham Court House. The program would be run through our ECHO cooperative with monies coming from Special Education funds.

District 215 has been notified that the official address of the Science & Technology Center will be changed to 1605 Wentworth Avenue, Calumet City, IL 60409.

Architect Craig Siepka and Construction Manager Bob Nielsen presented construction updates:

- Construction at the Sci-Tech. Center is 85% completed.
- Members of the Board and administration conducted a tour of the new facilities prior to this evening's regular meeting.
- The District is expected to take control of the classrooms next week.
- Rebidding is taking place on concrete, excavation and steel.
- Bidding will run from June 17 - July 17, 2004 on the general trades, i.e. electrical, plumbing, HVAC.
- Construction activity onsite at the North and South campuses will begin late July early August.
- Completion for North and South construction estimated for August 2005.

Member Walker-Kehl left the meeting at 7:20 p.m. due to a family illness.

Mr. Adel Haddad presented an update from the IT (technology) department.

Special Meeting: 5:00 p.m. July 6, 2004 - Administration Center  
Regular Board meeting : July 27, 2004 Administration Center - 7:00 p.m

FUTURE MEETINGS

Member Pavich moved, seconded by Member Waitekus, that the Board of Education approve the minutes from the open and closed meetings held on May 25, 2004, as presented.

MINUTES

Ayes: Pavich, Schneider, Waitekus, Manno  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education approve the open and closed minutes of the June 8, 2004 special meeting as presented.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

**Member Schneider moved, seconded by Member Waitekus, that the Board of Education approve the revised Business Curriculum and implementation timeline pending further investigation of the required Business Technology course.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Pavich moved, seconded by Member Waitekus, that the Board of Education adopt the revisions to Policy 5118 on Student Residency.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Pavich moved, seconded by Member Waitekus, that the Board of Education adopt the revisions to Policy 3280 on the Gift Ban Act as presented for the second reading.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Schneider moved, seconded by Member Waitekus, that the Board of Education approve the revision to the District Organization Chart, Policy 2015.1, as presented at a second reading.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Waitekus moved, seconded by Member Pavich, that the Board of Education approve the renewal of membership with the IASB for the 2004-05 school year.**

**Ayes: Manno, Pavich, Waitekus  
Nays: Schneider**

**Member Pavich moved, seconded by Member Waitekus, that the Board of Education uphold the recommendation for expulsion of student #770068.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Pavich moved, seconded by Member Waitekus, that the Board of Education uphold the recommendation for expulsion of student #761956.**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Schneider moved, seconded by Member Pavich, that the Board of Education adopt the resolution transferring interest from the Bond and Interest Fund to Operations Building Maintenance Fund in the amount of \$500,000.00**

**Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None**

**Member Waitekus moved, seconded by Member Pavich, that the Board of Education adopt a resolution to abate the Working Cash Fund in the amount of \$2,400,000.00 (transferring the funds from Working Cash to the Education Fund).**

**OLD BUSINESS**

**NEW BUSINESS**



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School Dist. #215

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Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education adopt the required Prevailing Wage Act resolution.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Revisions to the 2004-05 Athletic Handbook were presented for a 1<sup>st</sup> reading. The only significant change is the incorporation of cheerleading coaches.

Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the bi-annual review of closed session minutes for release. There were no minutes approved for release at this time.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Schneider, that the Board of Education table the motion for the Ethics Commission until all Board of Education members are present. The motion carried unanimously.

Member Pavich moved, seconded by Member Schneider, that the Closed Session be moved to the end of the agenda. The motion carried unanimously.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Waitekus, that the Board of Education approve the payment of bills in the amount of \$73,861.53 for May 17, 2004, \$36,577.22 for May 21, 2004 and \$62,451.10 for June 9, 2004. These payments are for insurance claims.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education approve the payment of bills in the amount of \$856,751.39 and Imprest Fund in the amount of \$22,499.79 for June 22, 2004.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Waitekus, that the Board of Education approve the payroll in the amount of \$4,234,649.48 for the month of May 2004.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Schneider, that the Board of Education accept the recommendation of the Administration to award the bid to the lowest qualified bidder, Homewood Disposal, Inc., in the amount of \$525.00 a month for 24 months.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

6/22/04

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Pending construction bids will be presented for approval at a special Board meeting scheduled for July 6, 2004.

Member Pavich moved, seconded by Member Schneider, that the Board of Education accept the recommendation of the Administration to approve the T.F. North site lease with T-Mobile as presented.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education accept the resignation of Yvonne Alvarez, Spanish teacher at the South campus, effective at the conclusion of the 2003-04 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Waitekus, that the Board of Education accept the resignation of Rachelle Bottom, Math teacher at the North campus, effective immediately.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Schneider, that the Board of Education accept the resignation of Lisa Swan-Kawa, special education teacher at the South campus, effective immediately.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Waitekus, that the Board of Education accept the resignation of Kathryn Fields, Music teacher at the South campus, effective June 1, 2004.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Schneider, that the Board of Education accept the reassignment of Maureen Schreiber as an interim attendance clerk at the South campus. Her employment will be for the 2004-05 school year only.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the reassignment of Debbie Spudic to Special Services Clerk effective August 16, 2004.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of Susan Barnhart as Business Education teacher at the South campus effective for the 2004-05 school year.

**BILLS & PAYROLL  
CONTINUED**

**PERSONNEL**

PERSONNEL

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of Nancy Dillon as a Special Education teacher at the South campus effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education approve the employment of Chester Hanson as a traveling Physical Education teacher for the district effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of Anthony Lorenzatti as a Physical Education teacher at the North campus effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of Tareg Mansour as a Math teacher at the North campus effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Pavich moved, seconded by Member Schneider, that the Board of Education approve the employment of Maria Rivera as a Spanish teacher at the South campus effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of David Trivelino, as a Special Education teacher at the South campus effective for the 2004-05 school year.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the appointment of Dale Pietranczyk to the position of Asst. Principal for Pupil Personnel Services at the South campus effective July 1, 2004.

Ayes: Manno, Pavich, Schneider  
Nays: Waitekus

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the employment of Judith Whalen as Asst. Principal for Instruction at the South campus effective July 1, 2004.

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School Dist. #215

708 585-2317

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**PERSONNEL  
CONTINUED**

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the request of Ryan Darrah, English teacher at the South campus, for a General Leave of Absence for the entire 2004-05 school year. This leave will be without salary or fringe benefits.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Schneider moved, seconded by Member Pavich, that the Board of Education approve the resignations, releases and appointments for the following extra curricular personnel at T.F. South:

**Releases:**

Shawn Jensen, Floating Asst Coach / Softball  
Trent Jensen, Floating Asst. Coach / Baseball  
John Robinzine, Floating Asst. Coach / Boys' Track

**Resignations:**

Yvonne Alvarez, Sponsor / Cultural Diversity Club  
Nicole Burk, Co Sponsor - Drama Club

**Appointments:**

Donna Kelly-Jackson, Floating Asst. Coach / Boys' & Girls' X-Country  
Chris Pawelczyk, Asst. Coach - Boys' Basketball  
Chet Hanson, Floating Asst. Coach - Football  
Teresa Grdina, Dept. Chair, Business, Special Education and FCS

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education accept the resignations of David Cervantes, Asst. Coach / Boys' Soccer at TF North.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Pavich, that the Board of Education accept the resignation of Louis Walker, asst. football coach at TF North.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the appointment of Jeffrey Weber as co sponsor for the junior class at TF North.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the appointment of Megan Weber as co sponsor for the junior class at TF North.

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

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School Dist. #215

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**Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the appointment of Juan Torrez as asst. football coach at TF North.**

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

**Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the appointment of Tony Gill as asst. football coach at TF North.**

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

**Member Waitekus moved, seconded by Member Pavich, that the Board of Education approve the appointment of Joe Stephan as Yearbook sponsor at TF North.**

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

**Member Waitekus moved, seconded by Member Schneider, that the Board of Education approve the appointment of Tony Lorenzatti as asst. football coach at TF North.**

Ayes: Manno, Pavich, Schneider, Waitekus  
Nays: None

**Member Schneider moved, seconded by Member Waitekus, that the Board of Education approve the appointment of Gus Yiakos as asst. football coach at TF North.**

Ayes: Schneider  
Nays: Manno, Pavich, Waitekus

Members of the Board of Education have been provided with the following reports and updates:

- Monthly attendance and suspension reports
- District 215 Crisis Plans - available for review at the Administration Center
- Non certified overtime reports
- Plan for summer Technology work was provided to the Board of Education

**Member Waitekus moved, seconded by Member Pavich, that interested Board of Education members be permitted to attend the fall IASE conference in Chicago.**

Ayes: Manno, Pavich, Waitekus  
Nays: Schneider

The Board of Education will meet on August 3, 2004 at 5:30 p.m at the Administrative Center to discuss goals and personnel.

**Member Pavich moved, seconded by Member Waitekus, that Member Schneider serve as secretary pro tem in closed session. The motion carried unanimously.**

**Member Pavich moved, seconded by Member Waitekus, that the Board of Education move into closed session to discuss employment of personnel and pending litigation. The motion carried unanimously and the Board moved into closed session at 8:10 p.m.**

PERSONNEL  
CONTINUED

CLOSED SESSION

The Board of Education returned to open session at 8:50 p.m

OPEN SESSION

**Roll Call:**

Present: Manno, Pavich, Schneider, Walker-Kehl, Waitekus

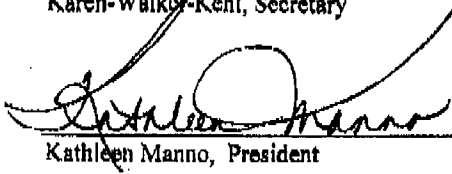
Absent: Garritano, Holba

Member Walker-Kehl moved, seconded by Member Waitekus, that the Board meeting be adjourned. The motion carried unanimously and the Board adjourned at 8:51 p.m.

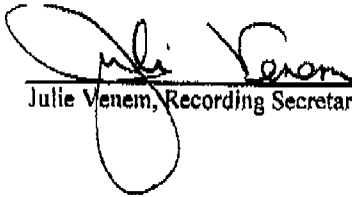
ADJOURN



Karen-Walker-Kehl, Secretary



Kathleen Manno, President



Julie Venem, Recording Secretary

Meeting Location: Administration Center

**AGENDA:**  
**DISTRICT 215 BOARD OF EDUCATION**

June 22, 2004 - 7:00 p.m.

I. Call to Order - Pledge to Flag

II. Roll Call

III. Communications

A. Board

- 1. Correspondence
- 2. Information Sharing
  - a. Freedom of Information
  - b. Timeline/Charge to Budget Task Force
  - c. Extension GED program
  - d. Second Chance
  - e. Administrative Seminar: August 3-4, 2004

- 3. Building & Grounds Reports
  - a. Construction Update

B. Community Public Comments

C. Staff Updates

- 1. Principal Updates
- 2. District Updates
  - a. IT update, Mr. Haddad

IV. Future Meetings

A. July 27, 2004, Administration Center

V. Approval of Minutes

- A. Regular Meeting: 5/25/04
- B. Special Meeting: 6/8/04

VI. Old Business

- A. Business Curriculum - 2nd Reading & Timeline
- B. Residency Policy #5118 - 2nd Reading
- C. Gift Ban Policy Revision - #3280 - 2nd Reading
- D. District Organization Chart - #2015.1 - 2nd Reading

Exhibit 1  
Exhibit 2  
Exhibit 3  
Exhibit 4

VII. New Business

- A. IASB 2004-05 Membership
- B. Expulsion: Student #770068 and #761956
- C. Transfer Fund Resolution: Working Cash to Education Fund
- D. Transfer Fund Resolution: Bond & Interest to OBM Fund
- E. Prevailing Wage Act Resolution
- F. 2004-05 Athletic Handbook Revisions - 1st Reading
- G. Biannual Review of Closed Session Minutes
- H. Appoint Ethics Commission

Exhibit 5  
Enclosure  
Exhibit 6  
Exhibit 7  
Exhibit 8

VIII. Closed Session for Employment of Personnel and Pending Litigation

IX. Superintendent's Report

- A. Financial Reports
- B. Personnel Reports

Exhibit 9  
Exhibit 10

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X. Other Information

- A. Monthly Attendance / Suspension Report
- B. IASB Conference Attendance
- C. Crisis Plans
- D. Overtime Reports
- E. Board Goals / Retreat
- F. Technology Projects Plan

Enclosure  
 Enclosure  
 Enclosure  
 Enclosure  
 Enclosure

XI. Adjournment



**PERSONAL PROPERTY REPLACEMENT TAX (PPRT)**

STATE FISCAL YEARS BEGIN JULY 1 AND END JUNE 30 OF EACH YEAR

DISTRICT NAME	DISTRICT NUMBER	2007	2006	VENDOR NUMBER
		FISCAL YEAR ESTIMATE	FISCAL YEAR PAYMENT TOTALS	
BLOOM TWP HS 206	0167172060	\$3,096,012	\$3,008,193.93	001672060
MAINE TWP HS 207	0167172070	\$4,934,302	\$4,794,340.73	001672070
RIVERSIDE BRKFIELD TWP HS 208	0167172080	\$368,280	\$357,834.06	001672080
PROVISO TWP HS 209	0167172090	\$3,388,239	\$3,292,132.18	001672090
LEMONT TWP HS 210	0167172100	\$373,185	\$362,599.42	001672100
PALATINE TWP HS 211	0167172110	\$2,963,864	\$2,879,794.33	001672110
TOWNSHIP HIGH SCHOOL DIST 214	0167172140	\$6,934,438	\$6,737,743.06	
THORNTON TWP FRACTIONAL HS 215	0167172150	\$1,003,162	\$974,706.89	001672150
NILES TWP HS 219	0167172190	\$4,507,266	\$4,379,417.89	001672190
REAVIS TWP HS 220	0167172200	\$3,150,910	\$3,061,534.83	001672200
GLENBROOK TWP HS 225	0167172250	\$2,442,184	\$2,372,911.36	001672250
RICH TWP HS 227	0167172270	\$1,338,105	\$1,300,150.01	001672270
CHICAGO BOARD OF EDUC SD 299	0167252990	\$183,592,504	\$178,384,913.06	001672990
ELMWOOD PARK CUSD 401	0167264010	\$305,403	\$296,740.49	001674010
BLOOM TWP ROAD & BRIDGE	0169020011	\$105,760	\$102,760.61	001690011
BREMEN TWP ROAD & BRIDGE	0169020012	\$22,311	\$21,678.61	001690012
CALUMET TWP ROAD & BRIDGE	0169020013	\$7,891	\$7,666.80	001690013
ELK GROVE TWP ROAD & BRIDGE	0169020015	\$86,291	\$83,843.29	001690015
HANOVER TWP ROAD & BRIDGE	0169020017	\$37,928	\$36,852.33	001690017
LEMONT TWP ROAD & BRIDGE	0169020018	\$19,245	\$18,698.89	001690018
LEYDEN TWP ROAD & BRIDGE	0169020019	\$210,600	\$204,626.42	001690019
LYONS TWP ROAD & BRIDGE	0169020020	\$69,068	\$67,108.97	001690020
MAINE TWP ROAD & BRIDGE	0169020021	\$74,648	\$72,530.28	001690021
NORTHFIELD TWP ROAD & BRIDGE	0169020024	\$82,780	\$80,431.95	001690024
NORWOOD PARK TWP ROAD & BRIDGE	0169020025	\$10,286	\$9,993.88	001690025
ORLAND TWP ROAD & BRIDGE	0169020027	\$18,398	\$17,876.47	001690027
PALATINE TWP ROAD & BRIDGE	0169020028	\$92,609	\$89,982.39	001690028
PALOS TWP ROAD & BRIDGE	0169020029	\$16,725	\$16,250.75	001690029
PROVISO TWP ROAD & BRIDGE	0169020030	\$17,972	\$17,461.98	001690030
RICH TWP ROAD & BRIDGE	0169020031	\$30,740	\$29,867.81	001690031
SCHAUMBURG TWP ROAD & BRIDGE	0169020034	\$20,447	\$19,867.35	001690034
STICKNEY TWP ROAD & BRIDGE	0169020035	\$1,122,306	\$1,090,471.38	001690035
THORNTON TWP ROAD & BRIDGE	0169020036	\$36,115	\$35,090.42	001690036
WHEELING TWP ROAD & BRIDGE	0169020037	\$66,706	\$64,814.14	001690037
WORTH TWP ROAD & BRIDGE	0169020038	\$85,572	\$83,144.58	001690038
CRAWFORD COUNTY	0171010017	\$301,060	\$292,520.11	001710017
FLAT ROCK VILLAGE	0172400030	\$399	\$388.01	001720030
HUTSONVILLE VILLAGE	0172400038	\$981	\$952.78	001720038
OBLONG VILLAGE	0172400059	\$3,926	\$3,814.81	001720059
PALESTINE TOWN	0172400063	\$4,566	\$4,436.25	001720063
ROBINSON CITY	0172400072	\$78,347	\$76,125.08	001720072
STOY VILLAGE	0172400082	\$429	\$416.34	001720082
HONEY CREEK TOWNSHIP	0173020037	\$7,398	\$7,188.04	001730037
HUTSONVILLE TOWNSHIP	0173020039	\$54,032	\$52,499.60	001730039
LA MOTTE TOWNSHIP	0173020042	\$8,347	\$8,110.64	001730042
LICKING TOWNSHIP	0173020044	\$1,178	\$1,144.32	001730044
MARTIN TOWNSHIP	0173020048	\$1,351	\$1,313.08	001730048
MONTGOMERY TOWNSHIP	0173020054	\$2,306	\$2,240.60	001730054

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

**WORKING CASH FUND CERTIFICATE**

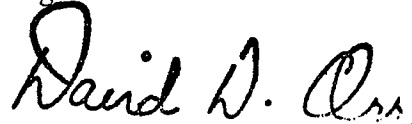
I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois (the "County"), and as such official I do further certify as follows:

1. That pursuant to Section 20-3 of the School Code of the State of Illinois, as amended, a tax for working cash fund purposes for Township High School District Number 215, Cook County, Illinois (the "District"), was extended in the County for the years 2003 to 2005, inclusive, and in the amounts as follows:

YEAR	AMOUNT
2003	\$ 375,060
2004	250,472
2005	298,471

2. That the District is authorized to levy a tax annually for educational purposes at the maximum rate of 3.50% upon all the taxable property of the District at the value, as equalized or assessed by the Department of Revenue of the State of Illinois.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 5<sup>th</sup> day of December, 2006.



County Clerk of The County of Cook,  
Illinois

(SEAL)

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Science and Technology Center at the Community Room, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 28th day of September, 2004.

\* \* \*

The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Kathy Manno, the President, and the following members at said location answered present: Bob Garritano, Suzanne Holba, Marcia Pavich, Henry Schneider, Debbie Waitekus and Karen Walker-Kehl.

The following members were absent: None

The President announced that in view of the current financial condition of the District, the Board of Education would consider the adoption of a resolution declaring its intention to issue working cash fund bonds pursuant to Article 20 of the School Code and directing that notice of such intention be published.

Whereupon Member Bob Garritano presented the following resolution copies of which were made available to all in attendance at said meeting who requested a copy:

RESOLUTION declaring the intention to avail of the provisions of Article 20 of the School Code of the State of Illinois, as amended, and to issue Working Cash Fund Bonds of Township High School District Number 215, Cook County, Illinois, and directing that notice of such intention be published in the manner provided by law.

\* \* \*

WHEREAS, pursuant to the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto (the "*Code*"), a fund to be known as a Working Cash Fund (the "*Fund*") may be created, maintained, administered and operated in and for Township High School District Number 215, Cook County, Illinois (the "*District*"), in the manner prescribed in the Code, for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes; and

WHEREAS, the District has heretofore created, maintained, administered and operated such Fund in the manner prescribed by the Code; and

WHEREAS, under the provisions of the Code, the Board of Education of the District (the "*Board*") is authorized to incur an indebtedness and issue bonds as evidence thereof (the "*Bonds*") for the purpose of increasing the Fund; and

WHEREAS, the Board has determined and does hereby determine that it is advisable, necessary and in the best interests of the District that the Fund be increased and that the District incur an indebtedness and issue Bonds as evidence thereof in an amount not to exceed \$7,000,000 for said purpose; and

WHEREAS, before such Bonds may be issued for said purpose, the Board must adopt a resolution declaring its intention to issue such Bonds for said purpose and direct that notice of such intention be published as provided by law:

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. Declaration of Intent.* The Board hereby declares its intention to avail of the provisions of the Code, and to issue Bonds in an amount not to exceed \$7,000,000 for the purpose of increasing the Fund and enabling the District to have in its treasury at all time sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes.

*Section 3. Notice of Intent.* In accordance with the provisions of Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended, notice of said intention to avail of the provisions of Article 20 of the Code and to issue Bonds for the purpose of increasing the Fund shall be given by publication of such notice at least once in the *Daily Southtown*, the same being a newspaper of general circulation in the District.

*Section 4. Form of Notice.* The notice of intention to issue the Bonds shall be in substantially the following form:

**NOTICE OF INTENTION OF  
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
COOK COUNTY, ILLINOIS  
TO ISSUE NOT TO EXCEED \$7,000,000  
WORKING CASH FUND BONDS**

PUBLIC NOTICE is hereby given that on the 28th day of September, 2004, the Board of Education (the "*Board*") of Township High School District Number 215, Cook County, Illinois (the "*District*"), adopted a resolution declaring its intention and determination to issue bonds in an aggregate principal amount not to exceed \$7,000,000 for the purpose of increasing the Working Cash Fund of the District, and it is the intention of the Board to avail of the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and to issue said bonds for the purpose of increasing said Working Cash Fund. Said Working Cash Fund is to be maintained, administered and operated in accordance with the provisions of said Article and shall be used for the purpose of enabling the District to have in its treasury at all time sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes. Said Working Cash Fund is to be used to provide moneys with which to meet ordinary and necessary disbursements for salaries and other school purposes in anticipation of the collection of taxes lawfully levied for any and all purposes and said Working Cash Fund is to be reimbursed to the extent of funds so advanced when such taxes shall have been collected.

A petition may be filed with the Secretary of the Board (the "*Secretary*") within thirty (30) days after the date of publication of this notice, signed by not less than 3,091 voters of the District, said number of voters being equal to ten per cent (10%) of the registered voters of the District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the voters of the District. If such petition is filed with the Secretary within thirty (30) days after the date of publication of this notice, an election on the

proposition to issue said bonds shall be held on the 22nd day of February, 2005, unless no portion of the District is scheduled to cast votes for nomination for, election to or retention in public office at such election, in which case the election on the proposition to issue said bonds shall be held on the 5th day of April, 2005. The Circuit Court may declare that an emergency referendum should be held prior to either of said election dates pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed within said thirty (30) day period, then the District shall thereafter be authorized to issue said bonds for the purpose hereinabove provided.

By order of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED this 28th day of September, 2004.

Karen Walker-Khel  
Secretary, Board of Education,  
Township High School District Number 215,  
Cook County, Illinois

Kathy Manno  
President, Board of Education,  
Township High School District  
Number 215, Cook County, Illinois

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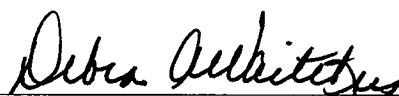
Note to Publisher: Please be certain that this notice appears over the names of the President and Secretary of the Board.

*Section 5. Further Proceedings.* If no petition signed by the requisite number of voters is filed with the Secretary of the Board within thirty (30) days after the date of the publication of such notice of intention to issue the Bonds, the Board shall, by appropriate proceedings to be hereafter taken, fix the details concerning the issue of the Bonds and provide for the levy of a direct annual tax to pay the principal and interest on the same.

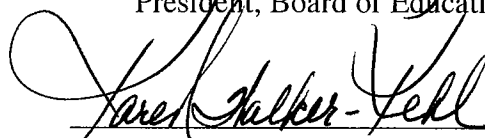
*Section 6. Severability.* If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 7. Repealer and Effective Date.* All resolutions and parts of resolutions in conflict herewith be and the same are hereby repealed and that this Resolution be in full force and effect forthwith upon its adoption.

Adopted September 28, 2004.



\_\_\_\_\_  
President, Board of Education



\_\_\_\_\_  
Secretary, Board of Education



Member Bob Garritano moved and Member Karen Walker-Kehl seconded the motion that said resolution be adopted.

After a full and complete discussion thereof, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.

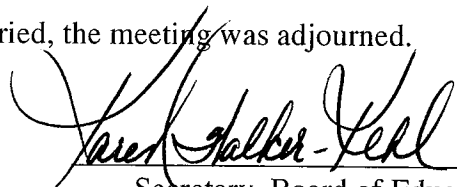
Upon the roll being called, the following members voted AYE: Bob Garritano, Suzanne Holba, Kathy Manno, Marcia Pavich, Henry Schneider, Debbie Waitekus and Karen Walker-Hehl.

The following members voted NAY: None

Whereupon the President declared the motion carried and said resolution adopted, and in open meeting approved and signed said resolution and directed the Secretary to record the same in full 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 said meeting.

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

  
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 that as such official I am the keeper of the records and files of the Board.

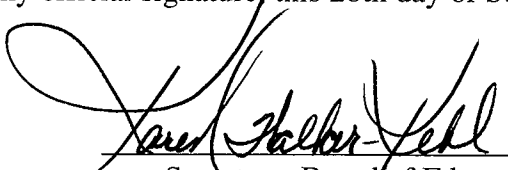
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 28th day of September, 2004, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION declaring the intention to avail of the provisions of Article 20 of the School Code of the State of Illinois, as amended, and to issue Working Cash Fund Bonds of Township High School District Number 215, Cook County, Illinois, and directing that notice of such intention be published in the manner provided by law.

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 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 96 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, 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 the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 28th day of September, 2004.

  
\_\_\_\_\_  
Secretary, Board of Education

Meeting Location: Center Community Room

**AGENDA:**  
**DISTRICT 215 BOARD OF EDUCATION**  
September 28, 2004 - 7:00 p.m.

- 
- |   |
|---|
| Building & Grounds Committee of the Whole: 6:00 p.m.<br>Budget Hearing: 6:30 p.m. |
|---|
- I. Call to Order - Pledge to Flag
  - II. Roll Call
  - III. Communications
    - A. Board
      - 1. Correspondence
      - 2. Information Sharing
        - a. Construction Update
        - b. Financial Task Force Update
        - c. NCLB Resolution : Choice Inquiries
    - B. Community Public Comments
    - C. Staff Updates
      - 1. Principal Updates
      - 2. District Updates
        - a. PSAE Results - Spring 2004 Exhibit 1
        - b. Cooperative Update Enclosure
        - c. Technology Update
        - D. Enrollment Projections Exhibit 2
        - E. Public Act 93-857, PSAE Exhibit 3
      - 3. Curriculum Updates
        - a. 2nd semester grade reports, 2003-2004 Exhibit 4
        - b. Summer Curriculum Projects
  - V. Future Meetings
    - A. October 17, 2004 - Dedication Ceremony -5:00 p.m.
    - A. October 26, 2004 - Community / Board Room
  - VI. Approval of Minutes
    - A. Regular Meeting: 8/24/04
  - VII. Old Business
    - A. 2004-2005 Budget Adoption Exhibit 5
  - VIII. New Business
    - A. Annual Application for Recognition Exhibit 6
    - B. Facility Name Change
    - C. Sci-Tech. Center Donation Exhibit 7
    - D. 2004-2005 Curriculum Calendar Exhibit 8
    - E. Delete Policy #4035 - Old Gift Ban Act
    - F. Resolution: Working Cash Bond Authority Exhibit 9
    - G. Resolution: Alternate Revenue Bond Authority Exhibit 10
    - H. Revise Policy #4220 - Volunteers Exhibit 11
    - I. Expulsions: Student #770083 and #780670 Enclosures
  - IX. Closed Session for Employment of Personnel and Pending litigation
  - X. Superintendent's Report
    - A. Financial Report Exhibit 12
    - B. Personnel Report Exhibit 13

CERTIFICATE OF PUBLICATION

MIDWEST SUBURBAN PUBLISHERS, INC.

The undersigned corporation does hereby certify that it is the publisher of the DAILY SOUTHTOWN that said DAILY SOUTHTOWN is a secular newspaper that has been published daily in the County of Cook and Will and State of Illinois, continuously for more than one year prior to the first publication of the notice appended, and is of general circulation throughout the said Counties and State and that -it is a newspaper as defined in "An Act to Revise The Law in Relation to Notices". As amended by an Act approved July 17, 1959 - Illinois Compiled Statutes, Chapter 715 (ILCS 5/0.01 et seq.)

That the notice appended was published in the DAILY SOUTHTOWN, INC., on

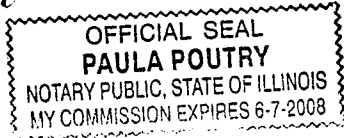
10/1/4

IN WITNESS WHEREOF, The DAILY SOUTHTOWN, INC., has caused this certificate to be signed and its corporate seal affixed hereto at Tinley Park, Illinois, this 10/5/4

By: [Signature]  
Authorized Agent

Counties of Cook & Will  
State of Illinois  
Subscribed and sworn en route  
before me this  
10/5/4

[Signature]  
Notary Public



**NOTICE OF INTENTION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215 COOK COUNTY, ILLINOIS TO ISSUE NOT TO EXCEED \$7,000,000 WORKING CASH FUND BONDS**

PUBLIC NOTICE is hereby given that on the 28th day of September, 2004, the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), adopted a resolution declaring its intention and determination to issue bonds in an aggregate principal amount not to exceed \$7,000,000 for the purpose of increasing the Working Cash Fund of the District, and it is the intention of the Board to avail of the provisions of Article 20 of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and to issue said bonds for the purpose of increasing said Working Cash Fund. Said Working Cash Fund is to be maintained, administered and operated in accordance with the provisions of said Article and shall be used for the purpose of enabling the District to have in its treasury at all times sufficient money to meet demands thereon for ordinary and necessary expenditures for corporate purposes. Said Working Cash Fund is to be used to provide moneys with which to meet ordinary and necessary disbursements for salaries and other school purposes in anticipation of the collection of taxes lawfully levied for any and all purposes and said Working Cash Fund is to be reimbursed to the extent of funds so advanced when such taxes shall have been collected.

A petition may be filed with the Secretary of the Board (the "Secretary") within thirty (30) days after the date of publication of this notice, signed by not less than 3,091 voters of the District, said number of voters being equal to ten per cent (10%) of the registered voters of the District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the voters of the District. If such petition is filed with the Secretary within thirty (30) days after the date of publication of this notice, an election on the proposition to issue said bonds shall be held on the 22nd day of February, 2005, unless no portion of the District is scheduled to cast votes for nomination for, election to or retention in public office at such election, in which case the election on the proposition to issue said bonds shall be held on the 5th day of April, 2005. The Circuit Court may declare that an emergency referendum should be held prior to either of said election dates pursuant to the provisions of Section 2A-1.4 of the Election Code of the State of Illinois, as amended. If no such petition is filed within said thirty (30) day period, then the District shall thereafter be authorized to issue said bonds for the purpose hereinabove provided.

By order of the Board of Education of Township High School District Number 215, Cook County, Illinois.  
DATED this 28th day of September, 2004

Karen Walker-Kahl  
Secretary, Board of Education,  
Township High School District number 215,  
Cook County, Illinois

Kathy Manno  
President, Board of Education,  
Township High School District  
Number 215, Cook County, Illinois

ORDER calling a public hearing concerning the intent of the Board of Education of Township High School District Number 215, Cook County, Illinois, to sell \$4,000,000 Working Cash Fund Bonds.

\* \* \*

WHEREAS, Township High School District Number 215, Cook County, Illinois (the "*District*"), is a duly organized and existing school district created under the provisions of the laws of the State of Illinois, and is now operating under the provisions of the School Code of the State of Illinois, and all laws amendatory thereof and supplementary thereto, including the Local Government Debt Reform Act of the State of Illinois, as amended; and

WHEREAS, the Board of Education of the District (the "*Board*") intends to sell bonds in the amount of \$4,000,000 for the purpose of increasing the working cash fund of the District (the "*Bonds*"); and

WHEREAS, the Bond Issue Notification Act of the State of Illinois, as amended, requires the Board to hold a public hearing concerning the Board's intent to sell the Bonds before adopting a resolution providing for the sale of the Bonds:

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

1. I hereby call a public hearing to be held at 7:00 o'clock P.M. on the 23rd day of May, 2006, in the Board Room in the Administration Building, 1601 Wentworth Avenue, Calumet City, Illinois, in the District, concerning the Board's intent to sell the Bonds and to receive public comments regarding the proposal to sell the Bonds (the "*Hearing*").

2. I hereby direct that the Secretary of the Board (the "*Secretary*") shall (i) publish notice of the Hearing at least once in the *Daily Southtown*, the same being a newspaper of general circulation in the District, not less than 7 nor more than 30 days before the date of the Hearing and (ii) post at least 48 hours before the Hearing a copy of said notice at the principal office of the Board.

3. Notice of the Hearing shall appear above the name of the Secretary and shall be in substantially the following form:

**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF  
THE BOARD OF EDUCATION OF  
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS  
TO SELL \$4,000,000 WORKING CASH FUND BONDS**

PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 215, Cook County, Illinois (the "*District*"), will hold a public hearing on the 23rd day of May, 2006, at 7:00 o'clock P.M. The hearing will be held in the Board Room in the Administration Building, 1601 Wentworth Avenue, Calumet City, Illinois. The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the District in the amount of \$4,000,000 for the purpose of increasing the working cash fund of the District.

By order of the President of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED the 25th day of April, 2006.


Karen Walker-Kehl  
Secretary, Board of Education, Township  
High School District Number 215,  
Cook County, Illinois

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Note to Publisher: Please be certain that this notice appears above the name of the Secretary of the Board.

4. At the Hearing, the Board shall explain the reasons for the proposed bond issue and permit persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits. The Board shall not adopt a resolution selling the Bonds for a period of seven (7) days after the final adjournment of the Hearing.

Ordered this 25th day of April, 2006.

  
\_\_\_\_\_  
President, Board of Education,  
Township High School District  
Number 215, Cook County, Illinois



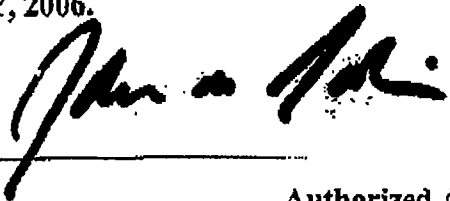
**CERTIFICATE OF PUBLICATION**  
**MIDWEST SUBURBAN PUBLISHERS, INC.**

The undersigned corporation does hereby certify that it is the publisher of the **DAILY SOUTHTOWN** that said **DAILY SOUTHTOWN** is a secular newspaper that has been published daily in the County of Cook and Will and State of Illinois, continuously for more than one year prior to the first publication of the notice appended, and is of general circulation throughout the said Counties and State and that -it is a newspaper as defined in "An Act to Revise The Law in Relation to Notices". As amended by an Act approved July 17, 1959 - Illinois Compiled Statutes, Chapter 715 (ILCS 5/0.01 *et seq.*)


That the notice appended was published in the **DAILY SOUTHTOWN, INC.**, on

**MAY 12, 2006**

IN WITNESS WHEREOF, The **DAILY SOUTHTOWN, INC.**, has caused this certificate to be signed and its corporate seal affixed hereto at Tinley Park, Illinois, this 12<sup>TH</sup> DAY OF MAY, 2006.

By:   
Authorized Agent

Counties of Cook & Will  
State of Illinois  
Subscribed and sworn en route  
before me this 12<sup>TH</sup>  
Day of MAY, 2006.

  
Notary Public



**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF THE BOARD OF EDUCATION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS TO SELL \$4,000,000 WORKING CASH FUND BONDS**

**PUBLIC NOTICE IS HEREBY GIVEN** that Township High School District Number 215, Cook County, Illinois (the "District"), will hold a public hearing on the 22nd day of May, 2006, at 7:00 A.M. The hearing will be held in the Board Room in the Administration Building, 1801 Wentworth Avenue, Calumet City, Illinois. The purpose of the hearing will be to receive public comments on the proposal to sell bonds of the District in the amount of \$4,000,000 for the purpose of increasing the working cash fund of the District. By order of the President of the Board of Education of Township High School District Number 215, Cook County, Illinois.  
**DATED** the 28th day of April, 2006.  
Karen Walker-Kehl  
Secretary, Board of Education, Township High School District Number 215, Cook County, Illinois

000024002.01

**MINUTES: BOND HEARING  
T.F. CENTER FOR ACADEMICS & TECHNOLOGY**

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL  
DISTRICT 215  
MAY 23, 2006**

President Debra Waitekus called the special meeting to order at the T.F. Center for Academics & Technology in Calumet City, Illinois at 7:00 p.m.

**CALL TO ORDER**

**Roll Call:**

Present: Manno, Maricich, Owen, Waitekus


Absent: Pavich, Schneider, Walker-Kehl


President Waitekus stated that the purpose of this special meeting is to conduct a public hearing regarding the proposed sale of \$4,000,000 in Working Cash Bonds. The purpose of the bond proceeds is to finance new roofs at T.F. North and T.F. South High School and a new boiler system at T.F. North High School. The resolution for the bond sale will be presented at the June 27, 2006 regular Board of Education meeting. President Waitekus called for questions or input on the bond sale.

**BOND HEARING**

Hearing no comments or questions, the hearing was adjourned at 7:05 p.m.

**ADJOURN**

  
\_\_\_\_\_  
Debra Waitekus, President

  
\_\_\_\_\_  
Julie Venem, Recording Secretary

Building & Grounds Committee  
6:30 p.m.

**BOARD OF EDUCATION AGENDA**  
**Thornton Fractional Township H.S. District 215**  
**Center for Academics & Technology**  
**Regular Meeting - May 23, 2006 - 7:00 p.m.**

I. **Call to Order - Roll Call**

X II. **Hearing for Bond Sale**

III. **Adjourn Hearing**

IV. **Call Regular Meeting to Order - Pledge of Allegiance**

V. **Roll Call**

VI. **Communications**

A. **Board**

- 1. **Correspondence**
- 2. **Information Sharing**
  - a. **Excellence Counts**

B. **Community Public Comment**

C. **Staff Updates**

- 1. **Principal Updates**
  - a. **Student Recognition**
  - b. **Summer School Update**

2. **IT Updates**

3. **District Updates**

D. **Committee Reports**

1. **Curriculum**

2. **Finance**

3. **Building & Grounds**

a. **Construction Update**

4. **Title IX**

~~COCA~~ Refreshments ~~COCA~~

VII. **Future Meetings**

A. **Regular Meeting - June 27, 2006**

B. **Special Meeting - June 9, 2006**

C. **T.F. South Graduation - June 1, 2006**

D. **I.F. North Graduation - June 2, 2006**

**Exhibit 1**

- VIII. Approval of Minutes
  - A. Regular Meeting: 4/23/06
  - B. Special Meeting : 5/9/06

- IX. Old Business

- X. New Business
  - A. Reviso Policy 5133 - Defibrillators - Waive 2<sup>nd</sup> reading
  - B. Adopted Policy 6117 - Student Wellness - 1<sup>st</sup> Reading
  - C. Athletic Trainer Contract
  - D. Senior Exit Survey

- XI. Closed Session:
  - A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees
  - B. Negotiations
  - C. Pending Litigation

- XII. Superintendent's Report
  - A. Financial Report
  - B. Personnel Report
  - C. Student Expulsion - #209077

- XIII. Other Matters
  - A. Payroll Report
  - B. Staff Listing
  - C. In / Out of School Suspension Reports
  - D. Monthly Enrollment Reports
  - E. Special Education Numbers

- XIV. Adjourn

Exhibit 2  
Exhibit 3  
Exhibit 4

Exhibit 5  
Exhibit 6

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Board Room of the Administration Building at 1601 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 27th day of June, 2006.

\* \* \*

The President called the meeting to order and directed the Secretary to call the roll.

Upon the roll being called, Debbie Waitekus, the President, and the following members at said location answered present: Natalie Owen, Kathy Manno, Marcia Pavich, Hank Schneider, Charles Maricich

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The following members were absent: Karen Walker-Kehl

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The President announced that the next item for discussion would be the proposed issuance of the District's general obligation limited tax working cash fund bonds to be issued by the District pursuant to Article 20 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 to pay the principal and interest thereon.

Whereupon Member Waitekus presented and the Secretary read by title a resolution as follows, a copy of which was provided to each member of the Board of Education prior to said meeting and to everyone in attendance at said meeting who requested a copy:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

\* \* \*

WHEREAS, pursuant to the provisions of Article 20 of the School Code of the State of Illinois (the "*Act*"), and all laws amendatory thereof and supplementary thereto, Township High School District Number 215, Cook County, Illinois (the "*District*"), is authorized to create, establish, maintain and operate a Working Cash Fund in and for the District; and

WHEREAS, pursuant to authority of the provisions of said Article 20 the Board of Education of the District (the "*Board*") adopted a resolution declaring its intention to avail of the provisions of said Article and issue bonds of the District in the aggregate amount of \$7,000,000 for working cash fund purposes as in and by said Article 20 provided; and

WHEREAS, pursuant to and in accordance with the Act and the provisions of Section 5 of the Local Government Debt Reform Act of the State of Illinois, as amended, notice of intention to issue said bonds pursuant to the provisions of said Article 20 was published in the *Daily Southtown*, the same being a newspaper of general circulation in the District, and an affidavit evidencing the publication of such notice of intention, together with a newspaper clipping of such notice as published attached thereto, have heretofore been presented to the Board and made a part of the permanent records of the Board; and

WHEREAS, more than thirty (30) days have expired since the date of the publishing of such notice of intention to issue said bonds, and no petition with the requisite number of valid signatures thereon has been filed with the Secretary of the Board requesting that the proposition to issue said bonds as authorized by the provisions of said Article 20 be submitted to the legal voters of the District; and

WHEREAS, pursuant to and in accordance with the provisions of the Bond Issue Notification Act of the State of Illinois, as amended, the President of the Board, on the 25th day of April, 2006, executed an Order calling a public hearing (the "*Hearing*") for the 23rd day of May, 2006, concerning the intent of the Board to sell said bonds; and

WHEREAS, notice of the Hearing was given (i) by publication at least once not less than seven (7) nor more than thirty (30) days before the date of the Hearing in the *Daily Southtown*, the same being a newspaper of general circulation in the District, and (ii) by posting at least 48 hours before the Hearing a copy of said notice at the principal office of the Board; and

WHEREAS, the Hearing was held on the 23rd day of May, 2006, and at the Hearing the Board explained the reasons for the proposed bond issue and permitted persons desiring to be heard an opportunity to present written or oral testimony within reasonable time limits; and

WHEREAS, the Hearing was finally adjourned on the 23rd day of May, 2006; and

WHEREAS, the Board is now authorized to issue bonds to the amount of \$7,000,000 as authorized by the provisions of said Article 20 for working cash fund purposes and to levy taxes to pay principal of and interest on such bonds; and

WHEREAS, it is in the best interests of the District to issue not to exceed \$4,000,000 of the bonds so authorized at this time; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and as such it is not necessary to submit the proposition of the issuance of the bonds to the voters of the District for approval:

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 working cash fund of the District be increased and the Board has been authorized by law to borrow a sum not to exceed \$4,000,000 upon the credit of the District and as evidence of such indebtedness to issue bonds of the District in said amount, the proceeds of said bonds to be used for working cash fund purposes.

*Section 3. Bond Details.* There be borrowed on the credit of and for and on behalf of the District a sum not to exceed \$4,000,000 for the purpose aforesaid; and that bonds of the District (the "*Bonds*"), if issued, shall be issued to said amount and shall be designated "Limited Tax School Bonds, Series 2006." The Bonds shall be dated such date (not prior to July 1, 2006, and not later than January 1, 2007) as set forth in the Bond Notification (as hereinafter defined), and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The Bonds shall become due and payable serially or be subject to mandatory redemption (subject to prior redemption as hereinafter described) on December 1 of each of the years (not later than 2019), in the amounts (not exceeding \$700,000 per year) and bearing interest at the rates per annum (not exceeding 6.50% per annum) as set forth in the Bond Notification. 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 semi-annually commencing with the first interest payment date as set forth in the Bond Notification, and on June 1 and December 1 of each year thereafter to maturity.

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 manual or duly authorized facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or duly authorized facsimile signature of 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 at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for

redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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. (a) Optional Redemption.* The Bonds due on and after the date, if any, specified in the Bond Notification (but not earlier than December 1, 2017) shall be subject to redemption prior to maturity at the option of the District from any available funds, as a whole or in part, and if 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 the date specified in the Bond Notification (but not earlier than December 1, 2016), and on any date thereafter, at the redemption prices plus accrued interest to the date fixed for redemption, if applicable, as set forth in the Bond Notification.

*(b) Mandatory Redemption.* The Bonds maturing on the date or dates, if any, indicated in the Bond Notification are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date for the Bonds, on December 1 of the years, if any, and in the principal amounts, if any, as indicated in the Bond Notification.

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

*(c) General.* 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

LIMITED TAX SCHOOL BOND, SERIES 2006

See Reverse Side for  
Additional Provisions

Interest                      Maturity                      Dated  
Rate: \_\_\_\_\_%      Date: December 1, 20\_\_\_\_      Date: \_\_\_\_\_, 2006      CUSIP 215651 \_\_\_\_

Registered Owner:      CEDE & CO.

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, 2007, 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.

[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 to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District (the "*Base*"), as more fully described in the proceedings of the District providing for the issue of this Bond. The District is authorized to issue from time to time additional limited bonds payable

from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds.

[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 manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

\_\_\_\_\_  
President, Board of Education

\_\_\_\_\_  
Secretary, Board of Education

Registered, Numbered and Countersigned:

\_\_\_\_\_  
School Treasurer

Date of Authentication: \_\_\_\_\_, 20\_\_

CERTIFICATE  
OF  
AUTHENTICATION

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

This Bond is one of the Bonds described in the within mentioned resolution and is one of the Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois.

LASALLE BANK NATIONAL ASSOCIATION,  
as Bond Registrar

By \_\_\_\_\_  
Authorized Officer

[Form of Bond - Reverse Side]

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**

**COOK COUNTY, ILLINOIS**

**LIMITED TAX SCHOOL BOND, SERIES 2006**

[6] This Bond is one of a series of bonds issued by the District for working cash fund purposes, 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 the Board of Education of the District by resolutions duly and properly adopted for that purpose, in all respects as provided by law.

[7] [Optional and Mandatory Redemption provisions, as applicable, will be inserted here].

[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 at the opening of business on such interest payment date, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

[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 President of the Board and the Superintendent of the District (the "*Designated Representatives*") are hereby authorized to proceed not later than the 27th day of December, 2006, without any further authorization or direction from the Board, to sell and deliver the Bonds upon the terms as prescribed in this Resolution. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the delivery of the Bond Notification as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and, after authentication thereof by the Bond Registrar, be by said Treasurer delivered to Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, the purchaser thereof (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 96% of the principal amount of the Bonds, excluding original issue discount, plus accrued interest to date of delivery.

Upon the sale of the Bonds, the Designated Representatives shall prepare a Notification of Sale of the Bonds, which shall include the pertinent details of sale as provided herein (the "*Bond Notification*"). In the Bond Notification, the Designated Representatives shall find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law. The Bond Notification shall be entered into the records of the District and made available to the Board at the next regular meeting thereof; but such action shall be for information purposes only, and the Board shall have no right or authority at such time to approve or reject such sale as evidenced in the Bond Notification.

Upon the sale of the Bonds, as evidenced by the execution and delivery of the Bond Notification by the Designated Representatives, the President and Secretary of the Board and the



School Treasurer who receives the taxes of the District and any other officers of the District, as shall be appropriate, shall be and are hereby authorized and directed to approve or execute, or both, such documents of sale of the Bonds as may be necessary, including, without limitation, the contract for the sale of the Bonds between the District and the Purchaser (the "*Purchase Contract*"). Prior to the execution and delivery of the Purchase Contract, the Designated Representatives shall find and determine that no person holding any office of the District either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract.

The Bonds before being issued shall be registered, numbered and countersigned by the School Treasurer who receives the taxes of the District, such registration being made in a book provided for that purpose, in which shall be entered the record of the resolution 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 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, 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 TO PRODUCE THE SUM OF:	
2006	\$712,630	for interest and principal up to and including December 1, 2007
2007	\$712,630	for interest and principal
2008	\$712,630	for interest and principal
2009	\$712,630	for interest and principal
2010	\$712,630	for interest and principal
2011	\$712,630	for interest and principal
2012	\$712,630	for interest and principal
2013	\$712,630	for interest and principal
2014	\$712,630	for interest and principal
2015	\$712,630	for interest and principal
2016	\$712,630	for interest and principal
2017	\$712,630	for interest and principal
2018	\$712,630	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.

To the extent that the taxes levied above exceed the amount necessary to pay debt service on the Bonds as set forth in the Bond Notification, the President and Secretary of the Board and

the School Treasurer who receives the taxes of the District are hereby authorized to direct the abatement of such taxes to the extent of the excess of such levy in each year over the amount necessary to pay debt service on the Bonds in the following bond year. Proper notice of such abatement shall be filed with the County Clerk of the County of Cook, Illinois (the "*County Clerk*"), in a timely manner to effect such abatement.

*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 2006 to 2018, 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 the special fund to be designated "School Bond and Interest Fund of 2006" (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. Interest earnings on the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

*Section 11. Limitation on Extension; General Obligation Pledge; Additional Obligations.* Notwithstanding any other provision of this Resolution, the annual amount of the taxes to be extended by the County Clerk to pay the Bonds and all other limited bonds (as defined in the Debt Reform Act) hereafter issued by the District shall not exceed the debt service

extension base (as defined in the Property Tax Extension Limitation Law of the State of Illinois, as amended) of the District (the "*Base*").

No limit, however, exists on the rate of the direct annual tax levied herein, and the Bonds shall constitute a general obligation of the District.

The District is authorized to issue from time to time additional limited bonds payable from the Base and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds. The District covenants not to (i) issue any other limited bonds that are senior to the lien on the Base securing the Bonds or (ii) issue limited bonds that are payable from amounts in excess of the Base.

*Section 12. Use of Bond Proceeds.* All moneys derived from the issuance of the Bonds hereby authorized shall be used only for the purpose and in the manner provided by the Act. Accrued interest received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds and any premium received on the delivery of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for working cash fund purposes, and that portion thereof not needed to pay such costs shall be set aside in a separate fund known and designated as the "Working Cash Fund of Township High School District Number 215, Cook County, Illinois," which said fund shall be held apart, maintained and administered as provided in Article 20 of the Act at least until all the Bonds have been retired, and shall not be used for any other purpose whatsoever, it being the present intention and reasonable expectation of the Board that all of said proceeds of the Bonds will be used to (i) construct roof repairs at the Thornton Fractional North and South High School Buildings, (ii) construct improvements to the boiler system at the Thornton Fractional North High School Building, and (iii) construct capital building improvements to the existing school buildings of the

District (the “*Project*”) after transfer of funds to the appropriate operating fund of the District in accordance with the applicable provisions of the Act.

*Section 13. 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 hereinafter defined 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:

“*Affiliated Person*” means any Person that (a) at any time during the six months prior to the execution and delivery of the Bonds, (i) has more than five percent of the voting power of the governing body of the District in the aggregate vested in its directors,

officers, owners, and employees or, (ii) has more than five percent of the voting power of its governing body in the aggregate vested in directors, officers, board members or employees of the District or (b) during the one-year period beginning six months prior to the execution and delivery of the Bonds, (i) the composition of the governing body of which is modified or established to reflect (directly or indirectly) representation of the interests of the District (or for which an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period) or (ii) the composition of the governing body of the District is modified or established to reflect (directly or indirectly) representation of the interests of such Person (or for which an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Bond Counsel*” means Chapman and Cutler LLP 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.

*“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.

*“Controlling Entity”* means any entity or one of a group of entities directly or indirectly having Control of any entities or group of 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 5.6 hereof.

*“Credit Facility”* means the municipal bond insurance policy issued by the Credit Facility Provider.

*“Credit Facility Provider”* means the insurance company, if any, insuring the payment of all or a portion of the principal of and interest on 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.

*"Project Fund"* means that portion of the fund or funds of the District from which the costs of the Project are being paid.

*"Qualified Administrative Costs of Investments"* means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions 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 during the period ending on the date of completion of the Project, 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.

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 July 11, 2009, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

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. 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.

2.3. *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 the Credit Facility; and

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

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.

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.

The District also acknowledges that if it acquires a hedging contract with an investment element (including *e.g.* an off-market swap agreement, or any cap agreement for which all or a portion of the premium is paid at, or before the effective date of the cap agreement), then a portion of such hedging contract may be treated as an investment of Gross Proceeds of the Bonds, and be subject to the fair market purchase price rules, rebate and yield restriction. The District agrees not to use proceeds of the Bonds to pay for any such hedging contract in whole or in part. The District also agrees that it will not give any assurances to any Bond holder, the Credit Facility Provider, or any other credit or liquidity enhancer with respect to the Bonds that any such hedging contract will be entered into or maintained. The District recognizes that if a portion of a hedging contract is determined to be an investment of gross proceeds, such portion may not be fairly priced even if the hedging contract as a whole is fairly priced.

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. To the best of the knowledge of the District, no such obligations of the District are currently under examination by the Internal Revenue Service.

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 pay for goods or services to be received over a period of years prior to the date such goods or services are to be received, except for any payment to a Credit Facility Provider. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from an Affiliated Person.

(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 at the time of Closing.

(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 or 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 20 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. In making investments of Gross Proceeds or of amounts in the Rebate Fund 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 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 2006, 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 (i) "private activity bonds" (as defined in Section 141 of the Code) or (ii) obligations issued to refund another obligation if it is issued not more than 90 days before the redemption of the refunded obligation to the extent the amount of the refunding obligation does not exceed the outstanding amount of the refunded obligation, (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 \$10,000,000. 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 2006. 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 2006. 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.* Except as provided in paragraph (a) or (b), 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:

(a)(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;

(b)(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(a) 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(a)(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 hereof because paragraph 5.2(a) hereof is not applicable and amounts not subject to yield restriction only because they are described in paragraph 5.2(b) 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.

*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 2006, 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 2006 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 2006 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 2006 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, if any, 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 paragraphs 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

*7.2. Separate Issue.* 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 tax-exempt 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 of sale of the Bonds any tax-exempt 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. Record Retention.* The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation and to show that all tax-exempt Bond related returns submitted to the Internal Revenue Service are correct. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this

Resolution and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private sources (*i.e.*, copies of management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final redemption date of the Bonds or the final redemption date of any obligations or series of obligations issued to refund all or a portion of the Bonds.

*7.10. 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. Unless the District otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 CFR Part 10.

*7.11. 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.

*7.12. 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 14. 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 15. 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 16. 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.

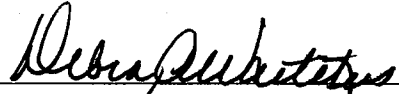
*Section 17. Municipal Bond Insurance.* In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy shall be in full force and effect, the District and the Bond Registrar agree to comply with such usual and reasonable provisions regarding presentment and payment of the Bonds, subrogation of the rights of the Bondholders to the Bond Insurer upon

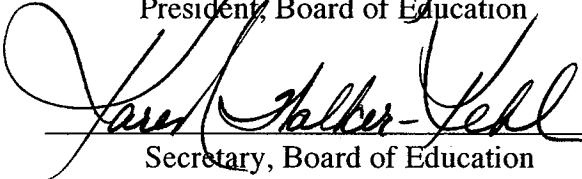
payment of the Bonds by the Bond Insurer, amendment hereof, or other terms, as approved by the President of the Board on advice of counsel, his or her approval to constitute full and complete acceptance by the District of such terms and provisions under authority of this Section.

*Section 18. 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, clause or provision shall not affect any of the remaining provisions of this Resolution.

*Section 19. 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 June 27, 2006.

  
\_\_\_\_\_  
President, Board of Education

  
\_\_\_\_\_  
Secretary, Board of Education

Member Owen moved and Member Maricich

seconded the motion that said resolution as presented and read by title be adopted.

After a full and complete discussion of said resolution, the President directed the Secretary to call the roll for a vote upon the motion to adopt said resolution.

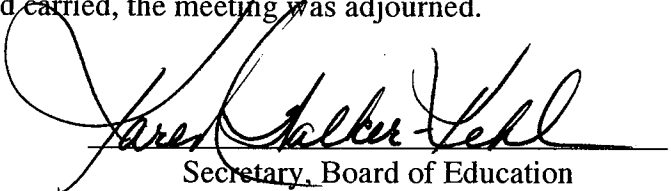
Upon the roll being called, the following members voted AYE: Owen, Maricich, Pavich, Schneider, Manno

The following members voted NAY: Waitekus

Whereupon the President declared the motion carried and said resolution duly adopted, in open meeting approved and signed said resolution and directed the Secretary to record the same in full 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.

  
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.

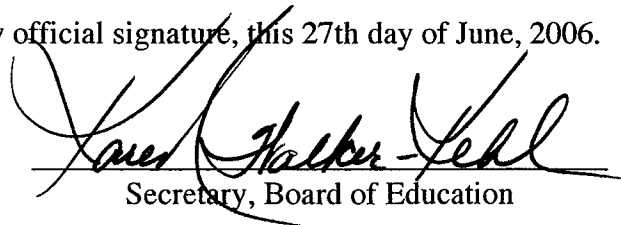
I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 27th day of June, 2006, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax 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 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 96 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, 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, the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, as amended, that the Board has complied with all of the provisions of said Acts and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of June, 2006.

  
Secretary, Board of Education

Closed Session - Negotiations  
6:30 p.m.

BOARD OF EDUCATION AGENDA  
Thornton Fractional Township H.S. District 215  
Center for Academics & Technology  
Regular Meeting – June 27, 2006 – 7:00 p.m.

- I. Call to Order – Roll Call
- II. Pledge of Allegiance
- III. Communications
  - A. Board
    - 1. Correspondence
      - a. Freedom of Information Request – Food Bids – Fox River Foods
    - 2. Information Sharing
  - B. Community Public Comment
  - C. Staff Updates
    - 1. Principal Update
      - a. Summer School Update
      - b. Rebel Rouser Article - TFS
      - c. Thorntonian Article - TFN
    - 2. IT Update
    - 3. Special Education Update
    - 4. District Updates
      - a. English Curriculum – Writing Requirements
  - D. Committee Reports
    - 1. Curriculum
      - a. Summer Curriculum Projects
      - b. 2006-2007 Grant Allocation
    - 2. Finance
    - 3. Building & Grounds
      - a. Construction Update
    - 4. Title IX
- IV. Future Meetings
  - A. Regular Meeting – July 25, 2006
  - B. Special Meeting – July , 2006 ( to be announced)
- V. Approval of Minutes as Consent Agenda
  - A. Regular Meeting: 5/23/06
  - B. Special Meeting : 6/9/06
  - C. Bi-Annual Review of Closed Session Minutes and Tapes (18 months or older)
- VI. Old Business
  - A. Policy 6117 – Student Wellness - 2<sup>nd</sup> Reading
  - B. Bond Sale Resolution

Enclosure

Enclosure

Exhibit 1  
Exhibit 2

VII. New Business

- A. Transportation Contract
- B. Approval of New Clubs at TF North: Powerlifting and History
- C. 2006-07 Budget Adoption Calendar
- D. Ethic Committee Appointment
- E. 2006-2007 IASB Membership Dues
- F. Policy 4025 : Controlled Substance Policy Revision – Waive 2<sup>nd</sup> Reading
- G. Prevailing Wage Act
- H. Roof Bid – TF South – (document distributed after opening)
- I. Summer Band Camps – TF North
- J. 2006-07 Activity Handbook – Waive 2nd Reading
- K. 2006-07 Athletic Handbook – Waive 2<sup>nd</sup> Reading
- L. 2006-2007 IASB Fall Conference Attendance : November 17-19,2006

**Exhibit 3**  
**Exhibit 4**  
**Exhibit 5**  
**Exhibit 6**  
**Exhibit 7**  
**Exhibit 8**  
**Exhibit 9**  
**Pending**  
**Exhibit 10**  
**Enclosure**  
**Enclosure**

VIII. Closed Session:

- A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees
- B. Negotiations
- C. Pending Litigation

IX. Superintendent's Report

- A. Financial Report
- B. Personnel Report – Approved as a Consent Agenda
- C. Student Expulsion - #109267, # 109269, # 770193

**Exhibit 12**  
**Exhibit 13**  
**Enclosure**

X. Other Matters

- A. Payroll Report
- B. Staff Listing
- C. In / Out of School Suspension Reports
- D. Monthly Enrollment Reports
- E. Special Education Numbers

XI. Adjourn

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK        )

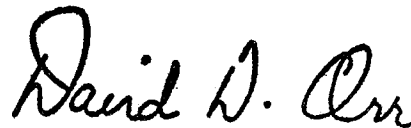
**FILING CERTIFICATE**

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 27<sup>th</sup> day of December, 2006, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax 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 27th day of June, 2006, 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 27<sup>th</sup> day of December, 2006.



---

County Clerk of The County of Cook,  
Illinois

(SEAL)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

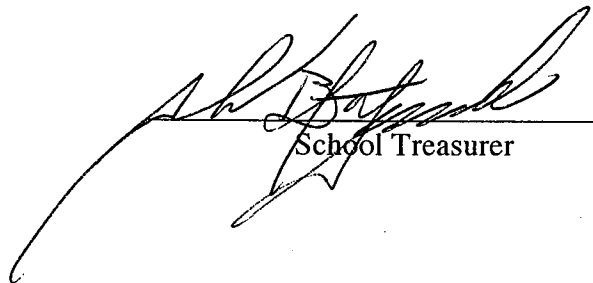
**FILING CERTIFICATE**

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 27th day of June, 2006, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Education of said School District on the 27th day of June, 2006, 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 27th day of June, 2006.

  
\_\_\_\_\_  
School Treasurer



## PRELIMINARY 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 LLP, Chicago, Illinois, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "LEGAL MATTERS" 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.*

**\$4,000,000\***  
**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**COOK COUNTY, ILLINOIS**  
**(Thornton Fractional)**  
**Limited Tax School Bonds, Series 2006**

DATED: December 1, 2006

DUE: December 1, As Shown Below

The Limited Tax School Bonds, Series 2006 (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 integral thereof. Purchasers of the Bonds will not receive physical delivery of bond 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 (first payable on June 1, 2007 and thereafter semiannually on each December 1 and June 1) 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.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.

The scheduled payment of principal 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.



The Bonds are not subject to optional redemption prior to maturity. See "Redemption Provisions" herein.

### MATURITY SCHEDULE\*

<u>December 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>	<u>December 1</u>	<u>Amount*</u>	<u>Rate</u>	<u>Yield</u>
2007	\$ 445,000			2011	\$ 630,000		
2008	545,000			2012	660,000		
2009	570,000			2013	550,000		
2010	600,000						

(Plus accrued interest from December 1, 2006)

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 LLP, Chicago, Illinois, Bond Counsel. The Bonds will be awarded on November 16, 2006 and are expected to be delivered on or about December 7, 2006.



The date of this Preliminary Official Statement is November 9, 2006.

\*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 Preliminary 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 Preliminary 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 Preliminary Official Statement. The information and opinions expressed herein are subject to change without notice, and the delivery of this Preliminary 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 Preliminary Official Statement.

This Preliminary 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 Preliminary 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 Preliminary Official Statement.

The information in this Preliminary 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.

This Preliminary 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).

Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "Bond Insurance" and Exhibit 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.

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**Cook County, Illinois**  
**(Thornton Fractional)**

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

**ADMINISTRATION**

<u>Name</u>	<u>Position</u>
Dr. Robert K. Wilhite	Superintendent
Dr. Timothy B. Kilrea	Assistant Superintendent
Joseph B. Daley	Director of Business Services
Thomas P. Stefaniak	Township Treasurer

**BOARD OF EDUCATION**

Debbie Waitekus	President
Marcia Pavich	Vice President
Karen Walker-Kehl	Secretary
Charles Maricich	Board Member
Kathleen Manno	Board Member
Henry Schneider	Board Member
Natalie Owen	Board Member

***Paying Agent/Registrar***  
LaSalle Bank National Association  
Chicago, Illinois

***Independent Auditors***  
John Kasperek Co., Inc.  
Calumet City, Illinois

***Bond Counsel***  
Chapman and Cutler LLP  
Chicago, Illinois

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

## **PRELIMINARY OFFICIAL STATEMENT SUMMARY**

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

<b>Issuer:</b>	Thornton Fractional Township High School District Number 215, Cook County, Illinois
<b>Issue:</b>	\$4,000,000* Limited Tax School Bonds, Series 2006
<b>Dated Date:</b>	December 1, 2006
<b>Book-Entry-Only Form:</b>	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.
<b>Delivery Date:</b>	On or about December 7, 2006
<b>Interest Payment Dates:</b>	Each December 1 and June 1 beginning June 1, 2007
<b>Principal Payment Dates:</b>	Each December 1 beginning December 1, 2007 and ending December 1, 2013
<b>Record Date:</b>	The close of the 15th day of the calendar month, whether or not a business day, next preceding each interest payment date.
<b>Redemption Provisions:</b>	The Bonds are <u>not</u> subject to optional redemption prior to maturity.
<b>Authority and Purpose:</b>	The Bonds are being issued by the District pursuant to its borrowing authority under the applicable sections of the School Code of the State of Illinois, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended. Proceeds of the Bonds, when issued, will be used (i) to increase the working cash fund of the District to construct capital improvements to school buildings; and (ii) to pay costs associated with the issuance of the Bonds.
<b>Security:</b>	In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.
<b>Tax Exemption:</b>	Chapman and Cutler LLP will provide an opinion as to the tax exemption of the interest on the Bonds. See Appendix B.
<b>Bank Qualification:</b>	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.
<b>Paying Agent/Bond Registrar:</b>	LaSalle Bank National Association, Chicago, Illinois
<b>Bond Ratings/Insurance:</b>	Standard and Poor's "AAA" (FSA Insured), underlying "A".
<b>Legal Opinion:</b>	Chapman and Cutler LLP, Chicago, Illinois

*\*Preliminary, subject to change*

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## **PRELIMINARY OFFICIAL STATEMENT**

**\$4,000,000\***  
**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**Cook County, Illinois**  
**(Thornton Fractional)**  
**Limited Tax School Bonds, Series 2006**

### **INTRODUCTION**

The purpose of this Preliminary 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 \$4,000,000\* aggregate principal amount of Limited Tax School Bonds, Series 2006 (the "Bonds"). This Preliminary 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 bond registrar (the "Paying Agent" or "Registrar").

The Bonds will be dated December 1, 2006 and will mature as shown on the cover page of this Preliminary Official Statement. Interest will be payable each June 1 and December 1, commencing June 1, 2007.

#### ***Authority***

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"), and a bond resolution adopted by the Board of Education of the District (the "Bond Resolution").

#### ***Purpose***

Proceeds of the Bonds, when issued, will be used (i) to increase the working cash fund of the District to construct capital improvements to school buildings; and (ii) to pay costs associated with the issuing of the Bonds.

#### ***Security and Payment***

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.

\* Preliminary, subject to change

**Redemption Provisions**

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

**Estimated Sources and Uses <sup>1</sup>**

**Sources**

Par Amount of Bonds	
Original Issue Premium	
Total Sources:	_____

**Uses**

Deposit to Working Cash Fund	
Costs of Issuance*	
Total Uses:	_____

<sup>1</sup> Net of Accrued Interest

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

**LIMITED BONDS**

**Description of Limited 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.

The Bonds are limited bonds and are issued pursuant to the Act, as supplemented and amended by the Debt Reform Act. Although the obligation of the District to pay the Bonds is a general obligation under the Act and all taxable property in the District is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law").

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the "Base"), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds hereafter issued by the District shall not exceed the Base.

The Bonds constitute the only series of limited bonds of the District that are payable from the Base. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds. The amount of the Base is \$712,630 and all levies for outstanding limited bonds will be less than the Base (see "LIMITED BONDS – Non-Referendum Debt Service Extension Base Margin" herein).

### **Non-Referendum Debt Service Extension Base Margin**

The following table sets forth the non-referendum Debt Service Extension Base margin of the District as of the issuance of the Bonds:

Levy/Extension Year	Debt Service Extension Base	Total Debt Service The Bonds*	Non-Referendum Debt Service Extension Base Margin*
2006/2007	\$712,630	\$710,455	\$2,175
2007/2008	712,630	712,355	275
2008/2009	712,630	710,105	2,525
2009/2010	712,630	711,605	1,025
2010/2011	712,630	711,605	1,025
2011/2012	712,630	710,105	2,525
2012/2013	712,630	571,725	140,905
2013/2014	712,630	-	712,630

\* Preliminary, subject to change

### **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 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](http://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 the 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 the 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 financial guaranty 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, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management in France, Belgium and other European countries. No shareholder of Holdings or Financial Security is liable for the obligations of Financial Security.

At June 30, 2006, Financial Security's combined policyholders' surplus and contingency reserves were approximately \$2,514,378,000 and its total net unearned premium reserve was approximately \$1,937,740,000 in accordance with statutory accounting principles. At June 30, 2006, Financial Security's consolidated shareholder's equity was approximately \$2,889,984,000 and its total net unearned premium reserve was approximately \$1,556,639,000 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2005 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, 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.

## **TOWNSHIP 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, about half of the City of Calumet City and a small portion of the Village of Lynwood. According to the 2000 U.S. 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 grades, the District operates three high school facilities and one administrative building. The District enrolled 3,540 students for the 2006-2007 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 7:00 p.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**

<u>Official</u>	<u>Position</u>	<u>Term Expires</u>
Debbie Waitekus	President	2009
Marcia Pavich	Vice President	2009
Karen Walker-Kehl	Secretary	2007
Charles Maricich	Board Member	2007
Kathleen Manno	Board Member	2009
Henry Schneider	Board Member	2007
Natalie Owen	Board Member	2009

**Educational Facilities**

The District currently provides educational services at three locations:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>Approx # of Students 2006-07</u>
Thornton Fractional North High School	755 Pulaksi Rd., Calumet City	9 - 12	1,683
Thornton Fractional South High School	18500 Burnham Ave., Lansing	9 - 12	1,857
Thornton Fractional Center for Academics and Technology	1605 Wentworth Avenue, Calumet City	9 - 12	---*

\* The Center receives students from the two main campuses.

**Enrollment Trend**

The trend in total enrollment is as follows:

<u>Academic Year</u>	<u>Enrollment</u>
2000/01	2,593
2001/02	2,747
2002/03	2,867
2003/04	3,074
2004/05	3,228
2005/06	3,402
2006/07	3,540

Source: Illinois State Board of Education and the District. 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:

<u>Personnel</u>	<u>2006-2007</u>
Superintendent	1
Assist. Supt.	1
Principals	3
Assist. Principals	6
Business Manager	1
Instructional	231
Support Services	147
TOTAL	390

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

<u>Degree</u>	<u>Experience</u>	<u>Salary (2006-2007)</u>
B.A.	No experience, starting	\$ 41,412
B.A. + 15 sem. hrs	14 years experience	71,584
M.A.	No experience, starting	45,750
M.A. + 15 sem. hrs	14 years experience	75,922

The District Education Association contract is in effect until August, 2010. The Association represents 231 full time equivalent staff. The last teachers' strike in the District was in October 1995 and was resolved within 13 days.

### **SOCIOECONOMIC INFORMATION**

#### ***Population Data***

Name of Entity	1990	2000	% Change 1990-2000
City of Burnham	3,916	4,170	6.5%
City of Calumet City	37,840	39,071	3.3%
Village of Lansing	28,086	28,332	0.9%
Village of Lynwood	6,535	7,377	12.9%
Cook County	5,105,067	5,376,741	5.3%
State of Illinois	11,430,602	12,419,293	8.6%

Source: U.S. Census Bureau, 2000 Census

#### ***Economic Characteristics***

Name of Entity	Median Gross Rent	Median Housing Value	Per Capita Income	Median Household Income
The District	\$ 639	\$ 100,900	\$ 20,370	\$ 45,160
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
Village of Lynwood	639	140,800	22,650	56,554
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

#### ***Unemployment Rates***

<u>Year</u>	<u>City of Calumet City</u>	<u>Village of Lansing</u>	<u>Cook County</u>	<u>State of Illinois</u>
1999	5.5%	3.5%	4.5%	4.5%
2000	6.1%	3.6%	4.6%	4.5%
2001	7.1%	4.3%	5.9%	5.4%
2002	9.0%	6.5%	7.4%	6.5%
2003	8.9%	7.1%	7.4%	6.7%
2004	8.5%	6.6%	6.8%	6.2%
2005	8.3%	6.5%	6.5%	5.7%
2006 <sup>(1)</sup>	6.6%	4.5%	4.5%	4.1%

(1) Year-to-date data as of September, 2006

Source: State of Illinois Department of Employment Security

**Largest Area Employers**

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

<u>Company Name</u>	<u>Product or Service</u>	<u>Approx # of Employees</u>
Silver Line Building Products Corp. (1)	vinyl windows, patio doors	700
Rohm & Haas Co. (1)	automotive coatings	350
CSX Transportation (2)	railroad transportation	335
ORC Protel, Inc. (1)	telemarketing service	250
Land O'Frost Inc. (1)	meat packing & processing	250
Americall Corp (1)	telemarketing service	200
American School of Correspondence (1)	correspondence school	140
Coldwell Banker (1)	residential real estate	116
First National Bank of Illinois (1)	bank	110
Retro-Tech Systems, Inc. (1)	lighting installation	100

<sup>1</sup> Village of Lansing  
<sup>2</sup> City of Calumet City

Source: 2006 Illinois Manufacturers Directory and 2006 Illinois Services Directory

**DEBT STRUCTURE**

**Summary of Outstanding Bonds**

The following table sets forth the outstanding general obligation bond issues of the District as of the date of issuance of the Bonds.

<u>Type</u>	<u>Dated Date</u>	<u>Original Amount of Issue</u>	<u>Current Amount Outstanding</u>	<u>Maturity Date</u>
Series 2002 School Bonds	12/15/2002	9,995,000	8,550,000	12/1/2022
Series 2003 School Bonds	2/1/2003	9,000,000	7,630,000	12/1/2022
Series 2005 GO Alternate Revenue Source Bonds*	7/1/2005	6,000,000	5,900,000	12/1/2025
The Bonds**	12/1/2006	4,000,000	4,000,000	12/1/2013
		<u>\$28,995,000</u>	<u>\$26,080,000</u>	

\* Paid from sources other than property taxes

\*\* Preliminary, subject to change

### Bonded Debt Repayment Schedule – Principal Only

The following table sets forth the general obligation bonded debt repayment schedule (principal only) of the District as of the date of issuance of the Bonds.

Calendar Year Ended December 30	The Bonds** December 1	Series 2005 GO Alt Rev Source* December 1	Series 2003 School Bonds December 1	Series 2002 School Bonds December 1	Total Outstanding Principal	Cumulative Principal Retired Amount	Percent
2007	\$445,000	210,000	350,000	380,000	1,385,000	1,385,000	5.311%
2008	545,000	220,000	355,000	395,000	1,515,000	2,900,000	11.120%
2009	570,000	225,000	370,000	410,000	1,575,000	4,475,000	17.159%
2010	600,000	235,000	385,000	430,000	1,650,000	6,125,000	23.485%
2011	630,000	245,000	400,000	450,000	1,725,000	7,850,000	30.100%
2012	660,000	255,000	420,000	470,000	1,805,000	9,655,000	37.021%
2013	550,000	270,000	445,000	490,000	1,755,000	11,410,000	43.750%
2014	-	280,000	460,000	510,000	1,250,000	12,660,000	48.543%
2015	-	295,000	480,000	535,000	1,310,000	13,970,000	53.566%
2016	-	305,000	495,000	560,000	1,360,000	15,330,000	58.781%
2017	-	320,000	520,000	585,000	1,425,000	16,755,000	64.245%
2018	-	330,000	540,000	610,000	1,480,000	18,235,000	69.919%
2019	-	345,000	565,000	635,000	1,545,000	19,780,000	75.844%
2020	-	355,000	590,000	665,000	1,610,000	21,390,000	82.017%
2021	-	370,000	615,000	695,000	1,680,000	23,070,000	88.459%
2022	-	385,000	640,000	730,000	1,755,000	24,825,000	95.188%
2023	-	400,000	-	-	400,000	25,225,000	96.722%
2024	-	420,000	-	-	420,000	25,645,000	98.332%
2025	-	435,000	-	-	435,000	26,080,000	100.000%
Total	\$4,000,000	\$5,900,000	\$7,630,000	\$8,550,000	\$26,080,000		

\* Paid from sources other than property taxes.

\*\* Preliminary, subject to change

### 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
2005 Equalized Assessed Valuation	\$875,282,762	
Statutory Debt limit @ 6.9% of EAV	\$60,394,511	100.00%
Existing Bonds	\$22,080,000	36.56%
Plus: the Bonds*	\$4,000,000*	
Less: Self Supporting Bonds	(\$5,900,000)	
Bonds applicable to Debt Limit	\$20,180,000*	
Remaining Debt Margin	\$40,214,511*	66.59%

\*Preliminary, subject to change

## Debt Statement

The table below shows the direct and overlapping debt and related statistics as of the date of issuance of the Bonds.

### DIRECT DEBT OF THE DISTRICT

Total Direct Debt\* \$ 26,080,000

### ESTIMATED OVERLAPPING BONDED DEBT

Taxing Body	Outstanding Debt	Applicable to the District	
		Percent	Amount
Cook County	\$ 3,070,610,000	0.702%	\$ 21,555,682
Cook County Forest Preserve District	132,855,000	0.702%	932,642
Metropolitan Water Reclamation District	1,256,985,306	0.717%	9,012,585
<u>Municipalities</u>			
Village of Lansing	8,115,000	96.963%	7,868,547
Village of Burnham	350,000	72.402%	253,407
City of Calumet City	48,184,172	58.040%	27,966,093
Village of Lynwood	2,761,000	57.243%	1,580,479
<u>School Districts</u>			
School District 155	8,789,963	100.000%	8,789,963
School District 156	5,350,000	100.000%	5,350,000
School District 157	10,775,000	70.245%	7,568,899
School District 158	8,044,894	100.000%	8,044,894
School District 171	4,550,000	98.100%	4,463,550
South Suburban CCD 510	12,825,000	24.200%	3,103,650
<u>Park Districts</u>			
Calumet Memorial Park District	525,000	56.989%	299,192
			Total Overlapping Bonded Debt: \$ 106,789,584
			Net Direct Debt and Overlapping Bonded Debt*: \$ 132,869,584

District Estimated Population	60,779		
2005 Estimated Full Valuation	\$ 2,625,848,286		
2005 Equalized Assessed Valuation	875,282,762		
Estimated Full Value per Capita	\$ 43,203		
		<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt:*	\$ 26,080,000	0.99%	\$ 429
Direct Debt and Overlapping Bonded Debt:*	\$ 132,869,584	5.06%	\$ 2,186

\*Preliminary, subject to change

### **Future Financing**

Other than the Bonds, the District does not currently have plans to issue additional debt within the next twelve months.

### **Short-Term Debt**

As of the closing of this issue, the District will have 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 "*County Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including that in the District, except for certain railroad property and pollution control facilities which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, Cook County is divided into three sections: west and south suburbs, north and northwest suburbs, and the City of Chicago. The District is located in the southeast suburbs and was last assessed in 2002. The District will be reassessed in 2008.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. The classification percentages range from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property.

Property is classified for assessment into six basic categories each of which is assessed at various percentages of fair market value as follows: Class 1) unimproved land - 22%; Class 2) residential - 16%; Class 3) rental-residential - 33%; Class 4) not-for-profit - 30%; Class 5a) commercial - 38%; Class 5b) industrial - 36%. There are also seven additional categories. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the 6b assessment level is 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. Real estate which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones, may be eligible for Class 9 categorization. The Class 9 assessment level is 16% for an initial 10-year period, renewable for one additional 10-year period at 16%. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level. The Class S assessment level is 16% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a, or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4, or 5b properties is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 23% in year 11 and 30% in year 12, thereafter reverting to Class 3, 4, or 5b. Class L commercial properties are assessed at 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment through a process that has been modified as a result of amendments (the "*Amendments*") to the Property Tax Code (the "*Property Tax Code*"). Prior to January 1, 1996, a taxpayer generally was required to seek a review of its assessment by filing a complaint with the Cook County Board of Appeals, from which there was generally no further appeal. However, pursuant to the Amendments, the Cook County Board of Appeals was replaced on the first Monday in December 1998 by a Board of Review consisting of three commissioners elected by the voters of the County. The



Board of Review has powers similar to, but somewhat broader than, those previously vested in the Board of Appeals to review and adjust Assessed Valuations set by the Assessor. The Board of Appeals remained in existence until it was replaced by the Board of Review in December 1998.

The Amendments also provide that beginning with assessments for the year 1996, owners of residential property having six or fewer units are able to appeal decisions of the Board of Appeals or the Board of Review 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 are now able to appeal Assessed Valuations to the PTAB. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of 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 Appeals or the Board of Review 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, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

### **EQUALIZATION**

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

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Tax Appeals, the Board of Review or the PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "Equalized Assessed Valuation") of that parcel. 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, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last ten tax levy years.

<u>Tax Year</u>	<u>Equalization Factor</u>
2005	2.7320
2004	2.5757
2003	2.4598
2002	2.4689
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

Tax bills in Cook County are based on the Equalized Assessed Valuation for the preceding year. Property taxes billed in 2005 (for the 2004 tax year) are based on the 2004 Equalized Assessed Valuation.

## **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 Freeze 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.

<u>Tax Year</u>	<u>Second Installment Penalty Date</u>
2005	September 1, 2006
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003
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

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**

### ***Property Tax Extension Limitation Law***

On February 12, 1995, Public Act 89-1 extended the provisions of 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.

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 if such bonds are approved at referendum, are alternate bonds or are issued for certain refunding purposes.

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 debt service extension base. The base amount for the District will become available as its existing limited bonds are paid or retired. The District could also increase its debt service extension base by referendum. The District's debt service extension base is \$712,630.

Although the extension limitations contained in the Limitation Law upon its original enactment in 1991 did not apply to the District, the Limitation Law as originally enacted requires the Cook County Clerk, in extending taxes for taxing districts in Cook County, including the District, to use the equalized assessed value of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended. Public Act 89-1 retained this requirement.

### ***Truth in Taxation Law***

Legislation known as the Truth in Taxation Law, as amended (the "Taxation Law"), became effective in 1981. The Taxation Law limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the special levels.

### ***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; an income tax for partnerships and Subchapter S corporations at the rate of 1.5% of net taxable income; and a 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
2000	634,403,907	-2.05% *
2001	650,774,456	2.58%
2002	760,893,406	16.92%
2003	750,119,963	-1.42%
2004	770,683,360	2.74%
2005	875,282,762	13.57%

\* Based on 1999 EAV of \$647,687,695.  
Source: County Clerk's Office

### ***Composition of District's 2004\* Equalized Assessed Valuation***

<u>Property Type</u>	<u>EAV</u>	<u>% of Total</u>
Residential	\$492,842,910	63.949%
Commercial	170,286,486	22.096%
Industrial	105,508,599	13.690%
Farm	127,451	0.017%
Railroad	1,917,914	0.249%
Total	<u>\$770,683,360</u>	<u>100.000%</u>

\* 2004 breakdown is most recent available  
Source: County Clerk's Office

### ***Tax Extensions and Collections***

Levy Year	Collection Year	Net Tax Extension	Total Collections <sup>(1)</sup>	Percent Collected
2000	2001	20,586,407	20,153,703	97.90%
2001	2002	21,345,402	20,826,972	97.57%
2002	2003	23,245,294	22,305,992	95.96%
2003	2004	23,823,810	22,798,058	95.69%
2004	2005	24,170,995	23,857,800	98.70%
2005	2006	25,523,245	22,087,720	86.54%*

\* as of September 30, 2006.

(1) Tax payments, including late payments and proceeds from sales, are shown as collections in the year when due. Here, as of September 30, 2006.

Source: County Treasurer's Office and the District

**Tax Rate Trend per \$100 of Equalized Assessed Valuation**

<u>Fund</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Maximum Authorized Rate</u>
IMRF	\$0.0203	\$0.0237	\$0.0135	\$0.0069	\$0.0260	\$0.0398	None
Social Security	0.0568	0.0752	0.0711	0.0721	0.0716	0.0648	None
Liability Insurance	0.0325	0.0502	0.0261	0.0027	0.0521	0.0568	None
Transportation	0.0162	0.0791	0.0697	0.0618	0.0521	0.0483	0.1200
Education	2.5842	2.5262	2.2187	2.3892	2.3428	2.1033	3.5000
Building	0.3500	0.3421	0.3005	0.2746	0.2734	0.2615	0.5500
Building Bonds	0.0000	0.0000	0.1975	0.2006	0.1943	0.2259	None
Working Cash Funds	0.0500	0.0489	0.0429	0.0500	0.0325	0.0341	0.0500
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500
Special Education	0.0200	0.0196	0.0172	0.0183	0.0178	0.0159	0.4000
Life Safety Bond	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1000
Limited Bonds	0.1141	0.1149	0.0978	0.0993	0.0965	0.0649	None
	<u>\$3.2441</u>	<u>\$3.2799</u>	<u>\$3.0550</u>	<u>\$3.1755</u>	<u>\$3.1591</u>	<u>\$2.9153</u>	

Source: County Clerk's Office

**Representative Tax Rate per \$100 of Equalized Assessed Valuation**

The following is a representative 2005 tax rate for a District property owner.

<u>Taxing District</u>	<u>05 Tax Rate</u>
Cook County	\$ 0.533
Consolidated Elections	0.014
Forest Preserve District	0.060
Thornton Township	0.360
General Assistance	0.088
Road and Bridge	0.015
Village of Lansing	1.055
Village of Lansing Library Fund	0.344
School District 158	4.596
HSD 205/Annex HSD 215	0.000
Thornton Fractional HSD 215	2.916
South Suburban College Dist 510	0.359
Lan-Oak Park District	0.275
Metropolitan Water Reclamation Dist	0.315
South Cook Cnty Mosquito Abatement Dist	0.010
Suburban Sanitarium	0.005
	<u>\$ 10.945</u>

Source: Cook County Clerk's Office

**Largest Taxpayers**

The following are among the largest taxpayers in the District, based on 2005 EAV.

Name	Product or Service	2005 EAV
Simon Property Group	real estate holdings	\$ 59,959,726
KFS Landings LLC	real estate holdings	14,349,346
Walmart Stores	discount retail	12,967,627
Individual	individual	8,358,721
CNC		7,642,349
Inland Real Estate	real estate	6,765,314
JC Penney	retail	6,283,600
Temperature Equipment Corp	mechanical contractors	6,205,353
Waterton Associates	real estate	5,299,433
Great Lakes Warehouse	storage	5,060,607
TOTAL		<u>\$ 132,892,076</u>
Total as % of 2005 EAV		15.18%

Source: Cook 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 approximations.

**FINANCIAL INFORMATION**

**Sources of Revenue**

The following table details the District's revenue sources for the Education and Operations & Maintenance Fund.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Local Sources	73%	70%	68%	66%
State Sources	24%	25%	29%	30%
Federal Sources	3%	4%	4%	4%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Summary of Operations**

The accompanying financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available.

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 fiscal year 2006 audited Annual Financial Report filed with the Illinois State Board of Education is attached.

**Education and Operations & Maintenance Fund**

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
EDUCATION AND OPERATIONS & MAINTENANCE FUND  
FISCAL YEAR ENDING JUNE 30

	modified accrual 2002	modified accrual 2003	modified accrual 2004	modified accrual 2005	cash basis 2006*
<b>REVENUES</b>					
Local Sources	\$ 19,910,752	\$ 19,402,570	\$ 21,073,497	\$ 21,855,311	\$ 22,689,174
State Sources	6,652,425	7,023,998	8,926,684	9,980,569	10,029,960
Federal Sources	694,254	1,132,654	1,099,019	1,396,924	1,471,854
<b>TOTAL</b>	<b>\$ 27,257,431</b>	<b>\$ 27,559,222</b>	<b>\$ 31,099,200</b>	<b>\$ 33,232,804</b>	<b>\$ 34,190,988</b>
<b>EXPENDITURES</b>					
Instruction	\$ 17,094,758	\$ 18,354,352	\$ 19,667,905	\$ 19,735,718	\$ 19,953,504
Support Services	11,324,530	12,002,643	11,313,982	11,281,894	11,709,599
Community Services	9,307	11,062	13,238	16,761	7,952
Non-Programmed Charges	1,416,342	1,435,899	2,204,577	2,208,822	2,553,551
Debt Service P&I	162,218	153,899	70,530	0	0
Capital Outlay	573,215	303,723	187,160	228,680	0
<b>TOTAL</b>	<b>\$ 30,580,370</b>	<b>\$ 32,261,578</b>	<b>\$ 33,457,392</b>	<b>\$ 33,471,875</b>	<b>\$ 34,224,606</b>
Excess of Revenue Received Over (Under)					
Expenditures Disbursed	\$ (3,322,939)	\$ (4,702,356)	\$ (2,358,192)	\$ (239,071)	\$ (33,618)
<b>OTHER FINANCING SOURCES (USES)</b>					
Other	\$508,004	\$0	\$4,000,000	\$2,900,000	\$0
<b>TOTAL</b>	<b>\$ 508,004</b>	<b>\$ -</b>	<b>\$ 4,000,000</b>	<b>\$ 2,900,000</b>	<b>\$ -</b>
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	\$ (2,814,935)	\$ (4,702,356)	\$ 1,641,808	\$ 2,660,929	\$ (33,618)
Beginning General Fund Balance	\$ 9,100,348	\$ 6,154,136	\$ 1,451,780	\$ 3,093,588	\$ 5,474,260 *
Ending General Fund Balance	<u>\$ 6,285,413</u>	<u>\$ 1,451,780</u>	<u>\$ 3,093,588</u>	<u>\$ 5,754,517</u>	<u>\$ 5,440,642 *</u>
Net Adjustments to Reconcile to GAAP Basis	\$ (131,277)				
Fund Balances, As Restated	<u>\$6,154,136</u>				

\* The District's fiscal year 2006 audited financial statement is not currently available. The 2006 data summarized above is from the audited Annual Financial Report ("AFR") filed with the Illinois State Board of Education. **The 2006 AFR is not comparable to the prior years financial statements as they are done on different basis of accounting.** The AFR reports the District's accounting records on a cash basis, whereas the audited financial statements summarized above are reported on a modified accrual basis. In the cash basis method, revenues are recognized and recorded in the accounts when cash is collected and expenditures are recognized and recorded upon the payment of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.



## 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. According to the District's FY2005 audited financial statement (modified accrual accounting), the District's Working Cash Fund had a balance of \$446,772 as of June 30, 2005. According to the District's FY06 audited Annual Financial Report (cash basis accounting), the District's Working Cash Fund had a balance of \$724,348 as of June 30, 2006. See footnote below.

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE WORKING CASH FUND FISCAL YEAR ENDING JUNE 30

	modified accrual 2002	modified accrual 2003	modified accrual 2004	modified accrual 2005	cash basis 2006*
OPERATING REVENUES					
Local Sources	\$ 508,030	\$ 446,150	\$ 400,959	\$ 326,203	\$ 282,436
<b>TOTAL</b>	<b>\$ 508,030</b>	<b>\$ 446,150</b>	<b>\$ 400,959</b>	<b>\$ 326,203</b>	<b>\$ 282,436</b>
OPERATING TRANSFERS IN (OUT)					
Sale of Bonds	(508,004)	(211,445)	(4,000,000)	(2,400,000)	-
Net Income	\$ 26	\$ 234,705	\$ (3,599,041)	\$ (2,073,797)	\$ 282,436
Beginning Working Cash Fund Balance	\$ 5,884,879	\$ 5,884,905	\$ 6,119,610	\$ 2,520,569	\$ 441,912 *
Ending Working Cash Fund Balance	\$ 5,884,905	\$ 6,119,610	\$ 2,520,569	\$ 446,772	\$ 724,348 *

\* The District's fiscal year 2006 audited financial statement is not currently available. The 2006 data summarized above is from the audited Annual Financial Report ("AFR") filed with the Illinois State Board of Education. **The 2006 AFR is not comparable to the prior years financial statements as they are done on different basis of accounting.** The AFR reports the District's accounting records on a cash basis, whereas the audited financial statements summarized above are reported on a modified accrual basis. In the cash basis method, revenues are recognized and recorded in the accounts when cash is collected and expenditures are recognized and recorded upon the payment of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

## 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, 2005, Note 12.

## 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 each and every 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 original par amount of the Bonds plus \$\_\_\_\_\_ 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 of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts 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 (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

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

Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

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

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

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, 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.

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

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or 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. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

### ***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.

### ***Certain Legal Matters***

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the 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 Preliminary 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 Preliminary Official Statement, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Underwriter, supplied the

information under the heading "LEGAL MATTERS" with the following sub-headings: "Tax Exemption" and "Qualified Tax Exempt Obligations."

### **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 their respective offices.

### **BOND RATING**

Standard and 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" with regard 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.

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

### **THE PRELIMINARY OFFICIAL STATEMENT**

This Preliminary Official Statement includes the cover page, reverse thereof, Statement summary, 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 Preliminary Official Statement***

This Preliminary 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 Preliminary 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: \_\_\_\_\_, 2006

**Appendix A**

**Audited Annual Financial Report  
filed with the  
Illinois State Board of Education**

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

**for the Year Ended  
June 30, 2006**

Due to ROE on October 15th  
 Due to ISBE on November 15th  
 SD/JA06

ILLINOIS STATE BOARD OF EDUCATION  
 School Business & Support Services Division  
 100 North First Street, Springfield, Illinois 62777-0001  
 217/785-8779

**Illinois School District/Joint Agreement  
 Annual Financial Report \***  
 June 30, 2006

School District  
 Joint Agreement

School District/Joint Agreement Information <i>(See instructions on inside of this page.)</i>		Accounting Basis:	Certified Public Accountant Information	
School District/Joint Agreement Number: <b>14-016-2150-17</b>		<input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	Name of Auditing Firm: <b>JOHN KASPEREK CO., INC.</b>	
County Name: <b>COOK</b>		Name of Audit Supervisor: <b>JOHN KASPEREK, JR., CPA</b>		
Name of School District/Joint Agreement: <b>THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215</b>		Signature of Audit Supervisor & Date: <i>John Kasperek</i> 10/12/06		
Address: <b>1601 WENTWORTH AVENUE</b>		Filing Status: Is the AFR filed electronically (Internet)? If no, CD/Disk must be enclosed. Click on the Link to Submit: <a href="http://www.isbe.net/sfms/afrafr.htm">www.isbe.net/sfms/afrafr.htm</a>		Address: <b>1471 RING ROAD</b>
City: <b>CALUMET CITY, ILLINOIS</b>		A-133 Single Audit Status: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO: Are Federal expenditures greater than \$500,000? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO: Is all A-133 Single Audit Information completed and attached? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO: Were any findings issued?		Email Address: <b>jkasperek@kasperekcpa.com</b>
Email Address:		City: <b>CALUMET CITY</b>		State: <b>ILLINOIS</b>
Zip Code: <b>60409</b>		Phone Number: <b>708-862-2262</b>		Zip Code: <b>60409</b>
		Fax Number: <b>708-891-3396</b>		IL Registration Number: <b>066-003685</b>

<input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator		<input checked="" type="checkbox"/> Reviewed by Township Treasurer (Cook County only)		<input type="checkbox"/> Reviewed by Regional Superintendent	
District Superintendent/Administrator Name (Type or Print): <b>DR. ROBERT WILHITE</b>		Township Treasurer Name (type or print): <b>THOMAS P. STEFANIAK</b>		Regional Superintendent Name (Type or Print):	
Email Address:		Email Address:		Email Address:	
Telephone: <b>708-585-2300</b>	Fax Number: <b>708-585-2318</b>	Telephone: <b>708-868-2556</b>	Fax Number: <b>708-868-2703</b>	Telephone:	Fax Number:
Signature & Date: <i>Robert Wilhite</i> 10/12/06		Signature & Date: <i>Thomas P. Stefaniak</i> 10/12/06		Signature & Date:	

\* Based upon the Illinois Program Accounting Manual for Local Education Agencies.  
 ISBE Form SD60-36/JA60-60 (6/06) revised 062206

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**INSTRUCTIONS/REQUIREMENTS  
For School Districts/Joint Agreements**

- All schedules must be completed for School Districts. Note: Joint Agreements must complete only applicable schedules. See the Audit Checklist/Balancing Schedule for Joint Agreements.
- Round all amounts to the nearest dollar. **Do not enter cents.**
- Proper coding and reference to the Chart of Accounts (Illinois Program Accounting Manual for Local Education Agencies) eliminates the necessity for adding lines. Reports submitted with lines added and/or inconsistent rounding are unacceptable and will be sent back to the auditor preparing the report.
- Any problems detected by the **Audit Checklist/Balancing Schedule** must be resolved prior to submitting this report.
- Submitting By CD or Floppy Disk**  
If submitting the Annual Financial Report (AFR) on a CD or floppy disk, forward two CDs/disks, the original and one paper copy of a) the AFR cover page through page 8; b) opinion letters; c) any required compliance letters; d) any required financial notes and explanations; and e) the Annual Federal Compliance Report (A-133, if applicable) to the Regional Superintendent by October 15, 2006, for approval and certification. Check the box on the cover page if submitting via CD/floppy disk.  
**Note: Please submit AFR attachments through the Attachment Manager, CD or floppy disk in lieu of paper.**  
The Regional Superintendent will forward the CD or floppy disk, original AFR (Cover through page 8), with signatures, one copy of opinion letters, compliance letters, financial notes and Annual Federal Compliance Report (A-133, if applicable) to the Illinois State Board of Education by November 15, 2006.  
**Submitting via the Internet**  
If submitting the AFR electronically using the ISBE Attachment Manager see cover page for link. In addition, forward the original and one paper copy of:  
a) the AFR cover page through page 8;  
b) the opinion letters;  
c) any required compliance letters;  
d) any required financial notes and explanations; and  
e) the Annual Federal Compliance Report (A-133, if applicable) to the Regional Superintendent by October 15, 2006 for approval and certification.  
Check the box on the cover page if submitting via the Internet.  
**Note: Please submit AFR attachments electronically (in lieu of paper). Excepted formats are Microsoft Word (.doc), Excel (\*.xls), Word Perfect (\*.wpd) or Adobe (\*.pdf) files.**  
The Regional Superintendent will forward the original AFR (Cover through page 8), with signatures, one copy of opinion letters, compliance letters, financial notes and Annual Federal Compliance Report (A-133, if applicable) to the Illinois State Board of Education by November 15, 2006.
- Yellow Book, CPE, an Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Accounting Standards" were utilized.
- The Schedule of Tort Immunity Expenditure, page 25: The Audit/AFR shows the entity complied with the provisions set forth in 745 ILCS 10/9-103 (a-5) and 745 ILCS 10/9-107.

# John Kasperek Co., Inc.

## Certified Public Accountants

Independent Auditors' Report on Illinois School District  
Annual Financial Report (Form ISBE 50-35)

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

We have audited the accompanying financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the school 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, statements of Thornton Fractional Township High School District No. 215 has prepared these financial statements using accounting practices prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of statements of Thornton Fractional Township High School District No. 215 as of June 30, 2006, or changes in financial position for the fiscal year then ended.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of statements of Thornton Fractional Township High School District No. 215 as of June 30, 2006, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2006 on our consideration of statements of Thornton Fractional Township High School District No. 215's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.



pages 28 through 30 and the itemization schedule on page 32 are presented for the purposes of additional analysis and are not a required part of the financial statements of statements of Thornton Fractional Township High School District No. 215. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The information on pages 28-30 are propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The administrative cost worksheet on page 31 contains unaudited information concerning the current year budget which was provided by the District, the actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements taken as a whole.

*John Kasparek Co. Inc*

October 6, 2006

# John Kasperek Co., Inc.

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## Certified Public Accountants

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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS 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 basic financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.

### 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Thornton Fractional Township High School District No. 215's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

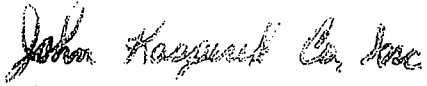
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Telephone: (708) 862-2262 / Facsimile (708) 891-3396  
1471 Ring Road / Calumet City, Illinois 60409

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 or other matters that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information and use of the Board of Education, management, 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.



October 6, 2006

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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 and liabilities (arising from cash transactions), fund balance, revenues received and expenditures disbursed. The District maintains individual funds required by the State of Illinois. 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 funds 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 Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Tort Immunity and Special Education are included in the Educational Fund.

The Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund and Working Cash Fund are used to account for revenues from specific sources that are legally restricted to expenditures for specified purposes.

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

The Site and Construction Fund and Fire Prevention and Safety Fund account 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.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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 Funds - Measurement Focus

The financial statements of all governmental funds 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 statement of assets and liabilities arising from cash transactions. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (cash collected and other financing sources) and decreases (cash payments 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**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and how they are reported on the financial statements. For the purpose of preparing Annual Financial Report Form ISBE 50-35, the District maintains its accounting records for all funds and account groups 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 payment of cash. Assets of a fund are only recorded when a right to collect cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting on the Annual Financial Report Form ISBE 50-35. This allows for comparability between budget and actual amounts. The budget, which was not amended, was passed on September 27, 2005.

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.

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The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**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 disbursed 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.

**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, 2006, there was no material difference between

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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

A summary of changes in General Fixed Assets follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Land	\$ 560,301	\$ --	\$ --	\$ 560,301
Land Improvements	2,041,049	395,680	--	2,436,729
Buildings & improvements	21,413,505	44,452,179	(500,000)	65,365,684
Equipment	6,077,979	492,949	(483,083)	6,087,845
Construction in progress	<u>28,224,737</u>	--	<u>(28,224,737)</u>	--
	<u>\$58,317,571</u>	<u>\$45,340,808</u>	<u>\$(29,207,820)</u>	<u>\$74,450,559</u>

4. GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in long-term debt are summarized as follows:

	General Obligation Bonds	Other Long-Term Liabilities	Total
Balance July 1, 2005	\$18,745,000	\$ 130,920	\$18,875,920
Issued	6,000,000	--	6,000,000
Retired/Payments	<u>(1,340,000)</u>	<u>(36,831)</u>	<u>(1,376,831)</u>
Balance June 30, 2006	<u>\$23,405,000</u>	<u>\$ 94,089</u>	<u>\$23,499,089</u>

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A. BONDS PAYABLE

General obligation bonds payable at June 30, 2006, consisted of the following individual issues:

\$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. \$ 515,000

\$9,995,000 School Bonds, Series 2002, dated December 15, 2002 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 4.60 percent through December 2022; bonds 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 on December 1, 2012 or any date thereafter. 8,920,000

\$9,000,000 School Bonds, Series 2003, dated February 1, 2003 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 5.00 percent through December 2022; bonds 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 on December 1, 2012 or any date thereafter. 7,970,000

\$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2016 are subject to redemption prior to maturity at par at the opinion of the District as a whole or in part on December 1, 2015 or any date thereafter. 6,000,000

\$23,405,000



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At June 30, 2006, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2007	1,325,000	969,986	2,294,986
2008	940,000	931,036	1,871,036
2009 – 2013	5,265,000	4,042,213	9,307,213
2014 – 2018	6,550,000	2,749,094	9,299,094
2019 - 2023	8,070,000	1,188,047	9,258,047
2024 – 2026	<u>1,255,000</u>	<u>82,103</u>	<u>1,337,103</u>
	<u>\$23,405,000</u>	<u>\$9,962,479</u>	<u>\$33,367,479</u>

**B CAPITAL LEASE OBLIGATIONS**

The District acquired copiers under the provisions of a lease-purchase agreements. The copiers leases are for three to five years, which expire on various dates through October, 2008. All lease terms are subject to annual appropriation of funds for the rental statements.

At June 30, 2006 the annual cash flow requirements of other long-term liabilities were as follows:

Year Ending	<u>Payments</u>
June 30	
2007	41,194
2008	42,402
2009	<u>17,356</u>
	100,952
Less Interest	<u>(6,863)</u>
	<u>\$ 94,089</u>

**5. SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

**A. TORT IMMUNITY LEVY**

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2006, tort immunity had a deficit of \$79,132. The District anticipates using future revenues to cover the deficit. When the fund has a surplus, the funds are 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 received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. A portion, \$14,800, of this fund's equity represents the excess of cumulative revenues received over cumulative expenditures disbursed which is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes*.

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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 November 22, 2005. 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:

	<u>Limit</u>	Actual <u>2005</u> <u>Levy</u>	Actual <u>2004</u> <u>Levy</u>
Educational	3.5000	2.1033	2.3428
Tort Immunity	As needed	.0568	.0521
Special Education	.4000	.0159	.0178
Operations and Maintenance	.5500	.2615	.2734
Transportation	.1200	.0483	.0521
Municipal Retirement	As needed	.0398	.0260
Social Security	As needed	.0648	.0716
Bond and Interest	As needed	.2908	.2908
Life Safety	.1000	--	--
Working Cash	.0500	<u>.0341</u>	<u>.0325</u>
		<u>2.9153</u>	<u>3.1591</u>

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.

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 \$1,242,632 ECHO for tuition and services during the year ended June 30, 2006.

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The following is summary financial information on the joint agreement as of and for the year ended June 30, 2005, the most recent information available:

Total assets-modified cash basis	\$8,202,706	Revenues received	\$39,058,130
Total liabilities-modified cash basis	\$41,017	Expenditures disbursed	\$44,127,520
Net assets - invested in capital assets - modified cash basis	\$1,506,922	Net increase/(decrease) in net assets	\$(5,069,390)
Unrestricted net assets-modified cash basis	\$6,654,767		
Total net assets-modified cash basis	\$8,161,689		

**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, 2006, the most recent information available, the total cash and fund balance for the entity was \$315,058. Complete financial statements for the cooperative may be obtained from its administrative office at 17121 Roy Street, Lansing, Illinois 60438.

**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 employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending December 31, 2006 are \$100,000 for individual claims and approximately \$2,403,000 for aggregate claims. The aggregate stop-loss limit is equal to \$9,047 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool.

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11. COMMITMENTS

As of June 30, 2006 the District is committed under various construction contracts which will be liquidated as the contracts are completed during the next fiscal year from existing resources of the District's Capital Projects Funds.

12. 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 member contribution rate through June 30, 2006 was 9.4 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 contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The member THIS Fund contribution was 0.6 percent during the year ended June 30, 2006 and the member THIS Fund health insurance contribution was 0.80 percent.

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, 2006, State of Illinois contributions were based on 7.06 percent of creditable earnings, and the District recognized revenues received and expenditures disbursed of \$1,256,792 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2005, and June 30, 2004, the State of Illinois contribution rates as percentages of creditable earnings were 11.76 percent (\$2,053,551) and 13.98 percent (\$2,375,612), respectively.

The District makes four other types of employer contributions directly to TRS.

2.2 formula contributions. Employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2006 were \$103,249. Contributions for the years ending June 30, 2005 and June 30, 2004, were, \$101,281 and \$98,559.

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 employer contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

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For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from federal and trust funds. For the two years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2006, salaries totaling \$638,862 were paid from federal and trust funds that required employer contributions of \$45,104. For the years ended June 30, 2005 and June 30, 2004, required District contributions were \$39,738 and \$30,700, respectively.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer contributions that had been in effect with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired June 30, 2005 the Pipeline ERO, maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ending June 30, 2006, the District paid \$90,463 for employer contributions under the Early Retirement Option. For the years ended June 30, 2005, and June 30, 2004, the District paid \$357,087 and \$432,700, 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, 2005. The report for the year ended June 30, 2006, is expected to be available in late 2006. 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](http://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 financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or 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 2005 was 8.04 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, 2005 was 27 years.

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For December 31, 2005 the District's annual pension cost of \$298,328 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2003 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 with 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002 - 2004 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
12/31/05	\$298,328	100%	\$0
12/31/04	\$249,571	100%	\$0
12/31/03	\$209,273	100%	\$0
12/31/02	\$181,468	100%	\$0
12/31/01	\$201,418	100%	\$0
12/31/00	\$297,695	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION  
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)
12/31/05	\$9,954,288	\$9,252,533	\$(701,755)	107.58%	\$3,710,552	0.00%
12/31/04	\$9,004,809	\$8,496,339	\$(508,470)	105.98%	\$3,752,953	0.00%
12/31/03	\$8,484,219	\$8,036,747	\$(447,472)	105.57%	\$3,897,085	0.00%
12/31/02	\$8,265,943	\$7,339,634	\$(926,309)	112.62%	\$3,749,340	0.00%
12/31/01	\$8,157,808	\$6,718,722	\$(1,439,086)	121.42%	\$3,296,536	0.00%
12/31/00	\$7,235,271	\$5,885,525	\$(1,349,746)	122.93%	\$3,059,555	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$10,081,944. On a market basis, the funded ratio would be 108.96%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002 - 2004 Experience Study.

The principle changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and early retirements are expected to occur.

**AUDITOR'S QUESTIONNAIRE**

N/A	Yes	No
-----	-----	----

All "Yes" answers indicate the auditor has performed compliance audit procedures relating to all applicable statutes and has noted no exceptions. All "No" answers to 1 and 2 must be explained in the comments section at the bottom of this page. A "Yes" answer to question 3e & 4 must also be explained below.

	X	
--	---	--

1. Were all Student Activity Funds, Imprest Funds, and all other funds maintained by the district audited? If no, explain.

	X	
--	---	--

2. Did your review and testing of State and Local Programs confirm, in accordance with applicable law, that:

X		
---	--	--

a. Bonds were executed in appropriate amounts on all custodians of funds? (School Code, Sections 8-2, 10-20.19, and 19-6)

X		
---	--	--

b. All interfund loans were authorized, disclosed and repaid? (School Code, Sections 10-22.33 and 20-4)

	X	
--	---	--

c. All permanent transfers were authorized and disclosed? (School Code, Sections 10-22.14, 10-22.44, 17-2.2a, 17-2.2c, 17-2A, 19-4, 20-5, 20-8 and 20-9)

X		
---	--	--

d. Corporate Personal Property Replacement Tax (CPPRT) moneys were deposited and liens satisfied? (30 ILCS 115/12)

X		
---	--	--

e. Tax Anticipation Warrants were issued and retired? (School Code, Section 17-16 and 30 ILCS 305/2)

X		
---	--	--

f. Tax Anticipation Notes were issued and retired? (50 ILCS 420/1 et seq.)

	X	
--	---	--

g. State Aid Anticipation Certificates were issued and retired? (School Code, Section 18-18)

	X	
--	---	--

h. General Obligation Bonds were issued within statutory limits? (School Code, Section 19-1 and 30 ILCS 350/1 et seq.)

	X	
--	---	--

i. Investments owned, deposits made, and interest earned were in the name of the district, authorized by the Board, properly segregated, and invested? (30 ILCS 235/1 et seq. and 30 ILCS 225/1)

	X	
--	---	--

j. All restricted funds, including Tort Immunity, were properly segregated in the accounting records and used only for restricted purposes.

	X	
--	---	--

k. All board members, administrators, certified business officials, and other qualifying district personnel filed an economic interest statement with the County Clerk? (5 ILCS 420/4A-101 et seq.)

	X	
--	---	--

l. The district complied with the applicable provisions of the bidding law? (School Code, Section 10-20.21)

	X	
--	---	--

m. The budget and accounting records correspond with the "Illinois Program Accounting Manual for Local Education Agencies"?

3. Was there a qualified, adverse or disclaimed opinion for any of the following reasons?

--	--

a. Missing or inadequate fixed asset records

--	--

b. Lack of internal control

X	
---	--

c. Regulatory basis

--	--

d. Other reasons (if "Yes", explain)

		X
--	--	---

4. Did the audit of Student Activity funds include any findings? If yes, explain.

**SCHOOL DISTRICT FINANCIAL DATA QUESTIONNAIRE**

Yes	No
-----	----

(The following questions are designed to provide the informational needs required of the Illinois State Board of Education by the School Code, Section 1A-8.)

	X
--	---

5. Has the district issued funding bonds to retire teacher orders in 3 of the last 5 years or issued school orders for wages as permitted by the School Code?

	X
--	---

6. Has the district issued tax anticipation warrants or notes in anticipation of second year's taxes when warrants or notes for current year taxes are still outstanding?

	X
--	---

7. Has the district shown an excess of expenditures/other financing uses over revenues/other financing sources and beginning fund balances in the Operating Funds Balance for 2 consecutive years?

X	
---	--

8. Is this district subject to the Property Tax Extension Limitation Law? If Yes, enter the effective date:

January 1, 1995

Enter (MM/DD/YY)

**COMMENTS APPLICABLE TO THE AUDITOR'S QUESTIONNAIRE**

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**FINANCIAL PROFILE INFORMATION**

*Required to be completed for School Districts only.*

**A. Tax Rates** (Enter the tax rate - ex: .0150 for \$1.50)

Tax Year 2005 Equalized Assessed Valuation (EAV): 875,282,762

	Educational	Operations & Maintenance	Transportation	Combined Total	Working Cash
Rate(s):	0.02103	0.00262	0.00048	0.02413	0.00034

**B. Results of Operations \***

Receipts/Revenues	Disbursements/Expenditures	Excess/ (Deficiency)	Fund Balance
34,493,249	34,478,358	14,891	6,249,086

\* The numbers shown are the sum of entries on Pages 7 & 8, lines 5, 13, 16, and 46 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.

**C. Short-Term Debt \*\***

CPPRT Notes	TAWs	TANs	TO/EMP. Orders	GSA Certificates
0	0	0	0	0
Other	Total			
	0			

\*\* The numbers shown are the sum of entries on pages 5, lines 26-30 from the Educational, Operations & Maintenance and Transportation Funds.

**D. Long-Term Debt**

Check the applicable box for long-term debt allowance by type of district.

<input checked="" type="checkbox"/>	a. 6.9% for elementary and high school districts,	60,394,511
<input type="checkbox"/>	b. 13.8% for unit districts.	

Long-Term Debt Outstanding:

	Acct	
c. Bond Principal: .....	501	23,405,000
d. TO/Employee Orders: .....	409	0
e. Other Long-Term Debt: .....	599	94,089
f. Total Long-Term Debt Outstanding:.....		23,499,089

**E. Material Impact on Financial Position**

If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods. Attach sheets as needed explaining each item checked.

- Pending Litigation
- Material Decrease in EAV
- Material Increase/Decrease in Enrollment
- Adverse Arbitration Ruling
- Passage of Referendum
- Other (Describe and Itemize)
- Ongoing Concerns

Comments:

ID: 14-018-2150-17  
 Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215



**ESTIMATED FINANCIAL PROFILE SUMMARY**  
 (Go to the following web site for reference to the Financial Profile)  
[www.isbe.net/sfms/p/profile.htm](http://www.isbe.net/sfms/p/profile.htm)

**District Name:** THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
**District Code:** 14-016-2150-17  
**County Name:** COOK

<b>1. Fund Balance to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>3</b>
Total Sum of Fund Balance Page 8, line 46:	Funds 10, 20, 40, 70 + (50 if negative)	6,249,086.00	0.181	<b>Weight</b>	0.35
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40, & 70	34,493,249.00		<b>Value</b>	1.05
<b>2. Expenditures to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>
Total Sum of Expenditures Page 7, Line 13:	Funds 10, 20 & 40	34,478,358.00	1.000	<b>Adjustment</b>	0
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40 & 70	34,493,249.00		<b>Weight</b>	0.35
Possible Adjustment:			0	<b>Value</b>	1.40
<b>3. Days Cash on Hand:</b>		<b>Total</b>	<b>Days</b>	<b>Score</b>	<b>2</b>
Page 5, Line 1 and Line 11	Funds 10, 20 40 & 70	6,260,320.00	65.37	<b>Weight</b>	0.10
Page 7, Line 13	Funds 10, 20, 40 divided by 360	95,773.22		<b>Value</b>	0.20
<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Page 5, Line 27	Amount Borrowed: Funds 10, 20 & 40	0.00	100.00	<b>Weight</b>	0.10
Page 3, Section A	(.85 x Equalized Assessed Valuation) x (Sum of Combined Tax Rates)	17,950,999.11		<b>Value</b>	0.40
<b>5. Percent of Long-Term Debt Margin Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>3</b>
Page 3, Section D	Total Outstanding Long-Term Debt	23,499,089.00	61.09	<b>Weight</b>	0.10
Page 3, Section D	Total Long-Term Debt Allowed	60,394,510.58		<b>Value</b>	0.30

**Total Profile Score = 3.35 \***

**2006 SD Financial Profile Designation: REVIEW**

\* Estimated Total Profile Score may change based on data provided on the Financial Profile Information, page 3. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2006

ASSETS	Acct. #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>CURRENT ASSETS (100)</b>										
1. Cash (Accounts 101 through 105) <sup>1</sup>		4,424,541	1,027,335	841,722	84,096	185,102	14,790	724,348		587,207
2. Other Accrued Assets (Accrual only) (Describe & Itemize) <sup>2</sup>										
3. Taxes Receivable (Accrual only)	110									
4. Accounts Receivable (Accrual only)	120									
5. Loan to Educational Fund	151									
6. Loan to Operations & Maintenance Fund	152									
7. Loan to Transportation Fund	153									
8. Loan to Fire Prevention & Safety Fund	154									
9. Loan to Other Funds	155									
10. Inventory	170									
11. Investments	180						989,567			
12. Other Current Assets (Describe & Itemize)	199	470								
<b>13. TOTAL CURRENT ASSETS</b>		<b>4,425,011</b>	<b>1,027,335</b>	<b>841,722</b>	<b>84,096</b>	<b>185,102</b>	<b>1,004,357</b>	<b>724,348</b>	<b>0</b>	<b>587,207</b>
<b>CAPITAL ASSETS (200)</b>										
14. Land	201									
15. Buildings	202									
16. Improvements Other than Buildings	203									
17. Equipment Other than Transportation/Food Service	204									
18. Construction in Progress	205									
19. Transportation Equipment	206									
20. Food Services Equipment	207									
21. Amount Available in Debt Service Funds	304									
22. Amount to be Provided for Payment of Bonds	305									
23. Amount to be Provided for Payment of Long-Term Debt - Other	306									
<b>24. TOTAL CAPITAL ASSETS</b>										
<b>LIABILITIES</b>										
<b>CURRENT LIABILITIES (400)</b>										
25. Accrued Liabilities (Accrual Only) <sup>3</sup>										
26. Corp. Personal Prop. Repl. Tax Anticipation Notes Payable	406									
27. Tax Anticipation Warrants Payable	407									
28. Tax Anticipation Notes Payable	408									
29. Teachers'/Employees' Orders Payable	409									
30. State Aid Anticipation Certificates Payable	410									
31. Loan from Educational Fund	431									
32. Loan from Operations & Maintenance Fund	432									
33. Loan from Transportation Fund	433									
34. Loan from Working Cash Fund	434									
35. Payroll Deductions Payable	450	11,704								
36. Deferred Revenue ( Accrual Only)	474									
37. Due to Activity Fund Organizations	480									
38. Other Current Liabilities (Describe & Itemize)	499			10,000		161				
<b>LONG-TERM LIABILITIES (600)</b>										
39. Bonds Payable	501									
40. Other Long-Term Liabilities	599									
<b>41. TOTAL LIABILITIES</b>		<b>11,704</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
42. Reserved Fund Balance	703	14,800								
43. Unreserved Fund Balance	704	4,398,507	1,027,335	831,722	84,096	184,941	1,004,357	724,348		587,207
44. Investments in General Fixed Assets	705									
<b>46. TOTAL LIABILITIES &amp; FUND BALANCE</b>		<b>4,425,011</b>	<b>1,027,335</b>	<b>841,722</b>	<b>84,096</b>	<b>185,102</b>	<b>1,004,357</b>	<b>724,348</b>	<b>0</b>	<b>587,207</b>

BASIC FINANCIAL STATEMENTS  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2006

ASSETS	Acct. #	Agency Fund	Account Groups	
			General Fixed Assets	General Long-Term Debt
<b>CURRENT ASSETS (100)</b>				
1. Cash (Accounts 101 through 105) <sup>1</sup>				
2. Other Accrued Assets (Accrual only) (Describe & Itemize) 2				
3. Taxes Receivable (Accrual only)	110			
4. Accounts Receivable (Accrual only)	120			
5. Loan to Educational Fund	151			
6. Loan to Operations & Maintenance Fund	152			
7. Loan to Transportation Fund	153			
8. Loan to Fire Prevention & Safety Fund	154			
9. Loan to Other Funds	155			
10. Inventory	170			
11. Investments	180			
12. Other Current Assets (Describe & Itemize)	199			
13. <b>TOTAL CURRENT ASSETS</b>		0		
<b>CAPITAL ASSETS (200)</b>				
14. Land	201		560,301	
15. Buildings	202		65,365,684	
16. Improvements Other than Buildings	203		2,436,729	
17. Equipment Other than Transportation/Food Service	204		5,669,549	
18. Construction in Progress	205			
19. Transportation Equipment	206		84,747	
20. Food Services Equipment	207		333,549	
21. Amount Available in Debt Service Funds	304			831,722
22. Amount to be Provided for Payment of Bonds	305			22,573,278
23. Amount to be Provided for Payment of Long-Term Debt - Other	306			94,089
24. <b>TOTAL CAPITAL ASSETS</b>			74,450,559	23,499,089
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES (400)</b>				
25. Accrued Liabilities (Accrual Only) 3				
26. Corp. Personal Prop. Repl. Tax Anticipation Notes Payable	406			
27. Tax Anticipation Warrants Payable	407			
28. Tax Anticipation Notes Payable	408			
29. Teachers/Employees' Orders Payable	409			
30. State Aid Anticipation Certificates Payable	410			
31. Loan from Educational Fund	431			
32. Loan from Operations & Maintenance Fund	432			
33. Loan from Transportation Fund	433			
34. Loan from Working Cash Fund	434			
35. Payroll Deductions Payable	450			
36. Deferred Revenue ( Accrual Only)	474			
37. Due to Activity Fund Organizations	480			
38. Other Current Liabilities (Describe & Itemize)	499			
<b>LONG-TERM LIABILITIES (600)</b>				
39. Bonds Payable	501			23,405,000
40. Other Long-Term Liabilities	599			94,089
41. <b>TOTAL LIABILITIES</b>		0		23,499,089
42. Reserved Fund Balance	703			
43. Unreserved Fund Balance	704			
44. Investments in General Fixed Assets	705		74,450,559	
46. <b>TOTAL LIABILITIES &amp; FUND BALANCE</b>		0	74,450,559	23,499,089

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2006**

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES:</b>										
1. Local Sources	1000	19,595,902	3,093,272	2,315,010	429,407	869,524	126,205	282,436	0	23,300
2. Flow-Through Receipts/Revenues from One LEA to Another LEA	2000	0	0		0	0				
3. State Sources	3000	8,053,168	720,000	0	847,210	0	8,437,496	0	0	0
4. Federal Sources	4000	1,471,854	0	0	0	0	0	0	0	0
5. Total Direct Receipts/Revenues		29,120,924	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,300
6. Receipts/Revenues for "On Behalf" Payments <sup>4</sup>	3998	1,256,792								
7. Total Receipts/Revenues		30,377,716	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,305
<b>DISBURSEMENTS/EXPENDITURES:</b>										
8. Instruction	1000	18,696,712								
9. Support Services	2000	8,306,057	3,403,542		1,510,544	264,005	16,929,074			
10. Community Services	3000	7,952	0		0	598,365				7,834
11. Nonprogrammed Charges	4000	2,553,551	0	0	0	0				
12. Debt Service	5000	0	0	2,340,175	0	0				0
13. Total Direct Disbursements/Expenditures		29,564,272	3,403,542	2,340,175	1,510,544	862,370	16,929,074		0	0
14. Disbursements/Expenditures for "On Behalf" Payments <sup>4</sup>	4180	1,256,792	0	0	0	0	0		0	7,834
15. Total Disbursements/Expenditures		30,821,064	3,403,542	2,340,175	1,510,544	862,370	16,929,074		0	5
16. Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>6</sup>		(443,348)	409,730	(25,165)	(233,927)	7,154	(8,365,373)	282,436	0	15,466
<b>OTHER FINANCING SOURCES (USES)</b>										
<b>OTHER FINANCING SOURCES (7000)</b>										
<b>TRANSFER FROM OTHER FUNDS (7100)</b>										
17. Permanent Transfer from Working Cash Fund - Abolishment (Sec. 20-8)	7110	0								
18. Permanent Transfer from Working Cash Fund - Interest (Sec. 20-5)	7120									
19. Permanent Transfer (Sec. 17-2A)	7130									
20. Permanent Transfer of Interest (Sec. 10-22.44)	7140									
21. Permanent Transfer from Site & Construction/Capital Improvement Fund (Sec. 10-22.14)	7150									
22. Perm. Transfer of Excess Accumulated Fire Prev. & Safety Tax Proceeds & Int. Earnings (Sec. 17-2.11) <sup>6</sup>	7160									
23. Perm. Transfer of Excess Accumulated Fire Prev. & Safety Bond Proceeds and Int. Earnings (Sec. 10-22.14) <sup>6</sup>	7170									
24. Permanent Transfer from Working Cash Fund - Abatement (Sec. 20-9)	7180									
<b>SALE OF BONDS (7200)</b>										
25. Principal on Bonds Sold (Amount of Original Issue)	7210									
26. Premium on Bonds Sold	7220						6,000,000			
27. Accrued Interest on Bonds Sold	7230						11,371			
28. Sale or Compensation for Fixed Assets <sup>7</sup> (Section 2-3.12 & 17-2.11)	7300									
29. School Technology Revolving Loan Program (STRLP)	7500									
30. Other Sources (Describe & Itemize)	7900									
31. Total Other Financing Sources		0	0	0	0	0	6,011,371	0	0	0
<b>OTHER FINANCING USES (8000)</b>										
<b>TRANSFER TO OTHER FUNDS (8100)</b>										
32. Permanent Transfer from Working Cash Fund-Abolishment (Sec. 20-8)	8110									
33. Permanent Transfer from Working Cash Fund - Interest (Sec. 20-5)	8120									

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2006**

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
34. Permanent Transfer (Sec. 17-2A)	8130									
35. Permanent Transfer of Interest (Sec. 10-22.44)	8140									
36. Permanent Transfer from Site & Construction/Capital Improvement Fund (Sec. 10-22.14)	8150						0			
37. Permanent Transfer of Excess Accumulated Fire Prev. & Safety Tax Proceeds & Interest Earnings (Sec. 17-2.11)	8160									0
38. Permanent Transfer of Excess Accumulated Fire Prev. & Safety Bond Proceeds and Interest Earnings (Sec. 10-22.14)	8170									0
39. Permanent Transfer of Working Cash Fund-Abatement (Sec. 20-9)	8180							0		
40. Other Uses (Describe & Itemize)	8190									
<b>41. Total Other Financing Uses</b>		0	0	0	0	0	0	0	0	0
<b>42. Total Other Financing Sources and (Uses) <sup>8</sup></b>		0	0	0	0	0	6,011,371	0	0	0
43. Excess of Receipts/Revenues and Other Financing Sources (Over/Under) Expenditures/Disbursements and Other Financing Uses		(443,348)	409,730	(25,165)	(233,927)	7,154	(2,354,002)	282,436	0	15,466
<b>44. Fund Balances - July 1, 2005</b>		4,856,655	617,605	856,887	318,023	177,787	3,358,359	441,912		571,741
45. Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
<b>46. Fund Balances - June 30, 2006</b>		4,413,307	1,027,335	831,722	84,096	184,941	1,004,357	724,348	0	587,207



STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES FROM LOCAL SOURCES</b>		<b>1000</b>								
<b>AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY</b>										
1. General Levy <sup>9</sup>	1110	17,425,043	2,094,353	2,275,966	393,127	256,653		260,339		
2. Tort Immunity Levy	1120	426,369								
3. Leasing Levy <sup>10</sup>	1130									
4. Special Education Levy	1140	132,035								
5. Social Security/Medicare Only Levy	1150					534,353				
6. Area Vocational Construction Levy	1180									
7. Summer School Levy	1170									
8. Other Tax Levies (Describe & Itemize)	1190									
9. Total Ad Valorem Taxes Levied By LEA		17,983,447	2,094,353	2,275,966	393,127	791,006	0	260,339	0	0
<b>PAYMENTS IN LIEU OF TAXES</b>										
10. Mobile Home Privilege Tax	1210									
11. Payments from Local Housing Authorities	1220									
12. Corporate Personal Property Replacement Taxes <sup>11</sup>	1230		904,707			70,000				
13. Other Payments in Lieu of Taxes	1290									
14. Total Payments in Lieu of Taxes		0	904,707	0	0	70,000	0	0	0	0
<b>TUITION</b>										
15. Regular Tuition from Pupils or Parents	1311	14,293								
16. Regular Tuition from Other LEAs	1312									
17. Regular Tuition from Other Sources	1313									
18. Summer School Tuition from Pupils or Parents	1321	14,202								
19. Summer School Tuition from Other LEAs	1322									
20. Summer School Tuition from Other Sources	1323									
21. Vocational Tuition from Pupils or Parents	1331									
22. Vocational Tuition from Other LEAs	1332									
23. Vocational Tuition from Other Sources	1333									
24. Special Education Tuition from Pupils or Parents	1341									
25. Special Education Tuition from Other LEAs	1342									
26. Special Education Tuition from Other Sources	1343									
27. Adult Tuition from Pupils or Parents	1351									
28. Adult Tuition from Other LEAs	1352									
29. Adult Tuition from Other Sources	1353									
30. Total Tuition		28,495								
<b>TRANSPORTATION FEES</b>										
31. Regular Transportation Fees from Pupils or Parents	1411				22,479					
32. Regular Transportation Fees from Other LEAs	1412									
33. Regular Transportation Fees from Private Sources	1413									
34. Regular Transportation Fees from Co-curricular Activities	1415									
35. Summer School Transportation Fees from Pupils or Parents	1421									
36. Summer School Transportation Fees from Other LEAs	1422									
37. Summer School Transportation Fees from Other Sources	1423									
38. Vocational Transportation Fees from Pupils or Parents	1431									
39. Vocational Transportation Fees from Other LEAs	1432									
40. Vocational Transportation Fees from Other Sources	1433									
41. Special Ed. Transportation Fees from Pupils or Parents	1441									
42. Special Ed. Transportation Fees from Other LEAs	1442									
43. Special Ed. Transportation Fees from Other Sources	1443									
44. Adult Transportation Fees from Pupils or Parents	1451									
45. Adult Transportation Fees from Other LEAs	1452									
46. Adult Transportation Fees from Other Sources	1453									
47. Total Transportation Fees					22,479					

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>EARNINGS ON INVESTMENTS</b>										
48. Interest on Investments	1510	287,320	32,913	39,044	13,801	8,518	126,205	22,097		23,300
49. Gain or Loss on Sale of Investments	1520									
<b>50. Total Earnings on Investments</b>		<b>287,320</b>	<b>32,913</b>	<b>39,044</b>	<b>13,801</b>	<b>8,518</b>	<b>126,205</b>	<b>22,097</b>	<b>0</b>	<b>23,300</b>
<b>FOOD SERVICE</b>										
51. Sales to Pupils - Lunch	1611	439,435								
52. Sales to Pupils - Breakfast	1612									
53. Sales to Pupils - A la Carte	1613									
54. Sales to Pupils - Other	1614									
55. Sales to Adults	1620	15,545								
56. Other Food Service	1690	58,013								
<b>57. Total Food Service</b>		<b>512,993</b>								
<b>PUPIL ACTIVITIES</b>										
58. Admissions - Athletic	1711	43,948								
59. Admissions - Other (Describe & Itemize)	1719	4,990								
60. Fees	1720	290,752								
61. Book Store Sales	1730	25,459								
62. Other Pupil Activity Revenue (Describe & Itemize)	1790	3,703								
<b>63. Total Pupil Activities</b>		<b>368,852</b>	<b>0</b>							
<b>TEXTBOOKS</b>										
64. Rentals - Regular Textbooks	1811									
65. Rentals - Summer School Textbooks	1812									
66. Rentals - Adult/Continuing Education Textbooks	1813									
67. Rentals - Other (Describe & Itemize)	1819									
68. Sales - Regular Textbooks	1821	186,080								
69. Sales - Summer School Textbooks	1822									
70. Sales - Adult/Continuing Education Textbooks	1823									
71. Sales - Other (Describe & Itemize)	1829									
72. Other (Describe & Itemize)	1890									
<b>73. Total Textbooks</b>		<b>186,080</b>								
<b>OTHER REVENUE FROM LOCAL SOURCES</b>										
74. Rentals	1910		60,464							
75. Contributions and Donations from Private Sources	1920									
76. Services Provided Other LEAs	1940									
77. Refund of Prior Years' Expenditures	1950	194,976								
78. Payment from Other LEAs	1991									
79. Sale of Vocational Projects	1992									
80. Local Fees	1993									
81. Other (Describe & Itemize)	1999	33,739	835							
<b>82. Total Other Revenue from Local Sources</b>		<b>228,715</b>	<b>61,299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>83. Total Receipts/Revenues from Local Sources</b> (Total lines 9, 14, 30, 47, 50, 57, 63, 73 & 82)		<b>19,595,902</b>	<b>3,093,272</b>	<b>2,315,010</b>	<b>429,407</b>	<b>869,524</b>	<b>126,205</b>	<b>282,436</b>	<b>0</b>	<b>0</b>
<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE LEA TO ANOTHER LEA</b>										
84. Flow-through Revenue from State Sources	2100									
85. Flow-through Revenue from Federal Sources	2200									
86. Other Flow-Through (Describe & Itemize)	2300									
<b>87. Total Flow-Through Receipts/Revenues From One LEA to Another LEA</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>				

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES FROM STATE SOURCES</b>	<b>3000</b>									
<b>UNRESTRICTED GRANTS-IN-AID</b>										
88. General State Aid - Sec. 18-8.05	3001	6,993,561	720,000		200,000					
89. General State Aid Hold Harmless/Supplemental	3002									
90. Reorganization Incentives	3005									
91. Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
<b>92. Total Unrestricted Grants-In-Aid</b>		<b>6,993,561</b>	<b>720,000</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>RESTRICTED GRANTS-IN-AID</b>										
<b>SPECIAL EDUCATION</b>										
93. Special Education - Private Facility Tuition	3100	37,085								
94. Special Education - Extraordinary	3105	142,427								
95. Special Education - Personnel	3110	223,488								
96. Special Education - Orphanage - Individual	3120	181,754								
97. Special Education - Orphanage - Summer	3130	1,140								
98. Special Education - Summer School	3145									
99. Special Education - Other (Describe & Itemize)	3199									
<b>100. Total Special Education</b>		<b>585,894</b>	<b>0</b>		<b>0</b>					
<b>VOCATIONAL EDUCATION</b>										
101. Vocational Education - Tech. Prep.	3200									
102. Vocational Education - Coordination Grants	3210									
103. Vocational Education - Formula	3215	2,086								
104. Vocational Education - Jobs for Illinois Graduates	3217	81,503								
105. Vocational Education - Secondary Program Improvement	3220	89,126								
106. Vocational Education - WECEP	3225									
107. Vocational Education - Elem. Career Development Program	3275									
108. Vocational Education - Other (Describe & Itemize)	3299									
<b>109. Total Vocational Education</b>		<b>172,715</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>BILINGUAL</b>										
110. Bilingual Education - Downstate - TPI	3305									
111. Bilingual Education - Downstate - TBE	3310									
<b>112. Total Bilingual Education</b>		<b>0</b>				<b>0</b>				
113. Gifted Education	3350									
114. State Free Lunch & Breakfast	3360	24,585								
115. School Breakfast Initiative	3365									
116. Driver Education	3370	71,754								
117. Adult Education from Community College Board	3410									
118. Adult Education - Other (Describe & Itemize)	3499									
<b>TRANSPORTATION</b>										
119. Transportation - Regular/Vocational	3500				320,565					
120. Transportation - Special Education	3510				326,645					
121. Transportation - Other (Describe & Itemize)	3599									
<b>122. Total Transportation</b>		<b>0</b>	<b>0</b>		<b>647,210</b>	<b>0</b>				
123. Learning Improvement - Change Grants	3610									
124. Scientific Literacy	3660									
125. Truant Alternative/Optional Education	3695	92,340								
126. Early Childhood - Block Grant	3705									
127. Reading Improvement Block Grant	3715									
128. Reading Improvement Block Grant - Reading Recovery	3720									
129. Chicago General Education Block Grant	3766									
130. Chicago Educational Services Block Grant	3767									



STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
131. School Safety & Educational Improvement Block Grant	3775	100,625								
132. Technology - Closing the Gaps	3792									
133. State Library Grant	3800	2,529								
134. Illinois Arts Council Grants	3801									
135. Illinois Scholars Program	3803									
136. Illinois Occupational Information Coordinating Committee	3806									
137. Project Success	3807									
138. IDOT Safety	3808									
139. IDOT Alcohol Awareness	3809									
140. State Charter Schools	3815									
141. Summer Bridges	3825									
142. Academic Early Warning List	3830									
143. Infrastructure Improvements - Planning/Construction	3920									
144. School Infrastructure - Maintenance Projects	3925						8,437,496			
145. Other Restricted Revenue from State Sources (Describe & Itemize)	3999	9,165								
146. Total Restricted Grants-In-Aid (Total of lines 100, 109, 112-118, 122-145)		1,059,607	0	0	647,210	0	8,437,496	0	0	0
147. Total Receipts from State Sources (Total of lines 92 & 146)		8,053,168	720,000	0	847,210	0	8,437,496	0	0	0
<b>RECEIPTS/REVENUES FROM FEDERAL SOURCES</b>	<b>4000</b>									
<b>UNRESTRICTED GRANTS IN AID RECEIVED DIRECTLY FROM FEDERAL GOVT.</b>										
148. Federal Impact Aid	4001									
149. Other Unrestricted Grants-In-Aid Received Directly from the Federal Govt.	4009									
160. Total Unrestricted Grants-In-Aid Received Directly from the Federal Government		0	0	0	0	0	0	0	0	0
<b>RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVERNMENT</b>										
151. Emergency School Assistance Act	4025									
152. ESEA - Title VII - Bilingual	4030									
153. ESEA - Title VI - Excellence in Education	4035									
154. Community Action Program - OEO	4040									
155. Head Start	4045									
156. Construction (Impact Aid)	4050									
157. EPA Grant Proceeds (Life/Safety Purposes Only)	4055									
158. MAGNET	4060									
159. Other Restricted Grants-In-Aid Received Directly From Federal Govt. (Describe & Itemize)	4099									
160. Total Restricted Grants-In-Aid Received Directly From Federal Government		0	0		0	0	0			0
<b>RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT. THRU THE STATE</b>										
<b>TITLE V:</b>										
161. Title V - Innovation and Flexibility Formula	4100	10,577								
162. Title V - LEA Projects	4105									
163. Title V - Rural & Low Income Schools	4107									
164. Title V - Class Size Reduction	4110									
165. Title V - State Assessments	4120									
166. Title V - Other (Describe & Itemize)	4199									
167. Total Title V		10,577	0		0	0				
<b>FOOD SERVICE</b>										
168. National School Lunch Program	4210	439,419								
169. Special Milk Program	4215									
170. School Breakfast Program	4220									
171. Summer Food Service Admin/Program	4225									
172. Child Care Commodity/SFS 13-Adult Day Care	4226									

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
173. Food Service - Other (Describe & Itemize)	4299									
<b>174. Total Food Service</b>		<b>439,419</b>								
<b>TITLE I</b>										
175. Title I - Low Income	4300									
176. Title I - Low Income - Neglected, Private	4305									
177. Title I - Capital Expenses	4325									
178. Title I - School Improvement	4331									
179. Title I - Comprehensive School Reform	4332									
180. Title I - Reading First	4334									
181. Title I - Even Start	4335									
182. Title I - Migrant Education	4340									
183. Title I - Other (Describe & Itemize)	4399									
<b>184. Total Title I</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>TITLE IV</b>										
185. Title IV - Safe & Drug Free Schools - Formula	4400	18,160								
186. Title IV - Safe & Drug Free Schools - Violence Prevention	4406									
187. Title IV - Community Service	4420									
188. Title IV - 21st Century	4421									
189. Title IV - Other (Describe & Itemize)	4499									
<b>190. Total Title IV</b>		<b>18,160</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>FEDERAL SPECIAL EDUCATION</b>										
191. Fed - Spec Education - Preschool Flow-Through	4600									
192. Fed - Spec Education - Preschool Discretionary	4605									
193. Fed - Spec Education - IDEA - Flow Through/Low Incidence	4620	586,711								
194. Fed - Spec Education - IDEA - Room & Board	4625	128,982								
195. Fed - Spec Education - IDEA - Discretionary	4630									
196. Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
<b>197. Total Federal - Special Education</b>		<b>715,693</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>VOCATIONAL EDUCATION - (VE) PERKINS</b>										
198. VE - Perkins - Title IIA State Leadership	4720									
199. VE - Perkins - Title IIC Secondary	4745	96,584								
200. VE - Perkins - Title IIC - Postsecondary/Adult	4750									
201. VE - Perkins - Title IIIE - Tech. Prep.	4770									
202. VE - Education to Careers - Implementation (DOL)	4777									
203. VE - Other (Describe & Itemize)	4799									
<b>204. Total Vocational Education</b>		<b>96,584</b>	<b>0</b>			<b>0</b>				
205. Federal - Adult Education	4810									
206. Emergency Immigrant Assistance	4905									
207. Title III - English Language Acquisition	4909									
208. Learn & Serve America	4910									
209. McKinney Education for Homeless Children	4920									
210. Title II - Eisenhower Professional Development Formula	4930									
211. Title II - Teacher Quality	4932	93,565								
212. Goals 2000	4945									
213. Goals 2000 - Leadership	4946									
214. Department of Rehabilitation Services	4950									
215. Federal Charter Schools	4960									
216. School Renovation	4980									
217. IDEA Part B - Supplemental Activities	4981									
218. School Renovation - Technology	4982									
219. Federal Emergency Management Aid (FEMA/EMA)	4990									
220. Medicaid Matching Funds - Administrative Outreach	4991	74,923								
221. Medicaid Matching Funds - Fee-for-Service Program	4992	17,804								
222. Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999	5,129								

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
		Educational	Operations & Maintenance	Bond & Interest	Transportation	Municipal Retirement/ Social Security	Site & Construction/ Capital Improvement	Working Cash	Rent	Fire Prevention & Safety
223. Total Restricted Grants-In-Aid Received from Federal Govt. Thru the State (Total of Lines 167, 174, 184, 190, 197, 204-222)		1,471,854	0		0	0	0			0
224. Total Receipts/Revenues from Federal Sources (Total of Lines 150, 160, 223)		1,471,854	0	0	0	0	0	0	0	0
225. Total Direct Receipts/Revenues (Total of Lines 83, 87, 147 & 224)		29,120,924	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,300

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>10 - EDUCATIONAL FUND (ED)</b>											
<b>INSTRUCTION (ED)</b>	<b>1000</b>										
1. Regular Programs	1100	11,395,302	1,760,870	236,128	585,509	45,900	16,597			14,040,306	14,336,467
2. Special Education Programs (Functions 1200-1220)	1200	1,720,073	240,601	397	6,252					1,967,323	2,091,621
3. Educationally Deprived/Remedial Programs	1250									0	
4. Adult/Continuing Education Programs	1300									0	
5. Vocational Programs	1400	901,612	114,181	29,368	77,959	43,915				1,167,035	1,268,850
6. Interscholastic Programs	1500	1,092,107	21,671	153,767	137,797					1,442,278	1,204,226
7. Summer School Programs	1600	79,313	457							79,770	71,950
8. Gifted Programs	1650									0	
9. Bilingual Programs	1800									0	
10. Truant Alternative & Optional Programs	1900									0	
<b>11. Total Instruction <sup>12</sup></b>		<b>15,188,407</b>	<b>2,137,780</b>	<b>419,660</b>	<b>807,517</b>	<b>89,815</b>	<b>53,533</b>		<b>0</b>	<b>18,696,712</b>	<b>18,973,114</b>
<b>SUPPORT SERVICES (ED)</b>	<b>2000</b>										
<b>Support Services - Pupils</b>	<b>2100</b>										
12. Attendance & Social Work Services	2110	1,014,187	62,920	622	20,822						
13. Guidance Services	2120	862,496	104,266	48,132	16,729		295			1,098,551	1,135,378
14. Health Services	2130	107,897	22,932		2,761					1,031,918	1,104,737
15. Psychological Services	2140	72,169	14,518		740					133,590	130,939
16. Speech Pathology & Audiology Services	2150	77,318	448		774					87,427	89,540
17. Other Support Services - Pupils (Describe & Itemize)	2190									78,764	69,113
<b>18. Total Support Services - Pupils</b>		<b>2,134,067</b>	<b>205,084</b>	<b>48,754</b>	<b>41,826</b>	<b>0</b>	<b>519</b>			<b>2,430,250</b>	<b>2,529,707</b>
<b>Support Services - Instructional Staff</b>	<b>2200</b>										
19. Improvement of Instruction Services	2210	180,325	12,404	38,053	3,668		1,159				
20. Educational Media Services	2220	173,604	25,907	2,949	27,055	6,056				235,609	309,595
21. Assessment & Testing	2230									235,571	271,529
<b>22. Total Support Services - Instructional Staff</b>		<b>353,929</b>	<b>38,311</b>	<b>41,002</b>	<b>30,723</b>	<b>6,056</b>	<b>1,159</b>			<b>471,180</b>	<b>581,124</b>
<b>Support Services - General Administration</b>	<b>2300</b>										
23. Board of Education Services	2310	28,350	3,123	388,572			297,114				
24. Executive Administration Services	2320	291,436	193,876	31,472	12,984		9,332			717,159	645,000
25. Service Area Administrative Services	2330	253,802	43,300	30,924	19,339		3,537			539,100	503,432
<b>26. Total Support Services - General Administration</b>		<b>573,588</b>	<b>240,299</b>	<b>450,968</b>	<b>32,323</b>	<b>0</b>	<b>309,983</b>			<b>1,607,161</b>	<b>1,507,582</b>
<b>Support Services - School Administration</b>	<b>2400</b>										
27. Office of the Principal Services	2410	1,175,777	310,570	116,083	70,327	18,293	458				
28. Other Support Services - School Administration (Describe & Itemize)	2490									1,691,508	1,759,833
<b>29. Total Support Services - School Administration</b>		<b>1,175,777</b>	<b>310,570</b>	<b>116,083</b>	<b>70,327</b>	<b>18,293</b>	<b>458</b>		<b>0</b>	<b>1,691,508</b>	<b>1,759,833</b>
<b>Support Services - Business</b>	<b>2500</b>										
30. Direction of Business Support Services	2510	94,500	36,038								
31. Fiscal Services	2520	175,777	50,000	3,811	2,146		1,626			130,538	133,000
32. Operation & Maintenance of Plant Services	2540			182,432						233,360	249,450
33. Pupil Transportation Services	2550		1,157							182,432	166,300
34. Food Services	2560	284,843	35,200	7,476	466,576	16,583				1,157	1,200
35. Internal Services	2570	70,803	28	8,750	9,138					810,678	837,050
<b>36. Total Support Services - Business</b>		<b>625,923</b>	<b>122,423</b>	<b>202,469</b>	<b>477,860</b>	<b>16,583</b>	<b>1,626</b>			<b>1,446,884</b>	<b>1,479,650</b>
<b>Support Services - Central</b>	<b>2600</b>										
37. Direction of Central Support Services	2610										
38. Planning, Research, Development, & Evaluation Services	2620									0	
39. Information Services	2630									0	
40. Staff Services	2640									0	
41. Data Processing Services	2660									0	
<b>42. Total Support Services - Central</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>
43. Other Support Services (Describe & Itemize)	2900	176,606	16,571	187,131	237,749	41,017				659,074	636,224
<b>44. Total Support Services (Total Lines 18, 22, 26, 29, 36, 42 &amp; 43)</b>		<b>5,039,890</b>	<b>933,258</b>	<b>1,046,407</b>	<b>890,808</b>	<b>81,949</b>	<b>313,745</b>			<b>8,306,057</b>	<b>8,494,120</b>

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>46. COMMUNITY SERVICES (ED)</b>	<b>3000</b>										
<b>NONPROGRAMMED CHARGES (ED)</b>	<b>4000</b>			6,222	1,730					7,952	20,294
Payments to Other Government Units (In-State)	4100										
46. Payments for Regular Programs	4110										
47. Payments for Special Education Programs	4120			76,409					2,477,142	2,553,551	195,758
48. Payments for Adult/Continuing Education Programs	4130									0	2,045,000
49. Payments for Vocational Education Programs	4140									0	
50. Payments for Community College Programs	4170									0	
51. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>62. Total Payments to Other Govt. Units (In-State)</b>				76,409						0	
<b>63. PAYMENTS TO OTHER GOVT. UNITS (OUT-OF-STATE)</b>	<b>4200</b>						0	0	2,477,142	2,553,551	2,240,758
<b>64. Total Nonprogrammed Charges (Total Lines 52 &amp; 53)</b>				76,409			0	0	2,477,142	2,553,551	2,240,758
<b>DEBT SERVICES (ED)</b>	<b>6000</b>						0	0	2,477,142	2,553,551	2,240,758
Debt Service - Interest	6100										
55. Tax Anticipation Warrants	5110										
56. Tax Anticipation Notes	5120									0	
57. Teachers/Employees' Orders	5130									0	
58. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
59. State Aid Anticipation Certificates	5160									0	
60. Other (Describe & Itemize)	5190									0	
<b>61. Total Debt Service - Interest</b>										0	
<b>62. Debt Service - Lease/Purchase/Principal/Retired</b>	<b>6300</b>						0			0	0
<b>63. Total Debt Services (Total Lines 61 &amp; 62)</b>							0			0	0
<b>64. PROVISIONS FOR CONTINGENCIES (ED)</b>	<b>6000</b>						0			0	0
<b>66. Total Direct Disbursements/Expenditures (Total Lines 11, 44, 45, 54, 63 &amp; 64)</b>		20,228,297	3,071,038	1,548,698	1,700,055	171,764	367,278	0	2,477,142	29,564,272	29,728,286
<b>66. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(443,348)	



STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>20 - OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>											
<b>SUPPORT SERVICES (O&amp;M)</b>	<b>2000</b>										
Support Services - Pupils	2100										
67. Other Support Services - Pupils (Describe & Itemize)	2190										
Support Services - Business	2600									0	
68. Direction of Business Support Services	2510									0	
69. Facilities Acquisition & Construction Services	2530									0	
70. Operation & Maintenance of Plant Services	2540	1,740,733	263,000	1,116,714	270,326	12,769				0	5,000
71. Pupil Transportation Services	2550									3,403,542	3,348,900
72. Food Services	2560									0	
73. Total Support Services - Business		1,740,733	263,000	1,116,714	270,326	12,769	0			0	
74. Other Support Services (Describe & Itemize)	2600									3,403,542	3,353,900
75. Total Support Services (Total Lines 67, 73 & 74)		1,740,733	263,000	1,116,714	270,326	12,769	0			0	
76. COMMUNITY SERVICES (O&M)	3000									3,403,542	3,353,900
<b>NONPROGRAMMED CHARGES (O&amp;M)</b>										0	
Payments to Other Govt. Units (In-State)	4100										
77. Payments for Special Education Programs	4120									0	
78. Payments for Vocational Education Programs	4140									0	
79. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
80. Total Payments to Other Govt. Units (In-State)										0	
81. Payments to Other Govt. Units (Out of State)	4200						0	0		0	0
82. Total Nonprogrammed Charges (Total Lines 80 & 81)							0	0		0	0
<b>DEBT SERVICES (O&amp;M)</b>	<b>6000</b>										
Debt Services - Interest	6100										
83. Tax Anticipation Warrants	5110									0	
84. Tax Anticipation Notes	5120									0	
85. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
86. State Aid Anticipation Certificates	5160									0	
87. Other (Describe & Itemize)	5190									0	
88. Total Debt Services - Interest										0	200,000
89. Debt Service - Lease/Purchase/Principal/Retire	6300									0	200,000
90. Total Debt Services										0	200,000
91. PROVISIONS FOR CONTINGENCIES (O&M)	6000									0	400,000
92. Total Direct Disbursements/Expenditures (Total Lines 75, 76, 82, 90, 91)		1,740,733	263,000	1,116,714	270,326	12,769	0	0		3,403,542	3,753,900
93. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										409,730	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>30 - BOND &amp; INTEREST FUND (B&amp;I)</b>											
<b>NONPROGRAMMED CHARGES (B&amp;I)</b>	<b>4000</b>										
94. Payments to Other Govt. Units (In-State)	4100										
95. Total Nonprogrammed Charges										0	
<b>DEBT SERVICES (B&amp;I)</b>	<b>6000</b>							0		0	0
Debt Service - Interest	6100										
96. Tax Anticipation Warrants	5110									0	
97. Tax Anticipation Notes	5120									0	
98. Bonds	5140									0	
99. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150						998,700			998,700	769,520
100. State Aid Anticipation Certificates	5160									0	
101. Other (Describe & Itemize)	5190									0	
102. Total Debt Services - Interest										0	
103. Debt Service - Bond Principal Retired	6200						998,700			998,700	769,520
104. Debt Service - Other (Describe & Itemize)	6900			1,475			1,340,000			1,340,000	1,340,000
106. Total Debt Services (Total of Lines 102, 103 & 104)				1,475						1,475	2,500
106. PROVISION FOR CONTINGENCIES (B&I)	6000						2,338,700	0		2,340,175	2,112,020
107. Total Disbursements/ Expenditures (Total of Lines 95, 105 & 106)				1,475			2,338,700	0			
108. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										2,340,175	2,112,020
										(25,165)	
<b>40 - TRANSPORTATION FUND (TR)</b>											
<b>SUPPORT SERVICES (TR)</b>	<b>2000</b>										
Support Services - Pupils	2100										
109. Other Support Services Pupils (Describe & Itemize)	2190									0	
Support Services - Business	2600										
110. Pupil Transportation Services	2550	10,500		1,500,044							
111. Other Support Services (Describe & Itemize)	2900									1,510,544	1,504,700
112. Total Support Services		10,500	0	1,500,044	0	0	0	0		0	
113. COMMUNITY SERVICES (TR)	3000									1,510,544	1,504,700
<b>NONPROGRAMMED CHARGES (TR)</b>	<b>4000</b>										
Payments to Other Govt. Units (In-State)	4100										
114. Payments for Regular Programs	4110									0	
115. Payments for Special Education Programs	4120									0	
116. Payments for Adult/Continuing Education Programs	4130									0	
117. Payments for Vocational Education Programs	4140									0	
118. Payments for Community College Programs	4170									0	
119. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
120. Total Payments to Other Govt. Units (In-State)										0	
121. Other Payments to Govt. Units (Out-of-State) (Describe & Itemize)	4200						0	0		0	0
122. Total Nonprogrammed Charges							0	0		0	
<b>DEBT SERVICES (TR)</b>	<b>6000</b>										
Debt Service - Interest	6100										
123. Tax Anticipation Warrants	5110									0	
124. Tax Anticipation Notes	5120									0	
125. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
126. State Aid Anticipation Certificates	5160									0	
127. Other (Describe & Itemize)	5190									0	
128. Total Debt Services - Interest										0	
129. Debt Services Lease/Purchase/Principal Retired	6300						0			0	0
130. Total Debt Services							0			0	
131. PROVISION FOR CONTINGENCIES (TR)	6000						0			0	0
132. Total Disbursements/ Expenditures (Total Lines 112, 113, 122, 130 & 131)		10,500	0	1,500,044	0	0	0	0		1,510,544	1,504,700
133. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										(233,927)	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>50 MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)</b>											
<b>INSTRUCTION (MR/SS)</b>	<b>1000</b>										
134. Regular Programs	1100		159,686							159,686	150,200
135. Special Education Programs (Functions 1200-1220)	1200		52,293							52,293	49,250
136. Educationally Deprived/Remedial Programs	1250									0	
137. Adult/Continuing Education Programs	1300									0	
138. Vocational Programs	1400		10,854							10,854	13,610
139. Interscholastic Programs	1500		39,716							39,716	40,100
140. Summer School Programs	1600		1,456							1,456	1,100
141. Gifted Programs	1650									0	
142. Bilingual Programs	1800									0	
143. Truants' Alternative & Optional Programs	1900									0	
<b>144. Total Instruction</b>			<b>264,005</b>							<b>264,005</b>	<b>254,260</b>
<b>SUPPORT SERVICES (MR/SS)</b>	<b>2000</b>										
<b>Support Services - Pupils</b>	<b>2100</b>										
145. Attendance & Social Work Services	2110		66,265							66,265	69,500
146. Guidance Services	2120		29,912							29,912	32,750
147. Health Services	2130		7,531							7,531	7,600
148. Psychological Services	2140		1,047							1,047	1,700
149. Speech Pathology & Audiology Services	2150		1,121							1,121	1,550
150. Other Support Services - Pupils (Describe & Itemize)	2190									0	
<b>161. Total Support Services - Pupils</b>			<b>105,876</b>							<b>105,876</b>	<b>113,100</b>
<b>Support Services - Instructional Staff</b>	<b>2200</b>										
152. Improvement of Instruction Services	2210		10,091							10,091	11,450
153. Educational Media Services	2220		1,081							1,081	1,200
154. Assessment & Testing	2230									0	
<b>166. Total Support Services - Instructional Staff</b>			<b>11,172</b>							<b>11,172</b>	<b>12,650</b>
<b>Support Services - General Administration</b>	<b>2300</b>										
156. Board of Education Services	2310		411							411	
157. Executive Administration Services	2320		24,766							24,766	22,700
158. Service Area Administrative Services	2330		16,110							16,110	16,000
<b>169. Total Support Services - General Administration</b>			<b>41,287</b>							<b>41,287</b>	<b>38,700</b>
<b>Support Services - School Administration</b>	<b>2400</b>										
160. Office of the Principal Services	2410		71,287							71,287	74,500
161. Other Support Services - School Administration (Describe & Itemize)	2490									0	
<b>162. Total Support Services - School Administration</b>			<b>71,287</b>							<b>71,287</b>	<b>74,500</b>
<b>Support Services - Business</b>	<b>2600</b>										
163. Direction of Business Support Services	2510		1,370							1,370	1,800
164. Fiscal Services	2520		27,481							27,481	30,000
165. Facilities Acquisition & Construction Services	2530									0	
166. Operation & Maintenance of Plant Services	2540		257,835							257,835	259,000
167. Pupil Transportation Services	2550		152							152	200
168. Food Services	2560		44,214							44,214	44,500
169. Internal Services	2570		7,819							7,819	8,700
<b>170. Total Support Services - Business</b>			<b>338,871</b>							<b>338,871</b>	<b>344,200</b>
<b>Support Services - Central</b>	<b>2600</b>										
171. Direction of Central Support Services	2610									0	
172. Planning, Research, Development, & Evaluation Services	2620									0	
173. Information Services	2630									0	
174. Staff Services	2640									0	
175. Data Processing Services	2660									0	
<b>176. Total Support Services - Central</b>			<b>0</b>							<b>0</b>	<b>0</b>
<b>177. Other Support Services (Describe &amp; Itemize)</b>	<b>2900</b>										
178. <b>Total Support Services (Total Lines 151-155, 159, 162, 170, 176 &amp; 177)</b>			<b>29,872</b>							<b>29,872</b>	<b>33,500</b>
<b>179. COMMUNITY SERVICES (MR/SS)</b>	<b>3000</b>		<b>598,365</b>							<b>598,365</b>	<b>616,650</b>
										0	



STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>NONPROGRAMMED CHARGES (MR/SS)</b>	<b>4000</b>										
180. Payments for Special Education Programs	4120									0	
181. Payments for Vocational Education Programs	4140									0	
<b>182. Total Nonprogrammed Charges</b>			0							0	0
<b>DEBT SERVICES (MR/SS)</b>	<b>6000</b>										
<b>Debt Services - Interest</b>	<b>6100</b>										
183. Tax Anticipation Warrants	5110									0	
184. Tax Anticipation Notes	5120									0	
185. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
186. State Aid Anticipation Certificates	5160									0	
187. Other (Describe & Itemize)	5190									0	
<b>188. Total Debt Services - Interest</b>										0	0
<b>189. PROVISION FOR CONTINGENCIES (MR/SS)</b>	<b>6000</b>									0	0
<b>190. Total Disbursements/Expenditures</b> (Total Lines 144, 178, 179, 182, 188 & 189)			862,370				0			862,370	870,910
<b>191. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										7,154	
<b>60 - SITE &amp; CONSTRUCTION/CAPITAL IMPROVEMENT FUND (S&amp;C/C)</b>											
<b>SUPPORT SERVICES (S&amp;C/C)</b>	<b>2000</b>										
<b>Support Services - Business</b>	<b>2500</b>										
192. Facilities Acquisition and Construction Services	2530					16,929,074				16,929,074	14,000,000
193. Other Support Services (Describe & Itemize)	2900									0	
<b>194. Total Support Services</b>		0	0	0	0	16,929,074	0			16,929,074	14,000,000
<b>NONPROGRAMMED CHARGES (S&amp;C/C)</b>	<b>4000</b>										
<b>Payments to Other Govt. Units (In-State)</b>	<b>4100</b>										
195. Payments for Special Education Programs	4120									0	
196. Payments for Vocational Education Programs	4140									0	
197. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>198. Total Payments to Other Govt. Units (In-State)</b>										0	0
<b>199. Payments to Other Govt. Units (Out-of-State)</b>	<b>4200</b>							0		0	0
<b>200. Total Nonprogrammed Charges (Total Lines 188 &amp; 199)</b>								0		0	0
<b>201. PROVISION FOR CONTINGENCIES (S&amp;C/C)</b>	<b>6000</b>										
<b>202. Total Disbursements/ Expenditures</b> (Total Lines 184, 200 & 201)		0	0	0	0	16,929,074	0	0		16,929,074	14,000,000
<b>203. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(8,365,373)	
<b>80 - RENT FUND (RT)</b>											
<b>DEBT SERVICES (RT)</b>	<b>6000</b>										
<b>Debt Service - Interest</b>	<b>6100</b>										
204. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
205. State Aid Anticipation Certificates	5160									0	
206. Debt Service - Other (Describe & Itemize)	5000									0	
<b>207. Total Debt Services</b>										0	0
<b>208. Total Disbursements/Expenditures</b>							0	0		0	0
<b>209. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>							0	0		0	0

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>90 - FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>											
<b>SUPPORT SERVICES (FP&amp;S)</b>	<b>2000</b>										
Support Services - Business	2600										
210. Facilities Acquisition & Construction Services	2530			5,369		2,465				7,834	400,000
211. Operation & Maintenance of Plant Services	2540									0	
<b>212. Total Support Services - Business</b>		0	0	5,369	0	2,465	0			7,834	400,000
213. Other Support Services (Describe & Itemize)	2900									0	
<b>214. Total Support Services (Total Lines 212 &amp; 213)</b>		0	0	5,369	0	2,465	0			7,834	400,000
<b>NONPROGRAMMED CHARGES (FP&amp;S)</b>	<b>4000</b>										
215. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>216. Total Nonprogrammed Charges</b>								0		0	
<b>DEBT SERVICES (FP&amp;S)</b>	<b>6000</b>										
Debt Service - Interest	6100									0	0
217. Tax Anticipation Warrants	5110									0	
<b>218. Total Debt Service - Interest</b>										0	
<b>219. PROVISION FOR CONTINGENCIES (FP&amp;S)</b>	<b>6000</b>										
<b>220. Total Disbursements/Expenditures (Total Lines 214, 216, 218 &amp; 219)</b>		0	0	5,369	0	2,465	0	0		7,834	400,000
<b>221. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										15,466	

<b>SCHEDULE OF AD VALOREM TAX RECEIPTS</b>					
<b>Description</b>	<b>(A) TAXES RECEIVED 7-1-05 THRU 6-30-06 From 2005 Levy &amp; Prior Levies *</b>	<b>(B) TAXES RECEIVED FROM 2005 LEVY</b>	<b>(C) TAXES RECEIVED FROM 2004 &amp; Prior Levies (Col A - Col B)</b>	<b>(D) TOTAL ESTIMATED TAXES FROM 2005 LEVY</b>	<b>(E) ESTIMATED TAXES DUE FROM 2005 LEVY (Col D - Col B)</b>
1. Educational	17,425,043	8,068,034	9,357,009	18,409,822	10,341,788
2. Operations & Maintenance	2,094,353	1,003,086	1,091,267	2,288,864	1,285,778
3. Bond & Interest **	2,275,966	1,115,348	1,160,618	2,545,027	1,429,679
4. Transportation	393,127	185,273	207,854	422,761	237,488
5. Municipal Retirement	256,653	152,668	103,985	348,362	195,694
6. Working Cash	260,339	130,804	129,535	298,471	167,667
7. Rent	0		0		0
8. Capital Improvements	0		0		0
9. Tort Immunity	426,369	217,878	208,491	497,160	279,282
10. Fire Prevention, Safety, Energy Conservation, Disabled Accessibility, School Security and Specified Repairs	0		0		0
11. Leasing Levy	0		0		0
12. Special Education	132,035	60,990	71,045	139,169	78,179
13. Area Vocational Construction	0		0		0
14. Social Security/Medicare Only	534,353	248,567	285,786	567,183	318,616
15. Summer School	0		0		0
16. Other (Describe & Itemize)	0		0		0
17. Totals	23,798,238	11,182,648	12,615,590	25,516,819	14,334,171

\* The formulas in column A are unprotected so that they may be overridden when reporting on a ACCRUAL basis.

\*\* All tax receipts for debt service payments on bonds must be recorded on line 3 (Bond and Interest).

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

Description	(A) Outstanding Beginning 07/01/05	(B) Issued 07/01/05 Through 06/30/06	(C) Retired 07/01/05 Through 06/30/06	(D) Outstanding Ending 06/30/06 *
<b>SCHEDULE OF CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES</b>				
1. Total All Funds				0
<b>SCHEDULE OF TAX ANTICIPATION WARRANTS</b>				
2. Educational Fund				0
3. Operations & Maintenance Fund				0
4. Bond & Interest Fund - Construction				0
5. Bond & Interest Fund - Working Cash				0
6. Bond & Interest Fund - Refunding Bonds				0
7. Transportation Fund				0
8. Municipal Retirement/Social Security Fund				0
9. Fire Prevention & Safety Fund				0
10. Other - (Describe & Itemize)				0
11. Total	0	0	0	0
<b>SCHEDULE OF TAX ANTICIPATION NOTES</b>				
12. Educational Fund				0
13. Operations & Maintenance Fund				0
14. Fire Prevention & Safety Fund				0
15. Other - (Describe & Itemize)				0
16. Total	0	0	0	0
<b>SCHEDULE OF TEACHERS/EMPLOYEES ORDERS</b>				
17. Total Educational, Operations & Maintenance and Transportation Funds				0
<b>SCHEDULE OF GENERAL STATE AID ANTICIPATION CERTIFICATES</b>				
18. Total All Funds				0

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

SCHEDULE OF BONDS PAYABLE									
	Issue (1)	Issue (2)	Issue (3)	Issue (4)	Issue (5)	Issue (6)	Issue (7)	Issue (8)	TOTAL
1. Fiscal Year of Bond Issue	1998	2002	2003	2005					
a. Amount of Original Issue	3,100,000	9,995,000	9,000,000						
b. Type of Bond Issue *	FP&S/Funding	Building	Building	Funding					
2. Bonds Outstanding 7-1-05 **	1,165,000	9,280,000	8,300,000						18,745,000
<b>ADD:</b>									
3. Bonds Issued 7-1-05 through 6-30-06				6,000,000					6,000,000
4. State reason for any difference with Page 8, Line 25	Reason: (Explain the difference here)								0
<b>LESS:</b>									
5. Bonds Retired 7-1-05 through 6-30-06	650,000	360,000	330,000						0
6. Bonds Defeased 7-1-05 through 6-30-06									1,340,000
7. Total Bonds Retired/Defeased	650,000	360,000	330,000	0	0	0	0	0	1,340,000
<b>EQUALS:</b>									
8. Bonds Outstanding 6-30-06	515,000	8,920,000	7,970,000	6,000,000	0	0	0	0	23,405,000
9. Amount to Be Provided to Retire Bonds ***	498,366	8,603,946	7,687,215	5,783,751					22,573,278

\* Each type of bond issue must be identified separately with the amount:

- |                            |  |                |
|----------------------------|--|----------------|
| 1. Working Cash Fund Bonds | 4. Fire Prevention, Safety, Environmental and Energy Bonds | 7. Other _____ |
| 2. Funding Bonds           | 5. Tort Judgment Bonds                                     | 8. Other _____ |
| 3. Refunding Bonds         | 6. Building Bonds  | 9. Other _____ |

\*\* This total must agree with Page 28, Line 8, 2004-05 Annual Financial Report based on the *Illinois Program Accounting Manual for Local Education Agencies*. If more than one type of an individual bond issue, indicate percent of original issue that relates to each type.

\*\*\* This total must equal the amount on Page 6, Line 22.

ID: 14-016-2150-17

Name THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**SCHEDULE OF RESTRICTED LOCAL TAX LEVIES  
ANALYSIS OF CHANGES IN CASH BASIS FUND BALANCE**

Description	ACCT #	(A) TORT IMMUNITY	(B) SPECIAL EDUCATION	(C) AREA VOCATIONAL CONSTRUCTION
<b>1. Cash Basis Fund Balance July 1, 2005 <sup>a</sup></b>		(184,916)	11,074	
2. Ad Valorem Taxes Received by LEA	1, 2, 4 or 5-1100	426,369	132,034	
3. Earnings on Investments <sup>b</sup>	1, 2, 4, 5 or 6-1500		200	
4. Sale of Bonds	1, 2, 4 or 6-7200			
5. Other Receipts from Local Sources (Describe & Itemize)				
6. Federal Impact Aid (PL 81-874)	4001			
<b>7. Total Receipts (Total of Lines 2, 3, 4, 5 &amp; 6)</b>		<b>426,369</b>	<b>132,234</b>	<b>0</b>
<b>8. Total Amount Available (Total of Lines 1 &amp; 7)</b>		<b>241,453</b>	<b>143,308</b>	<b>0</b>
9. Special Education	1 or 5-1200			
10. Facilities Acquisition & Construction Services	2 or 6-2530			
11. Tort Immunity <sup>c</sup>		320,585		
12. Other Disbursements (Describe & Itemize)				
13. Nonprogrammed Charges	1, 2, 4 or 6-4000		128,508	
<b>14. Total Disbursements (Total of Lines 9-13)</b>		<b>320,585</b>	<b>128,508</b>	<b>0</b>
<b>15. Cash Basis Fund Balance June 30, 2006 (Line 8 minus Line 14) <sup>d</sup></b>		<b>(79,132)</b>	<b>14,800</b>	<b>0</b>

<sup>a</sup> Must agree with line 15, page 29, 2004-05 Illinois School District Annual Financial Report. If different, please explain.  
<sup>b</sup> The local education agency shall invest, within two working days, all monies not needed immediately for district operations (30 ILCS 225/1).  
<sup>c</sup> Tort Immunity expenditures should be reported on this line regardless of the fund/function used. Also see the schedule at right.  
<sup>d</sup> A deficit balance should only be reflected if tax anticipation warrants or notes are outstanding against the specific restricted tax levy due to late receipt of local taxes or if the district has a concurring legal opinion to reduce deficit with subsequent tax levy year's proceeds. A positive balance should be reflected as a "Reserved Fund Balance" on Page 5.

ID: 14-016-2150-17  
 Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**SCHEDULE OF TORT IMMUNITY EXPENDITURES <sup>\*</sup>**

1.  Yes  No Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?

If yes, list in the aggregate, the following:

Total Claims Payments:	
Total Reserve Remaining:	

2. Using the following categories, list all other Tort Immunity expenditures not included in line 1 above. Include the total dollar amount for each category.

a. Workers' Compensation Act and/or Workers' Occupational Disease Act	153,286
b. Unemployment Insurance Act	14,632
c. Insurance (Regular or Self-Insurance)	129,196
d. Risk Management and Claims Service	
e. Judgments/Settlements	
f. Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	23,471
g. Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)	
h. Legal Services	
i. Principal and Interest on Tort Bonds	

<sup>\*</sup> All tort immunity expenditures must be reported using this schedule in accordance with 745 ILCS 10/9-103 and 107.

**FINANCIAL DATA TO ASSIST INDIRECT COST RATE DETERMINATION**

The source document for the computation of Indirect Cost Rates is the Illinois School District Annual Financial Report 2005-06 (ISBE Form 50-35). This schedule must be completed for all school districts.

**SECTION I [Restricted and Unrestricted Programs - All objects exclude capital outlay]**

With the exception of 4a, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.

**A. Support Services - Direct Costs (1-2000) and (5-2000)**

1. Direction of Business Support Services (1-2510) and (5-2510)	\$	
2. Fiscal Services (1-2520) and (5-2520)	\$	
3. Operation and Maintenance of Plant Services (1, 2, and 5-2540)	\$	
4. Food Services (1-2560) <i>Must be less than Page 15, Line 34, Column 3 and 4.</i>	\$	474,052
4a. Value of Commodities Received for Fiscal Year 2006 <i>Include the value of commodities when determining if an A-133 audit is required.</i>	\$	
5. Internal Services (1-2570) and (5-2570)	\$	
6. Staff Services (1-2640) and (5-2640)	\$	
7. Data Processing Services (1-2660) and (5-2660)	\$	

**SECTION 2 [Severance Payments]**

Enter the disbursements/expenditures within each function for severance payments made in addition to regular salaries and wages for workers whose employment was terminated. Such amounts should only include one-time payments made to retiring or terminated employees for accumulated sick and/or vacation days. Do not include compensation for such unused sick and/or vacation days made through an annual salary enhancement and when termination has not occurred.

Fund	Function	Function Name	# of Employees Terminated	Severance Payments
1. ED, MR/SS	1000	Instruction		
		Support Services:		
2. ED, O&M, TR, MR/SS	2100	- Pupils		
3. ED, MR/SS	2200	- Instructional Staff		
4. ED, MR/SS	2300	- General Administration		
5. ED, MR/SS	2400	- School Administration		
6. ED, O&M, MR/SS	2510	- Direction of Business Support Services		
7. ED, O&M, MR/SS	2520	- Fiscal Services		
8. ED, O&M, MR/SS	2540	- Operations & Maintenance of Plant Services		
9. ED, O&M, TR, MR/SS	2550	- Pupil Transportation Services		
10. ED, MR/SS	2560	- Food Services		
11. ED, MR/SS	2570	- Internal Services		
12. ED, MR/SS	2610	- Direction of Central Support Services		
13. ED, MR/SS	2620	- Planning, Research, Dev., & Evaluation Serv.		
14. ED, MR/SS	2630	- Information Services		
15. ED, MR/SS	2640	- Staff Services		
16. ED, MR/SS	2660	- Data Processing Services		
17. ED, O&M, TR, MR/SS	2900	- Other Support Services		
18. ED, O&M, TR, MR/SS	3000	Community Services		
19. TOTAL			0	0

ID: 14-016-2150-17  
Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

STATISTICAL INFORMATION \*  
(This Schedule Must Be Completed)

Schedule of Capital Outlay and Depreciation										
Description of Assets	(A) Cost 7-1-05	(B) Add: Additions 2005-06	(C) Less: Deletions 2005-06	(D) Cost 6-30-06	Life In Years	(E) Accumulated Depreciation 7-1-05	(F) Add: Depreciation Allowable 2005-06	(G) Less: Depreciation Deletions 2005-06	(H) Accumulated Depreciation 6-30-06	(I) Balance Undepreciated 6-30-06
1. Land	560,301			560,301	-					560,301
2. Buildings	21,413,505	44,452,179	500,000	65,365,684	50	12,376,243	272,905	500,000	12,149,148	53,216,536
3. Improvements Other than Buildings	2,041,049	395,680		2,436,729	20	836,533	102,054		938,587	1,498,142
4. Equipment Other than Transportation/Food Services	5,623,770	476,366	430,587	5,669,549	10 **	3,042,249	519,320	430,587	3,130,982	2,538,567
5. Construction in Progress	28,224,737		28,224,737	0	-					0
6. Transportation Equipment	137,243		52,496	84,747	5 **	110,811	16,949	52,496	75,264	9,483
7. Food Services Equipment	316,966	16,583		333,549	10	143,881	31,697		175,578	157,971
8. Totals	58,317,571	45,340,808	29,207,820	74,450,559		16,509,717	942,925	983,083	16,469,559	57,981,000

\* Valuation of Transportation Equipment must be shown at historical cost. Valuation of other equipment, buildings, and land improvements should be shown on a Historical Cost Basis or an acceptable approximation of cost as described in Appendix B of the Illinois Program Accounting Manual. Column A and Column E must agree with Columns D and H, 2004-2005 Annual Financial Report.

\*\* Some items costing \$500 or more may be depreciated over a life of approximately three years. For additional information regarding those items, refer to current instructions for completing pupil transportation reimbursement forms.

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215



**ESTIMATED OPERATING EXPENDITURES PER PUPIL AND PER CAPITA TUITION CHARGE COMPUTATIONS (2005-06)**  
*This schedule is completed for school districts only.*

FUND	Page = P, Line = L Column = C	ACCOUNT NO - TITLE *	Amount
<b>A. TOTAL EXPENDITURES</b>			
1. ED	P16, L65, C9	TOTAL EXPENDITURES	\$ 29,564,272
2. O&M	P17, L92, C9	TOTAL EXPENDITURES	3,403,542
3. B & I	P18, L107, C9	TOTAL EXPENDITURES	2,340,175
4. TR	P18, L132, C9	TOTAL EXPENDITURES	1,510,544
5. MR/SS	P20, L190, C9	TOTAL EXPENDITURES	862,370
6. RENT	P21, L208, C9	TOTAL EXPENDITURES	0
7. TOTAL (LINES 1 THROUGH 6)			\$ 37,680,903
<b>B. LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM</b>			
8. TR	P9, L32, C4	1412 - REGULAR TRANS. FEES FROM OTHER LEAs	\$ 0
9. TR	P9, L35, C4	1421 - SUMMER SCHOOL TRANS. FEES FROM PUPILS OR PARENTS	0
10. TR	P9, L36, C4	1422 - SUMMER SCHOOL TRANS. FEES FROM OTHER LEAs	0
11. TR	P9, L37, C4	1423 - SUMMER SCHOOL TRANS. FEES FROM OTHER SOURCES	0
12. TR	P9, L39, C4	1432 - VOCATIONAL TRANS. FEES FROM OTHER LEAs	0
13. TR	P9, L42, C4	1442 - SPECIAL ED. TRANS. FEES FROM OTHER LEAs	0
14. TR	P9, L44, C4	1451 - ADULT TRANS. FEES FROM PUPILS OR PARENTS	0
15. TR	P9, L45, C4	1452 - ADULT TRANS. FEES FROM OTHER LEAs	0
16. TR	P9, L46, C4	1453 - ADULT TRANS. FEES FROM OTHER SOURCES	0
17. O&M	P11, L117, C2	3410 - ADULT ED. FROM COMMUNITY COLLEGE BOARD	0
18. O&M-TR	P11, L118, C2,4	3499 - ADULT ED. - OTHER	0
19. ED-O&M-TR-MR/SS	P11, L126, C1,2,4,5	3705 - EARLY CHILDHOOD - BLOCK GRANT	0
20. ED-O&M-TR	P12, L135, C1,2,4	3803 - ILLINOIS SCHOLARS PROGRAM	0
21. ED-O&M-TR	P12, L136, C1,2,4	3808 - ILLINOIS OCCUPATIONAL INFO. COORD. COMM.	0
22. ED-TR	P12, L141, C1,4	3825 - SUMMER BRIDGES	0
23. ED	P12, L155, C1	4045 - HEAD START	0
24. ED-O&M-TR-MR/SS	P13, L191, C1,2,4,5	4600 - FED SPEC ED - PRESCHOOL - FLOW THROUGH	0
25. ED-O&M-TR-MR/SS	P13, L192, C1,2,4,5	4605 - FED SPEC ED - PRESCHOOL DISCRETIONARY	0
26. ED-O&M-MR/SS	P13, L200, C1,2,5	4750 - VE-PERKINS-TITLEIC-POSTSECONDARY/ADULT	0
27. O&M	P13, L205, C2	4810 - FEDERAL - ADULT EDUCATION	0
28. ED	P15, L4, C1,2,3,4,6	1300 - ADULT/CONTINUING EDUCATION PROGRAMS	0
29. ED	P15, L7, C1,2,3,4,6	1600 - SUMMER SCHOOL PROGRAMS	79,770
30. ED	P15, L45, C1,2,3,4,6	3000 - COMMUNITY SERVICES	7,952
31. ED	P16, L54, C3,6	4000 - TOTAL NONPROGRAMMED CHARGES	76,409
32. ED	P16, L62, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
33. ED	P16, L65, C5	- TOTAL EXP. - CAPITAL OUTLAY	171,764
34. ED	P16, L65, C7	- TOTAL EXP. - TRANSFERS	0
35. ED	P16, L65, C8	- TOTAL EXP. - TUITION	2,477,142
36. O&M	P17, L76, C1,2,3,4,6	3000 - COMMUNITY SERVICES	0
37. O&M	P17, L82, C9	4000 - TOTAL NONPROGRAMMED CHARGES	0
38. O&M	P17, L89, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
39. O&M	P17, L92, C5	- TOTAL EXP. - CAPITAL OUTLAY	12,769
40. B&I	P18, L103, C9	5200 - BOND PRINCIPAL RETIRED	1,340,000
41. B&I	P18, L107, C7	- TOTAL EXP. - TRANSFERS	0
42. TR	P18, L113, C1,2,3,4,6	3000 - COMMUNITY SERVICES	0
43. TR	P18, L122, C9	4000 - TOTAL NONPROGRAMMED CHARGES	0
44. TR	P18, L129, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
45. TR	P18, L132, C5	- TOTAL EXP. - CAPITAL OUTLAY	0
46. MR/SS	P19, L137, C2	1300 - ADULT/CONTINUING EDUCATION PROGRAMS	0
47. MR/SS	P19, L140, C2	1600 - SUMMER SCHOOL PROGRAMS	1,456
48. MR/SS	P19, L179, C2	3000 - COMMUNITY SERVICES	0
49. MR/SS	P20, L182, C2	4000 - TOTAL NONPROGRAMMED CHARGES	0
50. TOTAL DEDUCTIONS (Lines 8 through 49)			\$ 4,167,262
51. OPERATING EXPENSE REGULAR K-12 (Line 7 minus Line 50)			33,513,641
52. AVERAGE DAILY ATTENDANCE (See the General State Aid Claim for 2005-06 (ISBE 54-33, Line 12))			2,950.69
53. ESTIMATED OPERATING EXPENSE PER PUPIL (Line 51 divided by Line 52)			\$ 11,357.90
<b>C. LESS OFFSETTING RECEIPTS/REVENUES:</b>			
54. TR	P9, L31, C4	1411 - REG. TRANS. FEES FROM PUPILS OR PARENTS	\$ 22,479
55. TR	P9, L33, C4	1413 - REG. TRANS. FEES FROM PRIVATE SOURCES	0
56. TR	P9-L34-C4	1415 - REG. TRANS. FEES CO-CURRICULAR	0
57. TR	P9, L38, C4	1431 - VOC. TRANS. FEES FROM PUPILS OR PARENTS	0
58. TR	P9, L40, C4	1433 - VOC. TRANS. FEES FROM OTHER SOURCES	0
59. TR	P9, L41, C4	1441 - SPEC. EDUC. TRANS FEES FROM PUPILS OR PARENTS	0
60. TR	P9, L43, C4	1443 - SPEC. EDUC. TRANS FEES FROM OTHER SOURCES	0
61. ED	P10, L57, C1	1600 - TOTAL FOOD SERVICES	512,993
62. ED-O&M	P10, L63, C1,2	1700 - TOTAL PUPIL ACTIVITIES	368,852
63. ED	P10, L64, C1	1811 - RENTALS - REGULAR TEXTBOOK	0
64. ED	P10, L67, C1	1819 - RENTALS - OTHER	0
65. ED	P10, L68, C1	1821 - SALES - REGULAR TEXTBOOK	186,080
66. ED	P10, L71, C1	1829 - SALES - OTHER	0
67. ED	P10, L72, C1	1890 - TEXTBOOKS - OTHER	0
68. ED-O&M	P10, L74, C1,2	1910 - RENTALS	60,464
69. ED-O&M-TR	P10, L76, C1,2,4	1940 - SERVICES PROVIDED OTHER LEAs	0

**ESTIMATED OPERATING EXPENDITURES PER PUPIL AND PER CAPITA TUITION CHARGE COMPUTATIONS (2005-06)**  
*This schedule is completed for school districts only.*

FUND	Page = P, Line = L Column = C	ACCOUNT NO - TITLE *	Amount
70. ED-O&M-TR	P10, L78, C1,2,4	1991 - PAYMENT FROM OTHER LEAs	0
71. ED	P10, L80, C1	1993 - LOCAL FEES	0
72. ED-O&M-TR	P11, L100, C1,2,4	- TOTAL SPECIAL EDUCATION	585,894
73. ED-O&M-TR-MR/SS	P11, L109, C1,2,4,5	- TOTAL VOCATIONAL EDUCATION	172,715
74. ED-MR/SS	P11, L112, C1,5	- TOTAL BILINGUAL EDUCATION	0
75. ED-TR	P11, L113, C1,4	3350 - GIFTED EDUCATION	0
76. ED	P11, L114, C1	3360 - STATE FREE LUNCH & BREAKFAST	24,585
77. ED-O&M-MR/SS	P11, L115, C1,2,5	3365 - SCHOOL BREAKFAST INITIATIVE	0
78. ED-O&M	P11, L116, C1,2	3370 - DRIVER EDUCATION	71,754
79. ED-O&M-TR-MR/SS	P11, L122, C1,2,4,5	- TOTAL TRANSPORTATION	647,210
80. ED	P11, L123, C1	3610 - LEARNING IMPROVEMENT - CHANGE GRANTS	0
81. ED-O&M-TR-MR/SS	P11, L124, C1,2,4,5	3660 - SCIENTIFIC LITERACY	0
82. ED-TR-MR/SS	P11, L125, C1,4,5	3695 - TRUANT ALTERNATIVE/OPTIONAL EDUCATION	92,340
83. ED-TR-MR/SS	P11, L127, C1,4,5	3715 - READING IMPROVEMENT BLOCK GRANT	0
84. ED-TR-MR/SS	P11, L128, C1,4,5	3720 - READING IMPROVEMENT BLOCK GRANT - READING RECOVERY	0
85. ED-O&M-TR-MR/SS	P11, L129, C1,2,4,5	3766 - CHICAGO GENERAL EDUCATION BLOCK GRANT	0
86. ED-O&M-TR-MR/SS	P11, L130, C1,2,4,5	3767 - CHICAGO EDUCATIONAL SERVICES BLOCK GRANT	0
87. ED-O&M-TR-MR/SS	P12, L131, C1,2,4,5	3775 - SCHOOL SAFETY & EDUCATIONAL IMPROVEMENT BLOCK GRANT	100,625
88. ED-O&M-TR	P12, L132, C1,2,4	3792 - TECHNOLOGY-CLOSING THE GAPS	0
89. ED	P12, L133, C1	3800 - STATE LIBRARY GRANT	2,529
90. ED	P12, L134, C1	3801 - ILLINOIS ARTS COUNCIL GRANTS	0
91. ED-O&M-TR	P12, L137, C1,2,4	3807 - PROJECT SUCCESS	0
92. ED-TR	P12, L138, C1,4	3808 - IDOT SAFETY	0
93. ED-TR	P12, L139, C1,4	3809 - IDOT ALCOHOL AWARENESS	0
94. ED-TR	P12, L142, C1,4	3830 - ACADEMIC EARLY WARNING LIST	0
95. O&M	P12, L144, C2	3925 - SCHOOL INFRASTRUCTURE-MAINTENANCE PROJECTS	0
96. ED-O&M-B&I-TR-MR/SS-RT	P12, L145, C1,2,3,4,5,8	3999 - OTHER RESTRICTED REVENUE FROM STATE SOURCES	9,165
97. ED	P12, L155, C1	4045 - (SUBTRACT) HEAD START	0
98. ED-O&M-TR-MR/SS	P12, L160, C1,2,4,5	- TOTAL RESTRICTED GRANTS-IN-AID FROM FED. GOV.	0
99. ED-O&M-TR-MR/SS	P12, L167, C1,2,4,5	- TOTAL TITLE V	10,577
100. ED	P13, L174, C1	- TOTAL FOOD SERVICE	439,419
101. ED-O&M-TR-MR/SS	P13, L184, C1,2,4,5	- TOTAL TITLE I	0
102. ED-O&M-TR-MR/SS	P13, L190, C1,2,4,5	- TOTAL TITLE IV	18,160
103. ED-O&M-TR-MR/SS	P13, L193, 1,2,4,5	4620 - FED - SPEC ED - IDEA - FLOW THROUGH/LOW INCIDENCE	586,711
104. ED-O&M-TR-MR/SS	P13, L194, C1,2,4,5	4625 - FED - SPEC ED - IDEA - ROOM & BOARD	128,982
105. ED-O&M-TR-MR/SS	P13, L195, C1,2,4,5	4630 - FED - SPEC ED - IDEA - DISCRETIONARY	0
106. ED-O&M-TR-MR/SS	P13, L196, C1,2,4,5	4699 - FED - SPEC ED - IDEA - OTHER	0
107. ED-O&M-MR/SS	P13, L200, C1, 2, 5	4750 - (SUBTRACT) VE - PERKINS - TITLE IIC POSTSECONDARY/ ADULT	0
108. ED-O&M-MR/SS	P13, L204, C1,2,5	- TOTAL VOCATIONAL EDUCATION	96,584
109. ED-TR-MR/SS	P13, L206, C1,4,5	4905 - EMERGENCY IMMIGRANT ASSISTANCE	0
110. ED-TR-MR/SS	P13, L207, C1,4,5	4909 - TITLE III - ENGLISH LANGUAGE ACQUISITION	0
111. ED-TR-MR/SS	P13, L208, C1,4,5	4910 - LEARN & SERVE AMERICA	0
112. ED-O&M-TR-MR/SS	P13, L209, C1,2,4,5	4920 - MCKINNEY EDUCATION FOR HOMELESS CHILDREN	0
113. ED-O&M-TR-MR/SS	P13, L210, C1,2,4,5	4930 - TITLE II - EISENHOWER - PROFESSIONAL DEVELOPMENT FORMULA	0
114. ED-O&M-TR-MR/SS	P13, L211, C1,2,4,5	4932 - TITLE II - TEACHER QUALITY	93,565
115. ED-O&M-TR-MR/SS	P13, L212, C1,2,4,5	4945 - GOALS 2000	0
116. ED-O&M-TR-MR/SS	P13, L213, C1,2,4,5	4946 - GOALS 2000 - LEADERSHIP	0
117. ED-O&M-TR-MR/SS	P13, L214, C1,2,4,5	4950 - DEPT. OF REHABILITATION SERVICES	0
118. ED-O&M-TR-MR/SS	P13, L215, C1,2,4,5	4960 - FEDERAL CHARTER SCHOOLS	0
119. ED-O&M-TR-MR/SS	P13, L216, C1,2,4,5	4980 - SCHOOL RENOVATION	0
120. ED-O&M-TR-MR/SS	P13, L217, C1,2,4,5	4981 - IDEA PART B - SUPPLEMENTAL ACTIVITIES	0
121. ED-O&M-TR-MR/SS	P13, L218, C1,2,4,5	4982 - SCHOOL RENOVATION - TECHNOLOGY	0
122. ED-O&M-TR-MR/SS	P13, L219, C1,2,4,5	4990 - FEDERAL EMERGENCY MANAGEMENT AID	0
123. ED-O&M-TR-MR/SS	P14, L220, C1,2,4,5	4991 - MEDICAID MATCHING FUNDS - ADMIN. OUTREACH	74,923
124. ED-O&M-TR-MR/SS	P14, L221, C1,2,4,5	4992 - MEDICAID MATCHING FUNDS - FEE-FOR-SERVICE PRGM.	17,804
125. ED-O&M-TR-MR/SS	P14, L222, C1,2,4,5	4999 - OTHER RESTRICTED REVENUE FROM FEDERAL SOURCES	5,129
126. TOTAL DEDUCTIONS FOR TUITION COMPUTATION (Lines 54 through 125)			\$ 4,329,539
127. NET OPERATING EXPENSE FOR TUITION COMPUTATION (Line 51 minus 126)			29,184,102
128. ADD TOTAL DEPRECIATION ALLOWANCE (Page 27, Column F)			942,925
129. TOTAL ALLOWANCE FOR TUITION COMPUTATION (Line 127 plus Line 128)			30,127,027
130. AVERAGE DAILY ATTENDANCE (See the General State Aid Claim for 2005-06 (ISBE 54-33, Line 12))			2,950.69
131. ESTIMATED PER CAPITA TUITION CHARGE (Line 129 divided by Line 130)			\$ 10,210.16

\* Represents the account code and title as provided in the Illinois Program Accounting Manual (IPAM).

ID: 14-016-2150-17  
 Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**Estimated Indirect Cost Rate for Federal Programs  
Applicable for the Fiscal 2008 Program Year**  
(from 2005-06 Annual Financial Report)

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
ID: 14-016-2150-17  
County: COOK

Instruction	Function	Restricted Program		Unrestricted Program	
		(A) Indirect Costs	(B) Direct Costs	(C) Indirect Costs	(D) Direct Costs
	1000		18,870,902		18,870,902
<b>Support Services:</b>					
Pupil	2100		2,536,126		2,536,126
Instructional Staff	2200		476,296		476,296
General Admin.	2300		1,648,448		1,648,448
School Admin	2400		1,744,502		1,744,502
<b>Business:</b>					
Direction of Business Spt. Srv.	2510	131,908	0	131,908	0
Fiscal Services	2520	260,841	0	260,841	0
Oper. & Maint. Plant Services	2540		3,831,040	3,831,040	0
Pupil Transportation	2550		1,511,853		1,511,853
Food Services	2560		364,257		364,257
Internal Services	2570	96,538	0	96,538	0
<b>Central:</b>					
Direction of Central Spt. Srv.	2610		0		0
Plan, Rsrch, Dvlp, Eval. Srv.	2620		0		0
Information Services	2630		0		0
Staff Services	2640	0	0	0	0
Data Processing Services	2660	0	0	0	0
<b>Other:</b>	2900		647,929		647,929
<b>Community Services</b>	3000		7,952		7,952
<b>Total</b>		<b>489,287</b>	<b>31,639,305</b>	<b>4,320,327</b>	<b>27,808,265</b>
		<b>Restricted Rate</b>		<b>Unrestricted Rate</b>	
		Col. (A) =	489,287	Col. (C) =	4,320,327
		Col. (B) =	31,639,305	Col. (D) =	27,808,265
		=	1.55%	=	15.54%

**ILLINOIS STATE BOARD OF EDUCATION**  
 School Business and Support Services Division (N-330)  
 100 North First Street  
 Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**

(Section 17-1.5 of the School Code)

School District Name: THORNTON FRACTIONAL TOWNS  
 School District Number: 14-016-2150-17

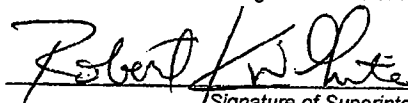
Description	Funct. No.	Actual Expenditures, Fiscal Year 2006			Budgeted Expenditures, Fiscal Year 2007		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	539,100		539,100	561,600		561,600
2. Special Area Administration Services	2330	350,902		350,902	371,700		371,700
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	130,538	0	130,538	132,000		132,000
5. Internal Services	2570	88,719		88,719	93,700		93,700
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		1,109,259	0	1,109,259	1,159,000	0	1,159,000
9. Percent Increase (Decrease) for FY2007 (Budgeted) over FY2006 (Actual)							4%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2006" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2006.  
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2007" agree with the amounts on the budget adopted by the Board of Education.

10/12/06

(Date)



(Signature of Superintendent)

**If line 9 is greater than 5% please check one box below.**

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 11, 2006 to ensure inclusion in the October 1, 2006 report, or postmarked by January 12, 2007 to ensure inclusion in the March 1, 2007 report. Information on the waiver process can be found at [www.isbe.net/isbewaivers/default.htm](http://www.isbe.net/isbewaivers/default.htm).
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

This page is provided for detailed itemizations as requested within the body of the report.  
Type Below.

1. Page 5, Line 38, Fund 30 - Unredeemed bonds \$10,000
2. Page 5, Line 12, Fund 10 - Miscellaneous Deposit \$470
3. Page 10, Line 62, Fund 10 - Event Admissions \$3,703
4. Page 10, Line 81, Funds 10 and 20 - Miscellaneous Revenues \$33,739, \$835  
Page 12, Line 145, Fund 10 - National Board Certification (#3651) \$2,896; Miscellaneous Revenues \$6,269  
Page 13, Line 222, Fund 10 - Technology Enchancing Educ Grant (#4971) \$5,129  
Page 15, Line 43, Fund 10 - Entire Technology Department is recorded in this area  
Page 18, Line 104, Fund 30 - Fiscal Agent Fees  
Page 19, Line 177, Fund 50 - Technology Department Benefits  
Page 24, Line 1a, \$2,250,000 - Life Safety Bonds; \$850,000 - Funding Bonds

### Audit Checklist

Section 2-3.27 of the School Code requires the Illinois State Board of Education to formulate and approve procedures and regulations for school district budgeting and accounting. In keeping with this requirement, the following checklist has been developed for use in reviewing the Illinois School District/ Joint Agreement Annual Financial Report (Form 50-35) before forwarding it to the Illinois State Board of Education. The checklist is designed so that later clarifications, explanations or amendments requested by the Illinois State Board of Education will be minimized or eliminated.

All entries must balance within the individual fund statements and schedules as instructed below.  
Any error messages left unresolved below, will be returned to the school district/joint agreement.

Round all entries to the nearest dollar.

- 1. The auditor's Opinion and Notes to the Financial Statements are attached or filed electronically.
- 2. Student Activity Funds, Convenience Accounts, and other agency funds are included, if applicable.
- 3. All audit questions on page 2 are answered with the appropriate response (Yes, No or N/A). Comments and explanations are included for all no answers.
- 4. All miscellaneous accounts and functions have the required and descriptive itemizations.
- 5. In all funds, Function No. 2900 does not include Worker's Compensation or Unemployment Insurance.
- 6. Tuition paid to another school district or to a joint agreement (in state) is coded to Function No. 4100.
- 7. Business Manager/Bookkeeper Costs are charged to the proper Function (No. 2510/2520).
- 8. Interest is allocated to all funds participating in each investment (Audit Question 3i).

### Balancing Schedule

Check this Section for Error Messages

The following assures that various entries are in balance. Any out of balance condition is followed by an error message in RED and must be resolved before submitting to ISBE. One or more errors detected may cause this AFR to be returned for corrections and resubmission. If impossible for entries to balance, please explain on the itemization page.

Description:	Error Message
<b>1. Cover Page: The Accounting Basis must be Cash or Accrual.</b>	
<b>2. The A-133 related documents must be completed and attached.</b>	
What Basis of Accounting is used?	CASH
Are Federal Expenditures greater than \$500,000?	OK
Is all A133 information completed and enclosed?	OK
Were any findings issued?	NO FINDINGS WERE ISSUED
<b>3. Page 3: Financial Information must be completed.</b>	
Section A: Tax rates are not entered in the following format: [1.50 should be .0150]. Please enter with the correct decimal point.	OK
Section D: Check a or b that agrees with the school district type.	OK
<b>4. Page 5: Line 1: Cash Balances cannot be negative.</b>	
Fund (10) ED: Cash balances cannot be negative.	OK
Fund (20) O&M: Cash balances cannot be negative.	OK
Fund (30) B&I: Cash balances cannot be negative.	OK
Fund (40) TR: Cash balances cannot be negative.	OK
Fund (50) MR/SS: Cash balances cannot be negative.	OK
Fund (60) S&C/CI: Cash balances cannot be negative.	OK
Fund (70) WC: Cash balances cannot be negative.	OK
Fund (80) Rent: Cash balances cannot be negative.	OK
Fund (90) FP&S: Cash balances cannot be negative.	OK
<b>Page 5: Other Accrued Assets (Line 2). If Cash Basis is checked on the Cover Page, this line must be zero.</b>	
Fund 10: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 20: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 30: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 40: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 50: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 60: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 70: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 80: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 90: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
<b>5. Page 5 &amp; 6: Total Current Assets (Lines 13 &amp; 24) must = Total Liabilities &amp; Fund Balance (Line 45).</b>	
Fund 10 (Line 13) must = (Line 45).	OK
Fund 20 (Line 13) must = (Line 45).	OK
Fund 30 (Line 13) must = (Line 45).	OK
Fund 40 (Line 13) must = (Line 45).	OK
Fund 50 (Line 13) must = (Line 45).	OK
Fund 60 (Line 13) must = (Line 45).	OK
Fund 70 (Line 13) must = (Line 45).	OK
Fund 80 (Line 13) must = (Line 45).	OK
Fund 90 (Line 13) must = (Line 45).	OK
Agency Fund (Line 13) must = (Line 45).	OK
General Fixed Assets (Line 24) must = (Line 45).	OK
General Long-Term Debt (Line 24) must = (Line 45).	OK
<b>6. Page 6: Account Groups - Capital Assets (Lines 14 through 20) cannot be negative.</b>	OK
<b>7. Page 5: Accrued Liabilities (Line 25). If Cash basis of Accounting is checked, this line must be zero.</b>	OK
<b>8. Page 5, Deferred Revenue (Line 36): If Cash basis of Accounting is checked, this line must be zero.</b>	OK
<b>9. Page 5: Reserved &amp; Unreserved Fund Balance (Lines 42 + 43) must = Ending Fund Balance (Page 8, Line 46).</b>	
Fund 10 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 20 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 30 (Lines 42 + 43) must = (Page 8, Line 46).	OK

Description:	Error Message
Fund 40 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 50 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 60 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 70 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 80 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 90 (Lines 42 + 43) must = (Page 8, Line 46).	OK
10. Page 5: All Funds CPPRT Notes Payable (Line 26) must = CPPRT Notes Outstanding 06/30/06 (Page 23, Line 1, Column D).	OK
11. Page 5: Tax Anticipation Warrants Payable (Line 27) must = Tax Anticipation Warrants Outstanding 06/30/06 (Page 23, Lines 2-9, Column D).	
Fund 10 (Line 27) must = (Page 23, Line 2).	OK
Fund 20 (Line 27) must = (Page 23, Line 3).	OK
Fund 30 (Line 27) must = (Page 23, Lines 4-5-6).	OK
Fund 40 (Line 27) must = (Page 23, Line 7).	OK
Fund 50 (Line 27) must = (Page 23, Line 8).	OK
Fund 90 (Line 27) must = (Page 23, Line 9).	OK
12. Page 5: Tax Anticipation Notes Payable (Line 28) must = Tax Anticipation Notes Outstanding 06/30/06 (Page 23, Lines 12 - 15, Column D).	
Fund 10 (Line 28) must = (Page 23, Line 12).	
Fund 20 (Line 28) must = (Page 23, Line 13).	OK
Fund 90 (Line 28) must = (Page 23, Line 14).	OK
Funds 30-40-50-60 (Line 28) must = (Page 23, Line 15).	OK
13. Page 5: Teachers/Employees' Orders Payable (Funds 10-20-40, Lines 29) must = Teachers' Employees' Orders Outstanding 06/30/06 (Page 23, Line 17, Column D).	OK
14. Page 5: All Funds GSA Certificates Payable (Line 30) must = GSA Certificates Outstanding 06/30/06 (Page 23, Line 18, Column D).	OK
15. Page 9: All Funds Taxes Received from the General Levy (Lines 1 through 8) must = Taxes Received 07/01/05 thru 06/30/06 (Page 22, Column A) if Cash Basis Accounting is checked:	
Fund 10 General Levy (Line 1) must = (Page 22, Line 1)	OK
Fund 20 General Levy (Line 1) must = (Page 22, Line 2)	OK
Fund 30 General Levy (Line 1) must = (Page 22, Line 3).	OK
Fund 40 General Levy (Line 1) must = (Page 22, Line 4)	OK
Fund 50 General Levy (Line 1) must = (Page 22, Line 5).	OK
Fund 70 General Levy (Line 1) must = (Page 22, Line 6).	OK
Fund 80 General Levy (Line 1) must = (Page 22, Line 7).	OK
Fund 60 General Levy (Line 1) must = (Page 22, Line 8).	OK
Funds 10, 20, 40 General Levy (Line 2) must = (Page 22, Line 9).	OK
Fund 90 General Levy (Line 1) must = (Page 22, Line 10).	OK
Funds 10, 20 Leasing Levy (Line 3) must = (Page 22, Line 11).	OK
Funds 10, 20, 40, 50 Special Education Levy (Line 4) must = (Page 22, Line 12).	OK
Fund 50 Social Security/Medicare Only Levy (Line 5) must = (Page 22, Line 14).	OK
Fund 20 Area Vocational Construction Levy (Line 6) must = (Page 22, Line 13).	OK
Fund 10 Summer School Levy (Line 7) must = (Page 22, Line 15).	OK
All Funds (excluding Fund 30) Other Tax Levies (Line 8) must = (Page 22, Line 16).	OK
16. Page 24: Schedule of Bonds Payable must = the Basic Financial Statements (Pages 5-8 & 18).	
Note: Explain any unreconcilable differences in the itemization sheet.	
Total Bonds Issued (Line 3 - Line 4) must = Principal on Bonds Sold (Page 8, All Funds Line 25).	OK
Total Bond Principal Retired (Line 5) must = Debt Service - Bond Principal Retired (Page 18, Line 103).	OK
Total Bonds Outstanding 06/30/06 (Line 8) must = Bonds Payable (Page 6, Line 39).	OK
Total Amount to be Provided to Retire Bonds (Line 9) must = Amount to be Provided for Payment of Bonds (Page 6, Line 22).	OK
17. Page 27: Cost 06/30/06 or Balances Undepreciated 06/30/06 (Line 1-7) must = Capital Assets (Page 6, Line 14-20).	
Land (Line 1, Column D or I) must = (Page 6, Line 14).	OK
Building (Line 2) Column D or I) must = (Page 6, Line 15).	OK
Improvements other than Buildings (Line 3 Column D or I) must = (Page 6, Line 16).	OK
Equipment other Than Transportation/Food Service (Line 4, Column D or I) must = (Page 6, Line 17).	OK
Construction in Progress (Line 5 Column D or I) must = (Page 6, Line 18).	OK
Transportation Equipment (Line 6, Column D or I) must = (Page 6, Line 19).	OK
Food Service Equipment (Line 7 Column D or I) must = (Page 6, Line 20).	OK
18. Page 5: "Loan To" must = Page 5 "Loan From".	
Loan to Fund 10 (Line 5) must = Total Loan from: Fund 20 (Line 32), Fund 40 (Line 33) and/or Fund 70 (Line 34).	OK
Loan To Fund 20 (Line 6) must = Total Loan from: Fund 10 (Line 31), Fund 40 (Line 33) and/or Fund WC (Line 34).	OK
Loan To Fund 40 (Line 7) must = Total Loan from: Fund 10 (Line 31), Fund 20 (Line 32) and/or Fund 70 (Line 34).	OK
Loan to Fund 90 (Line 8) must = Total Loan from: Fund 10 (Line 31), Fund 20 (Line 32), Fund 40 (Line 33) and/or Fund 70 (Line 34).	OK
Loan to: Other Funds (Line 9) must = Loan From: Fund 70 (Line 34).	OK
19. Page 7: Transfers From Other Funds (Lines 18-24) must = Transfers To Other Funds (Page 8, Lines 33-39).	
Permanent Transfer from WC Fund-Interest (All Funds excluding 70, Line 18) must = (Page 8, Fund 70, Line 33).	OK
Permanent Transfer (Funds 10, 20 & 40, Line 19) must = (Page 8, Funds 10, 20 & 40, Line 34).	OK
Permanent Transfer of Interest (All Funds, Line 20) must = (Page 8, All Funds, Line 35).	OK
20. Page 26: Restricted Tax Levies (Line 16) must = Reserved Fund Balance (Pages 5 & 6, Line 42).	
Tort Immunity (Line 15, Column A) must be = < the total of Reserved Fund Balance (Page 5, Funds 10-20-30-40, Line 42).	OK
Special Education (Line 15, Column B) must be = < the total of Reserved Fund Balance (Page 5, Line 42, Funds 10-20-40-50).	OK
Area Vocational Construction (Line 15, Column C) must be = < the total of Reserved Fund Balance (Page 5, Line 42, Funds 20-60).	OK
If there are Tort Immunity Expenditures (line 11), then the Schedule of Tort Immunity Expenditure must be completed.	OK
21. Page 26: For Indirect Cost Rate Purposes - Salaries (Object 1) cannot be < the total of Employee Benefits (Object 2).	OK

Description:	Error Message
Function 2510 - Salaries (Page 15, Line 30) must be > the total of Employee Benefits (Line 30 + Page 19, Line 163).	OK
Function 2520 - Salaries (Page 15, Line 31) must be > the total of Employee Benefits (Line 31 + Page 19, Line 164).	OK
Function 2540 - Salaries (Page 15, Line 32 + Page 17, Line 70) must be > the total of Employee Benefits (Page 15, Line 32 + Page 17, Line 70 + Page 19, Line 166).	OK
Function 2560 - Purchased Services + Supplies & Materials (Page 15, Line 34) must be = or > Food Service (Page 26 (A4)). Food Services (Page 26) should not be zero, when the Total of Purchased Services + Supplies & Materials (Page 17, Line 34) are > 0.	OK
Function 2570 - Salaries (Page 15, Line 35) must be > the total of Employee Benefits (Line 35 + Page 19, Line 169).	OK
Function 2640 - Salaries (Page 15, Line 40) must be > the total of Employee Benefits (Line 40 + Page 19, Line 174).	OK
Function 2660 - Salaries (Page 15, Line 41) must be > the total of Employee Benefits (Line 41 + Page 19, Line 175).	OK
22. Page 28: The 9 Month ADA must be entered on Line 52.	OK
23. Page 31: LIMITATION OF ADMINISTRATIVE COST, Budget Information must be completed and submitted to ISBE.	OK
<b>Joint Agreements Only: Checks for Invalid Entries</b>	
The following references do not allow entries for Joint Agreements. Invalid Entries are followed by an error message in RED. To clear the error, the entry must be removed and	
<b>1. PAGE 5</b>	
Contents in Line 13, Fund 70-Current Assets is not allowed for Joint Agreements.	OK
Contents in Line 13, Fund 80-Current Assets is not allowed for Joint Agreements.	OK
<b>2. Page 5</b>	
Account 406 - Values cannot be entered on Line 26, All Funds.	OK
Account 407 - Values cannot be entered on Line 27, All Funds.	OK
Account 408 - Values cannot be entered on Line 28, All funds.	OK
Account 409 - Values cannot be entered on Line 29, All funds.	OK
Account 410 - Values cannot be entered on Line 30, All funds.	OK
Account 434 - Values cannot be entered on Line 34, Fund 10.	OK
Total Liabilities & Fund Bal. - Values cannot be entered on Line 45, Fund 70.	OK
Total Liabilities & Fund Bal. - Values cannot be entered on Line 45, Fund 80.	OK
<b>3. PAGES 7 &amp; 8</b>	
Revenue Account 3000: Values cannot be entered on Line 3, State Sources, Fund 70.	OK
Other Sources Account 7110: Values cannot be entered on Line 17, Fund 10.	OK
Other Sources Account 7120: Values cannot be entered on Line 18, Fund 10 - 90.	OK
Other Sources Account 7140: Values cannot be entered on Line 20, Fund 70.	OK
Other Sources Account 7140: Values cannot be entered on Line 20, Fund 80.	OK
Other Uses Account 8180: Values cannot be entered on Line 39, Fund 70.	OK
<b>4. PAGES 9-14</b>	
Total Ad Valorem Taxes Levied by Local Education Agency - Values cannot be entered on Line 9, all Fund.	OK
Total Payments In Lieu of Taxes - Values cannot be entered on Line 14, all Funds.	OK
Account 1311 - Values cannot be entered on Line 15, Fund 10.	OK
Account 1312 - Values cannot be entered on Line 16, Fund 10.	OK
Account 1313 - Values cannot be entered on Line 17, Fund 10.	OK
Account 1321 - Values cannot be entered on Line 27, Fund 10.	OK
Account 1331 - Values cannot be entered on Line 21, Fund 10.	OK
Account 1341 - Values cannot be entered on Line 24, fund 10.	OK
Account 1351 - Values cannot be entered on Line 27, Fund 10.	OK
Account 1411 - Values cannot be entered on Line 31, Fund 40.	OK
Account 1412 - Values cannot be entered on Line 32, Fund 10.	OK
Account 1413 - Values cannot be entered on Line 33, Fund 40.	OK
Account 1415 - Values cannot be entered on , Line 34, fund 40.	OK
Account 1421 - Values cannot be entered on Line 35, Fund 40.	OK
Account 1431 - Values cannot be entered on Line 38, Fund 40.	OK
Account 1441 - Values cannot be entered on Line 41, Fund 40.	OK
Account 1451 - Values cannot be entered on Line 44, Fund 40.	OK
Total Earnings on Investments - Values cannot be entered on Line 50, Fund 70 & 80.	OK
Account 1811 - Values cannot be entered on Line 64, Fund 10.	OK
Account 1821 - Values cannot be entered on Line 68, Fund 10.	OK
Total Receipts/Revenue From Local Sources - Values cannot be entered on Line 83, Fund 70 & 80.	OK
Total Unrestricted Grants-In-Aid - Values cannot be entered on Line 92, All Funds.	OK
Account 3370 - Values cannot be entered on Line 116, Fund 20.	OK
Total Receipts/Revenue from State Sources - Values cannot be entered on Line 147, Fund 70 & 80.	OK
Total Unrestricted Grants-In-Aid Received Directly from Federal Govt. - Values cannot be entered on Line 150, all Funds.	OK
Total Direct Receipts/Revenue - Values cannot be entered on Line 225, Fund 70 & 80.	OK
<b>5. Page 17-25</b>	
<b>10 - Education Fund</b>	
Functions 5110 - 5160: Values cannot be entered on Line 55 - 59, Object 10-80.	OK
<b>20 - Operations &amp; Maintenance Fund</b>	
Functions 5110 - 5160: Values cannot be entered on Line 83 - 86, Object 6.	OK
<b>30 - Bond &amp; Interest Fund</b>	
Functions 5110 - 5120: Values cannot be entered on Line 96 - 97, Object 6.	OK
Functions 5150 - 5190: Values cannot be entered on Line 99 - 101, Object 6.	OK



Description:	Error Message
40 - Transportation Fund	
Functions 5110 - 5160: Values cannot be entered on Line 123 - 126, Object 6.	OK
60 - Municipal Retirement/Social Security	
Functions 5110 - 5160: Values cannot be entered on Line 1184 - 187, Object 6.	OK
80 - Rent Fund	
Function 5150 - 5160: Values cannot be entered on Line 205 - 206, All Objects.	OK
<b>6. The Following Schedules are NOT COMPLETED FOR JOINT AGREEMENTS</b>	
Page 3, Financial Profile Information	
Page 4, Estimated Financial Profile Summary	
Page 22, Schedule of Ad Valorem Tax Receipts	
Page 23, Schedule of Anticipation Notes, Orders, Warrants and Certificates	
Page 25, Schedule of Restricted Local Tax Levies Analysis of Changes in Cash Basis Fund Balance	
Page 26, Financial Data To Assist Indirect Cost Rate Determination	
Page 28-29, Estimated Operating Expenditures Per Pupil and Per Capita Tuition Charge Computation	
Page 30, Estimated Indirect Cost Rate for Federal Programs	
Page 31, Admin Cost	
CHECK FOR REFERENCE ERRORS	End of Balancing

Reference Pages.

- <sup>1</sup> Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- <sup>2</sup> Should include accounts 130, 140, 162, 181, 192.
- <sup>3</sup> Accrued Liabilities should include 401-405, 411-415, 420, 441, 442, 461.
- <sup>4</sup> GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- <sup>5</sup> Equals Line 5 minus Line 13
- <sup>6</sup> Requires notification to the county clerk to abate an equal amount from taxes next extended.
- <sup>7</sup> Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 2-3.12 and 17-2.11 of the School Code.
- <sup>8</sup> Equals Line 31 minus Line 41
- <sup>9</sup> Include taxes for bonds sold that are in addition to those identified separately.
- <sup>10</sup> Educational Fund (10) - Computer Technology only.
- <sup>11</sup> Corporate personal property replacement tax revenue must be first applied to the Bond and Interest Fund (Bonds issued prior to Jan. 1, 1979) and then the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only process.
- <sup>12</sup> Tuition - Object 80 - Only tuition payments made to private facilities. See Function 4100 for public facility disbursements/expenditures.
- <sup>13</sup> Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds( Describe & Itemize).

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2006**

DISTRICT/JOINT AGREEMENT NAME <b>THORNTON FRACTIONAL TOWNSHIP</b>	RCDT NUMBER <b>14-016-2150-17</b>	AUDIT FIRM ID CODE <b>066-003685</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>DR. ROBERT WILHITE</b>	NAME AND ADDRESS OF AUDIT FIRM <b>JOHN KASPEREK CO., INC. 1471 RING ROAD CALUMET CITY ILLINOIS</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) <b>1601 WENTWORTH AVENUE CALUMET CITY, ILLINOIS 60409</b>	E-MAIL ADDRESS: <b>jkasperek@kasperekcpa.com</b>	
	NAME OF AUDIT SUPERVISOR <b>JOHN KASPEREK, JR., CPA</b>	
	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-003685</b>	
	CPA FIRM TELEPHONE NUMBER <b>708-862-2262</b>	FAX NUMBER <b>708-891-3396</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form § .320 (b)

# John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Thornton Fractional Township High School District No. 215 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Thornton Fractional Township High School District No. 215's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express an opinion on Thornton Fractional Township High School District No. 215's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thornton Fractional Township High School District No. 215's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Thornton Fractional Township High School District No. 215's compliance with those requirements.

In our opinion, Thornton Fractional Township High School District No. 215 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Thornton Fractional Township High School District No. 215 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Thornton Fractional Township High School District No. 215 as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented on a budgetary basis for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the School Board, 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.

*John Kasperick Co. Inc*

October 6, 2006



PASSED-THROUGH ISBE AND EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (ECHO)									
FROM US DEPT. OF EDUCATION:									
IDEA Room & Board	84.027A	2005-4625-00	48,438	96,273	149,997	35,012	-	185,009	N/A
IDEA Room & Board	84.027A	2006-4625-00	-	32,709	-	74,405	-	74,405	N/A
IDEA Flow Through	84.027	2006-4620-00	-	586,711	-	586,711	-	586,711	586,711
<b>TOTAL PASSED-THROUGH ECHO &amp; ISBE SPECIAL EDUCATION CLUSTER (M)</b>			48,438	715,693	149,997	696,128	-	846,125	586,711
TOTAL PASSED THROUGH IDPA FROM US DEPT. OF HEALTH AND HUMAN SERVICES									
Medicaid Administrative Outreach Program	83.778	4991		74,923		74,923		74,923	N/A
<b>TOTAL PASSED THROUGH IDPA</b>			-	74,923	-	74,923	-	74,923	N/A
<b>TOTAL FEDERAL AWARDS</b>			501,572	1,510,427	621,591	1,488,601	-	2,110,192	

\* (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2006**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Thornton Fractional Township High School No. 215 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2: Reconciliation to the Financial Statements**

Total Federal Awards per Schedule	\$ 1,510,427
Less: Non-Cash Assistance - Commodities	(56,377)
Plus Medicaid Matching Fees for Service	<u>17,804</u>
Revenues Received from Federal Sources. per the Financial Statements	<u><u>\$ 1,471,854</u></u>



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2006**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unqualified  
 (Unqualified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified? \_\_\_ YES X NO
- Reportable Condition(s) identified that are not considered to be material weakness(es) \_\_\_ YES X None Reported
- Noncompliance material to financial statements noted? \_\_\_ YES X NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified? \_\_\_ YES X NO
- Reportable Condition(s) identified that are not considered to be material weakness(es) \_\_\_ YES X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified  
 (Unqualified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? \_\_\_ YES X NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
10.553 & 10.555	National School Lunch Program
84.027	IDEA Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? \_\_\_ YES X NO

<sup>7</sup> If the audit report for one or more major programs is other than unqualified, indicate the type of report issued for each program. Example: "Unqualified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer."

<sup>8</sup> Major programs should generally be reported in the same order as they appear on the SEFA.

<sup>9</sup> When the CFDA number is not available, include other identifying number, if applicable.

<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.



THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
14-016-2150-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2006

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup>       N/A            2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_ N/A

4. Project No.: \_\_\_\_\_ N/A      5. CFDA No.: \_\_\_\_\_ N/A

6. Passed Through: \_\_\_\_\_ N/A

7. Federal Agency: \_\_\_\_\_ N/A

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

      N/A      

9. Condition<sup>15</sup> \_\_\_\_\_

No matters were reported.

10. Questioned Costs<sup>16</sup> \_\_\_\_\_

      N/A      

11. Context<sup>17</sup> \_\_\_\_\_

      N/A      

12. Effect \_\_\_\_\_

      N/A      

13. Cause \_\_\_\_\_

      N/A      

14. Recommendation \_\_\_\_\_

      N/A      

15. Management's response<sup>18</sup> \_\_\_\_\_

      N/A      

For ISBE Review	Resolution Order Code Number
Date:	Disposition of Questioned Costs Code Letter
Initials:	

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding.  
<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.  
<sup>17</sup> See footnote 12.  
<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>**  
**Year Ending June 30, 2006**

Finding Number

Condition

Current Status<sup>20</sup>

Not applicable - no audit findings in prior year.

---

When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
14-016-2150-17  
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>  
Year Ending June 30, 2006**

**Corrective Action Plan**

Finding No.:       N/A      

Condition:

There are no current year audit findings meeting the criteria outlined under Subpart E, \_\_\_\_\_510(a)

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

**Appendix B**  
**Form of Legal Opinion**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

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

**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the 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 Limited Tax School Bonds, Series 2006 (the "*Bonds*"), to the amount of \$4,000,000, dated \_\_\_\_\_, 2006, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2007	\$	%
2008		%
2009		%
2010		%
2011		%
2012		%
2013		%

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, 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. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for

federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable 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 \$4,000,000 Limited Tax School Bonds, Series 2006 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the \_\_\_ day of \_\_\_\_\_, 2006, and a Notification of Sale dated the \_\_\_ day of \_\_\_\_\_, 2006 (collectively, 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  
Debt Repayment Schedule - principal only

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation  
Composition of 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. The names and addresses of the current NRMSIRs are presently set forth on the following website: [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm). 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 \_\_\_\_\_, 2006, 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; DISCLOSUREUSA. (a) 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.

(b) So long as such method continues to be approved by the Commission for purposes of the Rule, the District may satisfy its obligations for all purposes of this Agreement to provide information or notice to each NRMSIR and to the SID, if any, by sending such information or notice to DisclosureUSA (at, as of the date of this Agreement, [www.DisclosureUSA.org](http://www.DisclosureUSA.org)) for submission to each NRMSIR and to the SID, if any.

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: \_\_\_\_\_, 2006

**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**

MATURITY (DECEMBER 1)	CUSIP NUMBER (215651)
2007	
2008	
2009	
2010	
2011	
2012	
2013	

## **Appendix D**

### **Specimen Financial Guaranty Insurance Policy**



**FINANCIAL  
SECURITY  
ASSURANCE®**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER:

BONDS:

Policy No.: -N

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 pm (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 or of 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.

[Counter signature]

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)



# Griffin, Kubik, Stephens & Thompson, Inc.

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

## BOND PURCHASE AGREEMENT

\$4,000,000

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
COOK COUNTY, ILLINOIS  
LIMITED TAX SCHOOL BONDS, SERIES 2006

November 16, 2006

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 Limited Tax School Bonds, Series 2006 dated December 1, 2006 (the "Bonds"). This offer is made subject to acceptance by the District on November 16, 2006.

For the Bonds we will pay an aggregate purchase price of \$4,033,598.45 (consisting of the par amount of the Bonds plus \$83,598.45 net original issue premium and less \$50,000.00 underwriting discount) plus accrued interest from December 1, 2006 to the date of closing. The Bonds are more fully described in the Near Final Official Statement dated November 9, 2006, 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, 2007 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, 2007, and each December 1 and June 1 thereafter.

### MATURITY SCHEDULE

December 1	Amount	Rate	Yield	December 1	Amount	Rate	Yield
2007	\$ 545,000	4.000%	3.550%	2011	\$ 640,000	4.250%	3.620%
2008	565,000	4.000%	3.580%	2012	665,000	4.250%	3.640%
2009	590,000	4.125%	3.600%	2013	385,000	4.250%	3.670%
2010	610,000	4.250%	3.600%				

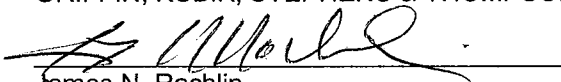
(Plus accrued interest from December 1, 2006)

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

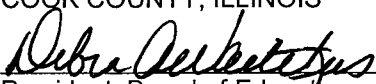
1. The unqualified approving opinion of Chapman and Cutler LLP, Chicago, Illinois, stating that the Bonds have been duly authorized, executed and delivered by the District and constitute valid and binding obligations of the District and further stating that under existing law, interest on the Bonds is 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 Resolution, or this Purchase Agreement.

2. Copies are delivered of proceedings and certifications of the District indicating that the District has validly designated the Bonds to be "qualified tax-exempt obligations" pursuant to Section 265 (b)(3) of the Internal Revenue Code of 1986, as amended, and that the District has covenanted to take all actions necessary to maintain the "qualified" and tax-exempt status of the Bonds.
3. A certificate signed by the President of the Board of Education to the effect that:
  - a. 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 "LEGAL MATTERS".
  - b. The District's Financial Statements for the year ended June 30, 2005 and Annual Financial Report for year ended June 30, 2006, delivered to us present fairly the financial position of the District as of the date indicated. Said financial statements have been prepared on a modified accrual and cash basis of accounting, respectively, and since June 30, 2006, there has been no material or adverse change in financial position or results of operations of the District, nor has the District incurred any material liabilities other than the ordinary course of business, or as set forth in or contemplated by the Final Official Statement.
4. That there shall have been no materially adverse events affecting either the legality or tax consequences of the Bond issue.
5. The execution and delivery of an insurance policy by Financial Security Assurance and the rating of the Bonds by Standard and Poor's of "AAA" based thereon.
6. The rating of the Bonds by Standard and Poor's who has assigned an underlying rating of "A."
7. The Underwriters are hereby authorized to pay from the purchase price of the Bonds the following *estimated* expenses on behalf of the District:
  - a. Fees and disbursements of Chapman and Cutler, Chicago, Illinois as Bond Counsel equal to \$10,000;
  - b. Fees of LaSalle Bank National Association, Chicago, Illinois as Registrar/Paying Agent for the Bonds equal to \$700;
  - c. Fees of Financial Security Assurance as Bond Insurer equal to \$12,405.77;
  - d. Fees of Standard & Poor's for its credit rating on the Bonds: "AAA" insured and "A" underlying equal to \$5,500;
  - e. Fees of the treasurer's surety bond provider equal to \$1,061.
  - f. Fees of Griffin, Kubik, Stephens & Thompson, Inc. for DTC, official statement printing & shipping, day loan, ticketing fee, and Cusip Bureau equal to approximately \$2,471.

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.

  
James N. Rachlin  
Senior Vice President

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

By:   
President, Board of Education

## 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 LLP, Chicago, Illinois, Bond Counsel, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "LEGAL MATTERS" 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.*

**\$4,000,000**  
**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**COOK COUNTY, ILLINOIS**  
**(Thornton Fractional)**  
**Limited Tax School Bonds, Series 2006**

DATED: December 1, 2006

DUE: December 1, As Shown Below

The Limited Tax School Bonds, Series 2006 (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 integral thereof. Purchasers of the Bonds will not receive physical delivery of bond 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 (first payable on June 1, 2007 and thereafter semiannually on each December 1 and June 1) 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.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.

The scheduled payment of principal 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.



The Bonds are not subject to optional redemption prior to maturity. See "Redemption Provisions" herein.

### MATURITY SCHEDULE

December 1	Amount	Rate	Yield	December 1	Amount	Rate	Yield
2007	\$ 545,000	4.000%	3.550%	2011	\$ 640,000	4.250%	3.620%
2008	565,000	4.000%	3.580%	2012	665,000	4.250%	3.640%
2009	590,000	4.125%	3.600%	2013	385,000	4.250%	3.670%
2010	610,000	4.250%	3.600%				

(Plus accrued interest from December 1, 2006)

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 LLP, Chicago, Illinois, Bond Counsel. The Bonds will be awarded on November 16, 2006 and are expected to be delivered on or about December 7, 2006.



**Griffin, Kubik, Stephens  
& Thompson, Inc.**

The date of this Final Official Statement is November 16, 2006.

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.

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).

Other than with respect to information concerning Financial Security Assurance Inc. ("Financial Security") contained under the caption "Bond Insurance" and Exhibit 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.



**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
Cook County, Illinois  
(Thornton Fractional)**

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

**ADMINISTRATION**

<u>Name</u>	<u>Position</u>
Dr. Robert K. Wilhite	Superintendent
Dr. Timothy B. Kilrea	Assistant Superintendent
Joseph B. Daley	Director of Business Services
Thomas P. Stefaniak	Township Treasurer

**BOARD OF EDUCATION**

Debbie Waitekus	President
Marcia Pavich	Vice President
Karen Walker-Kehl	Secretary
Charles Maricich	Board Member
Kathleen Manno	Board Member
Henry Schneider	Board Member
Natalie Owen	Board Member

***Paying Agent/Registrar***  
LaSalle Bank National Association  
Chicago, Illinois

***Independent Auditors***  
John Kasperek Co., Inc.  
Calumet City, Illinois

***Bond Counsel***  
Chapman and Cutler LLP  
Chicago, Illinois

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

## 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 Statement Summary from the Final Official Statement or to otherwise use such Statement Summary without the Final Official Statement in its entirety.

<b>Issuer:</b>	Thornton Fractional Township High School District Number 215, Cook County, Illinois
<b>Issue:</b>	\$4,000,000 Limited Tax School Bonds, Series 2006
<b>Dated Date:</b>	December 1, 2006
<b>Book-Entry-Only Form:</b>	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.
<b>Delivery Date:</b>	On or about December 7, 2006
<b>Interest Payment Dates:</b>	Each December 1 and June 1 beginning June 1, 2007
<b>Principal Payment Dates:</b>	Each December 1 beginning December 1, 2007 and ending December 1, 2013
<b>Record Date:</b>	The close of the 15th day of the calendar month, whether or not a business day, next preceding each interest payment date.
<b>Redemption Provisions:</b>	The Bonds are <u>not</u> subject to optional redemption prior to maturity.
<b>Authority and Purpose:</b>	The Bonds are being issued by the District pursuant to its borrowing authority under the applicable sections of the School Code of the State of Illinois, as supplemented and amended, and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended. Proceeds of the Bonds, when issued, will be used (i) to increase the working cash fund of the District to construct capital improvements to school buildings; and (ii) to pay costs associated with the issuance of the Bonds.
<b>Security:</b>	In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.
<b>Tax Exemption:</b>	Chapman and Cutler LLP will provide an opinion as to the tax exemption of the interest on the Bonds. See Appendix B.
<b>Bank Qualification:</b>	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.
<b>Paying Agent/Bond Registrar:</b>	LaSalle Bank National Association, Chicago, Illinois
<b>Bond Ratings/Insurance:</b>	Standard and Poor's "AAA" (FSA Insured), underlying "A".
<b>Legal Opinion:</b>	Chapman and Cutler LLP, Chicago, Illinois

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## FINAL OFFICIAL STATEMENT

**\$4,000,000**  
**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**Cook County, Illinois**  
**(Thornton Fractional)**  
**Limited Tax School Bonds, Series 2006**

### 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 \$4,000,000 aggregate principal amount of Limited Tax School Bonds, Series 2006 (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 bond registrar (the "Paying Agent" or "Registrar").

The Bonds will be dated December 1, 2006 and will mature as shown on the cover page of this Final Official Statement. Interest will be payable each June 1 and December 1, commencing June 1, 2007.

#### ***Authority***

The Bonds are issued under the authority of the School Code of the State of Illinois, as supplemented and amended (the "Act"), and particularly as supplemented by the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"), and a bond resolution adopted by the Board of Education of the District (the "Bond Resolution").

#### ***Purpose***

Proceeds of the Bonds, when issued, will be used (i) to increase the working cash fund of the District to construct capital improvements to school buildings; and (ii) to pay costs associated with the issuing of the Bonds.

#### ***Security and Payment***

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, 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 amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "LIMITED BONDS" herein.

**Redemption Provisions**

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

**Estimated Sources and Uses <sup>1</sup>**

**Sources**

Par Amount of Bonds	\$4,000,000.00
Net Original Issue Premium	83,598.45
Total Sources:	<u>\$4,083,598.45</u>

**Uses**

Deposit to Working Cash Fund	4,001,392.68
Costs of Issuance*	82,205.77
Total Uses:	<u>\$4,083,598.45</u>

<sup>1</sup> Net of Accrued Interest

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

**LIMITED BONDS**

**Description of Limited 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.

The Bonds are limited bonds and are issued pursuant to the Act, as supplemented and amended by the Debt Reform Act. Although the obligation of the District to pay the Bonds is a general obligation under the Act and all taxable property in the District is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law").

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the "Base"), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds hereafter issued by the District shall not exceed the Base.

The Bonds constitute the only series of limited bonds of the District that are payable from the Base. The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds. The amount of the Base is \$712,630 and all levies for outstanding limited bonds will be less than the Base (see "LIMITED BONDS - Non-Referendum Debt Service Extension Base Margin" herein).

### **Non-Referendum Debt Service Extension Base Margin**

The following table sets forth the non-referendum Debt Service Extension Base margin of the District as of the issuance of the Bonds:

Levy/Extension Year	Debt Service Extension Base	Total Debt Service The Bonds	Non-Referendum Debt Service Extension Base Margin
2006/2007	\$712,630	\$711,488	\$1,143
2007/2008	712,630	709,688	2,943
2008/2009	712,630	712,088	543
2009/2010	712,630	707,750	4,880
2010/2011	712,630	711,825	805
2011/2012	712,630	709,625	3,005
2012/2013	712,630	401,363	311,268
2013/2014	712,630	-	712,630

### **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 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](http://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 the 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 the 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 financial guaranty 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, and of Dexia Credit Local, a direct wholly-owned subsidiary of Dexia, S.A. Dexia, S.A., through its bank subsidiaries, is primarily engaged in the business of public finance, banking and asset management 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, 2006, Financial Security's combined policyholders' surplus and contingency reserves were approximately \$2,581,107,000 and its total net unearned premium reserve was approximately \$1,992,163,000 in accordance with statutory accounting principles. At September 30, 2006, Financial Security's consolidated shareholder's equity was approximately \$3,058,987,000 and its total net unearned premium reserve was approximately \$1,590,538,000 in accordance with generally accepted accounting principles.

The consolidated financial statements of Financial Security included in, or as exhibits to, the annual and quarterly reports filed after December 31, 2005 by Holdings with the Securities and Exchange Commission are hereby incorporated by reference into this Official Statement. All financial statements of Financial Security included in, or as exhibits to, documents filed by Holdings pursuant to Section 13(a), 13(c), 14 or 15(d) of the Securities Exchange Act of 1934 after the date of this Official Statement and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement. Copies of materials incorporated by reference will be provided upon request to Financial Security Assurance Inc.: 31 West 52nd Street, New York, New York 10019, 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.

## **TOWNSHIP 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, about half of the City of Calumet City and a small portion of the Village of Lynwood. According to the 2000 U.S. 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 grades, the District operates three high school facilities and one administrative building. The District enrolled 3,540 students for the 2006-2007 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 7:00 p.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**

<u>Official</u>	<u>Position</u>	<u>Term Expires</u>
Debbie Waitekus	President	2009
Marcia Pavich	Vice President	2009
Karen Walker-Kehl	Secretary	2007
Charles Maricich	Board Member	2007
Kathleen Manno	Board Member	2009
Henry Schneider	Board Member	2007
Natalie Owen	Board Member	2009

### **Educational Facilities**

The District currently provides educational services at three locations:

<u>School</u>	<u>Location</u>	<u>Grades</u>	<u>Approx # of Students 2006-07</u>
Thornton Fractional North High School	755 Pulaksi Rd., Calumet City	9 - 12	1,683
Thornton Fractional South High School	18500 Burnham Ave., Lansing	9 - 12	1,857
Thornton Fractional Center for Academics and Technology	1605 Wentworth Avenue, Calumet City	9 - 12	---*

\* The Center receives students from the two main campuses.

### **Enrollment Trend**

The trend in total enrollment is as follows:

<u>Academic Year</u>	<u>Enrollment</u>
2000/01	2,593
2001/02	2,747
2002/03	2,867
2003/04	3,074
2004/05	3,228
2005/06	3,402
2006/07	3,540

Source: Illinois State Board of Education and the District. 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:

<u>Personnel</u>	<u>2006-2007</u>
Superintendent	1
Assistant Superintendent	1
Principals	3
Assist. Principals	6
Business Manager	1
Instructional	231
Support Services	147
<b>TOTAL</b>	<b>390</b>

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

<u>Degree</u>	<u>Experience</u>	<u>Salary (2006-2007)</u>
B.A.	No experience, starting	\$ 41,412
B.A. + 15 sem. hrs	14 years experience	71,584
M.A.	No experience, starting	45,750
M.A. + 15 sem. hrs	14 years experience	75,922

The District Education Association contract is in effect until August, 2010. The Association represents 231 full time equivalent staff. The last teachers' strike in the District was in October 1995 and was resolved within 13 days.

## **SOCIOECONOMIC INFORMATION**

### **Population Data**

<u>Name of Entity</u>	<u>1990</u>	<u>2000</u>	<u>% Change 1990-2000</u>
City of Burnham	3,916	4,170	6.5%
City of Calumet City	37,840	39,071	3.3%
Village of Lansing	28,086	28,332	0.9%
Village of Lynwood	6,535	7,377	12.9%
Cook County	5,105,067	5,376,741	5.3%
State of Illinois	11,430,602	12,419,293	8.6%

Source: U.S. Census Bureau, 2000 Census

### **Economic Characteristics**

<u>Name of Entity</u>	<u>Median Gross Rent</u>	<u>Median Housing Value</u>	<u>Per Capita Income</u>	<u>Median Household Income</u>
The District	\$ 639	\$ 100,900	\$ 20,370	\$ 45,160
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
Village of Lynwood	639	140,800	22,650	56,554
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

## Unemployment Rates

Year	City of Calumet City	Village of Lansing	Cook County	State of Illinois
1999	5.5%	3.5%	4.5%	4.5%
2000	6.1%	3.6%	4.6%	4.5%
2001	7.1%	4.3%	5.9%	5.4%
2002	9.0%	6.5%	7.4%	6.5%
2003	8.9%	7.1%	7.4%	6.7%
2004	8.5%	6.6%	6.8%	6.2%
2005	8.3%	6.5%	6.5%	5.7%
2006 <sup>(1)</sup>	6.6%	4.5%	4.5%	4.1%

(1) Year-to-date data as of September, 2006

Source: State of Illinois Department of Employment Security

## Largest Area Employers

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

Company Name	Product or Service	Approx # of Employees
Silver Line Building Products Corp. (1)	vinyl windows, patio doors	700
Rohm & Haas Co. (1)	automotive coatings	350
CSX Transportation (2)	railroad transportation	335
ORC Protel, Inc. (1)	telemarketing service	250
Land O'Frost Inc. (1)	meat packing & processing	250
Americall Corp (1)	telemarketing service	200
American School of Correspondence (1)	correspondence school	140
Coldwell Banker (1)	residential real estate	116
First National Bank of Illinois (1)	bank	110
Retro-Tech Systems, Inc. (1)	lighting installation	100

<sup>1</sup> Village of Lansing

<sup>2</sup> City of Calumet City

Source: 2006 Illinois Manufacturers Directory and 2006 Illinois Services Directory

## DEBT STRUCTURE

### Summary of Outstanding Bonds

The following table sets forth the outstanding general obligation bond issues of the District as of the date of issuance of the Bonds.

Type	Dated Date	Original Amount of Issue	Current Amount Outstanding	Maturity Date
Series 2002 School Bonds	12/15/2002	9,995,000	8,550,000	12/1/2022
Series 2003 School Bonds	2/1/2003	9,000,000	7,630,000	12/1/2022
Series 2005 GO Alternate Revenue Source Bonds*	7/1/2005	6,000,000	5,900,000	12/1/2025
The Bonds	12/1/2006	4,000,000	4,000,000	12/1/2013
		<u>\$28,995,000</u>	<u>\$26,080,000</u>	

\* Paid from sources other than property taxes

**Bonded Debt Repayment Schedule – Principal Only**

The following table sets forth the general obligation bonded debt repayment schedule (principal only) of the District as of the date of issuance of the Bonds.

Calendar Year Ended December 30	The Bonds December 1	Series 2005 GO Alt Rev Source* December 1	Series 2003 School Bonds December 1	Series 2002 School Bonds December 1	Total Outstanding Principal	Cumulative Principal Retired Amount	Percent
2007	\$545,000	210,000	350,000	380,000	1,485,000	1,485,000	5.694%
2008	565,000	220,000	355,000	395,000	1,535,000	3,020,000	11.580%
2009	590,000	225,000	370,000	410,000	1,595,000	4,615,000	17.696%
2010	610,000	235,000	385,000	430,000	1,660,000	6,275,000	24.061%
2011	640,000	245,000	400,000	450,000	1,735,000	8,010,000	30.713%
2012	665,000	255,000	420,000	470,000	1,810,000	9,820,000	37.653%
2013	385,000	270,000	445,000	490,000	1,590,000	11,410,000	43.750%
2014	-	280,000	460,000	510,000	1,250,000	12,660,000	48.543%
2015	-	295,000	480,000	535,000	1,310,000	13,970,000	53.566%
2016	-	305,000	495,000	560,000	1,360,000	15,330,000	58.781%
2017	-	320,000	520,000	585,000	1,425,000	16,755,000	64.245%
2018	-	330,000	540,000	610,000	1,480,000	18,235,000	69.919%
2019	-	345,000	565,000	635,000	1,545,000	19,780,000	75.844%
2020	-	355,000	590,000	665,000	1,610,000	21,390,000	82.017%
2021	-	370,000	615,000	695,000	1,680,000	23,070,000	88.459%
2022	-	385,000	640,000	730,000	1,755,000	24,825,000	95.188%
2023	-	400,000	-	-	400,000	25,225,000	96.722%
2024	-	420,000	-	-	420,000	25,645,000	98.332%
2025	-	435,000	-	-	435,000	26,080,000	100.000%
Total	\$4,000,000	\$5,900,000	\$7,630,000	\$8,550,000	\$26,080,000		

\* Paid from sources other than property taxes.

**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
2005 Equalized Assessed Valuation	\$875,282,762	
Statutory Debt limit @ 6.9% of EAV	\$60,394,511	100.00%
Existing Bonds	\$22,080,000	36.56%
Plus: the Bonds	\$4,000,000	
Less: Self Supporting Bonds	(\$5,900,000)	
Bonds applicable to Debt Limit	\$20,180,000	
Remaining Debt Margin	\$40,214,511	66.59%

**Debt Statement**

The table below shows the direct and overlapping debt and related statistics as of the date of issuance of the Bonds.

Total Direct Debt				<u>\$ 26,080,000</u>
 <b>ESTIMATED OVERLAPPING BONDED DEBT</b>				
			<u>Applicable to the District</u>	
<u>Taxing Body</u>	<u>Outstanding</u>		<u>Percent</u>	<u>Amount</u>
	<u>Debt</u>			
Cook County	\$ 3,070,610,000		0.702%	\$ 21,555,682
Cook County Forest Preserve District	132,855,000		0.702%	932,642
Metropolitan Water Reclamation District	1,256,985,306		0.717%	9,012,585
 <u>Municipalities</u>				
Village of Lansing	8,115,000		96.963%	7,868,547
Village of Burnham	350,000		72.402%	253,407
City of Calumet City	48,184,172		58.040%	27,966,093
Village of Lynwood	2,761,000		57.243%	1,580,479
 <u>School Districts</u>				
School District 155	8,789,963		100.000%	8,789,963
School District 156	5,350,000		100.000%	5,350,000
School District 157	10,775,000		70.245%	7,568,899
School District 158	8,044,894		100.000%	8,044,894
School District 171	4,550,000		98.100%	4,463,550
South Suburban CCD 510	12,825,000		24.200%	3,103,650
 <u>Park Districts</u>				
Calumet Memorial Park District	525,000		56.989%	299,192
			<u>Total Overlapping Bonded Debt:</u>	<u>\$ 106,789,584</u>
			<u>Net Direct Debt and Overlapping Bonded Debt*:</u>	<u>\$ 132,869,584</u>
 <u>District Estimated Population</u> 60,779				
2005 Estimated Full Valuation	\$ 2,625,848,286			
2005 Equalized Assessed Valuation	875,282,762			
Estimated Full Value per Capita	\$ 43,203			
			<u>% Full Value</u>	<u>Per Capita</u>
Direct Debt:*	\$ 26,080,000		0.99%	\$ 429
Direct Debt and Overlapping Bonded Debt:*	\$ 132,869,584		5.06%	\$ 2,186

**Future Financing**

Other than the Bonds, the District does not currently have plans to issue additional debt within the next twelve months.

**Short-Term Debt**

As of the closing of this issue, the District will have 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 "*County Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including that in the District, except for certain railroad property and pollution control facilities which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, Cook County is divided into three sections: west and south suburbs, north and northwest suburbs, and the City of Chicago. The District is located in the southeast suburbs and was last assessed in 2002. The District will be reassessed in 2008.

Real property in the County is separated into classifications for assessment purposes. After the County Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. The classification percentages range from 16% for certain residential, commercial and industrial property to 36% and 38%, respectively, for other industrial and commercial property.

Property is classified for assessment into six basic categories each of which is assessed at various percentages of fair market value as follows: Class 1) unimproved land - 22%; Class 2) residential - 16%; Class 3) rental-residential - 33%; Class 4) not-for-profit - 30%; Class 5a) commercial - 38%; Class 5b) industrial - 36%. There are also seven additional categories. Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties within the County may qualify for a Class 6b assessment level, which assessment level is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the 6b assessment level is 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. Real estate which is to be used for industrial or commercial purposes where such real estate has undergone environmental testing and remediation may be eligible for a Class C assessment level. The Class C assessment level for industrial properties is 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. Class C commercial properties are assessed at 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Commercial properties that are newly constructed or substantially rehabilitated and are within an area determined to be an area in need of commercial development may be classified as Class 7a or 7b property, and will then be assessed at a level of 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Certain commercial and industrial properties located in zones determined to be in need of substantial revitalization or in an enterprise community could be eligible for Class 8 assessments. The Class 8 assessment level for industrial properties is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class 8 assessment level for industrial properties is 23% in year 11 and 30% in year 12, thereafter reverting to Class 5b. The Class 8 assessment level for commercial properties is 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a. Substantially rehabilitated or new construction multi-family residential properties within certain target areas, empowerment or enterprise zones, may be eligible for Class 9 categorization. The Class 9 assessment level is 16% for an initial 10-year period, renewable for one additional 10-year period at 16%. When the Class 9 assessment level expires, the assessment level reverts to the applicable classification. Rental-residential (Class 3) properties subject to a Section 8 contract that has been renewed under the "Mark Up To Market" option may qualify for a Class S assessment level. The Class S assessment level is 16% for the term of the Section 8 contract renewal under the Mark Up To Market option, and for any additional terms of renewal of the Section 8 contract under the Mark Up To Market option. When the Class S assessment level expires, the assessment level reverts to Class 3. Substantially rehabilitated properties which are designated as Class 3, Class 4, Class 5a, or Class 5b and which qualify as Landmark or Contributing buildings may qualify for a Class L assessment level. The Class L assessment level for Class 3, 4, or 5b properties is 16% for the first 10 years and for any subsequent 10-year renewal periods. If the incentive is not renewed, the Class L assessment level is 23% in year 11 and 30% in year 12, thereafter reverting to Class 3, 4, or 5b. Class L commercial properties are assessed at 16% for the first 10 years, 23% in year 11 and 30% in year 12, thereafter reverting to Class 5a.

The Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment through a process that has been modified as a result of amendments (the "*Amendments*") to the Property Tax Code (the "*Property Tax Code*"). Prior to January 1, 1996, a taxpayer generally was required to seek a review of its assessment by filing a complaint with the Cook County Board of Appeals, from which there was generally no further appeal. However, pursuant to the Amendments, the Cook County Board of Appeals was replaced on the first Monday in

December 1998 by a Board of Review consisting of three commissioners elected by the voters of the County. The Board of Review has powers similar to, but somewhat broader than, those previously vested in the Board of Appeals to review and adjust Assessed Valuations set by the Assessor. The Board of Appeals remained in existence until it was replaced by the Board of Review in December 1998.

The Amendments also provide that beginning with assessments for the year 1996, owners of residential property having six or fewer units are able to appeal decisions of the Board of Appeals or the Board of Review 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 are now able to appeal Assessed Valuations to the PTAB. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of 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 Appeals or the Board of Review 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, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Value, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

#### **EQUALIZATION**

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

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Tax Appeals, the Board of Review or the PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "Equalized Assessed Valuation") of that parcel. 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, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factor for Cook County for the last ten tax levy years.

<u>Tax Year</u>	<u>Equalization Factor</u>
2005	2.7320
2004	2.5757
2003	2.4598
2002	2.4689
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

Tax bills in Cook County are based on the Equalized Assessed Valuation for the preceding year. Property taxes billed in 2005 (for the 2004 tax year) are based on the 2004 Equalized Assessed Valuation.

## **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 Freeze 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.

<u>Tax Year</u>	<u>Second Installment Penalty Date</u>
2005	September 1, 2006
2004	November 1, 2005
2003	November 15, 2004
2002	October 1, 2003
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

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**

### ***Property Tax Extension Limitation Law***

On February 12, 1995, Public Act 89-1 extended the provisions of 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.

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 if such bonds are approved at referendum, are alternate bonds or are issued for certain refunding purposes.

The District has the authority to levy taxes for many different purposes. See "Tax Rate Trend per \$100 of Equalized Assessed Valuation." The ceiling at any particular time on the rate at which these taxes may be extended by District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. Public Act 94-0976, effective June 30, 2006, provides that the only ceiling on a particular tax rate is the ceiling set by statute above which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) now have increased flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

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 debt service extension base. The base amount for the District will become available as its existing limited bonds are paid or retired. The District could also increase its debt service extension base by referendum. The District's debt service extension base is \$712,630.

Although the extension limitations contained in the Limitation Law upon its original enactment in 1991 did not apply to the District, the Limitation Law as originally enacted requires the Cook County Clerk, in extending taxes for taxing districts in Cook County, including the District, to use the equalized assessed value of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended. Public Act 89-1 retained this requirement.

### ***Truth in Taxation Law***

Legislation known as the Truth in Taxation Law, as amended (the "Taxation Law"), became effective in 1981. The Taxation Law limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Taxation Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the special levels.

### ***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; an income tax for partnerships and Subchapter S corporations at the rate of 1.5% of net taxable income; and a 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***

<u>Year</u>	<u>EAV</u>	<u>Percent Change</u>
2000	634,403,907	-2.05% *
2001	650,774,456	2.58%
2002	760,893,406	16.92%
2003	750,119,963	-1.42%
2004	770,683,360	2.74%
2005	875,282,762	13.57%

\* Based on 1999 EAV of \$647,687,695.  
Source: County Clerk's Office

### ***Composition of District's 2004\* Equalized Assessed Valuation***

<u>Property Type</u>	<u>EAV</u>	<u>% of Total</u>
Residential	\$492,842,910	63.949%
Commercial	170,286,486	22.096%
Industrial	105,508,599	13.690%
Farm	127,451	0.017%
Railroad	1,917,914	0.249%
Total	<u>\$770,683,360</u>	<u>100.000%</u>

\* 2004 breakdown is most recent available  
Source: County Clerk's Office

### ***Tax Extensions and Collections***

<u>Levy Year</u>	<u>Collection Year</u>	<u>Net Tax Extension</u>	<u>Total Collections <sup>(1)</sup></u>	<u>Percent Collected</u>
2000	2001	20,586,407	20,153,703	97.90%
2001	2002	21,345,402	20,826,972	97.57%
2002	2003	23,245,294	22,305,992	95.96%
2003	2004	23,823,810	22,798,058	95.69%
2004	2005	24,170,995	23,857,800	98.70%
2005	2006	25,523,245	22,087,720	86.54%*

\* as of September 30, 2006.

(1) Tax payments, including late payments and proceeds from sales, are shown as collections in the year when due. Here, as of September 30, 2006.

Source: County Treasurer's Office and the District

**Tax Rate Trend per \$100 of Equalized Assessed Valuation**

<u>Fund</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>Maximum Authorized Rate</u>
IMRF	\$0.0203	\$0.0237	\$0.0135	\$0.0069	\$0.0260	\$0.0398	None
Social Security	0.0568	0.0752	0.0711	0.0721	0.0716	0.0648	None
Liability Insurance	0.0325	0.0502	0.0261	0.0027	0.0521	0.0568	None
Transportation	0.0162	0.0791	0.0697	0.0618	0.0521	0.0483	0.1200
Education	2.5842	2.5262	2.2187	2.3892	2.3428	2.1033	3.5000
Building	0.3500	0.3421	0.3005	0.2746	0.2734	0.2615	0.5500
Building Bonds	0.0000	0.0000	0.1975	0.2006	0.1943	0.2259	None
Working Cash Funds	0.0500	0.0489	0.0429	0.0500	0.0325	0.0341	0.0500
Life Safety	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.0500
Special Education	0.0200	0.0196	0.0172	0.0183	0.0178	0.0159	0.4000
Life Safety Bond	0.0000	0.0000	0.0000	0.0000	0.0000	0.0000	0.1000
Limited Bonds	0.1141	0.1149	0.0978	0.0993	0.0965	0.0649	None
	<u>\$3.2441</u>	<u>\$3.2799</u>	<u>\$3.0550</u>	<u>\$3.1755</u>	<u>\$3.1591</u>	<u>\$2.9153</u>	

Source: County Clerk's Office

**Representative Tax Rate per \$100 of Equalized Assessed Valuation**

The following is a representative 2005 tax rate for a District property owner.

<u>Taxing District</u>	<u>05 Tax Rate</u>
Cook County	\$ 0.533
Consolidated Elections	0.014
Forest Preserve District	0.060
Thornton Township	0.360
General Assistance	0.088
Road and Bridge	0.015
Village of Lansing	1.055
Village of Lansing Library Fund	0.344
School District 158	4.596
HSD 205/Annex HSD 215	0.000
Thornton Fractional HSD 215	2.916
South Suburban College Dist 510	0.359
Lan-Oak Park District	0.275
Metropolitan Water Reclamation Dist	0.315
South Cook Cnty Mosquito Abatement Dist	0.010
Suburban Sanitarium	0.005
	<u>\$ 10.945</u>

Source: Cook County Clerk's Office

**Largest Taxpayers**

The following are among the largest taxpayers in the District, based on 2005 EAV.

Name	Product or Service	2005 EAV
Simon Property Group	real estate holdings	\$ 59,959,726
KFS Landings LLC	real estate holdings	14,349,346
Walmart Stores	discount retail	12,967,627
Individual	individual	8,358,721
CNC		7,642,349
Inland Real Estate	real estate	6,765,314
JC Penney	retail	6,283,600
Temperature Equipment Corp	mechanical contractors	6,205,353
Waterton Associates	real estate	5,299,433
Great Lakes Warehouse	storage	5,060,607
TOTAL		<u>\$ 132,892,076</u>
Total as % of 2005 EAV		15.18%

Source: Cook 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 approximations.

**FINANCIAL INFORMATION**

**Sources of Revenue**

The following table details the District's revenue sources for the Education and Operations & Maintenance Fund.

	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Local Sources	73%	70%	68%	66%
State Sources	24%	25%	29%	30%
Federal Sources	3%	4%	4%	4%
	<u>100%</u>	<u>100%</u>	<u>100%</u>	<u>100%</u>

**Summary of Operations**

The accompanying financial statements are prepared on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when measurable and available.

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 fiscal year 2006 audited Annual Financial Report filed with the Illinois State Board of Education is attached.

**Education and Operations & Maintenance Fund**

STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE  
EDUCATION AND OPERATIONS & MAINTENANCE FUND  
FISCAL YEAR ENDING JUNE 30

	2002	2003	2004	2005	2006*
<b>REVENUES</b>					
Local Sources	\$19,910,752	\$19,402,570	\$21,073,497	\$21,855,311	\$22,689,174
State Sources	6,652,425	7,023,998	8,926,684	9,980,569	10,029,960
Federal Sources	694,254	1,132,654	1,099,019	1,396,924	1,471,854
<b>TOTAL</b>	<b>\$27,257,431</b>	<b>\$27,559,222</b>	<b>\$31,099,200</b>	<b>\$33,232,804</b>	<b>\$34,190,988</b>
<b>EXPENDITURES</b>					
Instruction	\$17,094,758	\$18,354,352	\$19,667,905	\$19,735,718	\$19,953,504
Support Services	11,324,530	12,002,643	11,313,982	11,281,894	11,709,599
Community Services	9,307	11,062	13,238	16,761	7,952
Non-Programmed Charges	1,416,342	1,435,899	2,204,577	2,208,822	2,553,551
Debt Service P&I	162,218	153,899	70,530	0	0
Capital Outlay	573,215	303,723	187,160	228,680	0
<b>TOTAL</b>	<b>\$30,580,370</b>	<b>\$32,261,578</b>	<b>\$33,457,392</b>	<b>\$33,471,875</b>	<b>\$34,224,606</b>
Excess of Revenue Received Over (Under) Expenditures Disbursed	\$ (3,322,939)	\$ (4,702,356)	\$ (2,358,192)	\$ (239,071)	\$ (33,618)
<b>OTHER FINANCING SOURCES (USES)</b>					
Other	\$508,004	\$0	\$4,000,000	\$2,900,000	\$0
<b>TOTAL</b>	<b>\$508,004</b>	<b>\$0</b>	<b>\$4,000,000</b>	<b>\$2,900,000</b>	<b>\$0</b>
Excess of Revenue Collected and Other Financing Sources Over (Under) Expenses Paid & Other Uses	\$ (2,814,935)	\$ (4,702,356)	\$ 1,641,808	\$ 2,660,929	\$ (33,618)
Beginning General Fund Balance	\$ 9,100,348	\$ 6,154,136	\$ 1,451,780	\$ 3,093,588	\$ 5,474,260
Ending General Fund Balance	<u>\$ 6,285,413</u>	<u>\$ 1,451,780</u>	<u>\$ 3,093,588</u>	<u>\$ 5,754,517</u>	<u>\$ 5,440,642</u>
Net Adjustments to Reconcile to GAAP Basis	\$ (131,277)				
Fund Balances, As Restated	<u>\$6,154,136</u>				

\* The District's fiscal year 2006 audited financial statement is not currently available. The 2006 data summarized above is from the audited Annual Financial Report ("AFR") filed with the Illinois State Board of Education. **The 2006 AFR is not comparable to the prior years financial statements as they are done on different basis of accounting.** The AFR reports the District's accounting records on a cash basis, whereas the audited financial statements summarized above are reported on a modified accrual basis. In the cash basis method, revenues are recognized and recorded in the accounts when cash is collected and expenditures are recognized and recorded upon the payment of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

## 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. According to the District's FY2005 audited financial statement (modified accrual accounting), the District's Working Cash Fund had a balance of \$446,772 as of June 30, 2005. According to the District's FY06 audited Annual Financial Report (cash basis accounting), the District's Working Cash Fund had a balance of \$724,348 as of June 30, 2006. See footnote below.

### STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE WORKING CASH FUND FISCAL YEAR ENDING JUNE 30

	modified accrual 2002	modified accrual 2003	modified accrual 2004	modified accrual 2005	cash basis 2006*
OPERATING REVENUES					
Local Sources	\$ 508,030	\$ 446,150	\$ 400,959	\$ 326,203	\$ 282,436
<b>TOTAL</b>	\$ 508,030	\$ 446,150	\$ 400,959	\$ 326,203	\$ 282,436
OPERATING TRANSFERS IN (OUT)	(508,004)	(211,445)	(4,000,000)	(2,400,000)	
Sale of Bonds	-	-	-	-	-
Net Income	\$ 26	\$ 234,705	\$ (3,599,041)	\$ (2,073,797)	\$ 282,436
Beginning Working Cash Fund Balance	\$ 5,884,879	\$ 5,884,905	\$ 6,119,610	\$ 2,520,569	\$ 441,912 *
Ending Working Cash Fund Balance	\$ 5,884,905	\$ 6,119,610	\$ 2,520,569	\$ 446,772	\$ 724,348 *

\* The District's fiscal year 2006 audited financial statement is not currently available. The 2006 data summarized above is from the audited Annual Financial Report ("AFR") filed with the Illinois State Board of Education. **The 2006 AFR is not comparable to the prior years financial statements as they are done on different basis of accounting.** The AFR reports the District's accounting records on a cash basis, whereas the audited financial statements summarized above are reported on a modified accrual basis. In the cash basis method, revenues are recognized and recorded in the accounts when cash is collected and expenditures are recognized and recorded upon the payment of cash. Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

## 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, 2005, Note 12.

## 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 each and every 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 \$4,033,598.45 (consisting of the original par amount of the Bonds plus \$83,598.45 original issue premium and less \$50,000.00 underwriting discount) plus accrued interest to the date of delivery. The Underwriter intends to reoffer the Bonds at an average price of 102.09% 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 of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the Bonds to be excludable from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts 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 (with certain exceptions) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

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



Prospective purchasers of the Bonds should consult their tax advisors as to applicability of any such collateral consequences.

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

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

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity, 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.

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

There are or may be pending in the Congress of the United States legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or 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. The commencement of an audit could adversely affect the market value and liquidity of the Bonds until the audit is concluded, regardless of the ultimate outcome.

### ***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.

### ***Certain Legal Matters***

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the 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, except that in its capacity as Bond Counsel, Chapman and Cutler LLP has, at the request of the Underwriter, supplied the

information under the heading "LEGAL MATTERS" with the following sub-headings: "Tax Exemption" and "Qualified Tax Exempt Obligations."

### **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 their respective offices.

### **BOND RATING**

Standard and 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 " with regard 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.

These ratings may be changed, suspended or withdrawn as a result of changes in, or unavailability of information and such change in ratings 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, Statement summary, 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 Preliminary 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: November 16, 2006

**Appendix A**

**Audited Annual Financial Report  
filed with the  
Illinois State Board of Education**

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

**for the Year Ended  
June 30, 2006**

Due to ROE on October 15th  
 Due to ISBE on November 15th  
 SD/JA05

ILLINOIS STATE BOARD OF EDUCATION  
 School Business & Support Services Division  
 100 North First Street, Springfield, Illinois 62777-0001  
 217/785-8779

Illinois School District/Joint Agreement  
 Annual Financial Report \*  
 June 30, 2006

School District  
 Joint Agreement

School District/Joint Agreement Information <i>(See instructions on inside of this page.)</i>		Accounting Basis:	Certified Public Accountant Information	
School District/Joint Agreement Number: <b>14-016-2150-17</b>		<input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL	Name of Auditing Firm: <b>JOHN KASPEREK CO., INC.</b>	
County Name: <b>COOK</b>		Filing Status: Is the AFR filed electronically (Internet)? If no, CD/Disk must be enclosed. Click on the Link to Submit: <a href="http://www.isbe.net/sfms/afrafr.htm">www.isbe.net/sfms/afrafr.htm</a>		Name of Audit Supervisor: <b>JOHN KASPEREK, JR., CPA</b>
Name of School District/Joint Agreement: <b>THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215</b>		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO	Signature of Audit Supervisor & Date: <i>John Kasperek</i> 10/12/06	
Address: <b>1601 WENTWORTH AVENUE</b>		A-133 Single Audit Status:		Address: <b>1471 RING ROAD</b>
City: <b>CALUMET CITY, ILLINOIS</b>		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Are Federal expenditures greater than \$500,000?	Email Address: <b>jkasperek@kasperakcpa.com</b>	
Email Address:		<input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Is all A-133 Single Audit Information completed and attached?	City: <b>CALUMET CITY</b>	
Zip Code: <b>60409</b>		<input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Were any findings issued?	State: <b>ILLINOIS</b>	
			Zip Code: <b>60409</b>	
			Phone Number: <b>708-862-2262</b>	
			Fax Number: <b>708-891-3396</b>	
			IL Registration Number: <b>066-003685</b>	

<input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator		<input checked="" type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____		<input type="checkbox"/> Reviewed by Regional Superintendent	
District Superintendent/Administrator Name (Type or Print): <b>DR. ROBERT WILHITE</b>		Township Treasurer Name (type or print): <b>THOMAS P. STEFANIAK</b>		Regional Superintendent Name (Type or Print):	
Email Address:		Email Address:		Email Address:	
Telephone: <b>708-585-2300</b>	Fax Number: <b>708-585-2318</b>	Telephone: <b>708-868-2556</b>	Fax Number: <b>708-868-2703</b>	Telephone:	Fax Number:
Signature & Date: <i>Robert Wilhite</i> 10/12/06		Signature & Date: <i>Thomas P. Stefaniak</i> 10/12/06		Signature & Date:	

\* Based upon the Illinois Program Accounting Manual for Local Education Agencies.  
 ISBE Form SD60-35/JA50-60 (6/06) revised 062206

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**INSTRUCTIONS/REQUIREMENTS  
For School Districts/Joint Agreements**

- All schedules must be completed for School Districts. Note: Joint Agreements must complete only applicable schedules. See the Audit Checklist/Balancing Schedule for Joint Agreements.
- Round all amounts to the nearest dollar. **Do not enter cents.**
- Proper coding and reference to the Chart of Accounts (Illinois Program Accounting Manual for Local Education Agencies) eliminates the necessity for adding lines. Reports submitted with lines added and/or inconsistent rounding are unacceptable and will be sent back to the auditor preparing the report.
- Any problems detected by the Audit Checklist/Balancing Schedule must be resolved prior to submitting this report.
- Submitting By CD or Floppy Disk**  
If submitting the Annual Financial Report (AFR) on a CD or floppy disk, forward two CDs/disks, the original and one paper copy of a) the AFR cover page through page 8; b) opinion letters; c) any required compliance letters; d) any required financial notes and explanations; and e) the Annual Federal Compliance Report (A-133, if applicable) to the Regional Superintendent by October 15, 2006, for approval and certification. Check the box on the cover page if submitting via CD/floppy disk.  
**Note: Please submit AFR attachments through the Attachment Manager, CD or floppy disk in lieu of paper.**  
The Regional Superintendent will forward the CD or floppy disk, original AFR (Cover through page 8), with signatures, one copy of opinion letters, compliance letters, financial notes and Annual Federal Compliance Report (A-133, if applicable) to the Illinois State Board of Education by November 15, 2006.  
**Submitting via the Internet**  
If submitting the AFR electronically using the ISBE Attachment Manager see cover page for link. In addition, forward the original and one paper copy of :  
a) the AFR cover page through page 8;  
b) the opinion letters;  
c) any required compliance letters;  
d) any required financial notes and explanations; and  
e) the Annual Federal Compliance Report (A-133, if applicable) to the Regional Superintendent by October 15, 2006 for approval and certification.  
Check the box on the cover page if submitting via the Internet.  
**Note: Please submit AFR attachments electronically (in lieu of paper). Excepted formats are Microsoft Word (.doc), Excel (\*.xls), Word Perfect (\*.wpd) or Adobe (\*.pdf) files.**  
The Regional Superintendent will forward the original AFR (Cover through page 8), with signatures, one copy of opinion letters, compliance letters, financial notes and Annual Federal Compliance Report (A-133, if applicable) to the Illinois State Board of Education by November 15, 2006.
- Yellow Book, CPE, an Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Accounting Standards" were utilized.
- The Schedule of Tort Immunity Expenditure, page 25: The Audit/AFR shows the entity complied with the provisions set forth in 745 ILCS 10/9-103 (a-5) and 745 ILCS 10/9-107.

# John Kasperek Co., Inc.

## Certified Public Accountants

### Independent Auditors' Report on Illinois School District Annual Financial Report (Form ISBE 50-35)

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

We have audited the accompanying financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2006, as listed in the table of contents. These financial statements are the responsibility of the school 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, statements of Thornton Fractional Township High School District No. 215 has prepared these financial statements using accounting practices prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. They are intended to assure effective legislative and public oversight of school district financing and spending activities of accountable Illinois public school districts. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of statements of Thornton Fractional Township High School District No. 215 as of June 30, 2006, or changes in financial position for the fiscal year then ended.

Additionally, in our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of statements of Thornton Fractional Township High School District No. 215 as of June 30, 2006, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note #1.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 6, 2006 on our consideration of statements of Thornton Fractional Township High School District No. 215's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting and compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

pages 28 through 30 and the itemization schedule on page 32 are presented for the purposes of additional analysis and are not a required part of the financial statements of statements of Thornton Fractional Township High School District No. 215. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole. The information on pages 28-30 are propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The administrative cost worksheet on page 31 contains unaudited information concerning the current year budget which was provided by the District, the actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements taken as a whole.

*John Hasperuk Co. Inc*

October 6, 2006

# John Kasperek Co., Inc.

## Certified Public Accountants

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND  
ON COMPLIANCE AND OTHER MATTERS 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 basic financial statements of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. Our opinion was adverse because financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is which is a comprehensive basis of accounting other than generally accepted accounting principles. 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.

### 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. We noted no matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect Thornton Fractional Township High School District No. 215's ability to initiate, record, process and report financial data consistent with the assertions of management in the financial statements.

A material weakness is a reportable 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 caused by error or fraud 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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

### 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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts.

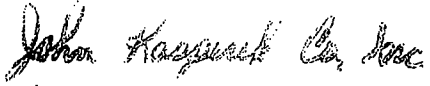
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Telephone: (708) 862-2262 / Facsimile (708) 891-3396  
1471 Ring Road / Calumet City, Illinois 60409



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 or other matters that are required to be reported under *Government Auditing Standards*

This report is intended solely for the information and use of the Board of Education, management, 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.

A handwritten signature in black ink, appearing to read "John Kasper, CPA, JAC". The signature is written in a cursive style.

October 6, 2006

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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 and liabilities (arising from cash transactions), fund balance, revenues received and expenditures disbursed. The District maintains individual funds required by the State of Illinois. 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 funds 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 Educational Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in other funds. Tort Immunity and Special Education are included in the Educational Fund.

The Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund and Working Cash Fund are used to account for revenues from specific sources that are legally restricted to expenditures for specified purposes.

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

The Site and Construction Fund and Fire Prevention and Safety Fund account 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.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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 Funds - Measurement Focus

The financial statements of all governmental funds 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 statement of assets and liabilities arising from cash transactions. Their reported fund balance (net current assets) is considered a measure of "available spendable resources". Governmental fund operating statements present increases (cash collected and other financing sources) and decreases (cash payments 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**

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and how they are reported on the financial statements. For the purpose of preparing Annual Financial Report Form ISBE 50-35, the District maintains its accounting records for all funds and account groups 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 payment of cash. Assets of a fund are only recorded when a right to collect cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

Cash basis financial statements omit recognition of receivables and payables and other accrued and deferred items that do not arise from previous cash transactions.

Proceeds from sales of bonds are included as other financing sources in the appropriate fund on the date received. Related bond principal payable in the future is recorded at the same time in the General Long-Term Debt Account Group.

**D. BUDGETS AND BUDGETARY ACCOUNTING**

The budget for all governmental fund types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting on the Annual Financial Report Form ISBE 50-35. This allows for comparability between budget and actual amounts. The budget, which was not amended, was passed on September 27, 2005.

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.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

The District, in accordance with Chapter 105, Section 5/17-1 of the *Illinois Compiled Statutes*, follows these procedures in establishing the budgetary data reflected in the financial statements.

1. Prior to July 1, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on that date. The operating budget includes proposed expenditures disbursed and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

**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 disbursed 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.

**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, 2006, there was no material difference between

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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

A summary of changes in General Fixed Assets follows:

	Balance July 1, 2005	Additions	Deletions	Balance June 30, 2006
Land	\$ 560,301	\$ --	\$ --	\$ 560,301
Land Improvements	2,041,049	395,680	--	2,436,729
Buildings & improvements	21,413,505	44,452,179	(500,000)	65,365,684
Equipment	6,077,979	492,949	(483,083)	6,087,845
Construction in progress	<u>28,224,737</u>	--	<u>(28,224,737)</u>	--
	<u>\$58,317,571</u>	<u>\$45,340,808</u>	<u>\$(29,207,820)</u>	<u>\$74,450,559</u>

4. GENERAL LONG-TERM DEBT ACCOUNT GROUP

Changes in long-term debt are summarized as follows:

	General Obligation Bonds	Other Long-Term Liabilities	Total
Balance July 1, 2005	\$18,745,000	\$ 130,920	\$18,875,920
Issued	6,000,000	--	6,000,000
Retired/Payments	<u>(1,340,000)</u>	<u>(36,831)</u>	<u>(1,376,831)</u>
Balance June 30, 2006	<u>\$23,405,000</u>	<u>\$ 94,089</u>	<u>\$23,499,089</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215  
NOTES TO ANNUAL FINANCIAL REPORT  
JUNE 30, 2006**

**A. BONDS PAYABLE**

General obligation bonds payable at June 30, 2006, consisted of the following individual issues:

\$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. \$ 515,000

\$9,995,000 School Bonds, Series 2002, dated December 15, 2002 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 4.60 percent through December 2022; bonds 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 on December 1, 2012 or any date thereafter. 8,920,000

\$9,000,000 School Bonds, Series 2003, dated February 1, 2003 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 2.50 to 5.00 percent through December 2022; bonds 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 on December 1, 2012 or any date thereafter. 7,970,000

\$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2016 are subject to redemption prior to maturity at par at the opinion of the District as a whole or in part on December 1, 2015 or any date thereafter. 6,000,000

\$23,405,000

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

At June 30, 2006, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
June 30			
2007	1,325,000	969,986	2,294,986
2008	940,000	931,036	1,871,036
2009 – 2013	5,265,000	4,042,213	9,307,213
2014 – 2018	6,550,000	2,749,094	9,299,094
2019 - 2023	8,070,000	1,188,047	9,258,047
2024 – 2026	<u>1,255,000</u>	<u>82,103</u>	<u>1,337,103</u>
	<u>\$23,405,000</u>	<u>\$9,962,479</u>	<u>\$33,367,479</u>

**B CAPITAL LEASE OBLIGATIONS**

The District acquired copiers under the provisions of a lease-purchase agreements. The copiers leases are for three to five years, which expire on various dates through October, 2008. All lease terms are subject to annual appropriation of funds for the rental statements.

At June 30, 2006 the annual cash flow requirements of other long-term liabilities were as follows:

Year Ending	<u>Payments</u>
June 30	
2007	41,194
2008	42,402
2009	<u>17,356</u>
	100,952
Less Interest	<u>(6,863)</u>
	<u>\$ 94,089</u>

**5. SPECIAL TAX LEVIES AND RESTRICTED EQUITY**

**A. TORT IMMUNITY LEVY**

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2006, tort immunity had a deficit of \$79,132. The District anticipates using future revenues to cover the deficit. When the fund has a surplus, the funds are 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 received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. A portion, \$14,800, of this fund's equity represents the excess of cumulative revenues received over cumulative expenditures disbursed which is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes*.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

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 November 22, 2005. 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:

	<u>Limit</u>	Actual <u>2005</u> <u>Levy</u>	Actual <u>2004</u> <u>Levy</u>
Educational	3.5000	2.1033	2.3428
Tort Immunity	As needed	.0568	.0521
Special Education	.4000	.0159	.0178
Operations and Maintenance	.5500	.2615	.2734
Transportation	.1200	.0483	.0521
Municipal Retirement	As needed	.0398	.0260
Social Security	As needed	.0648	.0716
Bond and Interest	As needed	.2908	.2908
Life Safety	.1000	--	--
Working Cash	.0500	<u>.0341</u>	<u>.0325</u>
		<u>2.9153</u>	<u>3.1591</u>

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.

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 \$1,242,632 ECHO for tuition and services during the year ended June 30, 2006.



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2005, the most recent information available:

Total assets-modified cash basis	\$8,202,706	Revenues received	\$39,058,130
Total liabilities-modified cash basis	\$41,017	Expenditures disbursed	\$44,127,520
Net assets - invested in capital assets - modified cash basis	\$1,506,922	Net increase/(decrease) in net assets	\$(5,069,390)
Unrestricted net assets-modified cash basis	\$6,654,767		
Total net assets-modified cash basis	\$8,161,689		

**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, 2006, the most recent information available, the total cash and fund balance for the entity was \$315,058. Complete financial statements for the cooperative may be obtained from its administrative office at 17121 Roy Street, Lansing, Illinois 60438.

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 employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending December 31, 2006 are \$100,000 for individual claims and approximately \$2,403,000 for aggregate claims. The aggregate stop-loss limit is equal to \$9,047 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

11. COMMITMENTS

As of June 30, 2006 the District is committed under various construction contracts which will be liquidated as the contracts are completed during the next fiscal year from existing resources of the District's Capital Projects Funds.

12. 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 member contribution rate through June 30, 2006 was 9.4 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 contribution to the Teachers' Health Insurance Security (THIS) Fund, a separate fund in the State Treasury that is not a part of this retirement plan. The member THIS Fund contribution was 0.6 percent during the year ended June 30, 2006 and the member THIS Fund health insurance contribution was 0.80 percent.

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, 2006, State of Illinois contributions were based on 7.06 percent of creditable earnings, and the District recognized revenues received and expenditures disbursed of \$1,256,792 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2005, and June 30, 2004, the State of Illinois contribution rates as percentages of creditable earnings were 11.76 percent (\$2,053,551) and 13.98 percent (\$2,375,612), respectively.

The District makes four other types of employer contributions directly to TRS.

2.2 formula contributions. Employers contributed 0.58 percent of creditable earnings for the 2.2 formula change. Contributions for the year ended June 30, 2006 were \$103,249. Contributions for the years ending June 30, 2005 and June 30, 2004, were, \$101,281 and \$98,559.

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 employer contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective in the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and trust funds will be the same as the state contribution rate to TRS.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

For the year ended June 30, 2006, the employer pension contribution was 7.06 percent of salaries paid from federal and trust funds. For the two years ended June 30, 2005, the employer pension contribution was 10.5 percent of salaries paid from those funds. For the year ended June 30, 2006, salaries totaling \$638,862 were paid from federal and trust funds that required employer contributions of \$45,104. For the years ended June 30, 2005 and June 30, 2004, required District contributions were \$39,738 and \$30,700, respectively.

Early Retirement Option. The District is also required to make one-time employer contributions to TRS for members retiring under the Early Retirement Option (ERO). The payments vary depending on the age and salary of the member and under which ERO program the member retires.

Under Public Act 94-0004, a "Pipeline ERO" program is provided for members to retire under the same terms as the ERO program that expired June 30, 2005, provided they meet certain conditions and retire on or before July 1, 2007. If members do not meet these conditions, they can retire under the "Modified ERO" program which requires higher member and employer contributions to TRS. Also, under Modified ERO, Public Act 94-0004 eliminates the waiver of member and employer contributions that had been in effect with 34 years of service (unless the member qualifies for the Pipeline ERO).

Under the ERO program that expired June 30, 2005 the Pipeline ERO, maximum employer contribution was 100 percent of the member's highest salary used in the final average salary calculation.

Under the Modified ERO, the maximum employer contribution is 117.5 percent.

Both the 100 percent and 117.5 percent maximums apply when the member is age 55 at retirement.

For the year ending June 30, 2006, the District paid \$90,463 for employer contributions under the Early Retirement Option. For the years ended June 30, 2005, and June 30, 2004, the District paid \$357,087 and \$432,700, 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, 2005. The report for the year ended June 30, 2006, is expected to be available in late 2006. 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](http://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 financial report that includes financial statements and required supplementary information. The report may be obtained at [www.imrf.org/pubs/pubs\\_homepage.htm](http://www.imrf.org/pubs/pubs_homepage.htm) or 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 2005 was 8.04 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, 2005 was 27 years.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO ANNUAL FINANCIAL REPORT**  
**JUNE 30, 2006**

For December 31, 2005 the District's annual pension cost of \$298,328 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 2003 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 with 15% corridor. The assumptions used for the 2005 actuarial valuation were based on the 2002 - 2004 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
12/31/05	\$298,328	100%	\$0
12/31/04	\$249,571	100%	\$0
12/31/03	\$209,273	100%	\$0
12/31/02	\$181,468	100%	\$0
12/31/01	\$201,418	100%	\$0
12/31/00	\$297,695	100%	\$0

REQUIRED SUPPLEMENTARY INFORMATION

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)
12/31/05	\$9,954,288	\$9,252,533	\$(701,755)	107.58%	\$3,710,552	0.00%
12/31/04	\$9,004,809	\$8,496,339	\$(508,470)	105.98%	\$3,752,953	0.00%
12/31/03	\$8,484,219	\$8,036,747	\$(447,472)	105.57%	\$3,897,085	0.00%
12/31/02	\$8,265,943	\$7,339,634	\$(926,309)	112.62%	\$3,749,340	0.00%
12/31/01	\$8,157,808	\$6,718,722	\$(1,439,086)	121.42%	\$3,296,536	0.00%
12/31/00	\$7,235,271	\$5,885,525	\$(1,349,746)	122.93%	\$3,059,555	0.00%

On a market value basis, the actuarial value of assets as of December 31, 2005 is \$10,081,944. On a market basis, the funded ratio would be 108.96%.

Digest of Changes:

The actuarial assumptions used to determine the actuarial accrued liability for 2005 are based on the 2002 - 2004 Experience Study.

The principle changes were:

- The 1994 Group Annuity Mortality implemented.
- For regular members, fewer normal and early retirements are expected to occur.

### AUDITOR'S QUESTIONNAIRE

N/A	Yes	No
-----	-----	----

All "Yes" answers indicate the auditor has performed compliance audit procedures relating to all applicable statutes and has noted no exceptions.  
 All "No" answers to 1 and 2 must be explained in the comments section at the bottom of this page. A "Yes" answer to question 3e & 4 must also be explained below.

	X	
--	---	--

1. Were all Student Activity Funds, Imprest Funds, and all other funds maintained by the district audited? If no, explain.

	X	
--	---	--

2. Did your review and testing of State and Local Programs confirm, in accordance with applicable law, that:

X		
---	--	--

a. Bonds were executed in appropriate amounts on all custodians of funds? (School Code, Sections 8-2, 10-20.19, and 19-6)

X		
---	--	--

b. All interfund loans were authorized, disclosed and repaid? (School Code, Sections 10-22.33 and 20-4)

	X	
--	---	--

c. All permanent transfers were authorized and disclosed? (School Code, Sections 10-22.14, 10-22.44, 17-2.2a, 17-2.2c, 17-2A, 19-4, 20-5, 20-8 and 20-9)

X		
---	--	--

d. Corporate Personal Property Replacement Tax (CPPRT) moneys were deposited and liens satisfied? (30 ILCS 115/12)

X		
---	--	--

e. Tax Anticipation Warrants were issued and retired? (School Code, Section 17-16 and 30 ILCS 305/2)

X		
---	--	--

f. Tax Anticipation Notes were issued and retired? (50 ILCS 420/1 et seq.)

	X	
--	---	--

g. State Aid Anticipation Certificates were issued and retired? (School Code, Section 18-18)

	X	
--	---	--

h. General Obligation Bonds were issued within statutory limits? (School Code, Section 19-1 and 30 ILCS 350/1 et seq.)

	X	
--	---	--

i. Investments owned, deposits made, and interest earned were in the name of the district, authorized by the Board, properly segregated, and invested? (30 ILCS 235/1 et seq. and 30 ILCS 225/1)

	X	
--	---	--

j. All restricted funds, including Tort Immunity, were properly segregated in the accounting records and used only for restricted purposes.

	X	
--	---	--

k. All board members, administrators, certified business officials, and other qualifying district personnel filed an economic interest statement with the County Clerk? (5 ILCS 420/4A-101 et seq.)

	X	
--	---	--

l. The district complied with the applicable provisions of the bidding law? (School Code, Section 10-20.21)

	X	
--	---	--

m. The budget and accounting records correspond with the "Illinois Program Accounting Manual for Local Education Agencies"?

3. Was there a qualified, adverse or disclaimed opinion for any of the following reasons?

--	--	--

a. Missing or inadequate fixed asset records

--	--	--

b. Lack of internal control

X		
---	--	--

c. Regulatory basis

--	--	--

d. Other reasons (If "Yes", explain)

		X
--	--	---

4. Did the audit of Student Activity funds include any findings? If yes, explain.

### SCHOOL DISTRICT FINANCIAL DATA QUESTIONNAIRE

Yes	No
-----	----

(The following questions are designed to provide the informational needs required of the Illinois State Board of Education by the School Code, Section 1A-8.)

	X
--	---

5. Has the district issued funding bonds to retire teacher orders in 3 of the last 5 years or issued school orders for wages as permitted by the School Code?

	X
--	---

6. Has the district issued tax anticipation warrants or notes in anticipation of second year's taxes when warrants or notes for current year taxes are still outstanding?

	X
--	---

7. Has the district shown an excess of expenditures/other financing uses over revenues/other financing sources and beginning fund balances in the Operating Funds Balance for 2 consecutive years?

X	
---	--

8. Is this district subject to the Property Tax Extension Limitation Law? If Yes, enter the effective date:

January 1, 1995

Enter (MM/DD/YY)

### COMMENTS APPLICABLE TO THE AUDITOR'S QUESTIONNAIRE

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**FINANCIAL PROFILE INFORMATION**

*Required to be completed for School Districts only.*

**A. Tax Rates** (Enter the tax rate - ex: .0150 for \$1.50)

Tax Year 2005 Equalized Assessed Valuation (EAV): 875,282,762

	Educational	Operations & Maintenance	Transportation	Combined Total		Working Cash
Rate(s):	0.02103	0.00262	0.00048	0.02413	=	0.00034

**B. Results of Operations \***

Receipts/Revenues	Disbursements/Expenditures	Excess/ (Deficiency)	Fund Balance
34,493,249	34,478,358	14,891	6,249,086

\* The numbers shown are the sum of entries on Pages 7 & 8, lines 5, 13, 16, and 46 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.

**C. Short-Term Debt \*\***

CPPRT Notes	TAWs	TANs	TO/EMP. Orders	GSA Certificates	
0	0	0	0	0	+
Other	Total				
	0				

\*\* The numbers shown are the sum of entries on pages 5, lines 26-30 from the Educational, Operations & Maintenance and Transportation Funds.

**D. Long-Term Debt**

Check the applicable box for long-term debt allowance by type of district.

<input checked="" type="checkbox"/>	a. 6.9% for elementary and high school districts,	60,394,511
<input type="checkbox"/>	b. 13.8% for unit districts.	

Long-Term Debt Outstanding:

	Acct	
c. Bond Principal: .....	501	23,405,000
d. TO/Employee Orders: .....	409	0
e. Other Long-Term Debt: .....	599	94,089
f. Total Long-Term Debt Outstanding:.....		23,499,089

**E. Material Impact on Financial Position**

If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods. Attach sheets as needed explaining each item checked.

- Pending Litigation
- Material Decrease in EAV
- Material Increase/Decrease in Enrollment
- Adverse Arbitration Ruling
- Passage of Referendum
- Other (Describe and Itemize)
- Ongoing Concerns

Comments:

ID: 14-018-2150-17  
 Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**ESTIMATED FINANCIAL PROFILE SUMMARY**  
 (Go to the following web site for reference to the Financial Profile)  
[www.isbe.net/sfms/p/profile.htm](http://www.isbe.net/sfms/p/profile.htm)

**District Name:** THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
**District Code:** 14-016-2150-17  
**County Name:** COOK

<b>1. Fund Balance to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>3</b>
Total Sum of Fund Balance Page 8, line 46:	Funds 10, 20, 40, 70 + (50 if negative)	6,249,086.00	0.181	<b>Weight</b>	0.35
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40, & 70	34,493,249.00		<b>Value</b>	1.05
<b>2. Expenditures to Revenue Ratio:</b>		<b>Total</b>	<b>Ratio</b>	<b>Score</b>	<b>4</b>
Total Sum of Expenditures Page 7, Line 13:	Funds 10, 20 & 40	34,478,358.00	1.000	<b>Adjustment</b>	0
Total Sum of Revenues Page 7, Line 5:	Funds 10, 20, 40 & 70	34,493,249.00		<b>Weight</b>	0.35
Possible Adjustment:			0	<b>Value</b>	1.40
<b>3. Days Cash on Hand:</b>		<b>Total</b>	<b>Days</b>	<b>Score</b>	<b>2</b>
Page 5, Line 1 and Line 11	Funds 10, 20 40 & 70	6,260,320.00	65.37	<b>Weight</b>	0.10
Page 7, Line 13	Funds 10, 20, 40 divided by 360	95,773.22		<b>Value</b>	0.20
<b>4. Percent of Short-Term Borrowing Maximum Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>4</b>
Page 5, Line 27	Amount Borrowed: Funds 10, 20 & 40	0.00	100.00	<b>Weight</b>	0.10
Page 3, Section A	(.85 x Equalized Assessed Valuation) x (Sum of Combined Tax Rates)	17,950,999.11		<b>Value</b>	0.40
<b>5. Percent of Long-Term Debt Margin Remaining:</b>		<b>Total</b>	<b>Percent</b>	<b>Score</b>	<b>3</b>
Page 3, Section D	Total Outstanding Long-Term Debt	23,499,089.00	61.09	<b>Weight</b>	0.10
Page 3, Section D	Total Long-Term Debt Allowed	60,394,510.58		<b>Value</b>	0.30

**Total Profile Score = 3.35 \***

**2006 SD Financial Profile Designation: REVIEW**

\* Estimated Total Profile Score may change based on data provided on the Financial Profile Information, page 3. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS  
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2006

ASSETS	Acct. #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>CURRENT ASSETS (100)</b>										
1. Cash (Accounts 101 through 105)		4,424,541	1,027,335	841,722	84,096	185,102	14,790	724,348		587,207
2. Other Accrued Assets (Accrual only) (Describe & Itemize) 2										
3. Taxes Receivable (Accrual only)	110									
4. Accounts Receivable (Accrual only)	120									
5. Loan to Educational Fund	151									
6. Loan to Operations & Maintenance Fund	152									
7. Loan to Transportation Fund	153									
8. Loan to Fire Prevention & Safety Fund	154									
9. Loan to Other Funds	155									
10. Inventory	170									
11. Investments	180									
12. Other Current Assets (Describe & Itemize)	199	470					989,567			
<b>13. TOTAL CURRENT ASSETS</b>		<b>4,425,011</b>	<b>1,027,335</b>	<b>841,722</b>	<b>84,096</b>	<b>185,102</b>	<b>1,004,357</b>	<b>724,348</b>	<b>0</b>	<b>587,207</b>
<b>CAPITAL ASSETS (200)</b>										
14. Land	201									
15. Buildings	202									
16. Improvements Other than Buildings	203									
17. Equipment Other than Transportation/Food Service	204									
18. Construction in Progress	205									
19. Transportation Equipment	206									
20. Food Services Equipment	207									
21. Amount Available in Debt Service Funds	304									
22. Amount to be Provided for Payment of Bonds	305									
23. Amount to be Provided for Payment of Long-Term Debt - Other	306									
<b>24. TOTAL CAPITAL ASSETS</b>										
<b>LIABILITIES</b>										
<b>CURRENT LIABILITIES (400)</b>										
25. Accrued Liabilities (Accrual Only) 3										
26. Corp. Personal Prop. Repl. Tax Anticipation Notes Payable	406									
27. Tax Anticipation Warrants Payable	407									
28. Tax Anticipation Notes Payable	408									
29. Teachers/Employees' Orders Payable	409									
30. State Aid Anticipation Certificates Payable	410									
31. Loan from Educational Fund	431									
32. Loan from Operations & Maintenance Fund	432									
33. Loan from Transportation Fund	433									
34. Loan from Working Cash Fund	434									
35. Payroll Deductions Payable	450	11,704								
36. Deferred Revenue (Accrual Only)	474									
37. Due to Activity Fund Organizations	480									
38. Other Current Liabilities (Describe & Itemize)	499			10,000		161				
<b>LONG-TERM LIABILITIES (600)</b>										
39. Bonds Payable	501									
40. Other Long-Term Liabilities	599									
<b>41. TOTAL LIABILITIES</b>		<b>11,704</b>	<b>0</b>	<b>10,000</b>	<b>0</b>	<b>161</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
42. Reserved Fund Balance	703	14,800								
43. Unreserved Fund Balance	704	4,398,507	1,027,335	831,722	84,096	184,941	1,004,357	724,348		587,207
44. Investments in General Fixed Assets	705									
<b>46. TOTAL LIABILITIES &amp; FUND BALANCE</b>		<b>4,425,011</b>	<b>1,027,335</b>	<b>841,722</b>	<b>84,096</b>	<b>185,102</b>	<b>1,004,357</b>	<b>724,348</b>	<b>0</b>	<b>587,207</b>



STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS  
STATEMENT OF POSITION AS OF JUNE 30, 2006

ASSETS	Acct. #	Agency Fund	Account Groups	
			General Fixed Assets	General Long-Term Debt
<b>CURRENT ASSETS (100)</b>				
1. Cash (Accounts 101 through 105) <sup>1</sup>				
2. Other Accrued Assets (Accrual only) (Describe & Itemize) 2				
3. Taxes Receivable (Accrual only)	110			
4. Accounts Receivable (Accrual only)	120			
5. Loan to Educational Fund	151			
6. Loan to Operations & Maintenance Fund	152			
7. Loan to Transportation Fund	153			
8. Loan to Fire Prevention & Safety Fund	154			
9. Loan to Other Funds	155			
10. Inventory	170			
11. Investments	180			
12. Other Current Assets (Describe & Itemize)	199			
<b>13. TOTAL CURRENT ASSETS</b>		<b>0</b>		
<b>CAPITAL ASSETS (200)</b>				
14. Land	201		560,301	
15. Buildings	202		65,365,684	
16. Improvements Other than Buildings	203		2,436,729	
17. Equipment Other than Transportation/Food Service	204		5,669,549	
18. Construction in Progress	205			
19. Transportation Equipment	206		84,747	
20. Food Services Equipment	207		333,549	
21. Amount Available in Debt Service Funds	304			831,722
22. Amount to be Provided for Payment of Bonds	305			22,573,278
23. Amount to be Provided for Payment of Long-Term Debt - Other	306			94,089
<b>24. TOTAL CAPITAL ASSETS</b>			<b>74,450,559</b>	<b>23,499,089</b>
<b>LIABILITIES</b>				
<b>CURRENT LIABILITIES (400)</b>				
25. Accrued Liabilities (Accrual Only) 3				
26. Corp. Personal Prop. Repl. Tax Anticipation Notes Payable	406			
27. Tax Anticipation Warrants Payable	407			
28. Tax Anticipation Notes Payable	408			
29. Teachers/Employees' Orders Payable	409			
30. State Aid Anticipation Certificates Payable	410			
31. Loan from Educational Fund	431			
32. Loan from Operations & Maintenance Fund	432			
33. Loan from Transportation Fund	433			
34. Loan from Working Cash Fund	434			
35. Payroll Deductions Payable	450			
36. Deferred Revenue ( Accrual Only)	474			
37. Due to Activity Fund Organizations	480			
38. Other Current Liabilities (Describe & Itemize)	499			
<b>LONG-TERM LIABILITIES (600)</b>				
39. Bonds Payable	501			23,405,000
40. Other Long-Term Liabilities	599			94,089
<b>41. TOTAL LIABILITIES</b>		<b>0</b>		<b>23,499,089</b>
42. Reserved Fund Balance	703			
43. Unreserved Fund Balance	704			
44. Investments in General Fixed Assets	705		74,450,559	
<b>46. TOTAL LIABILITIES &amp; FUND BALANCE</b>		<b>0</b>	<b>74,450,559</b>	<b>23,499,089</b>

**BASIC FINANCIAL STATEMENT**  
**STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE**  
**ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2006**

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES:</b>										
1. Local Sources	1000	19,595,902	3,093,272	2,315,010	429,407	869,524	126,205	282,436	0	23,300
2. Flow-Through Receipts/Revenues from One LEA to Another LEA	2000	0	0		0	0				
3. State Sources	3000	8,053,168	720,000	0	847,210	0	8,437,496	0	0	0
4. Federal Sources	4000	1,471,854	0	0	0	0	0	0	0	0
5. Total Direct Receipts/Revenues		29,120,924	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,300
6. Receipts/Revenues for "On Behalf" Payments <sup>4</sup>	3998	1,256,792								5
7. Total Receipts/Revenues		30,377,716	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,305
<b>DISBURSEMENTS/EXPENDITURES:</b>										
8. Instruction	1000	18,696,712				264,005				
9. Support Services	2000	8,306,057	3,403,542		1,510,544	598,365	16,929,074			7,834
10. Community Services	3000	7,952	0		0	0				
11. Nonprogrammed Charges	4000	2,553,551	0	0	0	0	0			0
12. Debt Service	6000	0	0	2,340,175	0	0			0	0
13. Total Direct Disbursements/Expenditures		29,564,272	3,403,542	2,340,175	1,510,544	862,370	16,929,074		0	7,834
14. Disbursements/Expenditures for "On Behalf" Payments <sup>4</sup>	4180	1,256,792	0	0	0	0	0		0	5
15. Total Disbursements/Expenditures		30,821,064	3,403,542	2,340,175	1,510,544	862,370	16,929,074		0	7,839
16. Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures <sup>5</sup>		(443,348)	409,730	(25,165)	(233,927)	7,154	(8,365,373)	282,436	0	15,466
<b>OTHER FINANCING SOURCES (USES)</b>										
<b>OTHER FINANCING SOURCES (7000)</b>										
<b>TRANSFER FROM OTHER FUNDS (7100)</b>										
17. Permanent Transfer from Working Cash Fund - Abolishment (Sec. 20-8)	7110	0								
18. Permanent Transfer from Working Cash Fund - Interest (Sec. 20-5)	7120									
19. Permanent Transfer (Sec. 17-2A)	7130									
20. Permanent Transfer of Interest (Sec. 10-22.44)	7140									
21. Permanent Transfer from Site & Construction/Capital Improvement Fund (Sec. 10-22.14)	7150									
22. Perm. Transfer of Excess Accumulated Fire Prev. & Safety Tax Proceeds & Int. Earnings (Sec. 17-2.11) <sup>6</sup>	7160									
23. Perm. Transfer of Excess Accumulated Fire Prev. & Safety Bond Proceeds and Int. Earnings (Sec. 10-22.14) <sup>6</sup>	7170									
24. Permanent Transfer from Working Cash Fund - Abatement (Sec. 20-9)	7180									
<b>SALE OF BONDS (7200)</b>										
25. Principal on Bonds Sold (Amount of Original Issue)	7210						6,000,000			
26. Premium on Bonds Sold	7220						11,371			
27. Accrued Interest on Bonds Sold	7230									
28. Sale or Compensation for Fixed Assets <sup>7</sup> (Section 2-3.12 & 17-2.11)	7300									
29. School Technology Revolving Loan Program (STRLP)	7500									
30. Other Sources (Describe & Itemize)	7900									
31. Total Other Financing Sources		0	0	0	0	0	6,011,371	0	0	0
<b>OTHER FINANCING USES (8000)</b>										
<b>TRANSFER TO OTHER FUNDS (8100)</b>										
32. Permanent Transfer from Working Cash Fund-Abolishment (Sec. 20-8)	8110									
33. Permanent Transfer from Working Cash Fund - Interest (Sec. 20-5)	8120							0		

BASIC FINANCIAL STATEMENT  
 STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER FINANCING SOURCES (USES) AND CHANGES IN FUND BALANCE  
 ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/Social Security	(60) Site & Construction/Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
34. Permanent Transfer (Sec. 17-2A)	8130									
35. Permanent Transfer of Interest (Sec. 10-22.44)	8140									
36. Permanent Transfer from Site & Construction/Capital Improvement Fund (Sec. 10-22.14)	8150									
37. Permanent Transfer of Excess Accumulated Fire Prev. & Safety Tax Proceeds & Interest Earnings (Sec. 17-2.11)	8160						0			
38. Permanent Transfer of Excess Accumulated Fire Prev. & Safety Bond Proceeds and Interest Earnings (Sec. 10-22.14)	8170									0
39. Permanent Transfer of Working Cash Fund-Abatement (Sec. 20-9)	8180							0		0
40. Other Uses (Describe & Itemize)	8190									
41. Total Other Financing Uses		0	0	0	0	0	0	0	0	0
42. Total Other Financing Sources and (Uses) <sup>8</sup>		0	0	0	0	0	6,011,371	0	0	0
43. Excess of Receipts/Revenues and Other Financing Sources (Over/Under) Expenditures/Disbursements and Other Financing Uses		(443,348)	409,730	(25,165)	(233,927)	7,154	(2,354,002)	282,436	0	15,466
44. Fund Balances - July 1, 2005		4,856,655	617,605	856,887	318,023	177,787	3,358,359	441,912		571,741
45. Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
46. Fund Balances - June 30, 2006		4,413,307	1,027,335	831,722	84,096	184,941	1,004,357	724,348	0	587,207

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES FROM LOCAL SOURCES</b>										
<b>AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY</b>										
1. General Levy <sup>9</sup>	1110	17,425,043	2,094,353	2,275,966	393,127	256,653		260,339		
2. Tort Immunity Levy	1120	426,369								
3. Leasing Levy <sup>10</sup>	1130									
4. Special Education Levy	1140	132,035								
5. Social Security/Medicare Only Levy	1150					534,353				
6. Area Vocational Construction Levy	1160									
7. Summer School Levy	1170									
8. Other Tax Levies (Describe & Itemize)	1190									
<b>9. Total Ad Valorem Taxes Levied By LEA</b>		<b>17,983,447</b>	<b>2,094,353</b>	<b>2,275,966</b>	<b>393,127</b>	<b>791,006</b>	<b>0</b>	<b>260,339</b>	<b>0</b>	<b>0</b>
<b>PAYMENTS IN LIEU OF TAXES</b>										
10. Mobile Home Privilege Tax	1210									
11. Payments from Local Housing Authorities	1220									
12. Corporate Personal Property Replacement Taxes <sup>11</sup>	1230		904,707			70,000				
13. Other Payments in Lieu of Taxes	1290									
<b>14. Total Payments in Lieu of Taxes</b>		<b>0</b>	<b>904,707</b>	<b>0</b>	<b>0</b>	<b>70,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TUITION</b>										
15. Regular Tuition from Pupils or Parents	1311	14,293								
16. Regular Tuition from Other LEAs	1312									
17. Regular Tuition from Other Sources	1313									
18. Summer School Tuition from Pupils or Parents	1321	14,202								
19. Summer School Tuition from Other LEAs	1322									
20. Summer School Tuition from Other Sources	1323									
21. Vocational Tuition from Pupils or Parents	1331									
22. Vocational Tuition from Other LEAs	1332									
23. Vocational Tuition from Other Sources	1333									
24. Special Education Tuition from Pupils or Parents	1341									
25. Special Education Tuition from Other LEAs	1342									
26. Special Education Tuition from Other Sources	1343									
27. Adult Tuition from Pupils or Parents	1351									
28. Adult Tuition from Other LEAs	1352									
29. Adult Tuition from Other Sources	1353									
<b>30. Total Tuition</b>		<b>28,495</b>								
<b>TRANSPORTATION FEES</b>										
31. Regular Transportation Fees from Pupils or Parents	1411				22,479					
32. Regular Transportation Fees from Other LEAs	1412									
33. Regular Transportation Fees from Private Sources	1413									
34. Regular Transportation Fees from Co-curricular Activities	1415									
35. Summer School Transportation Fees from Pupils or Parents	1421									
36. Summer School Transportation Fees from Other LEAs	1422									
37. Summer School Transportation Fees from Other Sources	1423									
38. Vocational Transportation Fees from Pupils or Parents	1431									
39. Vocational Transportation Fees from Other LEAs	1432									
40. Vocational Transportation Fees from Other Sources	1433									
41. Special Ed. Transportation Fees from Pupils or Parents	1441									
42. Special Ed. Transportation Fees from Other LEAs	1442									
43. Special Ed. Transportation Fees from Other Sources	1443									
44. Adult Transportation Fees from Pupils or Parents	1451									
45. Adult Transportation Fees from Other LEAs	1452									
46. Adult Transportation Fees from Other Sources	1453									
<b>47. Total Transportation Fees</b>					<b>22,479</b>					



STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>EARNINGS ON INVESTMENTS</b>										
48. Interest on Investments	1510	287,320	32,913	39,044	13,801	8,518	126,205	22,097		23,300
49. Gain or Loss on Sale of Investments	1520									
<b>60. Total Earnings on Investments</b>		<b>287,320</b>	<b>32,913</b>	<b>39,044</b>	<b>13,801</b>	<b>8,518</b>	<b>126,205</b>	<b>22,097</b>	<b>0</b>	<b>23,300</b>
<b>FOOD SERVICE</b>										
51. Sales to Pupils - Lunch	1611	439,435								
52. Sales to Pupils - Breakfast	1612									
53. Sales to Pupils - A la Carte	1613									
54. Sales to Pupils - Other	1614									
55. Sales to Adults	1620	15,545								
56. Other Food Service	1690	58,013								
<b>67. Total Food Service</b>		<b>512,993</b>								
<b>PUPIL ACTIVITIES</b>										
58. Admissions - Athletic	1711	43,948								
59. Admissions - Other (Describe & Itemize)	1719	4,990								
60. Fees	1720	290,752								
61. Book Store Sales	1730	25,459								
62. Other Pupil Activity Revenue (Describe & Itemize)	1790	3,703								
<b>63. Total Pupil Activities</b>		<b>368,852</b>	<b>0</b>							
<b>TEXTBOOKS</b>										
64. Rentals - Regular Textbooks	1811									
65. Rentals - Summer School Textbooks	1812									
66. Rentals - Adult/Continuing Education Textbooks	1813									
67. Rentals - Other (Describe & Itemize)	1819									
68. Sales - Regular Textbooks	1821	186,080								
69. Sales - Summer School Textbooks	1822									
70. Sales - Adult/Continuing Education Textbooks	1823									
71. Sales - Other (Describe & Itemize)	1829									
72. Other (Describe & Itemize)	1890									
<b>73. Total Textbooks</b>		<b>186,080</b>								
<b>OTHER REVENUE FROM LOCAL SOURCES</b>										
74. Rentals	1910		60,464							
75. Contributions and Donations from Private Sources	1920									
76. Services Provided Other LEAs	1940									
77. Refund of Prior Years' Expenditures	1950	194,976								
78. Payment from Other LEAs	1991									
79. Sale of Vocational Projects	1992									
80. Local Fees	1993									
81. Other (Describe & Itemize)	1999	33,739	835							
<b>82. Total Other Revenue from Local Sources</b>		<b>228,715</b>	<b>61,299</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>83. Total Receipts/Revenues from Local Sources</b> (Total lines 9, 14, 30, 47, 50, 57, 63, 73 & 82)		<b>19,595,902</b>	<b>3,093,272</b>	<b>2,315,010</b>	<b>429,407</b>	<b>869,524</b>	<b>126,205</b>	<b>282,436</b>	<b>0</b>	<b>23,300</b>
<b>FLOW-THROUGH RECEIPTS/REVENUES FROM ONE LEA TO ANOTHER LEA</b>										
84. Flow-through Revenue from State Sources	2100									
85. Flow-through Revenue from Federal Sources	2200									
86. Other Flow-Through (Describe & Itemize)	2300									
<b>87. Total Flow-Through Receipts/Revenues From One LEA to Another LEA</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>				

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
<b>RECEIPTS/REVENUES FROM STATE SOURCES</b>										
<b>UNRESTRICTED GRANTS-IN-AID</b>										
88. General State Aid- Sec. 18-8.05	3001	6,993,561	720,000		200,000					
89. General State Aid Hold Harmless/Supplemental	3002									
90. Reorganization Incentives	3005									
91. Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
<b>92. Total Unrestricted Grants-In-Aid</b>		<b>6,993,561</b>	<b>720,000</b>	<b>0</b>	<b>200,000</b>	<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>RESTRICTED GRANTS-IN-AID</b>										
<b>SPECIAL EDUCATION</b>										
93. Special Education - Private Facility Tuition	3100	37,085								
94. Special Education - Extraordinary	3105	142,427								
95. Special Education - Personnel	3110	223,488								
96. Special Education - Orphanage - Individual	3120	181,754								
97. Special Education - Orphanage - Summer	3130	1,140								
98. Special Education - Summer School	3145									
99. Special Education - Other (Describe & Itemize)	3199									
<b>100. Total Special Education</b>		<b>585,894</b>	<b>0</b>		<b>0</b>					
<b>VOCATIONAL EDUCATION</b>										
101. Vocational Education - Tech. Prep.	3200									
102. Vocational Education - Coordination Grants	3210									
103. Vocational Education - Formula	3215	2,086								
104. Vocational Education - Jobs for Illinois Graduates	3217	81,503								
105. Vocational Education - Secondary Program Improvement	3220	89,126								
106. Vocational Education - WECEP	3225									
107. Vocational Education - Elem. Career Development Program	3275									
108. Vocational Education - Other (Describe & Itemize)	3299									
<b>109. Total Vocational Education</b>		<b>172,715</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>BILINGUAL</b>										
110. Bilingual Education - Downstate - TPI	3305									
111. Bilingual Education - Downstate - TBE	3310									
<b>112. Total Bilingual Education</b>		<b>0</b>				<b>0</b>				
113. Gifted Education	3350									
114. State Free Lunch & Breakfast	3360	24,585								
115. School Breakfast Initiative	3365									
116. Driver Education	3370	71,754								
117. Adult Education from Community College Board	3410									
118. Adult Education - Other (Describe & Itemize)	3499									
<b>TRANSPORTATION</b>										
119. Transportation - Regular/Vocational	3500				320,565					
120. Transportation - Special Education	3510				326,645					
121. Transportation - Other (Describe & Itemize)	3599									
<b>122. Total Transportation</b>		<b>0</b>	<b>0</b>		<b>647,210</b>	<b>0</b>				
123. Learning Improvement - Change Grants	3610									
124. Scientific Literacy	3660									
125. Truant Alternative/Optional Education	3695	92,340								
126. Early Childhood - Block Grant	3705									
127. Reading Improvement Block Grant	3715									
128. Reading Improvement Block Grant - Reading Recovery	3720									
129. Chicago General Education Block Grant	3766									
130. Chicago Educational Services Block Grant	3767									

STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
131. School Safety & Educational Improvement Block Grant	3775	100,625								
132. Technology - Closing the Gaps	3792									
133. State Library Grant	3800	2,529								
134. Illinois Arts Council Grants	3801									
135. Illinois Scholars Program	3803									
136. Illinois Occupational Information Coordinating Committee	3806									
137. Project Success	3807									
138. IDOT Safety	3808									
139. IDOT Alcohol Awareness	3809									
140. State Charter Schools	3815									
141. Summer Bridges	3825									
142. Academic Early Warning List	3830									
143. Infrastructure Improvements - Planning/Construction	3920						8,437,496			
144. School Infrastructure - Maintenance Projects	3925									
145. Other Restricted Revenue from State Sources (Describe & Itemize)	3999	9,165								
<b>146. Total Restricted Grants-in-Aid (Total of lines 100, 108, 112-118, 122-145)</b>		<b>1,059,607</b>	<b>0</b>	<b>0</b>	<b>647,210</b>	<b>0</b>	<b>8,437,496</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>147. Total Receipts from State Sources (Total of lines 92 &amp; 146)</b>		<b>8,053,168</b>	<b>720,000</b>	<b>0</b>	<b>847,210</b>	<b>0</b>	<b>8,437,496</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RECEIPTS/REVENUES FROM FEDERAL SOURCES</b>		<b>4000</b>								
<b>UNRESTRICTED GRANTS IN AID RECEIVED DIRECTLY FROM FEDERAL GOVT.</b>										
148. Federal Impact Aid	4001									
149. Other Unrestricted Grants-in-Aid Received Directly from the Federal Govt.	4009									
<b>160. Total Unrestricted Grants-in-Aid Received Directly from the Federal Government</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVERNMENT</b>										
151. Emergency School Assistance Act	4025									
152. ESEA - Title VII - Bilingual	4030									
153. ESEA - Title VI - Excellence in Education	4035									
154. Community Action Program - OEO	4040									
155. Head Start	4045									
156. Construction (Impact Aid)	4050									
157. EPA Grant Proceeds (Life/Safety Purposes Only)	4055									
158. MAGNET	4060									
159. Other Restricted Grants-in-Aid Received Directly From Federal Govt. (Describe & Itemize)	4099									
<b>160. Total Restricted Grants-in-Aid Received Directly From Federal Government</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT. THRU THE STATE</b>										
<b>TITLE V</b>										
161. Title V - Innovation and Flexibility Formula	4100	10,577								
162. Title V - LEA Projects	4105									
163. Title V - Rural & Low Income Schools	4107									
164. Title V - Class Size Reduction	4110									
165. Title V - State Assessments	4120									
166. Title V - Other (Describe & Itemize)	4199									
<b>167. Total Title V</b>		<b>10,577</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>FOOD SERVICE</b>										
168. National School Lunch Program	4210	439,419								
169. Special Milk Program	4215									
170. School Breakfast Program	4220									
171. Summer Food Service Admin/Program	4225									
172. Child Care Commodity/SFS 13-Adult Day Care	4226									



STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Bond & Interest	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Site & Construction/ Capital Improvement	(70) Working Cash	(80) Rent	(90) Fire Prevention & Safety
173. Food Service - Other (Describe & Itemize)	4299									
<b>174. Total Food Service</b>		<b>439,419</b>								
<b>TITLE I</b>										
175. Title I - Low Income	4300									
176. Title I - Low Income - Neglected, Private	4305									
177. Title I - Capital Expenses	4325									
178. Title I - School Improvement	4331									
179. Title I - Comprehensive School Reform	4332									
180. Title I - Reading First	4334									
181. Title I - Even Start	4335									
182. Title I - Migrant Education	4340									
183. Title I - Other (Describe & Itemize)	4399									
<b>184. Total Title I</b>		<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>TITLE IV</b>										
185. Title IV - Safe & Drug Free Schools - Formula	4400	18,160								
186. Title IV - Safe & Drug Free Schools - Violence Prevention	4406									
187. Title IV - Community Service	4420									
188. Title IV - 21st Century	4421									
189. Title IV - Other (Describe & Itemize)	4499									
<b>190. Total Title IV</b>		<b>18,160</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>FEDERAL/SPECIAL EDUCATION</b>										
191. Fed - Spec Education - Preschool Flow-Through	4600									
192. Fed - Spec Education - Preschool Discretionary	4605									
193. Fed - Spec Education - IDEA - Flow Through/Low Incidence	4620	586,711								
194. Fed - Spec Education - IDEA - Room & Board	4625	128,982								
195. Fed - Spec Education - IDEA - Discretionary	4630									
196. Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
<b>197. Total Federal - Special Education</b>		<b>715,693</b>	<b>0</b>		<b>0</b>	<b>0</b>				
<b>VOCATIONAL EDUCATION - (VE) PERKINS</b>										
198. VE - Perkins - Title IIA State Leadership	4720									
199. VE - Perkins - Title IIC Secondary	4745	96,584								
200. VE - Perkins - Title IIC - Postsecondary/Adult	4750									
201. VE - Perkins - Title IIIE - Tech. Prep.	4770									
202. VE - Education to Careers - Implementation (DOL)	4777									
203. VE - Other (Describe & Itemize)	4799									
<b>204. Total Vocational Education</b>		<b>96,584</b>	<b>0</b>			<b>0</b>				
205. Federal - Adult Education	4810									
206. Emergency Immigrant Assistance	4905									
207. Title III - English Language Acquisition	4909									
208. Learn & Serve America	4910									
209. McKinney Education for Homeless Children	4920									
210. Title II - Eisenhower Professional Development Formula	4930									
211. Title II - Teacher Quality	4932	93,565								
212. Goals 2000	4945									
213. Goals 2000 - Leadership	4946									
214. Department of Rehabilitation Services	4950									
215. Federal Charter Schools	4960									
216. School Renovation	4980									
217. IDEA Part B - Supplemental Activities	4981									
218. School Renovation - Technology	4982									
219. Federal Emergency Management Aid (FEMA/EMA)	4990									
220. Medicaid Matching Funds - Administrative Outreach	4991	74,923								
221. Medicaid Matching Funds - Fee-for-Service Program	4992	17,804								
222. Other Restricted Revenue from Federal Sources (Describe & Itemize)	4999	5,129								



**STATEMENT OF REVENUES RECEIVED/REVENUES  
FOR THE YEAR ENDING JUNE 30, 2006**

Description	Acct #	(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
		Educational	Operations & Maintenance	Bond & Interest	Transportation	Municipal Retirement/ Social Security	Site & Construction/ Capital Improvement	Working Cash	Rent	Fire Prevention & Safety
223. Total Restricted Grants-in-Aid Received from Federal Govt. Thru the State (Total of Lines 167, 174, 184, 190, 197, 204-222)		1,471,854	0		0	0	0			0
224. Total Receipts/Revenues from Federal Sources (Total of Lines 150, 160, 223)		1,471,854	0	0	0	0	0	0	0	0
226. Total Direct Receipts/Revenues (Total of Lines 83, 87, 147 & 224)		29,120,924	3,813,272	2,315,010	1,276,617	869,524	8,563,701	282,436	0	23,300

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget	
<b>10 - EDUCATIONAL FUND (ED)</b>												
<b>INSTRUCTION (ED)</b>	<b>1000</b>											
1. Regular Programs	1100	11,395,302	1,760,870	236,128	585,509	45,900	16,597			14,040,306	14,336,467	
2. Special Education Programs (Functions 1200-1220)	1200	1,720,073	240,601	397	6,252					1,967,323	2,091,621	
3. Educationally Deprived/Remedial Programs	1250									0		
4. Adult/Continuing Education Programs	1300									0		
5. Vocational Programs	1400	901,612	114,181	29,368	77,959	43,915				1,167,035	1,268,850	
6. Interscholastic Programs	1500	1,092,107	21,671	153,767	137,797					1,442,278	1,204,226	
7. Summer School Programs	1600	79,313	457							79,770	71,950	
8. Gifted Programs	1650									0		
9. Bilingual Programs	1800									0		
10. Truant Alternative & Optional Programs	1900									0		
<b>11. Total Instruction</b>	<b>12</b>	<b>15,188,407</b>	<b>2,137,780</b>	<b>419,660</b>	<b>807,517</b>	<b>89,815</b>	<b>53,533</b>			<b>0</b>	<b>18,696,712</b>	<b>18,973,114</b>
<b>SUPPORT SERVICES (ED)</b>	<b>2000</b>											
<b>Support Services - Pupils</b>	<b>2100</b>											
12. Attendance & Social Work Services	2110	1,014,187	62,920	622	20,822					1,098,551	1,135,378	
13. Guidance Services	2120	862,496	104,266	48,132	16,729		295			1,031,918	1,104,737	
14. Health Services	2130	107,897	22,932		2,761					133,590	130,939	
15. Psychological Services	2140	72,169	14,518		740					87,427	89,540	
16. Speech Pathology & Audiology Services	2150	77,318	448		774					78,764	69,113	
17. Other Support Services - Pupils (Describe & Itemize)	2190									0		
<b>18. Total Support Services - Pupils</b>		<b>2,134,067</b>	<b>205,084</b>	<b>48,754</b>	<b>41,826</b>	<b>0</b>	<b>519</b>			<b>2,430,250</b>	<b>2,529,707</b>	
<b>Support Services - Instructional Staff</b>	<b>2200</b>											
19. Improvement of Instruction Services	2210	180,325	12,404	38,053	3,668					235,609	309,595	
20. Educational Media Services	2220	173,604	25,907	2,949	27,055	6,056				235,571	271,529	
21. Assessment & Testing	2230									0		
<b>22. Total Support Services - Instructional Staff</b>		<b>353,929</b>	<b>38,311</b>	<b>41,002</b>	<b>30,723</b>	<b>6,056</b>	<b>1,159</b>			<b>471,180</b>	<b>581,124</b>	
<b>Support Services - General Administration</b>	<b>2300</b>											
23. Board of Education Services	2310	28,350	3,123	388,572						297,114	645,000	
24. Executive Administration Services	2320	291,436	193,876	31,472	12,984					539,100	503,432	
25. Service Area Administrative Services	2330	253,802	43,300	30,924	19,339					350,902	359,150	
<b>26. Total Support Services - General Administration</b>		<b>573,588</b>	<b>240,299</b>	<b>450,968</b>	<b>32,323</b>	<b>0</b>	<b>309,983</b>			<b>1,607,161</b>	<b>1,507,582</b>	
<b>Support Services - School Administration</b>	<b>2400</b>											
27. Office of the Principal Services	2410	1,175,777	310,570	116,083	70,327	18,293				1,691,508	1,759,833	
28. Other Support Services - School Administration (Describe & Itemize)	2490									0		
<b>29. Total Support Services - School Administration</b>		<b>1,175,777</b>	<b>310,570</b>	<b>116,083</b>	<b>70,327</b>	<b>18,293</b>	<b>458</b>			<b>1,691,508</b>	<b>1,759,833</b>	
<b>Support Services - Business</b>	<b>2500</b>											
30. Direction of Business Support Services	2510	94,500	36,038							130,538	133,000	
31. Fiscal Services	2520	175,777	50,000	3,811	2,146					233,360	249,450	
32. Operation & Maintenance of Plant Services	2540			182,432						182,432	166,300	
33. Pupil Transportation Services	2550		1,157							1,157	1,200	
34. Food Services	2560	284,843	35,200	7,476	466,576	16,583				810,678	837,050	
35. Internal Services	2570	70,803	28	8,750	9,138					88,719	92,650	
<b>36. Total Support Services - Business</b>		<b>625,923</b>	<b>122,423</b>	<b>202,469</b>	<b>477,860</b>	<b>16,583</b>	<b>1,626</b>			<b>1,446,884</b>	<b>1,479,650</b>	
<b>Support Services - Central</b>	<b>2600</b>											
37. Direction of Central Support Services	2610									0		
38. Planning, Research, Development, & Evaluation Services	2620									0		
39. Information Services	2630									0		
40. Staff Services	2640									0		
41. Data Processing Services	2660									0		
<b>42. Total Support Services - Central</b>		<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>			<b>0</b>	<b>0</b>	
43. Other Support Services (Describe & Itemize)	2900	176,606	16,571	187,131	237,749	41,017				659,074	636,224	
<b>44. Total Support Services (Total Lines 18, 22, 26, 29, 36, 42 &amp; 43)</b>		<b>5,039,890</b>	<b>933,258</b>	<b>1,046,407</b>	<b>890,808</b>	<b>81,949</b>	<b>313,745</b>			<b>8,306,057</b>	<b>8,494,120</b>	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>45. COMMUNITY SERVICES (ED)</b>	<b>3000</b>			6,222	1,730					7,952	20,294
<b>NONPROGRAMMED CHARGES (ED)</b>	<b>4000</b>										
Payments to Other Government Units (In-State)	4100										
46. Payments for Regular Programs	4110			76,409							
47. Payments for Special Education Programs	4120								2,477,142	2,553,551	195,758
48. Payments for Adult/Continuing Education Programs	4130									0	2,045,000
49. Payments for Vocational Education Programs	4140									0	
50. Payments for Community College Programs	4170									0	
51. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>52. Total Payments to Other Govt. Units (In-State)</b>				76,409						0	
<b>63. PAYMENTS TO OTHER GOVT. UNITS (OUT-OF-STATE)</b>	<b>4200</b>						0	0	2,477,142	2,553,551	2,240,758
<b>64. Total Nonprogrammed Charges (Total Lines 52 &amp; 53)</b>				76,409			0	0	2,477,142	2,553,551	2,240,758
<b>DEBT SERVICES (ED)</b>	<b>6000</b>										
Debt Service - Interest	6100										
55. Tax Anticipation Warrants	5110										
56. Tax Anticipation Notes	5120									0	
57. Teachers/Employees' Orders	5130									0	
58. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
59. State Aid Anticipation Certificates	5160									0	
60. Other (Describe & Itemize)	5190									0	
<b>61. Total Debt Service - Interest</b>							0			0	0
<b>62. Debt Service - Lease/Purchase/Principal Retired</b>	<b>6300</b>									0	0
<b>63. Total Debt Services (Total Lines 61 &amp; 62)</b>							0			0	0
<b>64. PROVISIONS FOR CONTINGENCIES (ED)</b>	<b>6000</b>									0	0
<b>66. Total Direct Disbursements/Expenditures (Total Lines 11, 44, 45, 54, 63 &amp; 64)</b>		20,228,297	3,071,038	1,548,698	1,700,055	171,764	367,278	0	2,477,142	29,564,272	29,728,286
<b>66. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(443,348)	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>20 - OPERATIONS &amp; MAINTENANCE FUND (O&amp;M)</b>											
<b>SUPPORT SERVICES (O&amp;M)</b>	<b>2000</b>										
<b>Support Services - Pupils</b>	<b>2100</b>										
67. Other Support Services - Pupils (Describe & Itemize)	2190									0	
<b>Support Services - Business</b>	<b>2500</b>										
68. Direction of Business Support Services	2510									0	
69. Facilities Acquisition & Construction Services	2530									0	5,000
70. Operation & Maintenance of Plant Services	2540	1,740,733	263,000	1,116,714	270,326	12,769				3,403,542	3,348,900
71. Pupil Transportation Services	2550									0	
72. Food Services	2560									0	
<b>73. Total Support Services - Business</b>		<b>1,740,733</b>	<b>263,000</b>	<b>1,116,714</b>	<b>270,326</b>	<b>12,769</b>	<b>0</b>			<b>3,403,542</b>	<b>3,353,900</b>
<b>74. Other Support Services (Describe &amp; Itemize)</b>	<b>2800</b>										
<b>76. Total Support Services (Total Lines 67, 73 &amp; 74)</b>		<b>1,740,733</b>	<b>263,000</b>	<b>1,116,714</b>	<b>270,326</b>	<b>12,769</b>	<b>0</b>			<b>3,403,542</b>	<b>3,353,900</b>
<b>76. COMMUNITY SERVICES (O&amp;M)</b>	<b>3000</b>									<b>0</b>	
<b>NONPROGRAMMED CHARGES (O&amp;M)</b>											
<b>Payments to Other Govt. Units (In-State)</b>	<b>4100</b>										
77. Payments for Special Education Programs	4120									0	
78. Payments for Vocational Education Programs	4140									0	
79. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>80. Total Payments to Other Govt. Units (In-State)</b>				<b>0</b>			<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>81. Payments to Other Govt. Units (Out of State)</b>	<b>4200</b>										
<b>82. Total Nonprogrammed Charges (Total Lines 80 &amp; 81)</b>				<b>0</b>			<b>0</b>	<b>0</b>		<b>0</b>	<b>0</b>
<b>DEBT SERVICES (O&amp;M)</b>	<b>5000</b>										
<b>Debt Services - Interest</b>	<b>5100</b>										
83. Tax Anticipation Warrants	5110									0	
84. Tax Anticipation Notes	5120									0	
85. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
86. State Aid Anticipation Certificates	5160									0	
87. Other (Describe & Itemize)	5190									0	
<b>88. Total Debt Services - Interest</b>							<b>0</b>			<b>0</b>	<b>200,000</b>
<b>89. Debt Service - Lease/Purchase/Principal/Retired</b>	<b>6300</b>									<b>0</b>	<b>200,000</b>
<b>90. Total Debt Services</b>							<b>0</b>			<b>0</b>	<b>200,000</b>
<b>91. PROVISIONS FOR CONTINGENCIES (O&amp;M)</b>	<b>6000</b>									<b>0</b>	<b>400,000</b>
<b>92. Total Direct Disbursements/Expenditures (Total Lines 75, 76, 82, 90, 91)</b>		<b>1,740,733</b>	<b>263,000</b>	<b>1,116,714</b>	<b>270,326</b>	<b>12,769</b>	<b>0</b>	<b>0</b>		<b>3,403,542</b>	<b>3,753,900</b>
<b>93. Excess (Deficiency) of Receipts/Revenues/Over Disbursements/Expenditures</b>										<b>409,730</b>	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>30 - BOND &amp; INTEREST FUND (B&amp;I)</b>											
<b>NONPROGRAMMED CHARGES (B&amp;I)</b>	<b>4000</b>										
94. Payments to Other Govt. Units (In-State)	4100									0	
<b>95. Total Nonprogrammed Charges</b>								0		0	0
<b>DEBT SERVICES (B&amp;I)</b>	<b>6000</b>										
Debt Service - Interest	6100										
96. Tax Anticipation Warrants	5110									0	
97. Tax Anticipation Notes	5120									0	
98. Bonds	5140						998,700			998,700	769,520
99. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
100. State Aid Anticipation Certificates	5160									0	
101. Other (Describe & Itemize)	5190									0	
<b>102. Total Debt Services - Interest</b>							998,700			998,700	769,520
103. Debt Service - Bond Principal Retired	6200						1,340,000			1,340,000	1,340,000
104. Debt Service - Other (Describe & Itemize)	6300			1,475						1,475	2,500
<b>105. Total Debt Services (Total of Lines 102, 103 &amp; 104)</b>				1,475			2,338,700	0		2,340,175	2,112,020
<b>106. PROVISION FOR CONTINGENCIES (B&amp;I)</b>	<b>6000</b>										
<b>107. Total Disbursements/ Expenditures (Total of Lines 95, 105 &amp; 106)</b>				1,475			2,338,700	0		2,340,175	2,112,020
<b>108. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(25,165)	
<b>40 - TRANSPORTATION FUND (TR)</b>											
<b>SUPPORT SERVICES (TR)</b>	<b>2000</b>										
Support Services - Pupils	2100										
109. Other Support Services Pupils (Describe & Itemize)	2190									0	
Support Services - Business	2600										
110. Pupil Transportation Services	2650	10,500		1,500,044						1,510,544	1,504,700
111. Other Support Services (Describe & Itemize)	2900									0	
<b>112. Total Support Services</b>		10,500	0	1,500,044	0	0	0			1,510,544	1,504,700
<b>113. COMMUNITY SERVICES (TR)</b>	<b>3000</b>										
<b>NONPROGRAMMED CHARGES (TR)</b>	<b>4000</b>										
Payments to Other Govt. Units (In-State)	4100										
114. Payments for Regular Programs	4110									0	
115. Payments for Special Education Programs	4120									0	
116. Payments for Adult/Continuing Education Programs	4130									0	
117. Payments for Vocational Education Programs	4140									0	
118. Payments for Community College Programs	4170									0	
119. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>120. Total Payments to Other Govt. Units (In-State)</b>										0	
121. Other Payments to Govt. Units (Out-of-State) (Describe & Itemize)	4200							0	0	0	0
<b>122. Total Nonprogrammed Charges</b>								0	0	0	0
<b>DEBT SERVICES (TR)</b>	<b>6000</b>										
Debt Service - Interest	6100										
123. Tax Anticipation Warrants	5110									0	
124. Tax Anticipation Notes	5120									0	
125. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
126. State Aid Anticipation Certificates	5160									0	
127. Other (Describe & Itemize)	5190									0	
<b>128. Total Debt Services - Interest</b>										0	
129. Debt Services Lease/Purchase Principal Retired	6300									0	0
<b>130. Total Debt Services</b>										0	
<b>131. PROVISION FOR CONTINGENCIES (TR)</b>	<b>6000</b>										
<b>132. Total Disbursements/ Expenditures (Total Lines 112, 113, 122, 130 &amp; 131)</b>		10,500	0	1,500,044	0	0	0	0		1,510,544	1,504,700
<b>133. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(233,927)	



STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)</b>											
<b>INSTRUCTION (MR/SS)</b>	<b>1000</b>										
134. Regular Programs	1100		159,686							159,686	150,200
135. Special Education Programs (Functions 1200-1220)	1200		52,293							52,293	49,250
136. Educationally Deprived/Remedial Programs	1250									0	
137. Adult/Continuing Education Programs	1300									0	
138. Vocational Programs	1400		10,854							10,854	13,610
139. Interscholastic Programs	1500		39,716							39,716	40,100
140. Summer School Programs	1600		1,456							1,456	1,100
141. Gifted Programs	1650									0	
142. Bilingual Programs	1800									0	
143. Truants' Alternative & Optional Programs	1900									0	
<b>144. Total Instruction</b>			<b>264,005</b>							<b>264,005</b>	<b>254,260</b>
<b>SUPPORT SERVICES (MR/SS)</b>	<b>2000</b>										
<b>Support Services - Pupils</b>	<b>2100</b>										
145. Attendance & Social Work Services	2110		66,265							66,265	69,500
146. Guidance Services	2120		29,912							29,912	32,750
147. Health Services	2130		7,531							7,531	7,600
148. Psychological Services	2140		1,047							1,047	1,700
149. Speech Pathology & Audiology Services	2150		1,121							1,121	1,550
150. Other Support Services - Pupils (Describe & Itemize)	2190									0	
<b>161. Total Support Services - Pupils</b>			<b>105,876</b>							<b>105,876</b>	<b>113,100</b>
<b>Support Services - Instructional Staff</b>	<b>2200</b>										
152. Improvement of Instruction Services	2210		10,091							10,091	11,450
153. Educational Media Services	2220		1,081							1,081	1,200
154. Assessment & Testing	2230									0	
<b>166. Total Support Services - Instructional Staff</b>			<b>11,172</b>							<b>11,172</b>	<b>12,650</b>
<b>Support Services - General Administration</b>	<b>2300</b>										
156. Board of Education Services	2310		411							411	
157. Executive Administration Services	2320		24,766							24,766	22,700
158. Service Area Administrative Services	2330		16,110							16,110	16,000
<b>169. Total Support Services - General Administration</b>			<b>41,287</b>							<b>41,287</b>	<b>38,700</b>
<b>Support Services - School Administration</b>	<b>2400</b>										
160. Office of the Principal Services	2410		71,287							71,287	74,500
161. Other Support Services - School Administration (Describe & Itemize)	2490									0	
<b>162. Total Support Services - School Administration</b>			<b>71,287</b>							<b>71,287</b>	<b>74,500</b>
<b>Support Services - Business</b>	<b>2600</b>										
163. Direction of Business Support Services	2510		1,370							1,370	1,800
164. Fiscal Services	2520		27,481							27,481	30,000
165. Facilities Acquisition & Construction Services	2530									0	
166. Operation & Maintenance of Plant Services	2540		257,835							257,835	259,000
167. Pupil Transportation Services	2550		152							152	200
168. Food Services	2560		44,214							44,214	44,500
169. Internal Services	2570		7,819							7,819	8,700
<b>170. Total Support Services - Business</b>			<b>338,871</b>							<b>338,871</b>	<b>344,200</b>
<b>Support Services - Central</b>	<b>2600</b>										
171. Direction of Central Support Services	2610									0	
172. Planning, Research, Development, & Evaluation Services	2620									0	
173. Information Services	2630									0	
174. Staff Services	2640									0	
175. Data Processing Services	2660									0	
<b>176. Total Support Services - Central</b>			<b>0</b>							<b>0</b>	<b>0</b>
<b>177. Other Support Services (Describe &amp; Itemize)</b>	<b>2900</b>		<b>29,872</b>							<b>29,872</b>	<b>33,500</b>
<b>178. Total Support Services (Total Lines 151-155, 159, 162, 170, 176 &amp; 177)</b>			<b>598,365</b>							<b>598,365</b>	<b>616,650</b>
<b>179. COMMUNITY SERVICES (MR/SS)</b>	<b>3000</b>									<b>0</b>	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>NONPROGRAMMED CHARGES (MR/SS)</b>	<b>4000</b>										
180. Payments for Special Education Programs	4120									0	
181. Payments for Vocational Education Programs	4140									0	
<b>182. Total Nonprogrammed Charges</b>			0							0	0
<b>DEBT SERVICES (MR/SS)</b>	<b>6000</b>										
Debt Services - Interest	6100										
183. Tax Anticipation Warrants	5110									0	
184. Tax Anticipation Notes	5120									0	
185. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
186. State Aid Anticipation Certificates	5160									0	
187. Other (Describe & Itemize)	5190									0	
<b>188. Total Debt Services - Interest</b>							0			0	0
<b>189. PROVISION FOR CONTINGENCIES (MR/SS)</b>	<b>6000</b>										
190. Total Disbursements/Expenditures (Total Lines 144, 176, 179, 182, 188 & 189)			862,370				0			862,370	870,910
<b>191. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										7,154	
<b>60 - SITE &amp; CONSTRUCTION/CAPITAL IMPROVEMENT FUND (S&amp;C/CI)</b>											
<b>SUPPORT SERVICES (S&amp;C/CI)</b>	<b>2000</b>										
Support Services - Business	2500										
192. Facilities Acquisition and Construction Services	2530					16,929,074				16,929,074	14,000,000
193. Other Support Services (Describe & Itemize)	2900									0	
<b>194. Total Support Services</b>		0	0	0	0	16,929,074	0			16,929,074	14,000,000
<b>NONPROGRAMMED CHARGES (S&amp;C/CI)</b>	<b>4000</b>										
Payments to Other Govt. Units (In-State)	4100										
195. Payments for Special Education Programs	4120									0	
196. Payments for Vocational Education Programs	4140									0	
197. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>198. Total Payments to Other Govt. Units (In-State)</b>										0	0
199. Payments to Other Govt. Units (Out-of-State)	4200									0	
<b>200. Total Nonprogrammed Charges (Total Lines 198 &amp; 199)</b>										0	0
<b>201. PROVISION FOR CONTINGENCIES (S&amp;C/CI)</b>	<b>6000</b>										
202. Total Disbursements/Expenditures (Total Lines 184, 200 & 201)		0	0	0	0	16,929,074	0	0		16,929,074	14,000,000
<b>203. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										(8,365,373)	
<b>80 - RENT FUND (RT)</b>											
<b>DEBT SERVICES (RT)</b>	<b>6000</b>										
Debt Services - Interest	6100										
204. Corporate Personal Prop. Repl. Tax Anticipation Notes	5150									0	
205. State Aid Anticipation Certificates	5160									0	
206. Debt Services - Other (Describe & Itemize)	5900									0	
<b>207. Total Debt Services</b>							0	0		0	0
<b>208. Total Disbursements/Expenditures</b>							0	0		0	0
<b>209. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>							0	0		0	0

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL  
FOR THE YEAR ENDING JUNE 30, 2006

Description	Funct #	(1) Salaries	(2) Employee Benefits	(3) Purchased Services	(4) Supplies & Materials	(5) Capital Outlay	(6) Other Objects	(7) Transfers	(8) Tuition	(9) Total	Budget
<b>90 - FIRE PREVENTION &amp; SAFETY FUND (FP&amp;S)</b>											
<b>SUPPORT SERVICES (FP&amp;S)</b>	<b>2000</b>										
Support Services - Business	2500										
210. Facilities Acquisition & Construction Services	2530			5,369		2,465				7,834	400,000
211. Operation & Maintenance of Plant Services	2540									0	
<b>212. Total Support Services - Business</b>		0	0	5,369	0	2,465	0			7,834	400,000
213. Other Support Services (Describe & Itemize)	2900									0	
<b>214. Total Support Services (Total Lines 212 &amp; 213)</b>		0	0	5,369	0	2,465	0			7,834	400,000
<b>NONPROGRAMMED CHARGES (FP&amp;S)</b>	<b>4000</b>										
215. Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
<b>216. Total Nonprogrammed Charges</b>								0		0	0
<b>DEBT SERVICES (FP&amp;S)</b>	<b>6000</b>										
Debt Service - Interest	6100										
217. Tax Anticipation Warrants	5110									0	
<b>218. Total Debt Service - Interest</b>								0		0	0
<b>219. PROVISION FOR CONTINGENCIES (FP&amp;S)</b>	<b>6000</b>										
<b>220. Total Disbursements/Expenditures (Total Lines 214, 216, 218 &amp; 219)</b>		0	0	5,369	0	2,465	0	0		7,834	400,000
<b>221. Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures</b>										15,466	



SCHEDULE OF AD VALOREM TAX RECEIPTS					
Description	(A) TAXES RECEIVED 7-1-05 THRU 6-30-06 From 2005 Levy & Prior Levies *	(B) TAXES RECEIVED FROM 2005 LEVY	(C) TAXES RECEIVED FROM 2004 & Prior Levies (Col A - Col B)	(D) TOTAL ESTIMATED TAXES FROM 2005 LEVY	(E) ESTIMATED TAXES DUE FROM 2005 LEVY (Col D - Col B)
1. Educational	17,425,043	8,068,034	9,357,009	18,409,822	10,341,788
2. Operations & Maintenance	2,094,353	1,003,086	1,091,267	2,288,864	1,285,778
3. Bond & Interest **	2,275,966	1,115,348	1,160,618	2,545,027	1,429,679
4. Transportation	393,127	185,273	207,854	422,761	237,488
5. Municipal Retirement	256,653	152,668	103,985	348,362	195,694
6. Working Cash	260,339	130,804	129,535	298,471	167,667
7. Rent	0		0		0
8. Capital Improvements	0		0		0
9. Tort Immunity	426,369	217,878	208,491	497,160	279,282
10. Fire Prevention, Safety, Energy Conservation, Disabled Accessibility, School Security and Specified Repairs	0		0		0
11. Leasing Levy	0		0		0
12. Special Education	132,035	60,990	71,045	139,169	78,179
13. Area Vocational Construction	0		0		0
14. Social Security/Medicare Only	534,353	248,567	285,786	567,183	318,616
15. Summer School	0		0		0
16. Other (Describe & Itemize)	0		0		0
17. Totals	23,798,238	11,182,648	12,615,590	25,516,819	14,334,171

\* The formulas in column A are unprotected so that they may be overridden when reporting on an ACCRUAL basis.

\*\* All tax receipts for debt service payments on bonds must be recorded on line 3 (Bond and Interest).

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

Description	(A) Outstanding Beginning 07/01/05	(B) Issued 07/01/05 Through 06/30/06	(C) Retired 07/01/05 Through 06/30/06	(D) Outstanding Ending 06/30/06 *
<b>SCHEDULE OF CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES</b>				
<i>Must agree with Account No. 406, Page 5.</i>				
1. Total All Funds				0
<b>SCHEDULE OF TAX ANTICIPATION WARRANTS</b>				
<i>Must agree with Account No. 407, Page 5.</i>				
2. Educational Fund				0
3. Operations & Maintenance Fund				0
4. Bond & Interest Fund - Construction				0
5. Bond & Interest Fund - Working Cash				0
6. Bond & Interest Fund - Refunding Bonds				0
7. Transportation Fund				0
8. Municipal Retirement/Social Security Fund				0
9. Fire Prevention & Safety Fund				0
10. Other - (Describe & Itemize)				0
11. Total	0	0	0	0
<b>SCHEDULE OF TAX ANTICIPATION NOTES</b>				
<i>Must agree with Account No. 408, Page 5.</i>				
12. Educational Fund				0
13. Operations & Maintenance Fund				0
14. Fire Prevention & Safety Fund				0
15. Other - (Describe & Itemize)				0
16. Total	0	0	0	0
<b>SCHEDULE OF TEACHERS/EMPLOYEES ORDERS</b>				
<i>Must agree with Account No. 409, Page 5.</i>				
17. Total Educational, Operations & Maintenance and Transportation Funds				0
<b>SCHEDULE OF GENERAL STATE AID ANTICIPATION CERTIFICATES</b>				
<i>Must agree with Account No. 410, Page 5.</i>				
18. Total All Funds				0

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

SCHEDULE OF BONDS PAYABLE									
	Issue (1)	Issue (2)	Issue (3)	Issue (4)	Issue (5)	Issue (6)	Issue (7)	Issue (8)	TOTAL
1. Fiscal Year of Bond Issue	1998	2002	2003	2005					
a. Amount of Original Issue	3,100,000	9,995,000	9,000,000						
b. Type of Bond Issue *	FP&S/Funding	Building	Building	Funding					
2. Bonds Outstanding 7-1-05 **	1,165,000	9,280,000	8,300,000						18,745,000
ADD:									
3. Bonds Issued 7-1-05 through 6-30-06				6,000,000					6,000,000
4. State reason for any difference with Page 8, Line 25	Reason: (Explain the difference here)								0
LESS:									
5. Bonds Retired 7-1-05 through 6-30-06	650,000	360,000	330,000						0
6. Bonds Defeased 7-1-05 through 6-30-06									1,340,000
7. Total Bonds Retired/Defeased	650,000	360,000	330,000	0	0	0	0	0	1,340,000
EQUALS									
8. Bonds Outstanding 6-30-06	515,000	8,920,000	7,970,000	6,000,000	0	0	0	0	23,405,000
9. Amount to Be Provided to Retire Bonds ***	498,366	8,603,946	7,687,215	5,783,751					22,573,278

\* Each type of bond issue must be identified separately with the amount:

- |                            |  |                |
|----------------------------|--|----------------|
| 1. Working Cash Fund Bonds | 4. Fire Prevention, Safety, Environmental and Energy Bonds | 7. Other _____ |
| 2. Funding Bonds           | 5. Tort Judgment Bonds                                     | 8. Other _____ |
| 3. Refunding Bonds         | 6. Building Bonds  | 9. Other _____ |

\*\* This total must agree with Page 28, Line 8, 2004-05 Annual Financial Report based on the Illinois Program Accounting Manual for Local Education Agencies. If more than one type of an individual bond issue, indicate percent of original issue that relates to each type.

\*\*\* This total must equal the amount on Page 6, Line 22.

ID: 14-016-2150-17

Name THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**SCHEDULE OF RESTRICTED LOCAL TAX LEVIES  
ANALYSIS OF CHANGES IN CASH BASIS FUND BALANCE**

Description	ACCT #	(A) TORT IMMUNITY	(B) SPECIAL EDUCATION	(C) AREA VOCATIONAL CONSTRUCTION
<b>1. Cash Basis Fund Balance July 1, 2005<sup>a</sup></b>				
2. Ad Valorem Taxes Received by LEA	1, 2, 4 or 5-1100	(184,916)	11,074	
3. Earnings on Investments <sup>b</sup>	1, 2, 4, 5 or 6-1500	426,369	132,034	
4. Sale of Bonds	1, 2, 4 or 6-7200		200	
5. Other Receipts from Local Sources (Describe & Itemize)				
6. Federal Impact Aid (PL B1-874)	4001			
<b>7. Total Receipts (Total of Lines 2, 3, 4, 5 &amp; 6)</b>		<b>426,369</b>	<b>132,234</b>	<b>0</b>
<b>8. Total Amount Available (Total of Lines 1 &amp; 7)</b>		<b>241,453</b>	<b>143,308</b>	<b>0</b>
9. Special Education	1 or 5-1200			
10. Facilities Acquisition & Construction Services	2 or 6-2530			
<b>11. Tort Immunity<sup>c</sup></b>		<b>320,585</b>		
12. Other Disbursements (Describe & Itemize)				
13. Nonprogrammed Charges	1,2, 4 or 6-4000		128,508	
<b>14. Total Disbursements (Total of Lines 9-13)</b>		<b>320,585</b>	<b>128,508</b>	<b>0</b>
<b>15. Cash Basis Fund Balance June 30, 2006 (Line 8 minus Line 14)<sup>d</sup></b>		<b>(79,132)</b>	<b>14,800</b>	<b>0</b>

<sup>a</sup> Must agree with line 15, page 29, 2004-05 Illinois School District Annual Financial Report. If different, please explain.  
<sup>b</sup> The local education agency shall invest, within two working days, all monies not needed immediately for district operations (30 ILCS 225/1).  
<sup>c</sup> Tort Immunity expenditures should be reported on this line regardless of the fund/function used. Also see the schedule at right.  
<sup>d</sup> A deficit balance should only be reflected if tax anticipation warrants or notes are outstanding against the specific restricted tax levy due to late receipt of local taxes or if the district has a concurring legal opinion to reduce deficit with subsequent tax levy year's proceeds. A positive balance should be reflected as a "Reserved Fund Balance" on Page 5.

ID: 14-016-2150-17  
 Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**SCHEDULE OF TORT IMMUNITY EXPENDITURES \*\***

1.  Yes  No Has the entity established an Insurance reserve pursuant to 745 ILCS 10/9-103?

If yes, list in the aggregate, the following:

Total Claims Payments:	
Total Reserve Remaining:	

2. Using the following categories, list all other Tort Immunity expenditures not included in line 1 above. Include the total dollar amount for each category.

a. Workers' Compensation Act and/or Workers' Occupational Disease Act	153,286
b. Unemployment Insurance Act	14,632
c. Insurance (Regular or Self-Insurance)	129,196
d. Risk Management and Claims Service	
e. Judgments/Settlements	
f. Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	23,471
g. Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)	
h. Legal Services	
i. Principal and Interest on Tort Bonds	

\*\* All tort immunity expenditures must be reported using this schedule in accordance with 745 ILCS 10/9-103 and 107.

**FINANCIAL DATA TO ASSIST INDIRECT COST RATE DETERMINATION**

The source document for the computation of Indirect Cost Rates is the Illinois School District Annual Financial Report 2005-06 (ISBE Form 50-35). This schedule must be completed for all school districts.

**SECTION I [Restricted and Unrestricted Programs - All objects exclude capital outlay]**

With the exception of 4a, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.

**A. Support Services - Direct Costs (1-2000) and (5-2000)**

1. Direction of Business Support Services (1-2510) and (5-2510)	\$	_____
2. Fiscal Services (1-2520) and (5-2520)	\$	_____
3. Operation and Maintenance of Plant Services (1, 2, and 5-2540)	\$	_____
4. Food Services (1-2560) <i>Must be less than Page 15, Line 34, Column 3 and 4.</i>	\$	474,052
4a. Value of Commodities Received for Fiscal Year 2006 <i>Include the value of commodities when determining if an A-133 audit is required.</i>	\$	_____
5. Internal Services (1-2570) and (5-2570)	\$	_____
6. Staff Services (1-2640) and (5-2640)	\$	_____
7. Data Processing Services (1-2660) and (5-2660)	\$	_____

**SECTION 2 [Severance Payments]**

Enter the disbursements/expenditures within each function for severance payments made in addition to regular salaries and wages for workers whose employment was terminated. Such amounts should only include one-time payments made to retiring or terminated employees for accumulated sick and/or vacation days. Do not include compensation for such unused sick and/or vacation days made through an annual salary enhancement and when termination has not occurred.

Fund	Function	Function Name	# of Employees Terminated	Severance Payments
1. ED, MR/SS	1000	Instruction		
		<b>Support Services:</b>		
2. ED, O&M, TR, MR/SS	2100	- Pupils		
3. ED, MR/SS	2200	- Instructional Staff		
4. ED, MR/SS	2300	- General Administration		
5. ED, MR/SS	2400	- School Administration		
6. ED, O&M, MR/SS	2510	- Direction of Business Support Services		
7. ED, O&M, MR/SS	2520	- Fiscal Services		
8. ED, O&M, MR/SS	2540	- Operations & Maintenance of Plant Services		
9. ED, O&M, TR, MR/SS	2550	- Pupil Transportation Services		
10. ED, MR/SS	2560	- Food Services		
11. ED, MR/SS	2570	- Internal Services		
12. ED, MR/SS	2610	- Direction of Central Support Services		
13. ED, MR/SS	2620	- Planning, Research, Dev., & Evaluation Serv.		
14. ED, MR/SS	2630	- Information Services		
15. ED, MR/SS	2640	- Staff Services		
16. ED, MR/SS	2660	- Data Processing Services		
17. ED, O&M, TR, MR/SS	2900	- Other Support Services		
18. ED, O&M, TR, MR/SS	3000	<b>Community Services</b>		
19. TOTAL			0	0

ID: 14-016-2150-17  
Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

STATISTICAL INFORMATION \*  
(This Schedule Must Be Completed)

Schedule of Capital Outlay and Depreciation										
Description of Assets	(A) Cost 7-1-05	(B) Add: Additions 2005-06	(C) Less: Deletions 2005-06	(D) Cost 6-30-06	Life In Years	(E) Accumulated Depreciation 7-1-05	(F) Add: Depreciation Allowable 2005-06	(G) Less: Depreciation Deletions 2005-06	(H) Accumulated Depreciation 6-30-06	(I) Balance Undepreciated 6-30-06
1. Land	560,301			560,301	—					560,301
2. Buildings	21,413,505	44,452,179	500,000	65,365,684	50	12,376,243	272,905	500,000	12,149,148	53,216,536
3. Improvements Other than Buildings	2,041,049	395,680		2,436,729	20	836,533	102,054		938,587	1,498,142
4. Equipment Other than Transportation/Food Services	5,623,770	476,366	430,587	5,669,549	10 **	3,042,249	519,320	430,587	3,130,982	2,538,567
5. Construction in Progress	28,224,737		28,224,737	0	—					0
6. Transportation Equipment	137,243		52,496	84,747	5 **	110,811	16,949	52,496	75,264	9,483
7. Food Services Equipment	316,966	16,583		333,549	10	143,881	31,697		175,578	157,971
8. Totals	58,317,571	45,340,808	29,207,820	74,450,559		16,509,717	942,925	983,083	16,469,559	57,981,000

\* Valuation of Transportation Equipment must be shown at historical cost. Valuation of other equipment, buildings, and land improvements should be shown on a Historical Cost Basis or an acceptable approximation of cost as described in Appendix B of the Illinois Program Accounting Manual. Column A and Column E must agree with Columns D and H, 2004-2005 Annual Financial Report.

\*\* Some items costing \$500 or more may be depreciated over a life of approximately three years. For additional information regarding those items, refer to current instructions for completing pupil transportation reimbursement forms.

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215

**ESTIMATED OPERATING EXPENDITURES PER PUPIL AND PER CAPITA TUITION CHARGE COMPUTATIONS (2005-06)**
*This schedule is completed for school districts only.*

<u>FUND</u>	<u>Page = P, Line = L</u> <u>Column = C</u>	<u>ACCOUNT NO. - TITLE *</u>	<u>Amount</u>
<b>A. TOTAL EXPENDITURES</b>			
1. ED	P16, L65, C9	TOTAL EXPENDITURES	\$ 29,564,272
2. O&M	P17, L92, C9	TOTAL EXPENDITURES	3,403,542
3. B & I	P18, L107, C9	TOTAL EXPENDITURES	2,340,175
4. TR	P18, L132, C9	TOTAL EXPENDITURES	1,510,544
5. MR/SS	P20, L190, C9	TOTAL EXPENDITURES	862,370
6. RENT	P21, L208, C9	TOTAL EXPENDITURES	0
7. TOTAL (LINES 1 THROUGH 6)			<u>\$ 37,680,903</u>
<b>B. LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM</b>			
8. TR	P9, L32, C4	1412 - REGULAR TRANS. FEES FROM OTHER LEAs	\$ 0
9. TR	P9, L35, C4	1421 - SUMMER SCHOOL TRANS. FEES FROM PUPILS OR PARENTS	0
10. TR	P9, L36, C4	1422 - SUMMER SCHOOL TRANS. FEES FROM OTHER LEAs	0
11. TR	P9, L37, C4	1423 - SUMMER SCHOOL TRANS. FEES FROM OTHER SOURCES	0
12. TR	P9, L39, C4	1432 - VOCATIONAL TRANS. FEES FROM OTHER LEAs	0
13. TR	P9, L42, C4	1442 - SPECIAL ED. TRANS. FEES FROM OTHER LEAs	0
14. TR	P9, L44, C4	1451 - ADULT TRANS. FEES FROM PUPILS OR PARENTS	0
15. TR	P9, L45, C4	1452 - ADULT TRANS. FEES FROM OTHER LEAs	0
16. TR	P9, L46, C4	1453 - ADULT TRANS. FEES FROM OTHER SOURCES	0
17. O&M	P11, L117, C2	3410 - ADULT ED. FROM COMMUNITY COLLEGE BOARD	0
18. O&M-TR	P11, L118, C2,4	3499 - ADULT ED. - OTHER	0
19. ED-O&M-TR-MR/SS	P11, L126, C1,2,4,5	3705 - EARLY CHILDHOOD - BLOCK GRANT	0
20. ED-O&M-TR	P12, L135, C1,2,4	3803 - ILLINOIS SCHOLARS PROGRAM	0
21. ED-O&M-TR	P12, L136, C1,2,4	3808 - ILLINOIS OCCUPATIONAL INFO. COORD. COMM.	0
22. ED-TR	P12, L141, C1,4	3825 - SUMMER BRIDGES	0
23. ED	P12, L155, C1	4045 - HEAD START	0
24. ED-O&M-TR-MR/SS	P13, L191, C1,2,4,5	4600 - FED SPEC ED - PRESCHOOL - FLOW THROUGH	0
25. ED-O&M-TR-MR/SS	P13, L192, C1,2,4,5	4605 - FED SPEC ED - PRESCHOOL DISCRETIONARY	0
26. ED-O&M-MR/SS	P13, L200, C1,2,5	4750 - VE-PERKINS-TITLEIIC-POSTSECONDARY/ADULT	0
27. O&M	P13, L205, C2	4810 - FEDERAL - ADULT EDUCATION	0
28. ED	P15, L4, C1,2,3,4,6	1300 - ADULT/CONTINUING EDUCATION PROGRAMS	0
29. ED	P15, L7, C1,2,3,4,6	1600 - SUMMER SCHOOL PROGRAMS	79,770
30. ED	P15, L45, C1,2,3,4,6	3000 - COMMUNITY SERVICES	7,952
31. ED	P16, L54, C3,6	4000 - TOTAL NONPROGRAMMED CHARGES	76,409
32. ED	P16, L62, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
33. ED	P16, L65, C5	- TOTAL EXP. - CAPITAL OUTLAY	171,764
34. ED	P16, L65, C7	- TOTAL EXP. - TRANSFERS	0
35. ED	P16, L65, C8	- TOTAL EXP. - TUITION	2,477,142
36. O&M	P17, L76, C1,2,3,4,6	3000 - COMMUNITY SERVICES	0
37. O&M	P17, L82, C9	4000 - TOTAL NONPROGRAMMED CHARGES	0
38. O&M	P17, L89, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
39. O&M	P17, L92, C5	- TOTAL EXP. - CAPITAL OUTLAY	12,769
40. B&I	P18, L103, C9	5200 - BOND PRINCIPAL RETIRED	1,340,000
41. B&I	P18, L107, C7	- TOTAL EXP. - TRANSFERS	0
42. TR	P18, L113, C1,2,3,4,6	3000 - COMMUNITY SERVICES	0
43. TR	P18, L122, C9	4000 - TOTAL NONPROGRAMMED CHARGES	0
44. TR	P18, L129, C6	5300 - LEASE/PURCHASE PRINCIPAL RETIRED	0
45. TR	P18, L132, C5	- TOTAL EXP. - CAPITAL OUTLAY	0
46. MR/SS	P19, L137, C2	1300 - ADULT/CONTINUING EDUCATION PROGRAMS	0
47. MR/SS	P19, L140, C2	1600 - SUMMER SCHOOL PROGRAMS	1,456
48. MR/SS	P19, L179, C2	3000 - COMMUNITY SERVICES	0
49. MR/SS	P20, L182, C2	4000 - TOTAL NONPROGRAMMED CHARGES	0
50. TOTAL DEDUCTIONS (Lines 8 through 49)			<u>\$ 4,167,262</u>
51. OPERATING EXPENSE REGULAR K-12 (Line 7 minus Line 50)			33,513,641
52. AVERAGE DAILY ATTENDANCE (See the General State Aid Claim for 2005-06 (ISBE 54-33, Line 12))			2,950.69
53. ESTIMATED OPERATING EXPENSE PER PUPIL (Line 51 divided by Line 52)			<u>\$ 11,367.90</u>
<b>C. LESS OFFSETTING RECEIPTS/REVENUES:</b>			
54. TR	P9, L31, C4	1411 - REG. TRANS. FEES FROM PUPILS OR PARENTS	\$ 22,479
55. TR	P9, L33, C4	1413 - REG. TRANS. FEES FROM PRIVATE SOURCES	0
56. TR	P9-L34-C4	1415 - REG. TRANS. FEES CO-CURRICULAR	0
57. TR	P9, L38, C4	1431 - VOC. TRANS. FEES FROM PUPILS OR PARENTS	0
58. TR	P9, L40, C4	1433 - VOC. TRANS. FEES FROM OTHER SOURCES	0
59. TR	P9, L41, C4	1441 - SPEC. EDUC. TRANS FEES FROM PUPILS OR PARENTS	0
60. TR	P9, L43, C4	1443 - SPEC. EDUC. TRANS FEES FROM OTHER SOURCES	0
61. ED	P10, L57, C1	1600 - TOTAL FOOD SERVICES	512,993
62. ED-O&M	P10, L63, C1,2	1700 - TOTAL PUPIL ACTIVITIES	368,852
63. ED	P10, L64, C1	1811 - RENTALS - REGULAR TEXTBOOK	0
64. ED	P10, L67, C1	1819 - RENTALS - OTHER	0
65. ED	P10, L68, C1	1821 - SALES - REGULAR TEXTBOOK	186,080
66. ED	P10, L71, C1	1829 - SALES - OTHER	0
67. ED	P10, L72, C1	1890 - TEXTBOOKS - OTHER	0
68. ED-O&M	P10, L74, C1,2	1910 - RENTALS	60,464
69. ED-O&M-TR	P10, L76, C1,2,4	1940 - SERVICES PROVIDED OTHER LEAs	0

**ESTIMATED OPERATING EXPENDITURES PER PUPIL AND PER CAPITA TUITION CHARGE COMPUTATIONS (2005-06)**
*This schedule is completed for school districts only.*

FUND	Page = P, Line = L Column = C	ACCOUNT NO - TITLE *	Amount
70. ED-O&M-TR	P10, L78, C1,2,4	1991 - PAYMENT FROM OTHER LEAs	0
71. ED	P10, L80, C1	1993 - LOCAL FEES	0
72. ED-O&M-TR	P11, L100, C1,2,4	- TOTAL SPECIAL EDUCATION	585,894
73. ED-O&M-TR-MR/SS	P11, L109, C1,2,4,5	- TOTAL VOCATIONAL EDUCATION	172,715
74. ED-MR/SS	P11, L112, C1,5	- TOTAL BILINGUAL EDUCATION	0
75. ED-TR	P11, L113, C1,4	3350 - GIFTED EDUCATION	0
76. ED	P11, L114, C1	3360 - STATE FREE LUNCH & BREAKFAST	24,585
77. ED-O&M-MR/SS	P11, L115, C1,2,5	3365 - SCHOOL BREAKFAST INITIATIVE	0
78. ED-O&M	P11, L116, C1,2	3370 - DRIVER EDUCATION	71,754
79. ED-O&M-TR-MR/SS	P11, L122, C1,2,4,5	- TOTAL TRANSPORTATION	647,210
80. ED	P11, L123, C1	3810 - LEARNING IMPROVEMENT - CHANGE GRANTS	0
81. ED-O&M-TR-MR/SS	P11, L124, C1,2,4,5	3660 - SCIENTIFIC LITERACY	0
82. ED-TR-MR/SS	P11, L125, C1,4,5	3695 - TRUANT ALTERNATIVE/OPTIONAL EDUCATION	92,340
83. ED-TR-MR/SS	P11, L127, C1,4,5	3715 - READING IMPROVEMENT BLOCK GRANT	0
84. ED-TR-MR/SS	P11, L128, C1,4,5	3720 - READING IMPROVEMENT BLOCK GRANT - READING RECOVERY	0
85. ED-O&M-TR-MR/SS	P11, L129, C1,2,4,5	3766 - CHICAGO GENERAL EDUCATION BLOCK GRANT	0
86. ED-O&M-TR-MR/SS	P11 L130, C1,2,4,5	3787 - CHICAGO EDUCATIONAL SERVICES BLOCK GRANT	0
87. ED-O&M-TR-MR/SS	P12, L131, C1,2,4,5	3775 - SCHOOL SAFETY & EDUCATIONAL IMPROVEMENT BLOCK GRANT	100,625
88. ED-O&M-TR	P12, L132, C1,2,4	P12 - TECHNOLOGY-CLOSING THE GAPS	0
89. ED	P12, L133, C1	3800 - STATE LIBRARY GRANT	2,529
90. ED	P12, L134, C1	3801 - ILLINOIS ARTS COUNCIL GRANTS	0
91. ED-O&M-TR	P12, L137, C1,2,4	3807 - PROJECT SUCCESS	0
92. ED-TR	P12, L138, C1,4	3808 - IDOT SAFETY	0
93. ED-TR	P12, L139, C1,4	3809 - IDOT ALCOHOL AWARENESS	0
94. ED-TR	P12, L142, C1,4	3830 - ACADEMIC EARLY WARNING LIST	0
95. O&M	P12, L144, C2	3925 - SCHOOL INFRASTRUCTURE-MAINTENANCE PROJECTS	0
96. ED-O&M-B&I-TR-MR/SS-RT	P12, L145, C1,2,3,4,5,8	3999 - OTHER RESTRICTED REVENUE FROM STATE SOURCES	9,165
97. ED	P12, L155, C1	4045 - (SUBTRACT) HEAD START	0
98. ED-O&M-TR-MR/SS	P12, L160, C1,2,4,5	- TOTAL RESTRICTED GRANTS-IN-AID FROM FED. GOV.	0
99. ED-O&M-TR-MR/SS	P12, L167, C1,2,4,5	- TOTAL TITLE V	10,577
100. ED	P13, L174, C1	- TOTAL FOOD SERVICE	439,419
101. ED-O&M-TR-MR/SS	P13, L184, C1,2,4,5	- TOTAL TITLE I	0
102. ED-O&M-TR-MR/SS	P13, L190, C1,2,4,5	- TOTAL TITLE IV	18,160
103. ED-O&M-TR-MR/SS	P13, L193, 1,2,4,5	4620 - FED - SPEC ED - IDEA - FLOW THROUGH/LOW INCIDENCE	586,711
104. ED-O&M-TR-MR/SS	P13, L194, C1,2,4,5	4625 - FED - SPEC ED - IDEA - ROOM & BOARD	128,982
105. ED-O&M-TR-MR/SS	P13, L195, C1,2,4,5	4630 - FED - SPEC ED - IDEA - DISCRETIONARY	0
106. ED-O&M-TR-MR/SS	P13, L196, C1,2,4,5	4699 - FED - SPEC ED - IDEA - OTHER	0
107. ED-O&M-MR/SS	P13, L200, C1, 2, 5	4750 - (SUBTRACT) VE - PERKINS - TITLE IIC POSTSECONDARY/ ADULT	0
108. ED-O&M-MR/SS	P13, L204, C1,2,5	- TOTAL VOCATIONAL EDUCATION	96,584
109. ED-TR-MR/SS	P13, L206, C1,4,5	4905 - EMERGENCY IMMIGRANT ASSISTANCE	0
110. ED-TR-MR/SS	P13, L207, C1,4,5	4909 - TITLE III - ENGLISH LANGUAGE ACQUISITION	0
111. ED-TR-MR/SS	P13, L208, C1,4,5	4910 - LEARN & SERVE AMERICA	0
112. ED-O&M-TR-MR/SS	P13, L209, C1,2,4,5	4920 - MCKINNEY EDUCATION FOR HOMELESS CHILDREN	0
113. ED-O&M-TR-MR/SS	P13, L210, C1,2,4,5	4930 - TITLE II - EISENHOWER - PROFESSIONAL DEVELOPMENT FORMULA	0
114. ED-O&M-TR-MR/SS	P13, L211, C1,2,4,5	4932 - TITLE II - TEACHER QUALITY	93,565
115. ED-O&M-TR-MR/SS	P13, L212, C1,2,4,5	4945 - GOALS 2000	0
116. ED-O&M-TR-MR/SS	P13, L213, C1,2,4,5	4946 - GOALS 2000 - LEADERSHIP	0
117. ED-O&M-TR-MR/SS	P13, L214, C1,2,4,5	4950 - DEPT. OF REHABILITATION SERVICES	0
118. ED-O&M-TR-MR/SS	P13, L215, C1,2,4,5	4960 - FEDERAL CHARTER SCHOOLS	0
119. ED-O&M-TR-MR/SS	P13, L216, C1,2,4,5	4980 - SCHOOL RENOVATION	0
120. ED-O&M-TR-MR/SS	P13, L217, C1,2,4,5	4981 - IDEA PART B - SUPPLEMENTAL ACTIVITIES	0
121. ED-O&M-TR-MR/SS	P13, L218, C1,2,4,5	4982 - SCHOOL RENOVATION - TECHNOLOGY	0
122. ED-O&M-TR-MR/SS	P13, L219, C1,2,4,5	4990 - FEDERAL EMERGENCY MANAGEMENT AID	0
123. ED-O&M-TR-MR/SS	P14, L220, C1,2,4,5	4991 - MEDICAID MATCHING FUNDS - ADMIN. OUTREACH	74,923
124. ED-O&M-TR-MR/SS	P14, L221, C1,2,4,5	4992 - MEDICAID MATCHING FUNDS - FEE-FOR-SERVICE PRGM.	17,804
125. ED-O&M-TR-MR/SS	P14, L222, C1,2,4,5	4999 - OTHER RESTRICTED REVENUE FROM FEDERAL SOURCES	5,129
126. TOTAL DEDUCTIONS FOR TUITION COMPUTATION (Lines 54 through 125)			\$ 4,329,539
127. NET OPERATING EXPENSE FOR TUITION COMPUTATION (Line 51 minus 126)			29,184,102
128. ADD TOTAL DEPRECIATION ALLOWANCE (Page 27, Column F)			942,925
129. TOTAL ALLOWANCE FOR TUITION COMPUTATION (Line 127 plus Line 128)			30,127,027
130. AVERAGE DAILY ATTENDANCE (See the General State Aid Claim for 2005-06 (ISBE 54-33, Line 12))			2,950.69
131. ESTIMATED PER CAPITA TUITION CHARGE (Line 129 divided by Line 130)			\$ 10,210.16

\* Represents the account code and title as provided in the Illinois Program Accounting Manual (IPAM).

ID: 14-016-2150-17

Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215



<b>Estimated Indirect Cost Rate for Federal Programs</b> <b>Applicable for the Fiscal 2008 Program Year</b> (from 2005-06 Annual Financial Report)					
Name: THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215 ID: 14-016-2150-17 County: COOK					
	Function	Restricted Program		Unrestricted Program	
		(A) Indirect Costs	(B) Direct Costs	(C) Indirect Costs	(D) Direct Costs
Instruction	1000		18,870,902		18,870,902
<b>Support Services:</b>					
Pupil	2100		2,536,126		2,536,126
Instructional Staff	2200		476,296		476,296
General Admin.	2300		1,648,448		1,648,448
School Admin	2400		1,744,502		1,744,502
<b>Business:</b>					
Direction of Business Spt. Srv.	2510	131,908	0	131,908	0
Fiscal Services	2520	260,841	0	260,841	0
Oper. & Maint. Plant Services	2540		3,831,040	3,831,040	0
Pupil Transportation	2550		1,511,853		1,511,853
Food Services	2560		364,257		364,257
Internal Services	2570	96,538	0	96,538	0
<b>Central:</b>					
Direction of Central Spt. Srv.	2610		0		0
Plan, Rsrch, Dvlp, Eval. Srv.	2620		0		0
Information Services	2630		0		0
Staff Services	2640	0	0	0	0
Data Processing Services	2660	0	0	0	0
<b>Other:</b>	2900		647,929		647,929
<b>Community Services</b>	3000		7,952		7,952
<b>Total</b>		<b>489,287</b>	<b>31,639,305</b>	<b>4,320,327</b>	<b>27,808,265</b>
		<b>Restricted Rate</b>		<b>Unrestricted Rate</b>	
		Col. (A) =	489,287	Col. (C) =	4,320,327
		Col. (B) =	31,639,305	Col. (D) =	27,808,265
		=	1.55%	=	15.54%

**ILLINOIS STATE BOARD OF EDUCATION**  
 School Business and Support Services Division (N-330)  
 100 North First Street  
 Springfield, IL 62777-0001

**LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET**

(Section 17-1.5 of the School Code)

School District Name: THORNTON FRACTIONAL TOWNS  
 School District Number: 14-016-2150-17

Description	Funct. No.	Actual Expenditures, Fiscal Year 2006			Budgeted Expenditures, Fiscal Year 2007		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	539,100		539,100	561,600		561,600
2. Special Area Administration Services	2330	350,902		350,902	371,700		371,700
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	130,538	0	130,538	132,000		132,000
5. Internal Services	2570	88,719		88,719	93,700		93,700
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		1,109,259	0	1,109,259	1,159,000	0	1,159,000
9. Percent Increase (Decrease) for FY2007 (Budgeted) over FY2006 (Actual)							4%

**CERTIFICATION**

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2006" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2006.

I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2007" agree with the amounts on the budget adopted by the Board of Education.

10/12/06

(Date)

Robert White

(Signature of Superintendent)

**If line 9 is greater than 5% please check one box below.**

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 11, 2006 to ensure inclusion in the October 1, 2006 report, or postmarked by January 12, 2007 to ensure inclusion in the March 1, 2007 report. Information on the waiver process can be found at [www.isbe.net/isbewaivers/default.htm](http://www.isbe.net/isbewaivers/default.htm).
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

This page is provided for detailed itemizations as requested within the body of the report.  
Type Below.

1. Page 5, Line 38, Fund 30 - Unredeemed bonds \$10,000
2. Page 5, Line 12, Fund 10 - Miscellaneous Deposit \$470
3. Page 10, Line 62, Fund 10 - Event Admissions \$3,703
4. Page 10, Line 81, Funds 10 and 20 - Miscellaneous Revenues \$33,739, \$835  
Page 12, Line 145, Fund 10 - National Board Certification (#3651) \$2,896; Miscellaneous Revenues \$6,269  
Page 13, Line 222, Fund 10 - Technology Enchancing Educ Grant (#4971) \$5,129  
Page 15, Line 43, Fund 10 - Entire Technology Department is recorded in this area  
Page 18, Line 104, Fund 30 - Fiscal Agent Fees  
Page 19, Line 177, Fund 50 - Technology Department Benefits  
Page 24, Line 1a, \$2,250,000 - Life Safety Bonds; \$850,000 - Funding Bonds

### Audit Checklist

Section 2-3.27 of the School Code requires the Illinois State Board of Education to formulate and approve procedures and regulations for school district budgeting and accounting. In keeping with this requirement, the following checklist has been developed for use in reviewing the Illinois School District Joint Agreement Annual Financial Report (Form 50-35) before forwarding it to the Illinois State Board of Education. The checklist is designed so that later clarifications, explanations or amendments requested by the Illinois State Board of Education will be minimized or eliminated.

All entries must balance within the individual fund statements and schedules as instructed below.  
Any error messages left unresolved below, will be returned to the school district/joint agreement.

Round all entries to the nearest dollar.

- 1. The auditor's Opinion and Notes to the Financial Statements are attached or filed electronically.
- 2. Student Activity Funds, Convenience Accounts, and other agency funds are included, if applicable.
- 3. All audit questions on page 2 are answered with the appropriate response (Yes, No or N/A). Comments and explanations are included for all no answers.
- 4. All miscellaneous accounts and functions have the required and descriptive itemizations.
- 5. In all funds, Function No. 2900 does not include Worker's Compensation or Unemployment Insurance.
- 6. Tuition paid to another school district or to a joint agreement (in state) is coded to Function No. 4100.
- 7. Business Manager/Bookkeeper Costs are charged to the proper Function (No. 2510/2520).
- 8. Interest is allocated to all funds participating in each investment (Audit Question 3).

### Balancing Schedule

Check this Section for Error Messages

The following assures that various entries are in balance. Any out of balance condition is followed by an error message in **RED** and must be resolved before submitting to ISBE. One or more errors detected may cause this AFR to be returned for corrections and resubmission. If impossible for entries to balance, please explain on the itemization page.

Description:	Error Message
<b>1. Cover Page: The Accounting Basis must be Cash or Accrual.</b>	
<b>2. The A-133 related documents must be completed and attached.</b>	
What Basis of Accounting is used?	CASH
Are Federal Expenditures greater than \$500,000?	OK
Is all A133 information completed and enclosed?	OK
Were any findings issued?	NO FINDINGS WERE ISSUED
<b>3. Page 3: Financial Information must be completed.</b>	
Section A: Tax rates are not entered in the following format: [1.50 should be .0150]. Please enter with the correct decimal point.	OK
Section D: Check a or b that agrees with the school district type.	OK
<b>4. Page 5: Line 1: Cash Balances cannot be negative.</b>	
Fund (10) ED: Cash balances cannot be negative.	OK
Fund (20) O&M: Cash balances cannot be negative.	OK
Fund (30) B&I: Cash balances cannot be negative.	OK
Fund (40) TR: Cash balances cannot be negative.	OK
Fund (50) MR/SS: Cash balances cannot be negative.	OK
Fund (60) S&C/CI: Cash balances cannot be negative.	OK
Fund (70) WC: Cash balances cannot be negative.	OK
Fund (80) Rent: Cash balances cannot be negative.	OK
Fund (90) FP&S: Cash balances cannot be negative.	OK
<b>Page 5: Other Accrued Assets (Line 2). If Cash Basis is checked on the Cover Page, this line must be zero.</b>	
Fund 10: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 20: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 30: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 40: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 50: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 60: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 70: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 80: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
Fund 90: If Cash basis is checked on the Cover page, Line 2 must be zero.	OK
<b>6. Page 5 &amp; 8: Total Current Assets (Lines 13 &amp; 24) must = Total Liabilities &amp; Fund Balance (Line 45).</b>	
Fund 10 (Line 13) must = (Line 45).	OK
Fund 20 (Line 13) must = (Line 45).	OK
Fund 30 (Line 13) must = (Line 45).	OK
Fund 40 (Line 13) must = (Line 45).	OK
Fund 50 (Line 13) must = (Line 45).	OK
Fund 60 (Line 13) must = (Line 45).	OK
Fund 70 (Line 13) must = (Line 45).	OK
Fund 80 (Line 13) must = (Line 45).	OK
Fund 90 (Line 13) must = (Line 45).	OK
Agency Fund (Line 13) must = (Line 45).	OK
General Fixed Assets (Line 24) must = (Line 45).	OK
General Long-Term Debt (Line 24) must = (Line 45).	OK
<b>6. Page 8: Account Groups - Capital Assets (Lines 14 through 20) cannot be negative.</b>	OK
<b>7. Page 8: Accrued Liabilities (Line 25). If Cash basis of Accounting is checked, this line must be zero.</b>	OK
<b>8. Page 5, Deferred Revenue (Line 36): If Cash basis of Accounting is checked, this line must be zero.</b>	OK
<b>9. Page 8: Reserved &amp; Unreserved Fund Balance (Lines 42 + 43) must = Ending Fund Balance (Page 8, Line 46).</b>	
Fund 10 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 20 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 30 (Lines 42 + 43) must = (Page 8, Line 46).	OK

Description:	Error Message
Fund 40 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 50 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 60 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 70 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 80 (Lines 42 + 43) must = (Page 8, Line 46).	OK
Fund 90 (Lines 42 + 43) must = (Page 8, Line 46).	OK
10. Page 5: All Funds CPPRT Notes Payable (Line 26) must = CPPRT Notes Outstanding 06/30/06 (Page 23, Line 1, Column D).	OK
11. Page 5: Tax Anticipation Warrants Payable (Line 27) must = Tax Anticipation Warrants Outstanding 06/30/06 (Page 23, Lines 2-9, Column D).	
Fund 10 (Line 27) must = (Page 23, Line 2).	OK
Fund 20 (Line 27) must = (Page 23, Line 3).	OK
Fund 30 (Line 27) must = (Page 23, Lines 4-5-6).	OK
Fund 40 (Line 27) must = (Page 23, Line 7).	OK
Fund 50 (Line 27) must = (Page 23, Line 8).	OK
Fund 90 (Line 27) must = (Page 23, Line 9).	OK
12. Page 5: Tax Anticipation Notes Payable (Line 28) must = Tax Anticipation Notes Outstanding 06/30/06 (Page 23, Lines 12 - 15, Column D).	
Fund 10 (Line 28) must = (Page 23, Line 12).	
Fund 20 (Line 28) must = (Page 23, Line 13).	OK
Fund 90 (Line 28) must = (Page 23, Line 14).	OK
Funds 30-40-50-60 (Line 28) must = (Page 23, Line 15).	OK
13. Page 5: Teachers/Employees' Orders Payable (Funds 10-20-40, Lines 29) must = Teachers'/ Employees' Orders Outstanding 06/30/06 (Page 23, Line 17, Column D).	OK
14. Page 5: All Funds GSA Certificates Payable (Line 30) must = GSA Certificates Outstanding 06/30/06 (Page 23, Line 18, Column D).	OK
15. Page 9: All Funds Taxes Received from the General Levy (Lines 1 through 8) must = Taxes Received 07/01/06 thru 06/30/06 (Page 22, Column A) if Cash Basis Accounting is checked:	
Fund 10 General Levy (Line 1) must = (Page 22, Line 1)	OK
Fund 20 General Levy (Line 1) must = (Page 22, Line 2)	OK
Fund 30 General Levy (Line 1) must = (Page 22, Line 3).	OK
Fund 40 General Levy (Line 1) must = (Page 22, Line 4)	OK
Fund 50 General Levy (Line 1) must = (Page 22, Line 5).	OK
Fund 70 General Levy (Line 1) must = (Page 22, Line 6).	OK
Fund 80 General Levy (Line 1) must = (Page 22, Line 7).	OK
Fund 60 General Levy (Line 1) must = (Page 22, Line 8).	OK
Funds 10, 20, 40 General Levy (Line 2) must = (Page 22, Line 9).	OK
Fund 90 General Levy (Line 1) must = (Page 22, Line 10).	OK
Funds 10, 20 Leasing Levy (Line 3) must = (Page 22, Line 11).	OK
Funds 10, 20, 40, 50 Special Education Levy (Line 4) must = (Page 22, Line 12).	OK
Fund 50 Social Security/Medicare Only Levy (Line 5) must = (Page 22, Line 14).	OK
Fund 20 Area Vocational Construction Levy (Line 6) must = (Page 22, Line 13).	OK
Fund 10 Summer School Levy (Line 7) must = (Page 22, Line 15).	OK
All Funds (excluding Fund 30) Other Tax Levies (Line 8) must = (Page 22, Line 16).	OK
16. Page 24: Schedule of Bonds Payable must = the Basic Financial Statements (Pages 5-8 & 18).	
Note: Explain any unreconcilable differences in the itemization sheet.	
Total Bonds Issued (Line 3 - Line 4) must = Principal on Bonds Sold (Page 8, All Funds Line 25).	OK
Total Bond Principal Retired (Line 5) must = Debt Service - Bond Principal Retired (Page 18, Line 103).	OK
Total Bonds Outstanding 06/30/06 (Line 8) must = Bonds Payable (Page 6, Line 39).	OK
Total Amount to be Provided to Retire Bonds (Line 9) must = Amount to be Provided for Payment of Bonds (Page 6, Line 22).	OK
17. Page 27: Cost 06/30/06 or Balances Undepreciated 06/30/06 (Line 1-7) must = Capital Assets (Page 6, Line 14-20).	
Land (Line 1, Column D or I) must = (Page 6, Line 14).	OK
Building (Line 2) Column D or I) must = (Page 6, Line 15).	OK
Improvements other than Buildings (Line 3 Column D or I) must = (Page 6, Line 16).	OK
Equipment other Than Transportation/Food Service (Line 4, Column D or I) must = (Page 6, Line 17).	OK
Construction in Progress (Line 5 Column D or I) must = (Page 6, Line 18).	OK
Transportation Equipment (Line 6, Column D or I) must = (Page 6, Line 19).	OK
Food Service Equipment (Line 7 Column D or I) must = (Page 6, Line 20).	OK
18. Page 5: "Loan To" must = Page 5 "Loan From".	
Loan to Fund 10 (Line 5) must = Total Loan from: Fund 20 (Line 32), Fund 40 (Line 33) and/or Fund 70 (Line 34).	OK
Loan To Fund 20 (Line 6) must = Total Loan from: Fund 10 (Line 31), Fund 40 (Line 33) and/or Fund WC (Line 34).	OK
Loan To Fund 40 (Line 7) must = Total Loan from: Fund 10 (Line 31), Fund 20 (Line 32) and/or Fund 70 (Line 34).	OK
Loan to Fund 90 (Line 8) must = Total Loan from: Fund 10 (Line 31), Fund 20 (Line 32), Fund 40 (Line 33) and/or Fund 70 (Line 34).	OK
Loan to: Other Funds (Line 9) must = Loan From: Fund 70 (Line 34).	OK
19. Page 7: Transfers From Other Funds (Lines 18-24) must = Transfers To Other Funds (Page 8, Lines 33-39).	
Permanent Transfer from WC Fund-Interest (All Funds excluding 70, Line 18) must = (Page 8, Fund 70, Line 33).	OK
Permanent Transfer (Funds 10, 20 & 40, Line 19) must = (Page 8, Funds 10, 20 & 40, Line 34).	OK
Permanent Transfer of Interest (All Funds, Line 20) must = (Page 8, All Funds, Line 35).	OK
20. Page 25: Restricted Tax Levies (Line 15) must = Reserved Fund Balance (Pages 5 & 6, Line 42).	
Tort Immunity (Line 15, Column A) must be = < the total of Reserved Fund Balance (Page 5, Funds 10-20-30-40, Line 42).	OK
Special Education (Line 15, Column B) must be = < the total of Reserved Fund Balance (Page 5, Line 42, Funds 10-20-40-50).	OK
Area Vocational Construction (Line 15, Column C) must be = < the total of Reserved Fund Balance (Page 5, Line 42, Funds 20-60).	OK
If there are Tort Immunity Expenditures (line 11), then the Schedule of Tort Immunity Expenditure must be completed.	OK
21. Page 26: For Indirect Cost Rate Purposes - Salaries (Object 1) cannot be < the total of Employee Benefits (Object 2).	OK

Description:	Error Message
Function 2610 - Salaries (Page 15, Line 30) must be > the total of Employee Benefits (Line 30 + Page 19, Line 163).	OK
Function 2520 - Salaries (Page 15, Line 31) must be > the total of Employee Benefits (Line 31 + Page 19, Line 164).	OK
Function 2540 - Salaries (Page 15, Line 32 + Page 17, Line 70) must be > the total of Employee Benefits (Page 15, Line 32 + Page 17, Line 70 + Page 19, Line 166).	OK
Function 2560 - Purchased Services + Supplies & Materials (Page 15, Line 34) must be = or > Food Service (Page 26 (A4)). Food Services (Page 26) should not be zero, when the Total of Purchased Services + Supplies & Materials (Page 17, Line 34) are > 0.	OK
Function 2570 - Salaries (Page 15, Line 35) must be > the total of Employee Benefits (Line 35 + Page 19, Line 169).	OK
Function 2640 - Salaries (Page 15, Line 40) must be > the total of Employee Benefits (Line 40 + Page 19, Line 174).	OK
Function 2660 - Salaries (Page 15, Line 41) must be > the total of Employee Benefits (Line 41 + Page 19, Line 175).	OK
22. Page 28: The 9 Month ADA must be entered on Line 52.	OK
23. Page 31: LIMITATION OF ADMINISTRATIVE COST, Budget Information must be completed and submitted to ISBE.	OK
<b>Joint Agreements Only: Checks for Invalid Entries</b>	
The following references do not allow entries for Joint Agreements. Invalid Entries are followed by an error message in RED. To clear the error, the entry must be removed and	
<b>1. PAGE 5</b>	
Contents in Line 13, Fund 70-Current Assets is not allowed for Joint Agreements.	OK
Contents in Line 13, Fund 80-Current Assets is not allowed for Joint Agreements.	OK
<b>2. Page 5</b>	
Account 406 - Values cannot be entered on Line 26, All Funds.	OK
Account 407 - Values cannot be entered on Line 27, All Funds.	OK
Account 408 - Values cannot be entered on Line 28, All funds.	OK
Account 409 - Values cannot be entered on Line 29, All funds.	OK
Account 410 - Values cannot be entered on Line 30, All funds.	OK
Account 434 - Values cannot be entered on Line 34, Fund 10.	OK
Total Liabilities & Fund Bal. - Values cannot be entered on Line 45, Fund 70.	OK
Total Liabilities & Fund Bal. - Values cannot be entered on Line 45, Fund 80.	OK
<b>3. PAGES 7 &amp; 8</b>	
Revenue Account 3000: Values cannot be entered on Line 3, State Sources, Fund 70.	OK
Other Sources Account 7110: Values cannot be entered on Line 17, Fund 10.	OK
Other Sources Account 7120: Values cannot be entered on Line 18, Fund 10 - 90.	OK
Other Sources Account 7140: Values cannot be entered on Line 20, Fund 70.	OK
Other Sources Account 7140: Values cannot be entered on Line 20, Fund 80.	OK
Other Uses Account 8180: Values cannot be entered on Line 39, Fund 70.	OK
<b>4. PAGES 9-14</b>	
Total Ad Valorem Taxes Levied by Local Education Agency - Values cannot be entered on Line 9, all Fund.	OK
Total Payments In Lieu of Taxes - Values cannot be entered on Line 14, all Funds.	OK
Account 1311 - Values cannot be entered on Line 15, Fund 10.	OK
Account 1312 - Values cannot be entered on Line 16, Fund 10.	OK
Account 1313 - Values cannot be entered on Line 17, Fund 10.	OK
Account 1321 - Values cannot be entered on Line 27, Fund 10.	OK
Account 1331 - Values cannot be entered on Line 21, Fund 10.	OK
Account 1341 - Values cannot be entered on Line 24, fund 10.	OK
Account 1351 - Values cannot be entered on Line 27, Fund 10.	OK
Account 1411 - Values cannot be entered on Line 31, Fund 40.	OK
Account 1412 - Values cannot be entered on Line 32, Fund 10.	OK
Account 1413 - Values cannot be entered on Line 33, Fund 40.	OK
Account 1415 - Values cannot be entered on , Line 34, fund 40.	OK
Account 1421 - Values cannot be entered on Line 35, Fund 40.	OK
Account 1431 - Values cannot be entered on Line 38, Fund 40.	OK
Account 1441 - Values cannot be entered on Line 41, Fund 40.	OK
Account 1451 - Values cannot be entered on Line 44, Fund 40.	OK
Total Earnings on Investments - Values cannot be entered on Line 50, Fund 70 & 80.	OK
Account 1811 - Values cannot be entered on Line 64, Fund 10.	OK
Account 1821 - Values cannot be entered on Line 68, Fund 10.	OK
Total Receipts/Revenue From Local Sources - Values cannot be entered on Line 83, Fund 70 & 80.	OK
Total Unrestricted Grants-In-Aid - Values cannot be entered on Line 92, All Funds.	OK
Account 3370 - Values cannot be entered on Line 116, Fund 20.	OK
Total Receipts/Revenue from State Sources - Values cannot be entered on Line 147, Fund 70 & 80.	OK
Total Unrestricted Grants-In-Aid Received Directly from Federal Govt. - Values cannot be entered on Line 150, all Funds.	OK
Total Direct Receipts/Revenue - Values cannot be entered on Line 225, Fund 70 & 80.	OK
<b>5. Page 17-25</b>	
<b>10 - Education Fund</b>	
Functions 5110 - 5160: Values cannot be entered on Line 55 - 59, Object 10-80.	OK
<b>20 - Operations &amp; Maintenance Fund</b>	
Functions 5110 - 5160: Values cannot be entered on Line 83 - 86, Object 6.	OK
<b>30 - Bond &amp; Interest Fund</b>	
Functions 5110 - 5120: Values cannot be entered on Line 96 - 97, Object 6.	OK
Functions 5150 - 5190: Values cannot be entered on Line 99 - 101, Object 6.	OK

Description:	Error Message
<b>40 - Transportation Fund</b>	
Functions 5110 - 5160: Values cannot be entered on Line 123 - 126, Object 6.	OK
<b>60 - Municipal Retirement/Social Security</b>	
Functions 5110 - 5160: Values cannot be entered on Line 1184 - 187, Object 6.	OK
<b>80 - Rent Fund</b>	
Function 5150 - 5160: Values cannot be entered on Line 205 - 206, All Objects.	OK
<b>6. The Following Schedules are NOT COMPLETED FOR JOINT AGREEMENTS</b>	
Page 3, Financial Profile Information	
Page 4, Estimated Financial Profile Summary	
Page 22, Schedule of Ad Valorem Tax Receipts	
Page 23, Schedule of Anticipation Notes, Orders, Warrants and Certificates	
Page 25, Schedule of Restricted Local Tax Levies Analysis of Changes in Cash Basis Fund Balance	
Page 26, Financial Data To Assist Indirect Cost Rate Determination	
Page 28-29, Estimated Operating Expenditures Per Pupil and Per Capita Tuition Charge Computation	
Page 30, Estimated Indirect Cost Rate for Federal Programs	
Page 31, Admin Cost	
CHECK FOR REFERENCE ERRORS	End of Balancing

Reference Pages.

- <sup>1</sup> Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- <sup>2</sup> Should include accounts 130, 140, 162, 181, 192.
- <sup>3</sup> Accrued Liabilities should include 401-405, 411-415, 420, 441, 442, 461.
- <sup>4</sup> GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- <sup>5</sup> Equals Line 5 minus Line 13
- <sup>6</sup> Requires notification to the county clerk to abate an equal amount from taxes next extended.
- <sup>7</sup> Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 2-3.12 and 17-2.11 of the School Code.
- <sup>8</sup> Equals Line 31 minus Line 41
- <sup>9</sup> Include taxes for bonds sold that are in addition to those identified separately.
- <sup>10</sup> Educational Fund (10) - Computer Technology only.
- <sup>11</sup> Corporate personal property replacement tax revenue must be first applied to the Bond and Interest Fund (Bonds issued prior to Jan. 1, 1979) and then the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only process.
- <sup>12</sup> Tuition - Object 80 - Only tuition payments made to private facilities. See Function 4100 for public facility disbursements/expenditures.
- <sup>13</sup> Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds( Describe & Itemize).



**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)  
DISTRICT/JOINT AGREEMENT  
Year Ending June 30, 2006**

DISTRICT/JOINT AGREEMENT NAME <b>THORNTON FRACTIONAL TOWNSHIP</b>	RCDT NUMBER <b>14-016-2150-17</b>	AUDIT FIRM ID CODE <b>066-003685</b>
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) <b>DR. ROBERT WILHITE</b>	NAME AND ADDRESS OF AUDIT FIRM <b>JOHN KASPEREK CO., INC. 1471 RING ROAD CALUMET CITY ILLINOIS</b>	
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) <b>1601 WENTWORTH AVENUE CALUMET CITY, ILLINOIS 60409</b>	E-MAIL ADDRESS: <b>jkasperek@kasperekcpa.com</b>	
	NAME OF AUDIT SUPERVISOR <b>JOHN KASPEREK, JR., CPA</b>	
	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER <b>066-003685</b>	
	CPA FIRM TELEPHONE NUMBER <b>708-862-2262</b>	FAX NUMBER <b>708-891-3396</b>

**THE FOLLOWING INFORMATION MUST BE INCLUDED IN THE A-133 SINGLE AUDIT REPORT:**

- A copy of the CPA firm's most recent peer review report and acceptance letter has been submitted to ISBE (either with the audit or under separate cover).
- Financial Statements including footnotes § .310 (a)
- Schedule of Expenditures of Federal Awards including footnotes § .310 (b)
- Independent Auditor's Report § .505
- Independent Auditor's Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards* § .505
- Independent Auditor's Report on Compliance with Requirements Applicable to each Major Program and Internal Control over Compliance in Accordance with OMB Circular A-133 § .505
- Schedule of Findings and Questioned Costs § .505 (d)
- Summary Schedule of Prior Year Audit Findings § .315 (b)
- Corrective Action Plan § .315 (c)

**THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:**

- Copy of Federal Data Collection Form § .320 (b)

# John Kasperek Co., Inc.

Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL  
OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of Thornton Fractional Township High School District No. 215 with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2006. Thornton Fractional Township High School District No. 215's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express an opinion on Thornton Fractional Township High School District No. 215's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Thornton Fractional Township High School District No. 215's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Thornton Fractional Township High School District No. 215's compliance with those requirements.

In our opinion, Thornton Fractional Township High School District No. 215 complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2006.

Internal Control Over Compliance

The management of Thornton Fractional Township High School District No. 215 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered Thornton Fractional Township High School District No. 215's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a reportable 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 noncompliance with applicable requirements of laws, regulations, contracts, and grants caused by error or fraud that would be material in relation to a major federal program 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 compliance and its operation that we consider to be material weaknesses.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Thornton Fractional Township High School District No. 215 as of and for the year ended June 30, 2006, and have issued our report thereon dated October 6, 2006. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented on a budgetary basis for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of management, the School Board, 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.

*John Kasperick Co. Inc*

October 6, 2006

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
14-016-2150-17  
Year Ending June 30, 2006

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number <sup>2</sup> (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements <sup>4</sup>		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/04-6/30/05 (C)	Year 7/1/05-6/30/06 (D)	Year 7/1/04-6/30/05 (E)	Year 7/1/05-6/30/06 (F)			
PASSED THRU ILLINOIS STATE BOARD OF EDUCATION									
<u>FROM US DEPT OF AGRICULTURE:</u>									
National School Lunch Program	10.555	2005-4210-00	329,211	58,097	329,211	58,097	-	387,308	N/A
National School Lunch Program	10.555	2006-4210-00	-	381,322	-	385,185	-	385,185	N/A
National Breakfast Program	10.553	2005-4220-00	103	-	103	-	-	103	N/A
National School Lunch Program Commodities	10.555	001607700A2006	40,298	56,377	43,346	55,753	-	99,099	N/A
Total Children Nutrition Cluster (M)			369,612	495,796	372,660	499,035	-	871,695	-
<u>FROM US DEPT. OF EDUCATION:</u>									
Title IV - Drug Free	84.186A	2005-4400-00	4,953	3,741	18,469	-	-	18,469	22,441
Title IV - Drug Free	84.186A	2006-4400-00	-	14,419	-	15,379	-	15,379	17,487
Total 84.186A			4,953	18,160	18,469	15,379	-	33,848	39,928
Title II - Teacher Quality	84.367A	2005-4932-00	78,569	937	80,465	-	-	80,465	92,514
Title II - Teacher Quality	84.367A	2006-4932-00	-	92,628	-	90,313	-	90,313	101,769
Total 84.367A			78,569	93,565	80,465	90,313	-	170,778	194,283
Title V - Innovative Program Formula	84.298A	2006-4100-00	-	10,577	-	9,358	-	9,358	18,163
Perkins Grant	84.048A	2006-4745-00	-	96,584	-	96,584	-	96,584	96,584
Technology Enhancing Formula	84318X	2006-4971-00	-	5,129	-	6,881	-	6,881	7,043
<b>TOTAL PASSED THROUGH ISBE</b>			453,134	719,811	471,594	717,550	-	1,189,144	356,001

PASSED-THROUGH ISBE AND EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (ECHO)									
FROM US DEPT. OF EDUCATION:									
IDEA Room & Board	84.027A	2005-4625-00	48,438	96,273	149,997	35,012	-	185,009	N/A
IDEA Room & Board	84.027A	2006-4625-00	-	32,709	-	74,405	-	74,405	N/A
IDEA Flow Through	84.027	2006-4620-00	-	586,711	-	586,711	-	586,711	586,711
TOTAL PASSED-THROUGH ECHO & ISBE SPECIAL EDUCATION CLUSTER (M)			48,438	715,693	149,997	696,128	-	846,125	586,711
TOTAL-PASSED THROUGH IDPA FROM US DEPT. OF HEALTH AND HUMAN SERVICES									
Medicaid Administrative Outreach Program	93.778	4991		74,923		74,923		74,923	N/A
TOTAL PASSED THROUGH IDPA			-	74,923	-	74,923	-	74,923	N/A
TOTAL FEDERAL AWARDS			501,572	1,510,427	621,591	1,488,601	-	2,110,192	

• (M) Program was audited as a major program as defined by OMB Circular A-133.

The accompanying notes are an integral part of this schedule.

- <sup>1</sup> To meet state or other requirements, auditees may decide to include certain nonfederal awards (for example, state awards) in this schedule. If such nonfederal data are presented, they should be segregated and clearly designated as nonfederal. The title of the schedule should also be modified to indicate that nonfederal awards are included.
- <sup>2</sup> When the CFDA number is not available, the auditee should indicate that the CFDA number is not available and include in the schedule the program's name and, if applicable, other identifying number.
- <sup>3</sup> When awards are received as a subrecipient, the identifying number assigned by the pass-through entity should be included in the schedule.
- <sup>4</sup> Circular A-133 requires that the value of federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end be included in either the schedule or a note to the schedule. Although it is not required, Circular A-133 states that it is preferable to present this information in the schedule (versus the notes to the schedule). If the auditee presents non-cash assistance in the notes to the schedule, the auditor should be aware that such amounts must still be included in part III of the data collection form.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)**  
**Year Ending June 30, 2006**

**Note 1: Basis of Presentation<sup>5</sup>**

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of Thornton Fractional Township High School No. 215 and is presented on the cash basis of accounting. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the basic financial statements.

**Note 2: Reconciliation to the Financial Statements**

Total Federal Awards per Schedule	\$ 1,510,427
Less: Non-Cash Assistance - Commodities	(56,377)
Plus Medicaid Matching Fees for Service	<u>17,804</u>
 Revenues Received from Federal Sources. per the Financial Statements	 <u><u>\$ 1,471,854</u></u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2006**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

**FINANCIAL STATEMENTS**

Type of auditor's report issued: Unqualified  
 (Unqualified, Qualified, Adverse, Disclaimer)

**INTERNAL CONTROL OVER FINANCIAL REPORTING:**

- Material weakness(es) identified? \_\_\_ YES    X NO
- Reportable Condition(s) identified that are not considered to be material weakness(es) \_\_\_ YES    X None Reported
- Noncompliance material to financial statements noted? \_\_\_ YES    X NO

**FEDERAL AWARDS**

**INTERNAL CONTROL OVER MAJOR PROGRAMS:**

- Material weakness(es) identified? \_\_\_ YES    X NO
- Reportable Condition(s) identified that are not considered to be material weakness(es) \_\_\_ YES    X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified  
 (Unqualified, Qualified, Adverse, Disclaimer<sup>7</sup>)

Any audit findings disclosed that are required to be reported in accordance with Circular A-133, § .510(a)? \_\_\_ YES    X NO

**IDENTIFICATION OF MAJOR PROGRAMS:<sup>8</sup>**

CFDA NUMBER(S) <sup>9</sup>	NAME OF FEDERAL PROGRAM or CLUSTER <sup>10</sup>
10.553 & 10.555	National School Lunch Program
84.027	IDEA Special Education Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? \_\_\_ YES    X NO

<sup>8</sup> If the audit report for one or more major programs is other than unqualified, indicate the type of report issued for each program. Example: "Unqualified for all major programs except for [name of program], which was qualified and [name of program], which was a disclaimer."  
<sup>9</sup> Major programs should generally be reported in the same order as they appear on the SEFA.  
<sup>10</sup> When the CFDA number is not available, include other identifying number, if applicable.  
<sup>10</sup> The name of the federal program or cluster should be the same as that listed in the SEFA. For clusters, auditors are only required to list the name of the cluster.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
14-016-2150-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2006

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:<sup>11</sup>     N/A     2. THIS FINDING IS:  New  Repeat from Prior Year?  
Year originally reported?                     

3. Criteria or specific requirement

N/A

4. Condition

No matters were reported.

5. Context<sup>12</sup>

N/A

6. Effect

N/A

7. Cause

N/A

8. Recommendation

N/A

9. Management's response<sup>13</sup>

N/A

For ISBE Review:	Resolution Order Code Number
Date	Disposition of Questioned Costs Code Letter
Initials	

<sup>11</sup> A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.

<sup>12</sup> Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.

<sup>13</sup> See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2006**

**SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS**

1. FINDING NUMBER:<sup>14</sup>       N/A            2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: \_\_\_\_\_       N/A      

4. Project No.: \_\_\_\_\_       N/A            5. CFDA No.: \_\_\_\_\_       N/A      

6. Passed Through: \_\_\_\_\_       N/A      

7. Federal Agency: \_\_\_\_\_       N/A      

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

      N/A      

9. Condition<sup>15</sup>

No matters were reported.

10. Questioned Costs<sup>16</sup>

      N/A      

11. Context<sup>17</sup>

      N/A      

12. Effect

      N/A      

13. Cause

      N/A      

14. Recommendation

      N/A      

15. Management's response<sup>18</sup>

      N/A      

For ISBE Review	
Date:	Resolution Criteria Code Number
Initials:	Disposition of Questioned Costs Code Letter

<sup>14</sup> See footnote 11.  
<sup>15</sup> Include facts that support the deficiency identified on the audit finding.  
<sup>16</sup> Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.  
<sup>17</sup> See footnote 12.  
<sup>18</sup> To the extent practical, indicate when management does not agree with the finding, questioned cost, or both.

THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215  
14-016-2150-17  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS<sup>19</sup>  
Year Ending June 30, 2006

Finding Number

Condition

Current Status<sup>20</sup>

Not applicable - no audit findings in prior year.

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When possible, all prior findings should be on the same page

<sup>19</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

<sup>20</sup> Current Status should include one of the following:

- A statement that corrective action was taken
- A description of any partial or planned corrective action
- An explanation if the corrective action taken was significantly different from that previously reported or in the management decision received from the pass-through entity.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD# 215**  
**14-016-2150-17**  
**CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS<sup>21</sup>**  
**Year Ending June 30, 2006**

Corrective Action Plan

Finding No.:           N/A          

Condition:  
There are no current year audit findings meeting the criteria outlined under Subpart E, \_\_\_\_\_510(a)

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<sup>21</sup> See the instructions in the Guide to Auditing and Reporting for Illinois Public Local Education Agencies for an explanation of this schedule.

**Appendix B**  
**Form of Legal Opinion**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

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

**[TO BE DATED CLOSING DATE]**

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the 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 Limited Tax School Bonds, Series 2006 (the "*Bonds*"), to the amount of \$4,000,000, dated December 1, 2006, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2007	\$545,000	4.000%
2008	565,000	4.000%
2009	590,000	4.125%
2010	610,000	4.250%
2011	640,000	4.250%
2012	665,000	4.250%
2013	385,000	4.250%

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, 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. The amount of said taxes that may be extended to pay the Bonds is, however, limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for

federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable 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 \$4,000,000 Limited Tax School Bonds, Series 2006 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 27th day of June, 2006, and a Notification of Sale dated the 16th day of November, 2006 (collectively, 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  
Debt Repayment Schedule - principal only

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation  
Composition of 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. The names and addresses of the current NRMSIRs are presently set forth on the following website: [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm). 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 November 16, 2006, 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; DISCLOSUREUSA.** (a) 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.

(b) So long as such method continues to be approved by the Commission for purposes of the Rule, the District may satisfy its obligations for all purposes of this Agreement to provide information or notice to each NRMSIR and to the SID, if any, by sending such information or notice to DisclosureUSA (at, as of the date of this Agreement, [www.DisclosureUSA.org](http://www.DisclosureUSA.org)) for submission to each NRMSIR and to the SID, if any.

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: December 7, 2006

**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**

MATURITY (DECEMBER 1)	CUSIP NUMBER (215651)
2007	FY1
2008	FZ8
2009	GA2
2010	GB0
2011	GC8
2012	GD6
2013	GE4

## **Appendix D**

### **Specimen Financial Guaranty Insurance Policy**





**FINANCIAL  
SECURITY  
ASSURANCE®**

**MUNICIPAL BOND  
INSURANCE POLICY**

ISSUER:

BONDS:

Policy No.: -N

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 or of 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)

From: Chris Sawyer <sawyer@chapman.com>  
Subject: **Re: ED-RED: Legislative Dinner Confirmed Districts**  
Date: January 23, 2007 11:00:54 AM CST  
To: ED-RED <office@ed-red.org>

Lindsay,

Neither Representative has a seating preference.

Thank you.

Chris Sawyer  
Secretary to Daniel Johnson  
Chapman and Cutler LLP  
312-827-4811

On Jan 23, 2007, at 9:42 AM, ED-RED wrote:

Hi Christine,

Here is a list of our member districts who have confirmed their attendance. Let me know if there are any in particular that Chapman's representatives would like to sit with.

Thanks so much!  
Lindsay

--

Lindsay Giggey  
Administrative Assistant  
ED-RED  
1131 S. Dee Road  
Park Ridge, IL 60068  
847-692-8048  
<http://www.ed-red.org>  
[office@ed-red.org](mailto:office@ed-red.org)  
<Confirmed District list.xls>

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

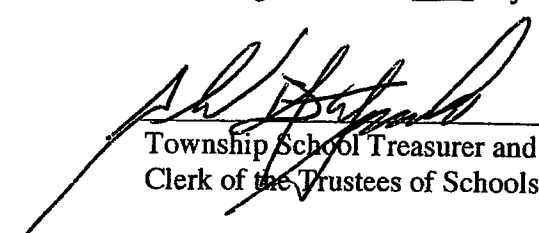
**TREASURER'S SURETY BOND CERTIFICATE**

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 \$4,000,000 Limited Tax School Bonds, Series 2006, dated December 1, 2006, proposed to be issued by the District.


I do further certify that said surety bond in the amount of \$1,000,000 and with Underwriters at Lloyds London as surety thereon was duly submitted to the Trustees for approval or rejection at a legally convened meeting held on the 16th day of November, 2006, and pursuant to motion duly made, seconded and adopted was approved by the Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of November, 2006.

  
\_\_\_\_\_  
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 5<sup>th</sup> day of DEC., 2006.

  
\_\_\_\_\_  
Regional Superintendent of Schools

SCHOOL TREASURER'S BOND COVERING SPECIAL BOND ISSUE  
CORPORATE SURETY FORM  
EXECUTED IN TRIPLICATE

BOND NO. 0021401  
PREMIUM AMOUNT \$1,061.00  
AUTHORITY REFERENCE NO.  
A60623009

STATE OF ILLINOIS,  
ss,  
COOK County,

KNOW ALL MEN BY THESE PRESENTS, That we, Thomas P. Stefaniak  
of Calumet City, Illinois, as Principal, and UNDERWRITERS AT LLOYD'S, LONDON as Surety, are held and  
firmly bound jointly and severally, unto the Thornton Fractional Twp. 36N,R15E COOK COUNTY, ILLINOIS,  
in the penal sum of One million and no/100ths Dollars.  
( \$1,000,000) true and lawful money of the United States of America, for the payment of such sum, well and truly  
to be made, we bind ourselves, our heirs, executors, administrators, and assigns, firmly by these presents.

Signed with our hands and sealed with our seals this 20th day of June, 2006.  
This bond is to be effective 7/11/06 until cancelled.

WHEREAS, on the 6th day of June, 2006, at Board Meeting there was authorized to be issued by the  
Thornton Fractional Twp. 36N,R15E COOK COUNTY, ILLINOIS, a special bond issue for  
Working Cash Bond purposes.

WHEREAS, Thomas P. Stefaniak, School Treasurer, is required to give bond for the faithful accounting  
of the proceeds of said Special Bond Issue:

NOW, THEREFORE, THE CONDITION OF THE ABOVE OBLIGATION IS SUCH, That, if the above bounden,  
Thomas P. Stefaniak, School Treasurer, shall perform all the duties which will or may be required of  
him by law to be performed by him as School Treasurer of the Special Bond Issue, in the time and manner prescribed  
or to be prescribed by law, and account for the monies coming into said Special Fund, then the above obligation  
to be void; otherwise to remain in full force and virtue.



Thomas P. Stefaniak Principal  
UNDERWRITERS AT LLOYD'S, LONDON (SEAL) Surety  
BY: James F. Handner  
BROKERS' RISK PLACEMENT SERVICE, INC.-Correspondent

STATE OF ILLINOIS,  
ss,  
Cook COUNTY,

I, Vicki Lynn Gonzales

hereby certify that Lupe Torres and Kevin Kolczynski who is personally known to me to be the same perso  
whose name is subscribed to the foregoing instrument, appeared before me this day in person and acknowledged that he  
signed, sealed and delivered said instrument as his free and voluntary act for the uses and purposes as therein set  
forth.

Given under my hand and Notary seal, this

9th day of August 20 06

Approved and accepted by:

Lupe Torres  
BY: X Lupe Torres  
Secretary or Clerk

Kevin Kolczynski  
BY: [Signature]  
President

Approved, Robert D. Dzuffels  
County Superintendent

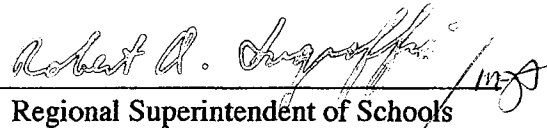


STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

**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 5<sup>th</sup> day of Dec.,  
2006.

  
Regional Superintendent of Schools

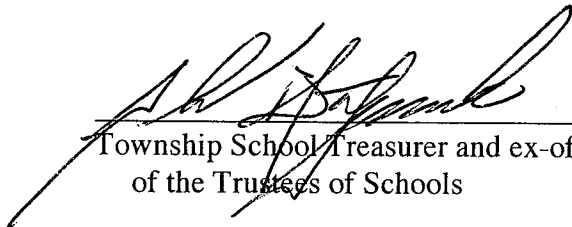
STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

**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 16th day of November, 2006.

  
\_\_\_\_\_  
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 \$4,000,000 Limited Tax School Bonds, Series 2006, of the District (the "*Bonds*"), dated December 1, 2006, 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
2007	\$545,000	4.000%
2008	565,000	4.000%
2009	590,000	4.125%
2010	610,000	4.250%
2011	640,000	4.250%
2012	665,000	4.250%
2013	385,000	4.250%

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, that none of the proceedings providing for the issue or sale of the Bonds have been revoked or rescinded, that the District, 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 (the "*Code*"), or of any other provision of the Code, and that there has not been filed 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.

We do further certify that (i) the District has not been certified to be in financial difficulty by the State Board of Education of the State of Illinois (the "*State Board*") pursuant to Section 1A-8 of the Code, (ii) the State Board has not approved or established a Financial Oversight Panel for the District pursuant to Article 1B of the Code, and (iii) the State Board has



not allowed, approved or granted a petition for or created or established a School Finance Authority for the District pursuant to either Article 1E or Article 1F of the Code.

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 13 of the resolution adopted on the 27th day of June, 2006, 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.

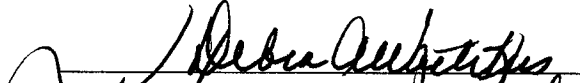
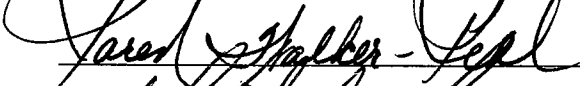

We do further certify that to the best of our knowledge and belief all Official Statements, Notices of Sale and other documents, information or materials, together with any supplements thereto, distributed and all representations made by the District and by its officials in any manner whatsoever in connection 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 7th day of December, 2006.

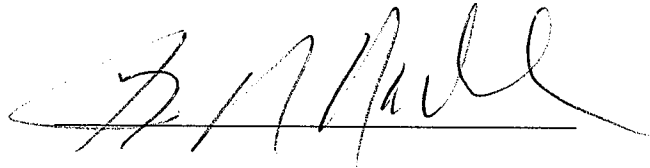
SIGNATURES

OFFICIAL TITLES

 \_\_\_\_\_, President, Board of Education  
 \_\_\_\_\_, Secretary, Board of Education  
 \_\_\_\_\_, School Treasurer

I do hereby certify that I am a Senior Vice President of Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, 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.

 \_\_\_\_\_

## 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 \$4,000,000 Limited Tax School Bonds, Series 2006, of the District (the "*Bonds*"), dated December 1, 2006, fully registered and without coupons, have been delivered to the purchaser thereof, namely, Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, and 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 \$4,033,598.45, 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 6.50%.

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 \$ 20,180,000 and that the amount now to the credit of the Working Cash Fund of the District (the "*Fund*"), including the amount of cash on hand and any transfers from the Fund to any other funds of the District, the amount of all taxes levied or extended for the Fund, but not yet received by the District, and the proceeds received by the District from the issue of the Bonds, does not exceed the sum of \$ 5,055,000.

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

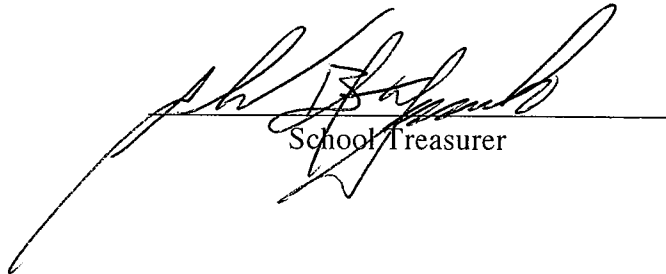
I do further certify that the officials whose signatures appear upon the Bonds were in occupancy and possession of their respective offices at the time of signing and delivery of the Bonds.

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 Working Cash Fund of the District ..... \$4,000,000.00
- (b) To paying the expenses of issuing the Bonds ..... \$ 33,598.45
- (c) In the School Bond and Interest Fund of 2006 of the District ..... \$ 2,774.79

I do further certify that in addition to the Bonds, there are no outstanding bond issues of the District that include bonds issued by the District without referendum, but not including Alternate Bonds or refunding obligations issued to refund or continue to refund obligations initially issued pursuant to referendum.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 7th day of December, 2006.



School Treasurer

STATE OF ILLINOIS     )  
                                  ) SS  
COUNTY OF COOK     )

**CERTIFICATE OF BOND REGISTRAR**

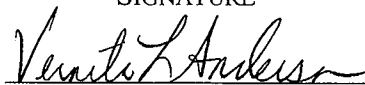
We, the undersigned, do hereby certify that we are officers of LaSalle Bank National Association, Chicago, Illinois (the "Bond Registrar"), and as such officers we do further certify as follows:

1. That the Bond Registrar has been appointed bond registrar for \$4,000,000 Limited Tax School Bonds, Series 2006, dated December 1, 2006 (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 27th day of June, 2006 (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 \$4,000,000 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
<u>VERNITA L. ANDERSON</u>	<u>Authorized Signer</u>	<u></u>
<u>                                  </u>	<u>                                  </u>	<u>                                  </u>
<u>                                  </u>	<u>                                  </u>	<u>                                  </u>
<u>                                  </u>	<u>                                  </u>	<u>                                  </u>

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 7th day of December, 2006.

LASALLE BANK NATIONAL ASSOCIATION  
Chicago, Illinois

By Arthur C. Griffin  
Its Assistant Vice President

Attest:



Its Assistant Secretary

(SEAL OF BOND REGISTRAR)

**Information Return for Tax-Exempt Governmental Obligations**

▶ Under Internal Revenue Code section 149(e)

▶ See separate instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

**Part I Reporting Authority** If Amended Return, check here

1 Issuer's name <b>Township High School District Number 215, Cook County, Illinois</b>	2 Issuer's employer identification number <b>36 : 6004406</b>	
3 Number and street (or P.O. box if mail is not delivered to street address) <b>1601 Wentworth Avenue</b>	Room/suite	4 Report number <b>3 01</b>
5 City, town, or post office, state, and ZIP code <b>Calumet City, Illinois 60409</b>	6 Date of issue <b>December 7, 2006</b>	
7 Name of issue <b>Limited Tax School Bonds, Series 2006</b>	8 CUSIP number <b>215651 GE4</b>	
9 Name and title of officer or legal representative whom the IRS may call for more information <b>Joseph B. Daley, Director of Business Services</b>	10 Telephone number of officer or legal representative <b>( 708 ) 585-2303</b>	

**Part II Type of Issue (check applicable box(es) and enter the issue price)** See instructions and attach schedule

11 <input checked="" type="checkbox"/> Education . . . . .	11	4,083,598.45
12 <input type="checkbox"/> Health and hospital . . . . .	12	
13 <input type="checkbox"/> Transportation . . . . .	13	
14 <input type="checkbox"/> Public safety. . . . .	14	
15 <input type="checkbox"/> Environment (including sewage bonds) . . . . .	15	
16 <input type="checkbox"/> Housing . . . . .	16	
17 <input type="checkbox"/> Utilities . . . . .	17	
18 <input type="checkbox"/> Other. Describe ▶ _____	18	
19 If obligations are TANS or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/>		
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>		

**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	12-01-2013	\$ 4,083,598.45	\$ 4,000,000	3.946 years	3.7082 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest . . . . .	22	2,774.79
23 Issue price of entire issue (enter amount from line 21, column (b)) . . . . .	23	4,083,598.45
24 Proceeds used for bond issuance costs (including underwriters' discount) . . . . .	24	71,192.68
25 Proceeds used for credit enhancement . . . . .	25	12,405.77
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	83,598.45
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) . . . . .	30	4,000,000.00

**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 <input type="checkbox"/> 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 <input checked="" type="checkbox"/>		
39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/>		
40 If the issuer has identified a hedge, check box <input type="checkbox"/>		

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.

**Sign Here** **Thomas P. Stefaniak,**  
School Treasurer

Signature of issuer's authorized representative Date **December 7, 2006** Type or print name and title

**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 \$4,000,000 Limited Tax School Bonds, Series 2006 (the "Bonds"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 27th day of June, 2006, and a Notification of Sale dated the 16th day of November, 2006 (collectively, 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  
Debt Repayment Schedule - principal only

DISTRICT TAX BASE INFORMATION

District Equalized Assessed Valuation  
Composition of 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. The names and addresses of the current NRMSIRs are presently set forth on the following website: [www.sec.gov/info/municipal/nrmsir.htm](http://www.sec.gov/info/municipal/nrmsir.htm). 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 November 16, 2006, 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; DISCLOSUREUSA. (a) 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.

(b) So long as such method continues to be approved by the Commission for purposes of the Rule, the District may satisfy its obligations for all purposes of this Agreement to provide information or notice to each NRMSIR and to the SID, if any, by sending such information or notice to DisclosureUSA (at, as of the date of this Agreement, [www.DisclosureUSA.org](http://www.DisclosureUSA.org)) for submission to each NRMSIR and to the SID, if any.

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: December 7, 2006

**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 III  
CUSIP NUMBERS**

MATURITY (DECEMBER 1)	CUSIP NUMBER (215651)
2007	FY1
2008	FZ8
2009	GA2
2010	GB0
2011	GC8
2012	GD6
2013	GE4

STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK         )

**NOTIFICATION OF SALE OF  
LIMITED TAX SCHOOL BONDS, SERIES 2006**

To:    Board of Education  
      Township High School District Number 215, Cook County, Illinois

Please be advised that responsive to authority contained in a resolution adopted by the Board of Education (the "*Board*") of Township High School District Number 215, Cook County, Illinois (the "*District*"), on the 27th day of June, 2006, and being entitled:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

(the "*Bond Resolution*"), a contract for the purchase of \$4,000,000 Limited Tax School Bonds, Series 2006 (the "*Bonds*"), of the District was awarded by the undersigned President of the Board and the Superintendent of the District, as the "Designated Representatives" of the District under the Bond Resolution, to the purchaser thereof, namely, Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois, at a price of \$4,033,598.45, the same being not less than 96% of the original principal amount of the Bonds, excluding original issue discount, plus accrued interest to the delivery date.

The Bonds shall be issued in an aggregate principal amount of \$4,000,000, shall be dated December 1, 2006, and shall become due and payable serially (without option of prior redemption) on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2007	\$545,000	4.000%
2008	565,000	4.000%
2009	590,000	4.125%
2010	610,000	4.250%
2011	640,000	4.250%
2012	665,000	4.250%
2013	385,000	4.250%

The first interest payment date on the Bonds shall be June 1, 2007.

Please be further advised that the undersigned do hereby find and determine that the Bonds have been sold at such price and bear interest at such rates that either the true interest cost (yield) or the net interest rate received upon the sale of the Bonds does not exceed the maximum rate otherwise authorized by applicable law, and that no person holding any office of the District either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the contract for the purchase and sale of the Bonds.

Please be further advised that Section 9 of the Bond Resolution provides for a direct annual tax in and for each of the years 2006 to 2018, inclusive, to pay the interest on the Bonds promptly when and as the same falls due and to pay and discharge the principal thereof at maturity. Please be further advised that the Bonds were sold on terms resulting in a final schedule of taxes levied, to be abated and to be extended as follows:



YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED SUFFICIENT TO PRODUCE
2006	\$712,630	\$ 1,142.50	\$711,487.50
2007	712,630	2,942.50	709,687.50
2008	712,630	542.50	712,087.50
2009	712,630	4,880.00	707,750.00
2010	712,630	805.00	711,825.00
2011	712,630	3,005.00	709,625.00
2012	712,630	311,267.50	401,362.50
2013	712,630	712,630.00	-0-
2014	712,630	712,630.00	-0-
2015	712,630	712,630.00	-0-
2016	712,630	712,630.00	-0-
2017	712,630	712,630.00	-0-
2018	712,630	712,630.00	-0-

It is hereby found and determined that all of the provisions of the Bond Resolution related to this Bond Notification have been fully and completely satisfied in all respects whatsoever.

Finally please be advised that this Bond Notification shall be entered into the records of the District and made available to all members of the Board at the next regular meeting thereof.

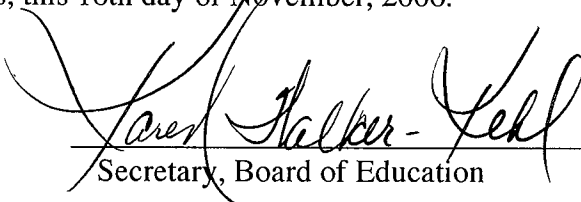
Respectfully submitted this 16th day of November, 2006.

  
\_\_\_\_\_  
President, Board of Education

  
\_\_\_\_\_  
Superintendent

**ACKNOWLEDGMENT OF FILING**

Filed in the office of the Secretary of the Board of Education of Township High School  
District Number 215, Cook County, Illinois, this 16th day of November, 2006.

  
\_\_\_\_\_  
Secretary, Board of Education


STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

**AVAILABILITY OF BOND NOTIFICATION**

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 (the "*District*"), and as such official I am the keeper of the official journal of proceedings, books, records, minutes and files of the District and of the Board.

I do further certify that I did or will make available to all members of the Board at the next regular meeting of the Board to be held, a Notification of Sale of \$4,000,000 Limited Tax School Bonds, Series 2006, a true, correct and complete copy of which is attached hereto.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of November, 2006.

  
\_\_\_\_\_  
Secretary, Board of Education

STATE OF ILLINOIS            )  
  ) SS  
COUNTY OF COOK            )

**DIRECTION FOR ABATEMENT OF TAXES**

To:    The County Clerk of the County of Cook, Illinois

Please be advised that on the 27th day of June, 2006, the Board of Education (the “*Board*”) of Township High School District Number 215, Cook County, Illinois (the “*District*”), adopted a resolution (the “*Bond Resolution*”) entitled:

RESOLUTION providing for the issue of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

You are further advised that the Bond Resolution authorizes the issuance of not to exceed \$4,000,000 Limited Tax School Bonds, Series 2006, of the District, and provides for the levy and collection of a direct annual tax on all taxable property within the District for each of the years 2006 to 2018, inclusive, for the payment of the principal of and interest on said bonds as the same become due, that the Bond Resolution is now in full force and effect, and that a copy thereof, certified to by the Secretary of the Board, is on file in your office.

You are further advised that, in accordance with the provisions of the Bond Resolution, we, as the President and Secretary of the Board and the School Treasurer of the District, have been authorized to direct the abatement of the taxes levied in the Bond Resolution to the extent of the excess of such levy in each year over the amount necessary to pay debt service on said bonds in the following bond year and to file in your office as the County Clerk of the County of Cook, Illinois, notice of such abatement.

You are further advised that on the 16th day of November, 2006, the President of the Board and the Superintendent of the District, as the designated officers of the District, agreed on behalf of the District, to sell said bonds in the aggregate principal amount of \$4,000,000 (the

“Bonds”) to Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois. The Bonds are dated December 1, 2006, and are due serially on December 1 of the years and in the amounts and bear interest at the rates per annum as follows:


YEAR OF MATURITY	PRINCIPAL AMOUNT	INTEREST RATE
2007	\$545,000	4.000%
2008	565,000	4.000%
2009	590,000	4.125%
2010	610,000	4.250%
2011	640,000	4.250%
2012	665,000	4.250%
2013	385,000	4.250%

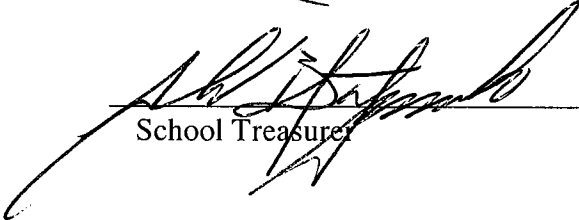
YOU ARE THEREFORE ORDERED AND DIRECTED to abate from the taxes levied in Section 9 of the Bond Resolution that amount representing the reduction to the District resulting from the sale of the Bonds in the principal amount and bearing interest at the rates as hereinabove referred to, the amount of such abatement and the remainder of such taxes so levied which is to be extended for collection being as follows:

YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED SUFFICIENT TO PRODUCE
2006	\$712,630	\$ 1,142.50	\$711,487.50
2007	712,630	2,942.50	709,687.50
2008	712,630	542.50	712,087.50
2009	712,630	4,880.00	707,750.00
2010	712,630	805.00	711,825.00
2011	712,630	3,005.00	709,625.00
2012	712,630	311,267.50	401,362.50
2013	712,630	712,630.00	-0-
2014	712,630	712,630.00	-0-
2015	712,630	712,630.00	-0-
2016	712,630	712,630.00	-0-
2017	712,630	712,630.00	-0-
2018	712,630	712,630.00	-0-

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 16th day of  
November, 2006.

  
\_\_\_\_\_  
President, Board of Education

  
\_\_\_\_\_  
Secretary, Board of Education

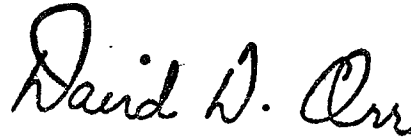
  
\_\_\_\_\_  
School Treasurer

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 (the "*County*"), and as such official I do further certify that on the 5<sup>th</sup> day of December, 2006, there was filed in my office a Direction for Abatement of Taxes from the President and Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "*District*"), and the School Treasurer of the District, related to the issue of \$4,000,000 Limited Tax School Bonds, Series 2006, of the District, 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 the County, this 5<sup>th</sup> day of December, 2006.



---

County Clerk of  
The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

**CERTIFICATION OF UNDERWRITER**

I, the undersigned, do hereby certify that I am James N. Rocklin of Griffin, Kubik, Stephens & Thompson, Inc., Chicago, Illinois (the “Underwriter”), and as such officer I do further certify as follows:

1. That the Underwriter and Township High School District Number 215, Cook County, Illinois (the “District”), have entered into a contract, dated November 16, 2006 (the “Contract”), concerning the purchase by the Underwriter from the District of \$4,000,000 Limited Tax School Bonds, Series 2006, dated December 1, 2006, of the District (the “Bonds”).

2. That the Contract is in full force and effect and has not been modified, repealed, rescinded or amended.

3. That the Underwriter hereby confirms that the first price at which at least ten percent of the principal amount of each maturity of the Bonds has been sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is equal to the prices (the “Prices”) as shown on the cover page of the Official Statement, dated November 16, 2006, and related to the issuance of the Bonds and that, in addition, accrued interest to the date of issuance of the Bonds by the District will be paid by the investors purchasing the Bonds.

4. That 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 the Prices.

5. That on the date of the Contract, based upon the Underwriter's assessment of then prevailing market conditions, the Prices are not less than the fair market value of each Bond as of the date of the Contract.

6. That the present value of the fee paid to Financial Security Assurance Inc., New York, New York, for insuring the Bonds (the "Credit Facility") (using as a discount rate the expected yield on the Bonds treating the fee paid as interest on the Bonds) is less than the present value of the interest reasonably expected to be saved on the Bonds over the term of the Bonds as a result of the Credit Facility, that the fee paid for the Credit Facility does not exceed a reasonable, arm's length charge for the transfer of credit risk, and that the fee does not include any payment for any direct or indirect services other than the transfer of credit risk.

IN WITNESS WHEREOF, I hereunto affix my signature, this 7th day of December, 2006.

GRIFFIN, KUBIK, STEPHENS & THOMPSON, INC.  
Chicago, Illinois

By  \_\_\_\_\_

Title: Senior Vice President

# The Depository Trust Company

A subsidiary of The Depository Trust & Clearing Corporation

## BLANKET ISSUER LETTER OF REPRESENTATIONS

[To be Completed by Issuer]

Township High School District Number 215, Cook County, Illinois

[Name of Issuer]

December 31, 2002

[Date]

[For Municipal Issues:

Underwriting Department—Eligibility; 50th Floor]

[For Corporate Issues:

General Counsel's Office; 49th Floor]

**The Depository Trust Company**

55 Water Street

New York, NY 10041-0099

Ladies and Gentlemen:

This letter sets forth our understanding with respect to all issues (the "Securities") that Issuer shall request be made eligible for deposit by The Depository Trust Company ("DTC").

To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

Note:

Schedule A contains statements that DTC believes accurately describe DTC, the method of effecting book-entry transfers of securities distributed through DTC, and certain related matters.

Received and Accepted:

THE DEPOSITORY TRUST COMPANY

By: *Debra Russo*



The Depository Trust &  
Clearing Corporation

Very truly yours,

Township High School District  
Number 215, Cook County, Illinois

(Issuer)

By: *Douglas D. Hanley*

(Authorized Officer's Signature)

Douglas D. Hanley

(Print Name)

1601 Wentworth Avenue

(Street Address)

Calumet City, Illinois 60409

(City) (State) (Country)

(Zip Code)

( 708 ) 585-2303

(Phone Number)

dhand47@aol.com

(E-mail Address)

[2/02]

(To Blanket Issuer Letter of Representations)

**SAMPLE OFFERING DOCUMENT LANGUAGE  
DESCRIBING BOOK-ENTRY-ONLY ISSUANCE**

(Prepared by DTC—bracketed material may be applicable only to certain issues)

1. The Depository Trust Company (“DTC”), New York, NY, will act as securities depository for the securities (the “Securities”). The Securities will be issued as fully-registered securities registered in the name of Cede & Co. (DTC’s partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Security certificate will be issued for [each issue of] the Securities, [each] in the aggregate principal amount of such issue, and will be deposited with DTC. [If, however, the aggregate principal amount of [any] issue exceeds \$500 million, one certificate will be issued with respect to each \$500 million of principal amount, and an additional certificate will be issued with respect to any remaining principal amount of such issue.]
2. 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](http://www.dtcc.com).
3. 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.
4. 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.

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

[6. 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.]

7. 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 Issuer 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).

8. 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 Issuer or 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], Agent, or Issuer, 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 Issuer or 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.

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

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

11. Issuer 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.

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



**FINANCIAL  
SECURITY  
ASSURANCE®**

## **MUNICIPAL BOND INSURANCE POLICY**

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

Policy No.: 207677-N

Effective Date: December 7, 2006

BONDS: \$4,000,000 in aggregate principal amount of  
Limited Tax School Bonds, Series 2006

Premium: \$12,405.77

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

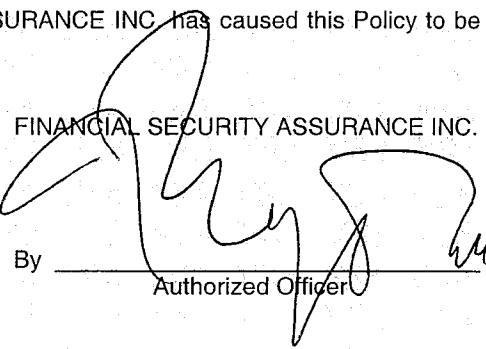
United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, 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 \_\_\_\_\_  
Authorized Officer

A subsidiary of Financial Security Assurance Holdings Ltd.  
31 West 52nd Street, New York, N.Y. 10019

(212) 826-0100