

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**  
**COOK COUNTY, ILLINOIS**  
**(THORNTON-FRACTIONAL)**  
**\$1,500,000 General Obligation Limited School Bonds, Series 2012A**  
**\$6,175,000 General Obligation Refunding School Bonds, Series 2012B**

**Transcript Index**

1. Opinions of Bond Counsel
2. Opinion of Disclosure Counsel
3. Negative Assurance Letters of Disclosure Counsel
4. Organization Certificate
5. Indebtedness Certificate
6. 2011 Valuation Certificate
7. Working Cash Fund Certificate of the Cook County Clerk
8. Working Cash Fund Certificate of the District
9. Resolution of Intent
10. Certificate of Publication for Notice of Intent
11. Order Calling Public Hearing
12. Publication of Notice of Public Hearing
13. Minutes of Public Hearing
14. Bond Resolution for Series 2012A Bonds
15. Filing Certificate of Bond Resolution for Series 2012A Bonds from the County Clerk
16. Filing Certificate of Bond Resolution for Series 2012A Bonds from School Treasurer
17. Bond Resolution for Series 2012B Bonds
18. Filing Certificate of Bond Resolution for Series 2012B Bonds from the County Clerk
19. Filing Certificate of Bond Resolution for Series 2012B Bonds from School Treasurer
20. Bond Purchase Agreement

21. Rule 15c2-12 Certificate
22. Final Official Statement
23. Notification of Sale for Series 2012A Bonds
24. Availability of Bond Notification for Series 2012A Bonds
25. Direction for Abatement of Taxes for Series 2012A Bonds
26. Filing Certificate for Direction for Abatement of Taxes for Series 2012A Bonds
27. Notification of Sale for Series 2012B Bonds
28. Availability of Bond Notification for Series 2012B Bonds
29. Direction for Abatement of Taxes for Series 2012B Bonds
30. Filing Certificate for Direction for Abatement of Taxes for Series 2012B Bonds
31. Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds
32. Filing Certificate for Certificate of Reduction of Taxes Heretofore Levied for Payment of Bonds from the County Clerk
33. Treasurer's Surety Bond Certificate
34. Filing Certificate for Treasurer's Surety Bond Certificate from Regional Superintendent
35. No Petition Certificates
36. Signature Certificates
37. Escrow Agreement
38. Incumbency, Non-Litigation, Non-Arbitrage, Comfort and Signature Identification Certificates
39. Treasurer's Receipt
40. Certificate of Bond Registrar
41. Certification of Underwriter
42. Tax Exemption Certificate and Agreement
43. Continuing Disclosure Undertaking

44. Specimen Bonds

45. DTC Blanket Issuer Letter of Representations

46. Form 8038-G

December 20, 2012

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 3.125% General Obligation Limited School Bonds, Series 2012A (the "Bonds"), to the amount of \$1,500,000, dated the date hereof, due on December 1, 2032, the Bonds being 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, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000

and the Bonds being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2022, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for such purpose, 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) heretofore and 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



Chapman and Cutler LLP

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.

EPBartholomy/KMFloros:tl

*Chapman and Cutler LLP*

December 20, 2012

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Township High School District Number 215, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds, Series 2012B (the “*Bonds*”), to the amount of \$6,175,000, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2013	\$555,000	2.00%
2014	555,000	2.00%
2015	565,000	3.00%
2016	585,000	3.00%
2017	600,000	3.00%
2018	620,000	3.00%
2019	635,000	3.00%
2020	660,000	4.00%
2021	685,000	4.00%
2022	715,000	4.00%

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

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

It is our opinion that, subject to the 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.

## Chapman and Cutler LLP

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.

EPBartholomy/KMFloros:tlt

*Chapman and Cutler LLP*

December 20, 2012

BMO Capital Markets GKST Inc..  
115 S. LaSalle Street  
Chicago, Illinois 60603

Re: Township High School District Number 215  
Cook County, Illinois  
\$1,500,000 General Obligation Limited School Bonds, Series 2012A  
\$6,175,000 General Obligation Refunding School Bonds, Series 2012B

Ladies and Gentlemen:

We have acted as disclosure counsel to Township High School District Number 215, Cook County, Illinois (the "*Issuer*") in connection with the issuance of \$1,500,000 aggregate principal amount of General Obligation Limited School Bonds, Series 2012A and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (collectively, the "*Bonds*"), issued on this date by the Issuer. The Bonds are being issued pursuant to the terms of the Bond Purchase Agreement dated as of December 6, 2012.

Capitalized terms used herein without definition shall have the meanings specified in the Official Statement dated December 6, relating to the Bonds (the "*Official Statement*").

Based upon our examination of such documents and questions of law as we have deemed relevant in connection with the offering and sale of the Bonds under the circumstances described in the Official Statement, we are of the opinion that, under existing law, the Bonds are not required to be registered under the Securities Act of 1933, as amended, and the Bond Resolutions are not required to be qualified under the Trust Indenture Act of 1939, as amended.

In further accordance with our understanding with the Issuer, we express no opinion or belief herein with respect to the validity of the Bonds or the taxation thereof or of the interest thereon.

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

This opinion is solely for the benefit of the Underwriter. 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.

Respectfully submitted,

A handwritten signature in cursive script that reads "Chapman and Cutler LLP". The signature is written in black ink and is positioned to the right of the typed text "Respectfully submitted,".

LEWhite:bha

December 20, 2012

BMO Capital Markets GKST Inc.,  
115 S. LaSalle Street  
Chicago, Illinois 60603

Re: Township High School District Number 215  
Cook County, Illinois  
\$1,500,000 General Obligation Limited School Bonds, Series 2012A  
\$6,175,000 General Obligation Refunding School Bonds, Series 2012B

Ladies and Gentlemen:

We have acted as disclosure counsel to Township High School District Number 215, Cook County, Illinois (the "*Issuer*") in connection with the issuance of \$1,500,000 aggregate principal amount of General Obligation Limited School Bonds, Series 2012A and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (collectively, the "*Bonds*"), issued on this date by the Issuer. The Bonds are being issued pursuant to the terms of the Bond Purchase Agreement dated as of December 6, 2012 (the "*Purchase Contract*") between the Issuer and BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*").

In accordance with our understanding with the Issuer, we have reviewed the official statement of the Issuer with respect to the Bonds, dated December 6, 2012, (the "*Official Statement*"), certificates of officers of the Issuer and other appropriate persons, the opinions of Chapman and Cutler LLP, Chicago, Illinois, bond counsel ("*Bond Counsel*"), and such other records, reports, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusion hereinafter expressed. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Official Statement. As to facts material to the views expressed herein, we have, with your consent, relied upon oral or written statements and representations of officers or other representatives of the Issuer, including the representations and warranties of the Issuer in the Purchase Contract.

In arriving at the conclusion hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, reports, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including, without limitation, any representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds, the tax treatment of interest on the Bonds for federal income tax purposes, and the application of Bond proceeds in

## Chapman and Cutler LLP

accordance with the authorization therefor). We have assumed that all records, reports, documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as disclosure counsel to the Issuer, to assist it in discharging its responsibility with respect to the Official Statement, we participated in conferences and correspondence with your representatives, representatives of the Issuer and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the preparation of the Official Statement involve matters of a non-legal nature. Based on our participation in the above-mentioned conferences and correspondence, and in reliance thereon and on our limited review of the records, reports, documents, certificates, statements, representations, warranties, opinions and matters mentioned above, without independent verification, we advise you as a matter of fact and not opinion that, during the course of our role as disclosure counsel to the Issuer with respect to the Bonds, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such role which caused us to believe that the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book-entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data incorporated therein, and (iv) the information describing the opinions of Bond Counsel in "TAX EXEMPTION" and the forms of opinions of Bond Counsel in Appendix A, as to all of which we do not express any conclusion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or statement rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the preceding paragraph is not a legal opinion but is rather in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel to the Issuer; (ii) the scope of those activities performed by us for purposes of delivering this letter was inherently limited and does not purport to encompass all activities necessary for compliance with applicable securities laws; (iii) those activities performed by us rely on third party representations, warranties, certifications, statements and opinions, including and primarily, representations, warranties and certifications made by the Issuer, and are otherwise subject to the conditions set forth herein; (iv) we have not been engaged to act, and have not

## Chapman and Cutler LLP

acted, as your counsel for any purpose in connection with the issuance of the Bonds; (v) no attorney-client relationship exists or has at any time existed between us in connection with the Bonds or by virtue of this letter; and (vi) this letter is based upon our review of proceedings and other documents undertaken as part of our engagement with the Issuer, and in order to deliver this letter we neither undertook any duties or responsibilities to you nor conducted any activities in addition to those undertaken or conducted for the benefit of, and requested by, the Issuer. Consequently, we make no representation that our review has been adequate for your purposes.

In further accordance with our understanding with the Issuer, we express no opinion or belief herein with respect to the validity of the Bonds or the taxation thereof or of the interest thereon, and our expression of belief with respect to the Official Statement herein assumes the validity of the Bonds and the exclusion of the interest payable thereon from gross income for federal income tax purposes, all as set forth in the opinions of Bond Counsel.

This letter is solely for the benefit of BMO Capital Markets GKST Inc., Chicago, Illinois and may not be used, quoted, relied upon or otherwise referred to for any other purpose or by any other person (including any person purchasing any of the Bonds from the Underwriter) without our prior written consent. This letter is given as of the date hereof and we assume no obligation to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Chapman and Cutler LLP", written in dark ink.

LEWhite:bha



December 20, 2012

Township High School District Number 215  
1601 Wentworth Avenue  
Calumet City, Illinois 60409

Re: Township High School District Number 215  
Cook County, Illinois  
\$1,500,000 General Obligation Limited School Bonds, Series 2012A  
\$6,175,000 General Obligation Refunding School Bonds, Series 2012B

Ladies and Gentlemen:

We have acted as disclosure counsel to Township High School District Number 215, Cook County, Illinois (the "*Issuer*"), in connection with the issuance on this date of your \$1,500,000 aggregate principal amount of General Obligation Limited School Bonds, Series 2012A and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (collectively, the "*Bonds*"). The Bonds are being issued pursuant to the terms of the Bond Purchase Agreement dated as of December 6, 2012 (the "*Purchase Contract*") between the Issuer and BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*").

In accordance with our understanding with you, we have reviewed the official statement of the Issuer with respect to the Bonds, dated December 6, 2012 (the "*Official Statement*"), certificates of officers of the Issuer and other appropriate persons, the opinions of Chapman and Cutler LLP, Chicago, Illinois, bond counsel ("*Bond Counsel*"), and such other records, reports, opinions and documents, and we have made such investigations of law, as we have deemed appropriate as a basis for the conclusion hereinafter expressed. Capitalized terms not otherwise defined herein shall have the meanings ascribed thereto in the Official Statement. As to facts material to the views expressed herein, we have, with your consent, relied upon oral or written statements and representations of officers or other representatives of the Issuer, including the representations and warranties of the Issuer in the Purchase Contract.

In arriving at the conclusion hereinafter expressed, we are not expressing any opinion or view on, and with your permission are assuming and relying on, the validity, accuracy and sufficiency of the records, reports, documents, certificates and opinions referred to above (including the accuracy of all factual matters represented and legal conclusions contained therein, including, without limitation, any representations and legal conclusions regarding the due authorization, issuance, delivery, validity and enforceability of the Bonds, the tax treatment of interest on the Bonds for federal income tax purposes, and the application of Bond proceeds in accordance with the authorization therefor). We have assumed that all records, reports,

documents, certificates and opinions that we have reviewed, and the signatures thereto, are genuine.

We are not passing upon, and do not assume any responsibility for, the accuracy, completeness or fairness of any of the statements contained in the Official Statement and make no representation that we have independently verified the accuracy, completeness or fairness of any such statements. In our capacity as disclosure counsel to you, to assist you in discharging your responsibility with respect to the Official Statement, we participated in conferences and correspondence with representatives of the Issuer, representatives of the Underwriter and other persons involved in the preparation of information for the Official Statement, during which the contents of the Official Statement and related matters were discussed and revised. The purpose of our professional engagement was not to establish or confirm factual matters set forth in the Official Statement, and we have not undertaken any obligation to verify independently any of the factual matters set forth therein. Moreover, many of the determinations required to be made in the preparation of the Official Statement involve matters of a non-legal nature. Based on our participation in the above-mentioned conferences and correspondence, and in reliance thereon and on our limited review of the records, reports, documents, certificates, statements, representations, warranties, opinions and matters mentioned above, without independent verification, we advise you as a matter of fact and not opinion that, during the course of our role as disclosure counsel to you with respect to the Bonds, no facts have come to the attention of the attorneys in our firm rendering legal services in connection with such role which caused us to believe that the Official Statement (apart from (i) CUSIP numbers, (ii) the information relating to The Depository Trust Company and its book-entry only system, (iii) the financial statements or other financial, operating, statistical, numerical or accounting data or incorporated therein, and (iv) the information describing the opinions of Bond Counsel in "TAX EXEMPTION" and the forms of opinions of Bond Counsel in Appendix A, as to all of which we do not express any conclusion or belief) contained as of its date or contains as of the date hereof any untrue statement of a material fact or omitted or omits to state a material fact required to be stated therein or necessary in order to make the statements made therein, in the light of the circumstances under which they were made, not misleading. No responsibility is undertaken or statement rendered with respect to any other disclosure document, materials or activity, or as to any information from another document or source referred to by or incorporated by reference in the Official Statement.

By acceptance of this letter you recognize and acknowledge that: (i) the preceding paragraph is not a legal opinion but is rather in the nature of negative observations based on certain limited activities performed by specific lawyers in our firm in our role as disclosure counsel; (ii) the scope of those activities performed by us for purposes of delivering this letter was inherently limited and does not purport to encompass all activities necessary for compliance with applicable securities laws; and (iii) those activities performed by us rely on third party representations, warranties, certifications, statements and opinions, including and primarily, representations, warranties and certifications made by the Issuer, and are otherwise subject to the conditions set forth herein.

Chapman and Cutler LLP

In further accordance with our understanding with you, we express no opinion or belief herein with respect to the validity of the Bonds or the taxation thereof or of the interest thereon, and our expression of belief with respect to the Official Statement assumes the validity of the Bonds and the exclusion of the interest payable thereon from gross income for federal income tax purposes, all as set forth in the opinions of Bond Counsel.

This letter is furnished to you by us as special counsel to the Issuer and may not be used, quoted, relied upon or otherwise referred to for any other purpose or by any other person (including any person purchasing any of the Bonds from BMO Capital Markets GKST Inc., Chicago, Illinois) without our prior written consent. This letter is given as of the date hereof and we assume no obligation to revise or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention.

Respectfully submitted,

A handwritten signature in cursive script, appearing to read "Chapman and Cutler LLP", written in black ink.

LEWhite/bha

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:

Richard Dust, President, Board of Education

LeeAnn Revis, Vice-President, Board of Education

Michael Bolz, Member, Board of Education

Rita Oberman, Member, Board of Education

Don Swibes, Member, Board of Education

Roger Yochem, Member, Board of Education

Sheryl Black, Member, Board of Education

Sheryl Black, Secretary, Board of Education

Thomas Stefaniak, Thornton-Fractional Township School Treasurer

and that said members of the Board have been the duly qualified and acting Board since May 3, 2011, 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 9, 2013, is canvassed and a new Board duly constituted.

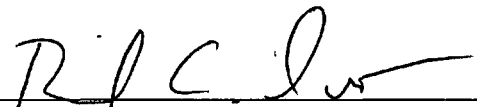
3. That there have been no changes in the boundaries of the District since April 28, 2011.
4. That the only cities, villages or incorporated towns located wholly or partly within the District are as follows: Burnham, Calumet City, Lansing and Lynwood, and that none of said cities, villages or incorporated 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 the only townships located wholly or partly within the District are as follows: Thornton-Fractional, that the duly qualified and acting Thornton-Fractional Township School Treasurer of Township No. 36, Range No. 15, Cook County, Illinois, receives the taxes of the District and is the lawful custodian of all school funds of the District, and that all or a greater part of the District is located within said Township and Range.
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 *Southtown Star* is a local, community newspaper published in and 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: None

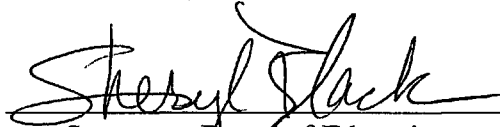
(If no requests have been made, please  
so indicate with the word "none".)

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 the Center for Academics and Technology, 1605 Wentworth Avenue, 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 60,428, and that there are approximately 34,154 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 6th day of December, 2012.

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

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

STATE OF ILLINOIS            )  
   ) SS  
 COUNTY OF COOK             )


**INDEBTEDNESS CERTIFICATE**

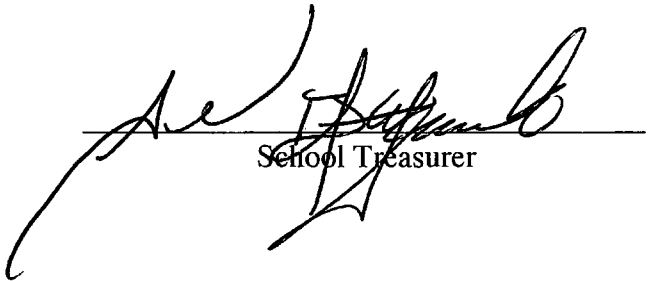
We, the undersigned, do hereby certify that we are the duly qualified and acting Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "District"), and School Treasurer of the District, respectively, and as such officials we do further certify that the total aggregate indebtedness of the District, of every kind and nature and howsoever evidenced or incurred, excluding the proposed \$1,500,000 General Obligation Limited School Bonds, Series 2012A, and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, does not exceed the total sum of \$26,116,840, which said indebtedness is itemized as follows:

Bonds issued by the District (not including alternate bonds) .....	\$18,725,000
Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended .....	\$ 7,015,000
Contracts (including all payments on installment purchase contracts, debt certificates and public utility contracts).....	\$ -0-
Indebtedness resulting from annexations of territory .....	\$ -0-
Judgments .....	\$ -0-
Leases (including leases with the School Building Commission and public building commissions) .....	\$ 376,840
Miscellaneous floating indebtedness .....	\$ -0-
Special assessments levied against District property .....	\$ -0-
Other forms of debt (not including warrants issued in anticipation of the collection of taxes levied) .....	\$ -0-

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 6th day of December, 2012.

  
Secretary, Board of Education

  
School Treasurer

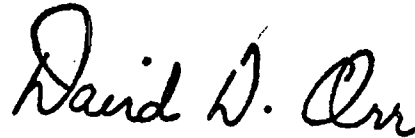


STATE OF ILLINOIS        )  
                                  ) SS  
COUNTY OF COOK        )

**2011 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 \$812,065,570, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2011, 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 18 day of December, 2012.



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

(SEAL)

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 2010 to 2011, inclusive, and in the amounts as follows:

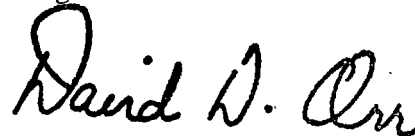
YEAR	AMOUNT
2010	\$349,012
2011	351,624

2. That taxes for educational purposes for the District have been extended in the County for the years 2010 to 2011, inclusive, at the rates as follows:

YEAR	EDUCATIONAL TAX RATE
2010	2.2231%
2011	2.8135%

3. 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 18 day of December, 2012.



---

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 presently maintains 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 expenditures for corporate purposes, and that the amount now to the credit of the Fund is \$ 3,378,333, 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. The amount of taxes heretofore levied by the District for the year 2011 for working cash fund purposes and not yet collected and deposited in the Fund is \$347,000.

3. That the District has not abolished or abated any working cash fund in any manner whatsoever at any time after the 28 day of June, 2011.

4. That the District has issued bonds for working cash fund purposes, of which \$1,050,000 Limited Tax School Bonds, Series 2006, dated December 1, 2006, and \$6,975,000 General Obligation Limited School Bonds, Series 2011, dated May 17, 2011 (the "Series 2011 Bonds"), are presently outstanding and unpaid and of which \$665,000 will mature on December 1, 2012.

5. That on the 22nd day of March, 2012, the Board adopted a resolution (the "Resolution") declaring the intention to issue \$9,500,000 Working Cash Fund Bonds of the District (the "Bonds").

6. That notice of intention to issue the Bonds was published on the 25th day of March, 2012, in the *Southtown Star*, 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.

7. 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.

8. 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 twenty-four months.

9. 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 3,424 voters.

10. That on the 17th day of May, 2011, the District issued the Series 2011 Bonds in the amount of \$6,975,000 as working cash fund bonds pursuant to the Resolution.

11. That attached hereto as *Exhibit 1* 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.

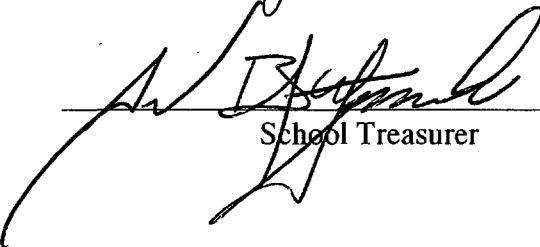
12. That the District is authorized to levy a tax annually for educational purposes at the maximum rate of 3.50% upon all the taxable property of the District at the value, as equalized or assessed by the Department of Revenue of the State of Illinois.

13. 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 the Fund, to increase the Fund or to issue the Bonds.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 6th day of December, 2012.

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

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

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

## PERSONAL PROPERTY REPLACEMENT TAX (PPRT)

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

DISTRICT NAME	DISTRICT NUMBER	2013	2012	VENDOR NUMBER
		FISCAL YEAR ESTIMATE	FISCAL YEAR PAYMENT TOTALS	
PALATINE TWP HS 211	0167172110	\$2,382,847	\$2,794,255.28	001672110
TOWNSHIP HIGH SCHOOL DIST 214	0167172140	\$5,575,055	\$6,537,610.70	
THORNTON TWP FRACTIONAL HS 215	0167172150	\$806,508	\$945,755.00	001672150
NILES TWP HS 219	0167172190	\$3,623,691	\$4,249,335.27	001672190
REAVIS TWP HS 220	0167172200	\$2,533,226	\$2,970,597.53	001672200
GLENBROOK TWP HS 225	0167172250	\$1,963,434	\$2,302,428.36	001672250
RICH TWP HS 227	0167172270	\$1,075,792	\$1,261,531.42	001672270
CHICAGO BOARD OF EDUC SD 299	0167252990	\$147,602,212	\$173,086,315.92	001672990
ELMWOOD PARK CUSD 401	0167264010	\$245,534	\$287,926.35	001674010
BLOOM TWP ROAD & BRIDGE	0169020011	\$85,028	\$99,708.29	001690011
BREMEN TWP ROAD & BRIDGE	0169020012	\$17,938	\$21,034.70	001690012
CALUMET TWP ROAD & BRIDGE	0169020013	\$6,344	\$7,439.07	001690013
ELK GROVE TWP ROAD & BRIDGE	0169020015	\$69,375	\$81,352.88	001690015
HANOVER TWP ROAD & BRIDGE	0169020017	\$30,493	\$35,757.70	001690017
LEMONT TWP ROAD & BRIDGE	0169020018	\$15,472	\$18,143.46	001690018
LEYDEN TWP ROAD & BRIDGE	0169020019	\$169,315	\$198,548.37	001690019
LYONS TWP ROAD & BRIDGE	0169020020	\$55,528	\$65,115.63	001690020
MAINE TWP ROAD & BRIDGE	0169020021	\$60,014	\$70,375.90	001690021
NORTHFIELD TWP ROAD & BRIDGE	0169020024	\$66,552	\$78,042.87	001690024
NORWOOD PARK TWP ROAD & BRIDGE	0169020025	\$8,269	\$9,697.03	001690025
ORLAND TWP ROAD & BRIDGE	0169020027	\$14,792	\$17,345.48	001690027
PALATINE TWP ROAD & BRIDGE	0169020028	\$74,455	\$87,309.63	001690028
PALOS TWP ROAD & BRIDGE	0169020029	\$13,446	\$15,768.04	001690029
PROVISO TWP ROAD & BRIDGE	0169020030	\$14,449	\$16,943.30	001690030
RICH TWP ROAD & BRIDGE	0169020031	\$24,714	\$28,980.64	001690031
SCHAUMBURG TWP ROAD & BRIDGE	0169020034	\$16,439	\$19,277.23	001690034
STICKNEY TWP ROAD & BRIDGE	0169020035	\$902,296	\$1,058,080.91	001690035
THORNTON TWP ROAD & BRIDGE	0169020036	\$29,035	\$34,048.12	001690036
WHEELING TWP ROAD & BRIDGE	0169020037	\$53,630	\$62,888.95	001690037
WORTH TWP ROAD & BRIDGE	0169020038	\$68,797	\$80,674.92	001690038
CRAWFORD COUNTY	0171010017	\$242,038	\$283,831.33	001710017
FLAT ROCK VILLAGE	0172400030	\$321	\$376.48	001720030
HUTSONVILLE VILLAGE	0172400038	\$788	\$924.48	001720038
OBLONG VILLAGE	0172400059	\$3,157	\$3,701.50	001720059
PALESTINE TOWN	0172400063	\$3,671	\$4,304.48	001720063
ROBINSON CITY	0172400072	\$62,988	\$73,863.94	001720072
STOY VILLAGE	0172400082	\$345	\$403.97	001720082
HONEY CREEK TOWNSHIP	0173020037	\$5,948	\$6,974.53	001730037
HUTSONVILLE TOWNSHIP	0173020039	\$43,440	\$50,940.19	001730039
LA MOTTE TOWNSHIP	0173020042	\$6,711	\$7,869.73	001730042
LICKING TOWNSHIP	0173020044	\$947	\$1,110.33	001730044
MARTIN TOWNSHIP	0173020048	\$1,086	\$1,274.07	001730048
MONTGOMERY TOWNSHIP	0173020054	\$1,854	\$2,174.05	001730054

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 22nd day of March, 2011.

\* \* \*

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

Upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: Beymer, Maricich, Revis, Swibes, Yochem, Dust

---

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: \_\_\_\_\_

---

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: Gigliotti

---

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 Revis 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 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 and maintained 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 expenditures for corporate purposes; and

WHEREAS, the District has heretofore created and maintained 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 the amount of \$9,500,000 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 the amount of \$9,500,000 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 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 *SouthtownStar*, 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 \$9,500,000  
WORKING CASH FUND BONDS**

PUBLIC NOTICE is hereby given that on the 22nd day of March, 2011, 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 the aggregate amount of \$9,500,000 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 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 expenditures for corporate purposes.

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 3,424 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 20th day of March, 2012. The Circuit Court may declare that an emergency referendum should be held prior to said election date 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 22nd day of March, 2011.

LeeAnn Revis  
Secretary, Board of Education,  
Township High School District Number 215,  
Cook County, Illinois

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

---

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

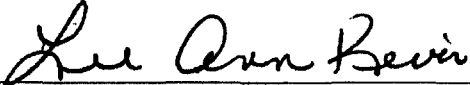
*Section 5. Further Proceedings.* If no petition signed by the requisite number of voters is filed with the Secretary of the Board within thirty (30) days after the date of the publication of such notice of intention to issue the Bonds, the Board shall, by appropriate proceedings to be hereafter taken, 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 March 22, 2011.

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

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

Member Revis moved and Member Beymer  
seconded the motion that said resolution as presented and read by title 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.

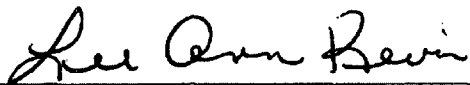
Upon the roll being called, the following members voted AYE: Beymer, Maricich  
Revis, Swibes, Yochem, Dust

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 22nd day of March, 2011, 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 22nd day of March, 2011.

  
Secretary, Board of Education

Board of Education Agenda  
 Thornton Fractional Township H.S. District 215  
 Regular Meeting

**Tuesday, March 22, 2011**  
**Following 7:00 p.m. Bond Hearing**  
**T.F. Center**

**1605 Wentworth Avenue – Calumet City, IL**

6:30 p.m. Building & Grounds and Finance Committee Mtg.

7:00 p.m. Bond Hearing: Intent of the Board of Education of the District to sell bonds in the amount not to exceed \$9,500,000 for the purpose of increasing the working cash fund of the District.

A. Action	I	Call To Order – Pledge of Allegiance	
	II	Roll Call	
	III.	Communications	
		A. Board	
		1. Freedom of Information Report	
		2. Community Public Comment	
		3. Staff Updates	
		4. Principal Updates	
		5. District Updates	
		a. Academic Update – Mr. Fies: Targets Goals	
		B. Committee Reports	
		1. Curriculum	
		2. Building & Grounds	
		3. Finance	
	IV.	Future Meetings	
		A. Special Mtg. – Bid Acceptance – Tuesday April 12, 2011 @ 7 p.m.	
		B. Regular Meeting: April 26, 2011 Center {Election Canvass / Reorganization Tentative}	
		C. May 17, 2011 – Move Regular monthly meeting	
	V.	Approval of Minutes – Open & Closed (Consent Agenda)	
		A. Regular Meeting: 2.22.11	
		B. Curriculum Committee: 3.14.11	
		C. Building & Grounds and Finance: 2.22.11	

A. Action	VI.	<p>Old Business</p> <p>A. 2011-12 Proposed Calendar – 2<sup>nd</sup> Reading</p>	Exhibit 1
<p>A. Action</p> <p>B. Action</p>	VII.	<p>New Business</p> <p>A. Adopt Resolution for Work Cash Bond Resolution</p> <p>B. Waive 2<sup>nd</sup> Reading Revisions:  Policy 6110: Acceptable Use for Technology Policy  Policy 5134 – Medication Policy  Policy 8250 – Conflict of Interest</p>	<p>Exhibit 2</p> <p>Exhibit 3</p>
<p>C. Action</p> <p>D. Action</p> <p>E. Action</p>		<p>C. 2010 Audit</p> <p>D. Technology Integration Plan 2011</p> <p>E. 2011 Summer School</p>	<p>Exhibit 4</p> <p>Enclosed</p> <p>Exhibit 5</p>
	VIII.	<p>Closed Session</p> <p>A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees</p> <p>B. Pending Litigation</p>	
<p>A. Action</p> <p>B. Action</p>	IX.	<p>Superintendent's Report</p> <p>A. Financial Report</p> <p>B. Personnel Report (Consent Agenda)</p>	<p>Exhibit 6</p> <p>Exhibit 7</p>
	X.	Other Matters	
	XI.	Adjourn	



SCHOOL DISTRICT 215  
working bonds

ADORDERNUMBER: 0000054389-01

PO NUMBER: working bonds

AMOUNT: \$0.00

NO OF AFFIDAVITS: 1

# Sun Times Media Sun-Times Media South Certificate of Publication

State of Illinois - County of Cook, Will

Sun-Times Media South, does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF. July 17, 1959. Formerly Ill. Rev. Stat. 1991, CH100, Pl.  
Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/25/2011

SouthtownStar

**NOTICE OF INTENTION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215 COOK COUNTY, ILLINOIS TO ISSUE \$9,500,000 WORKING CASH FUND BONDS**

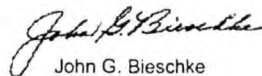
PUBLIC NOTICE is hereby given that on the 22nd day of March, 2011, the Board of Education (the "Board") of Township High School District Number 215, Cook County, Illinois (the "District"), adopted a resolution declaring its intention and determination to issue bonds in the aggregate amount of \$9,500,000 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 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 expenditures for corporate purposes.

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 3,424 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 20th day of March, 2012. The Circuit Court may declare that an emergency referendum should be held prior to said election date 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.

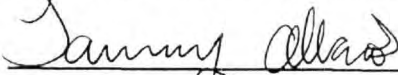
By order of the Board of Education of Township High School District Number 215, Cook County, Illinois.

DATED this 22nd day of March, 2011.  
LeeAnn Revis  
Secretary, Board of Education,  
Township High School District  
Number 215,  
Cook County, Illinois  
Richard Dust  
President, Board of Education,  
Township High School District  
Number 215,  
Cook County, Illinois  
54389 3/25/2010

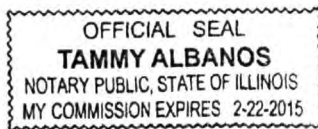
IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and notarized

By   
John G. Bieschke  
Account Manager - Public Legal Notices

Subscribed and sworn to before me this 25th Day of March 2011 A.D.

  
Notary Public

SCHOOL DISTRICT 215  
1601 WENTWORTH AVE  
CALUMET CITY, IL 60409-6309



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 \$9,500,000 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 \$9,500,000 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 22nd day of March, 2011, in the Community Meeting Room of the Thornton Fractional Center, 1605 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 *SouhtownStar*, 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 \$9,500,000 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 March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thornton Fractional Center, 1605 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 \$9,500,000 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 4th day of March, 2011.

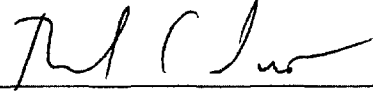
LeeAnn Revis  
Secretary, Board of Education,  
Township High School District Number 215,  
Cook County, Illinois

---

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 4th day of March, 2011.



---

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

SCHOOL DISTRICT 215  
3/22 bonds

ADORDERNUMBER: 0000047435-01  
PO NUMBER: 3/22 bonds  
AMOUNT: \$56.94  
NO OF AFFIDAVITS: 1

# Sun Times Media Sun-Times Media South Certificate of Publication

State of Illinois - County of Cook, Will

Sun-Times Media South, does hereby certify it has published the attached advertisements in the following secular newspapers. All newspapers meet Illinois Compiled Statute requirements for publication of Notices per Chapter 715 ILCS 5/0.01 et seq. R.S. 1874, P728 Sec 1, EFF. July 1, 1874. Amended by Laws 1959, P1494, EFF July 17, 1959 Formerly Ill. Rev. Stat. 1991, CH100, Pl.  
Note: Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/14/2011

SouthtownStar

### Public Hearings

NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF THE BOARD OF EDUCATION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS TO SELL \$9,500,000 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 March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thomson Fractional Center, 1605 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 \$9,500,000 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 4th day of March, 2011.  
LeeAnn Revis  
Secretary, Board of Education,  
Township High School District  
Number 215,  
Cook County, Illinois  
47435 3/14/2011

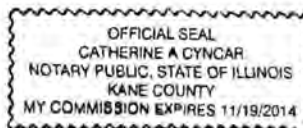
IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and notarized

By *John G. Bieschke*  
John G. Bieschke  
Account Manager - Public Legal Notices

Subscribed and sworn to before me this 14th Day of March 2011 A.D.

*Catherine A. Cyncar*  
Notary Public

SCHOOL DISTRICT 215  
1601 WENTWORTH AVE  
CALUMET CITY, IL 60409-6309



MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held in the Community Meeting Room of the Thornton Fractional Center, 1605 Wentworth Avenue, Calumet City, Illinois, in said School District at 7:00 o'clock P.M., on the 22nd day of March, 2011.

\* \* \*

The meeting was called to order by the President, and upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: \_\_\_\_\_  
Beymer, Marich, Revis, Swibes, Yochem, Dust

---

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: \_\_\_\_\_ N/A?

---

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: \_\_\_\_\_ Gigliotti

---

At 7:00 o'clock P.M., the President announced that the next agenda item for the Board of Education was a public hearing (the "*Hearing*") to receive public comments on the proposal to sell \$9,500,000 Working Cash Fund Bonds (the "*Bonds*") for the purpose of increasing the working cash fund of the District and explained that all persons desiring to be heard would have an opportunity to present written or oral testimony with respect thereto.

The President opened the discussion and explained that the reasons for the proposed issuance of the Bonds were as follows: Increasing the working cash fund of the District to finance the upgrade of the alarm systems at the schools, cafeteria expansions, HVAC repair and installation, and various other building repair and upgrades.

Whereupon the President asked for additional comments from the members of the Board of Education. Additional comments were made by the following:

(If no additional comments were made,  
please so indicate with the word "none.") NONE

Written testimony concerning the proposed issuance of the Bonds was read into the record by the Secretary and is attached hereto as *Exhibit I*.

(If no written testimony was received,  
please so indicate with the word "none.") NONE

Whereupon the President asked for oral testimony or any public comments concerning the proposed issuance of the Bonds. Statements were made by the following:

(If no additional statements were made,  
please so indicate with the word "none.") NONE

The President then announced that all persons desiring to be heard had been given an opportunity to present oral and written testimony with respect to the proposed issuance of the Bonds.

Member Revis moved and Member Beymer seconded the motion that the Hearing be finally adjourned.

After a full discussion thereof, the President directed that the roll be called for a vote upon the motion.



Upon the roll being called, the following members voted AYE: Beymer, Maricich,  
Revis, Swibes, Yochem, Dust

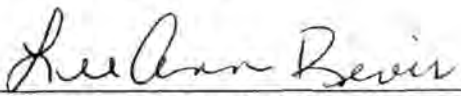
---

The following members voted NAY: NONE

Whereupon the President declared the motion carried and the Hearing was finally adjourned.

Other business not pertinent to the conduct of the Hearing 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**

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

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 22nd day of March, 2011, insofar as the same relates to a public hearing concerning the intent of the Board to sell \$9,500,000 Working Cash Fund Bonds.

I do further certify that the deliberations of the Board at said meeting were conducted openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 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 Bond Issue Notification Act of the State of Illinois, as amended, and 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.

I do further certify that notice of said public hearing was posted at least 96 hours before said public hearing at the principal office of the Board and that attached hereto as *Exhibit B* is a true, correct and complete copy of said notice as so posted.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 22nd day of March, 2011.



Secretary, Board of Education

Tuesday, March 22, 2011  
 Following 7:00 p.m. Bond Hearing  
 T.F. Center

1605 Wentworth Avenue – Calumet City, IL

6:30 p.m. Building & Grounds and Finance Committee Mtg.

7:00 p.m. Bond Hearing: Intent of the Board of Education of the District to sell bonds in the amount not to exceed \$9,500,000 for the purpose of increasing the working cash fund of the District.

	I	Call To Order – Pledge of Allegiance	
	II	Roll Call	
	III.	Communications A. Board <ol style="list-style-type: none"> <li>1. Freedom of Information Report</li> <li>2. Community Public Comment</li> <li>3. Staff Updates</li> <li>4. Principal Updates</li> <li>5. District Updates             <ol style="list-style-type: none"> <li>a. Academic Update – Mr. Fies: Targets Goals</li> </ol> </li> </ol> B. Committee Reports <ol style="list-style-type: none"> <li>1. Curriculum</li> <li>2. Building &amp; Grounds</li> <li>3. Finance</li> </ol>	
	IV.	Future Meetings A. Special Mtg. – Bid Acceptance – Tuesday April 12, 2011 @ 7 p.m. B. Regular Meeting: April 26, 2011 Center {Election Canvass / Reorganization Tentative} C. May 17, 2011 – Move Regular monthly meeting	
A. Action	V.	Approval of Minutes – Open & Closed (Consent Agenda) A. Regular Meeting: 2.22.11 B. Curriculum Committee: 3.14.11 C. Building & Grounds and Finance: 2.22.11	

A. Action	VI.	<p>Old Business</p> <p>A. 2011-12 Proposed Calendar – 2<sup>nd</sup> Reading</p>	Exhibit 1
A. Action B. Action	VII.	<p>New Business</p> <p>A. Adopt Resolution for Work Cash Bond Resolution</p> <p>B. Waive 2<sup>nd</sup> Reading Revisions:  Policy 6110: Acceptable Use for Technology Policy  Policy 5134 – Medication Policy  Policy 8250 – Conflict of Interest</p>	Exhibit 2 Exhibit 3
C. Action D. Action E. Action		<p>C. 2010 Audit</p> <p>D. Technology Integration Plan 2011</p> <p>E. 2011 Summer School</p>	Exhibit 4 Enclosed Exhibit 5
	VIII.	<p>Closed Session</p> <p>A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees</p> <p>B. Pending Litigation</p>	
A. Action B. Action	IX.	<p>Superintendent's Report</p> <p>A. Financial Report</p> <p>B. Personnel Report (Consent Agenda)</p>	Exhibit 6 Exhibit 7
	X.	Other Matters	
	XI.	Adjourn	

[To Be Posted at the Principal Office of the Board of Education]

**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF  
THE BOARD OF EDUCATION OF  
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215,  
COOK COUNTY, ILLINOIS  
TO SELL \$9,500,000 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 March, 2011, at 7:00 o'clock P.M. The hearing will be held in the Community Meeting Room of the Thornton Fractional Center, 1605 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 \$9,500,000 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 4th day of March, 2011.

LeeAnn Revis  
Secretary, Board of Education,  
Township High School District Number 215,  
Cook County, Illinois

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held at the Center for Academics and Technology, 1605 Wentworth Avenue, Calumet City, Illinois in said School District at 7:00 o'clock P.M., on the 27th day of November, 2012.

\* \* \*

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

Upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: Bläck, Bolz, Oberman, Revis, Swibes, Yochem, Dust

---

---

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: None

---

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: None

---

The President announced that the Board of Education would consider the adoption of a resolution providing for the issue of the District's general obligation working cash fund bonds to be issued by the District pursuant to Article 20 of the School Code and the levy of a direct annual tax to pay the principal of and interest thereon.

Whereupon Member Dust 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 \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of 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 and maintain 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 (the "*Resolution of Intent*") declaring its intention to avail of the provisions of said Article and issue bonds of the District in the aggregate amount of \$9,500,000 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 (the "*Debt Reform Act*"), notice of intention to issue said bonds pursuant to the provisions of said Article 20 (the "*Notice*") was published in the *SouthtownStar*, 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 the Notice, 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, the District has previously issued its General Obligation Limited School Bonds, Series 2011, dated May 17, 2011, in the amount of \$6,975,000 pursuant to the Resolution of Intent for the purpose of increasing the working cash fund; and

WHEREAS, the Board is now authorized to issue bonds to the amount of \$2,525,000 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, the Board deems it advisable, necessary and for the best interests of the District that not to exceed \$2,000,000 of the bonds so authorized be issued at this time; 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 4th day of March, 2011, executed an Order calling a public hearing (the "*Hearing*") for the 22nd day of March, 2011 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 *SouthtownStar*, 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 22nd day of March, 2011, 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 22nd day of March, 2011; and

WHEREAS, the Board is now authorized to issue bonds to the amount of \$2,525,000 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, the Board deems it advisable, necessary and for the best interests of the District that not to exceed \$2,000,000 of the bonds so authorized be issued at this time; and

WHEREAS, the bonds so authorized shall be issued as limited bonds under the provisions of 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 the sum of \$2,525,000 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, and that it is necessary and for the best interests of the District that there be issued at this time not to exceed \$2,000,000 of the bonds so authorized.

*Section 3. Bond Details.* There be borrowed on the credit of and for and on behalf of the District the sum of not to exceed \$2,000,000 for the purpose aforesaid; and that bonds of the District (the "*Bonds*") shall be issued in said amount and shall be designated "General Obligation Limited School Bonds, Series 2012A," or such other series designation as set forth in the Bond Notification (as hereinafter defined). The Bonds, if issued, shall be issued in an amount not to exceed \$2,000,000, in one or more series, shall be dated such date (not earlier than December 1, 2012 and not later than March 1, 2013) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in

denominations of \$5,000 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 set forth) on December 1 of each of the years (not later than 2032), in the amounts (not exceeding \$760,000 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 on June 1 and December 1 of each year to maturity, commencing on the date set forth in the Bond Notification.

Interest on each Bond shall be paid by check or draft of UMB Bank, National Association, Kansas City, Missouri (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 facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or 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.* All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification 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 series and maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification and on any date thereafter, at the redemption price of par, 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, 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.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District shall have been received by the Bond Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District 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.

Subject to the provisions for a conditional redemption described above, 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

GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2012A

See Reverse Side for  
Additional Provisions

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

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 \_\_\_\_\_, 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 UMB Bank, National Association, Kansas City, Missouri, 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.

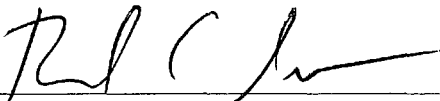
[2] Reference is hereby made to the further provisions of this Bond set forth on the reverse hereof and such further provisions shall for all purposes have the same effect as if set forth at this place.

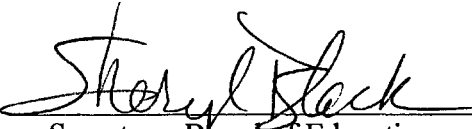
[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, 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) heretofore and 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. Payments on the Bonds from the Base will be made on a parity with the payments on

the outstanding limited bonds heretofore issued by the District. 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.

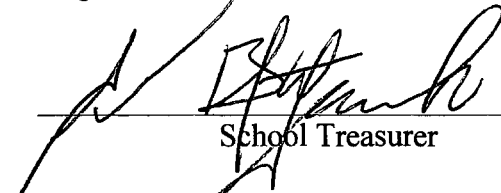
[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[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:  
UMB Bank, National Association,  
Kansas City, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, NATIONAL ASSOCIATION,  
as Bond Registrar

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

[Form of Bond - Reverse Side]

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**

**COOK COUNTY, ILLINOIS**

**GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2012A**

[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 or mandatory redemption provisions, as applicable.]

[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 holder hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Kansas City, Missouri, 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 holder 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 1st day of March, 2013, without any further authorization or direction from the Board, to sell 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 the purchaser thereof, BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98.0% of the principal amount of the Bonds (exclusive of original issue discount) plus accrued interest to date of delivery.

Prior to the sale of the Bonds, the President of the Board or the Superintendent or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (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 Municipal Bond Insurance Policy.

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 interested, directly or indirectly, in his or her own name or 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:	
2012	\$766,000.00	for interest up to and including December 1, 2013
2013	\$766,000.00	for interest
2014	\$766,000.00	for interest
2015	\$766,000.00	for interest
2016	\$766,000.00	for interest
2017	\$766,000.00	for interest
2018	\$766,000.00	for interest
2019	\$766,000.00	for interest
2020	\$766,000.00	for interest
2021	\$766,000.00	for interest
2022	\$766,000.00	for interest
2023	\$766,000.00	for interest
2024	\$766,000.00	for interest
2025	\$766,000.00	for interest
2026	\$766,000.00	for interest
2027	\$766,000.00	for interest
2028	\$766,000.00	for interest
2029	\$766,000.00	for interest and principal
2030	\$766,000.00	for interest and principal
2031	\$766,000.00	for interest and principal

Principal or interest maturing at any time when there are not sufficient funds on hand from the foregoing tax levy to pay the same shall be paid from the general funds of the District,

and the fund from which such payment was made shall be reimbursed out of the taxes hereby levied when the same shall be collected.

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

*Section 10. Filing of Resolution.* Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerk of Cook County, Illinois (the "*County Clerk*"), and it shall be the duty of the County Clerk to annually in and for each of the years 2012 to 2031, 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 Series 2012A" (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 and the Working Cash Fund of the District 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) heretofore and 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.

Payments on the Bonds from the Base will be made on a parity with the payments on the District’s outstanding Limited Tax School Bonds, Series 2006, dated December 1, 2006, and General Obligation Limited School Bonds, Series 2011, dated May 17, 2011. 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.

*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 and principal proceeds of the Bonds in the amount set forth in the Bond Notification (not to exceed \$25,000) are hereby appropriated for the purpose of paying first interest due on the Bonds and are hereby ordered deposited into the Bond Fund. The balance of 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 and maintained 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. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

*Section 13. Non-Arbitrage and Tax-Exemption.* 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 Internal Revenue Code of 1986, as amended (the "Code"), or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the "IRS") of the exemption from Federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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 regarding the specific use of the proceeds of the Bonds as approved by the Board and 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. Designation of Issue.* 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.

*Section 15. 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 is 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.

*Section 16. 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 17. 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 18. 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 19. Municipal Bond Insurance.* In the event the payment of principal of 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 20. Record-Keeping Policy and Post-Issuance Compliance Matters.* It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the District, the interest on which is excludable from "gross income" for federal income tax purposes or which enable the District or the holder to receive federal tax benefits, including, but not limited to, qualified tax credit bonds and other specified tax credit bonds (including the Bonds, the "*Tax Advantaged Obligations*"). Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and post issuance compliance with the District's covenants related to its Tax Advantaged Obligations and (ii) the Compliance Officer (as hereinafter defined) at least annually review the District's Contracts (as hereinafter defined) to determine whether the Tax Advantaged Obligations comply with the federal tax requirements applicable to each issue of the Tax

Advantaged Obligations. The Board and the District hereby adopt the following Record-Keeping Policy and, in doing so, amend any similar Record-Keeping Policy or Policies heretofore adopted.

(a) *Compliance Officer Is Responsible for Records.* The Director of Finance of the District (the “*Compliance Officer*”) is hereby designated as the keeper of all records of the District with respect to each issue of the Tax Advantaged Obligations, and such officer shall report to the Board at least annually that he/she has all of the required records in his/her possession, or is taking appropriate action to obtain or recover such records.

(b) *Closing Transcripts.* For each issue of Tax Advantaged Obligations, the Compliance Officer shall receive, and shall keep and maintain, a true, correct and complete counterpart of each and every document and agreement delivered in connection with the issuance of the Tax Advantaged Obligations, including without limitation (i) the proceedings of the District authorizing the Tax Advantaged Obligations, (ii) any offering document with respect to the offer and sale of the Tax Advantaged Obligations, (iii) any legal opinions with respect to the Tax Advantaged Obligations delivered by any lawyers, and (iv) all written representations of any person delivered in connection with the issuance and initial sale of the Tax Advantaged Obligations.

(c) *Arbitrage Rebate Liability.* The Compliance Officer shall review the agreements of the District with respect to each issue of Tax Advantaged Obligations and shall prepare a report for the Board stating whether or not the District has any rebate liability to the U.S. Treasury, and setting forth any applicable exemptions that each issue of Tax Advantaged Obligations may have from rebate liability. Such report shall be updated annually and delivered to the Board.

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax Advantaged Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on its Tax Advantaged Obligations, its entitlement to direct payments by the United States Treasury of the applicable percentages of each interest payment due and owing on its Tax Advantaged Obligations, and applicable tax credits or other tax benefits arising from its Tax Advantaged Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax Advantaged Obligations is entitled to be excluded from “gross income” for federal income tax purposes, that the District is entitled to receive from the United States Treasury direct payments of the applicable percentages of interest payments coming due and owing on its Tax Advantaged Obligations, and the entitlement of holders of any Tax Advantaged Obligations to any tax credits or other tax benefits, respectively. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax Advantaged

Obligations relating to such records (and any obligations issued to refund the Tax Advantaged Obligations) are outstanding, plus three years, and shall at least include:

(i) complete copies of the transcripts delivered when any issue of Tax Advantaged Obligations is initially issued and sold;

(ii) copies of account statements showing the disbursements of all Tax Advantaged Obligation proceeds for their intended purposes, and records showing the assets and other property financed by such disbursements;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax Advantaged Obligations has been held or in which funds to be used for the payment of principal of or interest on any Tax Advantaged Obligations has been held, or which has provided security to the holders or credit enhancers of any Tax Advantaged Obligations;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax Advantaged Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

(v) copies of any subscriptions to the U.S. Treasury for the purchase of State and Local Government Series (SLGS) obligations;

(vi) any calculations of liability for *arbitrage rebate* that is or may become due with respect to any issue of Tax Advantaged Obligations, and any calculations prepared to show that no arbitrage rebate is due, together, if applicable, with account statements or cancelled checks showing the payment of any rebate amounts to the U.S. Treasury together with any applicable IRS Form 8038-T; and

(vii) copies of all contracts and agreements of the District, including any leases (the "*Contracts*"), with respect to the use of any property owned by the District and acquired, constructed or otherwise financed or refinanced with the proceeds of the Tax Advantaged Obligations effective at any time when such Tax Advantaged Obligations are, will or have been outstanding. Copies of contracts covering no more than 50 days of use and contracts related to District employees need not be retained.

(e) *IRS Examinations or Inquiries.* In the event the IRS commences an examination of any issue of Tax Advantaged Obligations or requests a response to a compliance check, questionnaire or other inquiry, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire

outside, independent professional counsel to assist in the response to the examination or inquiry.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax Advantaged Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2008-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax Exempt Bond function of the IRS, and use other means to maintain such knowledge. Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Resolution and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax Advantaged Obligations then currently outstanding (the "*Tax Agreements*") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer should assist in the education of any new Compliance Officer and the transition of the duties under these procedures. The Compliance Officer will review this Resolution and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

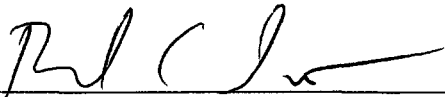
(h) *Amendment and Waiver.* The procedures described in this Section are only for the benefit of the District. No other person (including an owner of a Tax Advantaged Obligation) may rely on the procedures included in this Section. The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax Advantaged Obligations and as authorized by passage of a resolution by the Board. Additional procedures may be required for Tax Advantaged Obligations the proceeds of which are used for purposes other than capital governmentally owned projects or refundings of such, including tax increment financing

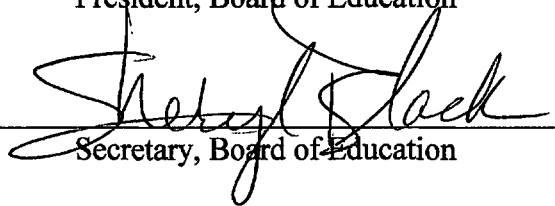
bonds, bonds financing output facilities, bonds financing working capital, or private activity bonds. The District also recognizes that these procedures may need to be revised in the event the District enters into any derivative products with respect to its Tax Advantaged Obligations.

*Section 21. 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 22. 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 November 27, 2012.

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

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

Member Bolz moved and Member Swibes  
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.

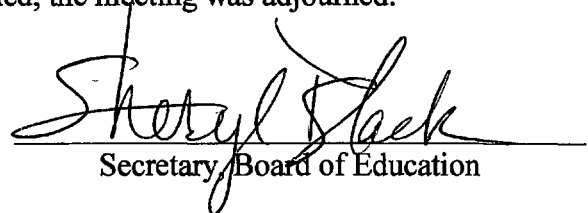
Upon the roll being called, the following members voted AYE: \_\_\_\_\_  
Black, Bolz, Oberman, Revis, Swibes, Yochem, Dust

The following members voted NAY: None

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.

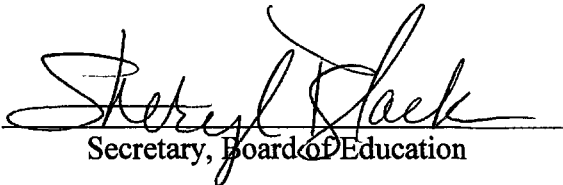
I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 27th day of November, 2012, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of 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 November, 2012.

  
Secretary, Board of Education



Board of Education Agenda  
 Thornton Fractional Township H.S. District 215  
 Regular Meeting

Tuesday, November 27, 2012

7:00 p.m.

T.F. Center

1605 Wentworth Avenue – Calumet City, IL

6:00 p.m. – IT Committee

6:30 p.m. – Building & Grounds and Finance Committee

7:00 p.m. Bond Sale Hearing

Regular meeting to immediately following hearing.

	I.	Call To Order – Pledge of Allegiance	
	II.	Roll Call	
	III.	Communications A. Board 1. Freedom of Information Report B. Community Public Comment C. Staff Updates 1. Principal Updates 2. District Updates	
	IV.	Future Meetings A. Regular Meeting: December 18, 2012 – 7:00 p.m.	
Action	V.	Approval of Minutes – Open & Closed (Consent Agenda) A. Regular Mtg.: 10.23.12    D. B & G/Finance: 10.23.12 B. Curriculum: 11.19.12    E. Communication: 11.12.12 C. Special Mtg.: 11.1.12	
Action	VI.	Old Business: A. Policy Revisions – 2nd Readings 6000 – Curriculum Section 6110 – Access to Electronic Networks	Exhibit 1
Action		B. 2012 Tax levy 1. Adopt 2012 Tax Levy Resolution 2. Approve the Truth in Taxation Certificate of Compliance 3. Approve the Certificate of Tax Levy for 2012 4. Approve Bond Issue 2009A Levy Abatement Resolution 5. Approve Bond Issue 2009B Levy Abatement Resolution	Exhibit 2
Action		C. Consideration and action on a resolution providing for the issuance of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A.	Exhibit 3
Action		D. Consideration and action on a resolution providing for the issuance of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B.	

Tuesday, November 27, 2012  
 7:00 p.m.  
 T.F. Center  
 1605 Wentworth Avenue – Calumet City, Illinois

Action	VII.	New Business: C. 2012 Audit Acceptance	Exhibit 4
Action Action	VIII.	Closed Session A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees B. Pending Litigation	
Action Action	IX.	Superintendent's Report A. Financial Report (Consent Agenda) B. Personnel Report (Consent Agenda)	Exhibit 5 Exhibit 6
Action	X.	Other Matters A. Student Discipline: # 806177	
	XI.	Adjourn	

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

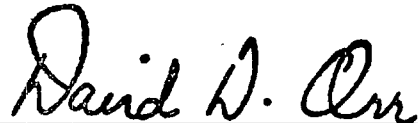
**FILING CERTIFICATE**

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 18 day of December, 2012 there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of 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 November, 2012, 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 18 day of December, 2012



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

(SEAL)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

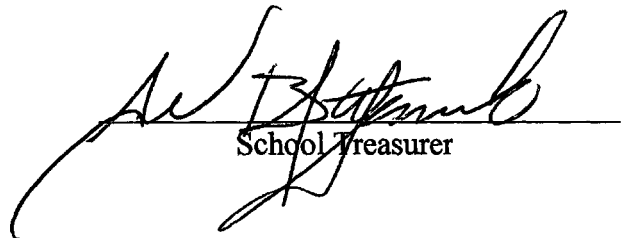
**FILING CERTIFICATE**

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 November, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of and interest on said bonds.

duly adopted by the Board of Education of said School District on the 27th day of November, 2012, 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 November, 2012.

  
School Treasurer

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 215, Cook County, Illinois, held at the Center for Academics and Technology, 1605 Wentworth Avenue, Calumet City, Illinois in said School District at 7:00 o'clock P.M., on the 27th day of November, 2012.

\* \* \*

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

Upon the roll being called, Richard Dust, the President, and the following members were physically present at said location: Bläck, Bolz, Oberman, Revis, Swibes, Yochem, Dust

---

---

The following members were allowed by a majority of the members of the Board of Education in accordance with and to the extent allowed by rules adopted by the Board of Education to attend the meeting by video or audio conference: None

---

No member was not permitted to attend the meeting by video or audio conference.

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: None

---

The President announced that the Board of Education would consider the adoption of a resolution providing for the issue of the District's general obligation working cash fund bonds to be issued by the District pursuant to Article 20 of the School Code and the levy of a direct annual tax to pay the principal of and interest thereon.

Whereupon Member Dust 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 \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

\* \* \*

WHEREAS, Township High School District Number 215, Cook County, Illinois (the "*District*"), has outstanding School Bonds, Series 2002, dated December 15, 2002 (the "*Prior Bonds*"); and

WHEREAS, it is necessary and desirable to refund a portion of the Prior Bonds (said portion of the Prior Bonds to be refunded being referred to herein as the "*Refunded Bonds*") to realize debt service savings for the District; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 12 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the District; and

WHEREAS, in accordance with the terms of the Refunded Bonds, the Refunded Bonds may be called for redemption in advance of their maturity, and it is necessary and desirable to make such call for the redemption of the Refunded Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of the Refunded Bonds; and

WHEREAS, the Board of Education of the District (the "*Board*") has determined that in order to refund the Refunded Bonds, it is necessary and in the best interests of the District to borrow not to exceed \$7,500,000 at this time and issue bonds of the District therefor; and

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

WHEREAS, the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "PTELL"), imposes certain limitations on the "aggregate extension" of certain property taxes levied by the District, but provides that the definition of "aggregate extension" applicable to the District contained in Section 18-185 of the Property Tax Code of the State of Illinois, as amended, does not include extensions "made for any taxing district to pay interest or principal on bonds issued to refund or continue to refund bonds issued after October 1, 1991 that were approved by referendum; and

WHEREAS, the Board does hereby find and determine that the Prior Bonds were issued after October 1, 1991 and were approved by referendum; and

WHEREAS, the County Clerk of The County of Cook, Illinois (the "County Clerk"), are therefore authorized to extend and collect said tax so levied for the payment of the bonds to be issued hereunder without limitation as to rate or amount:

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

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

*Section 2. Authorization.* It is hereby found and determined that the Board has been authorized by law to borrow the sum of not to exceed \$7,500,000 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 to refund the Refunded Bonds, and that it is necessary and for the best interests of the District that there be issued at this time not to exceed \$7,500,000 of the bonds so authorized.

*Section 3. Bond Details.* There be borrowed on the credit of and for and on behalf of the District the sum of not to exceed \$7,500,000 for the purpose aforesaid; and that bonds of the District (the "*Bonds*") shall be issued in said amount and shall be designated "General Obligation Refunding School Bonds, Series 2012B" or such other series designation as set forth in the Bond Notification (as hereinafter defined). The Bonds, if issued, shall be issued in an amount not to exceed \$7,500,000, in one or more series, shall be dated such date (not prior to December 1, 2012 and not later than March 1, 2013) as set forth in the Bond Notification, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 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 set forth) on December 1 of each of the years (not later than 2022), in the amounts (not exceeding \$760,000 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 on June 1 and December 1 of each year to maturity, commencing on the date set forth in the Bond Notification.

Interest on each Bond shall be paid by check or draft of UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent (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 and premium, if any, on 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 facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or 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.* All or a portion of the Bonds due on and after the date, if any, specified in the Bond Notification 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 series and maturity to be selected by the Bond Registrar), on the date specified in the Bond Notification and on any date thereafter, at the redemption price of par, 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, 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.

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District shall have been received by the Bond Registrar prior to the giving of such

notice of redemption, such notice may, at the option of the District, state that said redemption shall be conditional upon the receipt of such moneys by the Bond Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice shall be of no force and effect, the District shall not redeem such Bonds, and the Bond Registrar shall give notice, in the same manner in which the notice of redemption shall have been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District 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.

Subject to the provisions for a conditional redemption described above, 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

GENERAL OBLIGATION REFUNDING SCHOOL BOND, SERIES 2012B

See Reverse Side for  
Additional Provisions

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

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 \_\_\_\_\_, 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 UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown

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

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

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

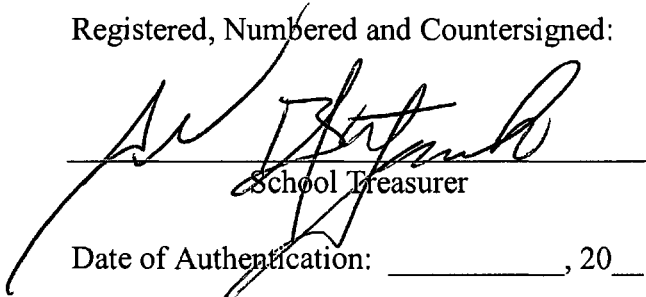
[4] This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

[5] IN WITNESS WHEREOF, said Township High School District Number 215, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the 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:  
UMB Bank, National Association,  
Kansas City, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, NATIONAL ASSOCIATION,  
as Bond Registrar

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

[Form of Bond - Reverse Side]

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215**

**COOK COUNTY, ILLINOIS**

**GENERAL OBLIGATION REFUNDING SCHOOL BOND, SERIES 2012B**

[6] This Bond is one of a series of bonds issued by the District for the purpose of refunding certain outstanding bonds of the District, 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 said Board of Education by a resolution duly and properly adopted for that purpose, in all respects as provided by law.

[7] [Optional and mandatory redemption provisions, as applicable.]

[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 Kansas City, Missouri, 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 1st day of March, 2013, without any further authorization or direction from the Board, to sell 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 the purchaser thereof, BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being not less than 98.0% of the principal amount of the Bonds (exclusive of original issue discount) plus accrued interest to date of delivery.

Prior to the sale of the Bonds, the President of the Board or the Superintendent or business official of the District is hereby authorized to approve and execute a commitment for the purchase of a Municipal Bond Insurance Policy (as hereinafter defined), to further secure the Bonds, as long as the present value of the fee to be paid for the Municipal Bond Insurance Policy (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 Municipal Bond Insurance Policy.

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 and that the net present value debt service savings to the District as a result of the issuance of the Bonds and the refunding of the Refunded Bonds is not less than 2.50% of the principal amount of the Refunded Bonds. 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 interested, directly or indirectly, in his or her own name or 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 sufficient to pay the interest on the Bonds as it falls due, and also to pay and discharge the principal thereof at maturity, there be and there is hereby levied upon all the taxable property within the District a direct annual tax for each of the years while the Bonds or any of them are outstanding, in amounts sufficient for that purpose, and that there be and there is hereby levied upon all of the taxable property in the District, the following direct annual tax, to-wit:

FOR THE YEAR	A TAX SUFFICIENT TO PRODUCE THE SUM OF:	
2012	\$766,000.00	for interest and principal up to and including December 1, 2013
2013	\$766,000.00	for interest and principal
2014	\$766,000.00	for interest and principal
2015	\$766,000.00	for interest and principal
2016	\$766,000.00	for interest and principal
2017	\$766,000.00	for interest and principal
2018	\$766,000.00	for interest and principal
2019	\$766,000.00	for interest and principal
2020	\$766,000.00	for interest and principal
2021	\$766,000.00	for interest and principal
2022	\$766,000.00	for interest and principal
2023	\$766,000.00	for interest and principal
2024	\$766,000.00	for interest and principal
2025	\$766,000.00	for interest and principal
2026	\$766,000.00	for interest and principal
2027	\$766,000.00	for interest and principal
2028	\$766,000.00	for interest and principal
2029	\$766,000.00	for interest and principal
2030	\$766,000.00	for interest and principal

FOR THE YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2031

\$766,000.00 for interest and principal

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

The District covenants and agrees with the purchasers and the holders of the Bonds that so long as any of the Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to levy and collect the foregoing tax levy and the District and its officers will comply with all present and future applicable laws in order to assure that the foregoing taxes will be levied, extended and collected as provided herein and deposited in the fund established to pay the principal of and interest on the Bonds.

*Section 10. Filing of Resolution and Certificate of Reduction of Taxes.* 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 2012 to 2031, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "Refunding Bond and Interest Sinking Fund Account of

2012” (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.

The President and Secretary of the Board and the School Treasurer who receives the taxes of the District be and the same are hereby directed to prepare and file with the County Clerk, a Certificate of Reduction of Taxes Heretofore Levied for the Payment of Bonds showing the Prior Bonds being refunded and directing the abatement of the taxes heretofore levied for the years 2012 to 2021, inclusive, to pay the Refunded Bonds, all as provided by Section 19-23 of the School Code of the State of Illinois, as amended.

*Section 11. Use of Taxes Heretofore Levied.* All proceeds received or to be received from any taxes heretofore levied to pay principal and interest on the Refunded Bonds, including the proceeds received or to be received from the taxes levied for the year 2011 for such purpose, shall be used to pay the principal of and interest on the Refunded Bonds and to the extent that such proceeds are not needed for such purpose because of the establishment of the escrow referred to in Section 12 hereof, the same shall be deposited into the Bond Fund and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Resolution.

*Section 12. Use of Bond Proceeds.* 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. Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds, together with any premium received from the sale of the Bonds and such additional amounts as may be necessary from the general funds of the District, are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of refunding the Refunded Bonds. That portion thereof not needed to pay such costs of issuance is hereby ordered deposited in escrow pursuant to an escrow agreement, in the form now before the

Board (the "*Escrow Agreement*") and attached as *Exhibit A* hereto, to be entered into between the District and UMB Bank, National Association, Kansas City, Missouri, as escrow agent (the "*Escrow Agent*"), and made a part hereof by this reference, or with such changes therein as shall be approved by the officers of the District executing the Escrow Agreement, such execution to constitute evidence of the approval of such changes, for the purpose of refunding the Refunded Bonds. The Board approves the form, terms and provisions of the Escrow Agreement and directs the President of the Board to execute, attest, seal and deliver the Escrow Agreement in the name and on behalf of the District. Amounts in the escrow will be held in cash or will be used to purchase U.S. Treasury Securities (the "*Government Securities*"), in each case sufficient to provide for the refunding of the Refunded Bonds. The Escrow Agent is hereby authorized to act as agent for the District in the purchase of the Government Securities. At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds.

*Section 13. Call of the Refunded Bonds.* In accordance with the redemption provisions of the resolution authorizing the issuance of the Refunded Bonds, the District by the Board does hereby make provisions for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds for redemption on the date (not later than 90 days after the date of issuance of the Bonds) set forth in the Notification of Sale.

*Section 14. Non-Arbitrage and Tax-Exemption.* 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 Internal Revenue Code of 1986, as amended (the "*Code*"), or would otherwise cause the interest on the Bonds to be

included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the “IRS”) of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a “taxpayer” in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination.

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 in 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 15. Designation of Issue.* The District hereby designates the Bonds as a “qualified tax-exempt obligation” for the purposes and within the meaning of Section 265(b)(3) of the Code.

*Section 16. 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 17. 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 18. 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

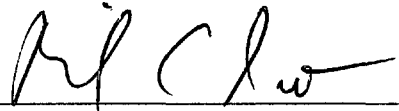
behalf of the District as herein provided, the Continuing Disclosure Undertaking will be binding on the District and the officers, employees and agents of the District, and the officers, employees and agents of the District are hereby authorized, empowered and directed to do all such acts and things 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.

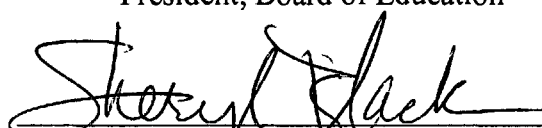
*Section 19. Municipal Bond Insurance.* In the event the payment of principal and interest on the Bonds is insured pursuant to a municipal bond insurance policy (the "*Municipal Bond Insurance Policy*") issued by a bond insurer (the "*Bond Insurer*"), and as long as such Municipal Bond Insurance Policy 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 20. 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 21. 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 November 27, 2012.

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

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



**EXHIBIT A**

**FORM OF ESCROW AGREEMENT**

December 19, 2012

UMB Bank, National Association  
1010 Grand Boulevard  
Kansas City, Missouri 64106

Re: Township High School District Number 215  
Cook County, Illinois  
General Obligation Refunding School Bonds, Series 2012B

Ladies and Gentlemen:

Township High School District Number 215, Cook County, Illinois (the "*District*"), by a resolution adopted by its Board of Education on the 27th day of November, 2012, as supplemented by a notification of sale (together, the "*Bond Resolution*"), has authorized the issue and delivery of \$6,635,000 General Obligation Refunding School Bonds, Series 2012B, dated December 19, 2012 (the "*Bonds*"). The District has authorized by the Bond Resolution that the proceeds of the Bonds be used to refund \$6,015,000 School Bonds, Series 2002, dated December 15, 2002, due on or after December 1, 2013 (the "*Prior Bonds*"), of the District.

The District will deposit \$\_\_\_\_\_ from the proceeds of the Bonds (the "*Proceeds*") with you and you are hereby instructed as follows with respect thereto:

[1. Upon deposit, you are directed to purchase U.S. Treasury Securities (the "*Securities*") in the amount of \$\_\_\_\_\_ and maturing as described in *Exhibit A* hereto. The Proceeds are to be held in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Prior Bonds.]

[1. Upon deposit, you are directed to fund a beginning cash escrow deposit on demand in the amount of \$\_\_\_\_\_. The beginning cash escrow deposit is to be held in cash in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Prior Bonds.]

2. You shall hold the Proceeds[ and interest income or profit derived therefrom] and all uninvested cash in the Trust Account for the sole and exclusive benefit of the holders of the Prior Bonds until payment of the Prior Bonds is made at the call date thereof, January 16, 2013.

3. You shall promptly collect the principal, interest or profit from the Proceeds and promptly apply the same, altogether with the initial cash deposit, as necessary to the payment of the Prior Bonds as herein provided.

4. You shall remit the sum of \$ \_\_\_\_\_ on January 16, 2013, to U.S. Bank National Association, Chicago, Illinois, as successor to LaSalle Bank National Association, Chicago, Illinois, as bond registrar and paying agent for the Prior Bonds, such sum being sufficient to pay the principal of the Prior Bonds on such date, and such remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.

5. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Prior Bonds. The District shall pay the same as they become due.

6. If at any time it shall appear to you that the available Proceeds on demand in the Trust Account will not be sufficient to pay the Prior Bonds on the date and in the amount set forth in paragraph 5 above, you shall notify the District not less than five (5) days prior to such date and the District shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

7. That, upon final disbursement of funds sufficient to pay the Prior Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the District and thereupon this Agreement shall terminate.

Very truly yours,

TOWNSHIP HIGH SCHOOL DISTRICT  
NUMBER 215, COOK COUNTY, ILLINOIS

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

Accepted this 19th day of December, 2012.

UMB BANK, NATIONAL ASSOCIATION  
Kansas City, Missouri

By \_\_\_\_\_  
Authorized Signatory

[EXHIBIT A

U.S. TREASURY SECURITIES

TYPE OF SECURITY	MATURITY DATE	PAR AMOUNT	RATE
_____	January 16, 2013	\$_____	_____%

]

Member Bolz moved and Member Swibes  
seconded the motion that said resolution as presented and read by title be adopted.

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

Upon the roll being called, the following members voted AYE: \_\_\_\_\_  
BLACK, BOLZ, OBERMAN, REVIS, SWIBES, YOCHER, DUST

The following members voted NAY: NONE

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

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

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

  
Secretary Board of Education

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

**CERTIFICATION OF MINUTES AND RESOLUTION**

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

I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 27th day of November, 2012, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

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

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 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 WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of November, 2012.

  
Secretary Board of Education

Board of Education Agenda  
 Thornton Fractional Township H.S. District 215  
 Regular Meeting

**Tuesday, November 27, 2012**

**7:00 p.m.**

**T.F. Center**

**1605 Wentworth Avenue – Calumet City, IL**

**6:00 p.m. – IT Committee**

**6:30 p.m. – Building & Grounds and Finance Committee**

**7:00 p.m. Bond Sale Hearing**

**Regular meeting to immediately following hearing.**

	I.	Call To Order – Pledge of Allegiance	
	II.	Roll Call	
	III.	Communications A. Board 1. Freedom of Information Report B. Community Public Comment C. Staff Updates 1. Principal Updates 2. District Updates	
	IV.	Future Meetings A. Regular Meeting: December 18, 2012 – 7:00 p.m.	
Action	V.	Approval of Minutes – Open & Closed (Consent Agenda) A. Regular Mtg.: 10.23.12    D. B & G/Finance: 10.23.12 B. Curriculum: 11.19.12    E. Communication: 11.12.12 C. Special Mtg.: 11.1.12	
Action	VI.	Old Business: A. Policy Revisions – 2nd Readings 6000 – Curriculum Section 6110 – Access to Electronic Networks	Exhibit 1
Action		B. 2012 Tax levy 1. Adopt 2012 Tax Levy Resolution 2. Approve the Truth in Taxation Certificate of Compliance 3. Approve the Certificate of Tax Levy for 2012 4. Approve Bond Issue 2009A Levy Abatement Resolution 5. Approve Bond Issue 2009B Levy Abatement Resolution	Exhibit 2
Action		C. Consideration and action on a resolution providing for the issuance of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A.	Exhibit 3
Action		D. Consideration and action on a resolution providing for the issuance of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B.	



Tuesday, November 27, 2012  
 7:00 p.m.  
 T.F. Center  
 1605 Wentworth Avenue – Calumet City, Illinois

Action	VII.	New Business: C. 2012 Audit Acceptance	Exhibit 4
Action Action	VIII.	Closed Session A. Personnel: Employment, Compensation, Discipline, Performance, or Dismissal for Specific Employees B. Pending Litigation	
Action Action	IX.	Superintendent's Report A. Financial Report (Consent Agenda) B. Personnel Report (Consent Agenda)	Exhibit 5 Exhibit 6
Action	X.	Other Matters A. Student Discipline: # 806177	
	XI.	Adjourn	

STATE OF ILLINOIS        )  
  ) SS  
COUNTY OF COOK        )

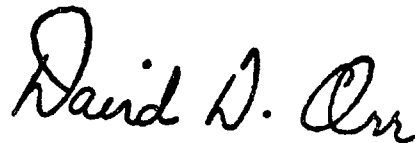
**FILING CERTIFICATE**

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 18 day of December, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of 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 November, 2012, 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 18 day of December 2012.



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

(SEAL)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK         )

**FILING CERTIFICATE**

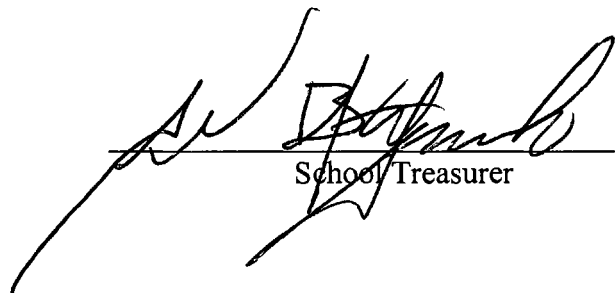
I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 215, Cook County, Illinois (the "*District*"), and as such official I do further certify that on the 27th day of November, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

duly adopted by the Board of Education of the District on the 27th day of November, 2012, and that the same has been deposited in the official files and records of my office.

I do further certify that the description of the outstanding School Bonds, Series 2002, dated December 15, 2002, of the District set forth in the Escrow Agreement referred to in Section 12 of said resolution is accurate, and that said bonds are presently outstanding and unpaid and are binding and subsisting legal obligations of the District and have never been refunded by the District.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of November, 2012.

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

**TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215, COOK COUNTY, ILLINOIS  
\$1,500,000 GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2012A  
\$6,175,000 GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2012B**

---

**BOND PURCHASE AGREEMENT**

---

December 6, 2012

Township High School District Number 215  
1601 Wentworth Avenue  
Calumet City, Illinois 60409

Ladies and Gentlemen:

The undersigned, BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*"), offers to purchase from Township High School District Number 215, Cook County, Illinois (the "*District*"), all (but not less than all) of the \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the "*2012A Bonds*"), and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (the "*2012B Bonds*" and together with the 2012A Bonds, the "*Bonds*"), of the District. This offer is made subject to the District's acceptance of this Bond Purchase Agreement (this "*Agreement*") on or before 9:00 p.m., Central Daylight Saving Time, on the date hereof. Upon the District's acceptance of this offer, it will be binding upon the District and upon the Underwriter.

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

2. (a) Concurrently with the execution hereof, the District will approve an Official Statement (the "*Official Statement*") in substantially the form of the Preliminary Official Statement of the District, dated November 28, 2012, relating to the Bonds (the "*Preliminary Official Statement*"), with such changes from the Preliminary Official Statement as the Underwriter and the District shall approve, and will deliver two bond resolutions adopted by the Board of Education of the District (the "*Board*") on the 27th day of November, 2012 (collectively, the "*Bond Resolutions*"), and two related notifications of sale, dated the date hereof (collectively, the "*Notifications of Sale*"). The Underwriter is authorized by the District to use these documents and the information contained in them in connection with the public

offering and sale of the Bonds. The District has heretofore deemed the Preliminary Official Statement to be “final” as of its date for purposes of paragraph (b)(1) of Rule 15c2-12 of the Securities and Exchange Commission (the “*Commission*”) under the Securities Exchange Act of 1934, as amended (“*Rule 15c2-12*”). The District hereby agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

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

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

(a) the District has and will have at the Closing the power and authority to enter into and perform this Agreement, that certain Escrow Agreement dated the date of delivery of the Bonds (the “*Escrow Agreement*”) between the District and UMB Bank, National Association, Kansas City, Missouri, as escrow agent (the “*Escrow Agent*”), to adopt the Bond Resolutions, to refund the Refunded Bonds (as such term is defined in the Bond Resolutions) and to deliver and sell the Bonds to the Underwriter;

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

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

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

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

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

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

(h) the District's audited general purpose financial statements as of and for the fiscal year ended June 30, 2012, are a fair presentation of the financial position of the District as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2012, there has been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the audited financial statements as of and for the period ended that date, except as disclosed in the Official Statement; and the District has not since June 30, 2012, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as disclosed in the Official Statement;

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

(j) each representation, warranty or agreement stated in any certificate signed by any officer of the District and delivered to the Underwriter in connection with the transactions contemplated by the Bond Resolutions, the Escrow Agreement, the Refunded Bonds and this Agreement at or before the Closing, shall constitute a

representation, warranty or agreement by the District upon which the Underwriter shall be entitled to rely; and

(k) if between the date of this Agreement and 25 days following the “end of the underwriting period” (as defined in Rule 15c2-12) any event shall occur which, in the District’s opinion, might or would cause the Official Statement to contain any untrue statement of a material fact or to omit to state any material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading, the District shall notify the Underwriter, and if, in the opinion of the Underwriter, such event requires the preparation and publication of a supplement or amendment to the Official Statement, the District will supplement or amend the Official Statement in a form and in a manner approved by the Underwriter; any approval by the Underwriter of such supplement or amendment to the Official Statement prior to the Closing shall not preclude the Underwriter from thereafter terminating this Agreement, and if the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Agreement by notification to the District at any time prior to the Closing, if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

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

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

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

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

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

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

(f) A fully executed copy of the Undertaking;

(g) Certified copies of the Bond Resolutions and fully executed copies of the Notifications of Sale;

(h) A fully executed copy of the Escrow Agreement; and

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

5. The fees and disbursements of counsel to the District, Bond Counsel and Disclosure Counsel, the cost of preparing and printing the Bonds, the cost of obtaining any ratings in connection with the issuance of the Bonds, including rating agency fees, the fees of the bond registrar and paying agent for the Bonds, the fees of the Escrow Agent, the cost of printing and mailing the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds, including the assignment of CUSIP identification numbers, shall all be the obligation of the District and are further described in *Exhibit A*.

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

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

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



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

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

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

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

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

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

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

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

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

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

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

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

(l) the rating of any of the District's securities (including the Bonds) shall have been downgraded or withdrawn by a national rating service, the effect of which, in the opinion of the Underwriter, is to materially adversely affect the market price of the Bonds or the Underwriter's ability to underwrite the Bonds; or

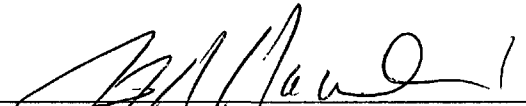
(m) the purchase of and payment for the Bonds by the Underwriter, or the resale of the Bonds by the Underwriter, on the terms and conditions herein provided shall be prohibited by any applicable law, governmental authority, board, agency or commission.

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

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

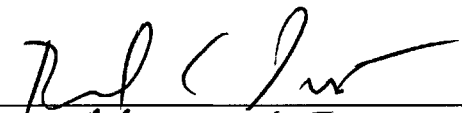
Very truly yours,

BMO CAPITAL MARKETS GKST INC.,  
Chicago, Illinois

By:   
Its: Managing Director

Accepted on behalf of

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER  
215, COOK COUNTY, ILLINOIS

By:   
Its: PRESIDENT

**EXHIBIT A**

**DESCRIPTION OF THE BONDS**

1. PURCHASE PRICE: \$8,152,511.70 (representing the \$7,675,000 aggregate principal amount of the Bonds, plus net original issue premium of \$536,762.70, less an underwriting discount of \$59,251.00).

2. DETAILS: (a) Series 2012A Bonds — The Series 2012A Bonds shall be issued in an aggregate principal amount of \$1,500,000, shall be dated the date of their issuance, and shall become due and payable (with option of prior redemption as stated below) on December 1 of the year, in the amount, bearing interest at the rate per annum and reoffered at the yield per annum as follows:

YEAR	AMOUNT	INTEREST RATE	YIELD
2032	\$ 1,500,000	3.125%	3.150%

(b) Series 2012B Bonds — The Series 2012B Bonds shall be issued in an aggregate principal amount of \$6,175,000 shall be dated the date of their issuance, and shall become due and payable serially (without option of prior redemption) on December 1 of the years, in the amounts, bearing interest at the rates per annum and reoffered at the yields per annum as follows:

YEAR	AMOUNT	INTEREST RATE	YIELD
2013	\$ 555,000	2.00%	0.85%
2014	555,000	2.00%	1.00%
2015	565,000	3.00%	1.15%
2016	585,000	3.00%	1.30%
2017	600,000	3.00%	1.45%
2018	620,000	3.00%	1.58%
2019	635,000	3.00%	1.73%
2020	660,000	4.00%	1.92%
2021	685,000	4.00%	2.13%
2022	715,000	4.00%	2.32%

Interest on the Bonds will be payable on each June 1 and December 1, commencing June 1, 2013.

3. FORM: The Bonds shall be delivered in the form of a separate, single, certificated, fully registered Bond for each of the maturities of each series set forth above, and each such Bond shall be registered in the name of Cede & Co., as nominee of The Depository Trust Company (“DTC”), all as provided in the Bond Resolutions. The Bonds shall be available at such place as is designated by the Underwriter in New York, New York, or such other place as

the Underwriter and the District agree upon, for examination and packaging by the Underwriter at least 24 hours prior to the Closing and at Closing shall be delivered to the Underwriter through the facilities of DTC.

4. REDEMPTION: The Series 2012A Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2022, at the redemption price of par plus accrued interest to the redemption date. The Series 2012B Bonds are not subject to optional redemption prior to maturity.

The Series 2012A Bonds due on December 1, 2032 are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 1, 2032

YEAR	PRINCIPAL AMOUNT
2030	\$40,000
2031	720,000
2032	740,000 (stated maturity)

5. CLOSING DATE: December 20, 2012, or such other date mutually agreed to by the District and the Underwriter.

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

7. ADDITIONAL CLOSING AND OTHER DOCUMENTS:

- (a) A letter of representations to DTC, in the form executed by the District.
- (b) Evidence satisfactory to the Underwriter that the Bonds have a rating of "AA-" (Stable Outlook) by Standard & Poor's Ratings Service.
- (c) A copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G.

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

Chapman and Cutler LLP	Bond Counsel and Disclosure Counsel	\$65,000.00
Standard & Poor's	Rating Agency	12,000.00
UMB Bank, National Association	Paying Agent/Bond Registrar	300.00
The Sandner Group	Surety Bond	700.00
	TOTAL	\$78,000.00

## RULE 15c2-12 CERTIFICATE

The undersigned hereby certifies and represents to BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*"), that s/he is a duly elected or appointed and acting official of Township High School District Number 215, Cook County, Illinois (the "*Issuer*") authorized to execute and deliver this certificate and further certifies on behalf of the Issuer to the Underwriter as follows:


(1) This certificate is delivered to enable the Underwriter to comply with Rule 15c2-12 under the Securities Exchange Act of 1934 (the "*Rule*") in connection with the offering and sale of the General Obligation Limited School Bonds, Series 2012A and the General Obligation Refunding School Bonds, Series 2012B (collectively, the "*Bonds*").

(2) In connection with the offering and sale of the Bonds, there has been prepared a Preliminary Official Statement, dated the date hereof, setting forth information concerning the Bonds (the "*Preliminary Official Statement*").

(3) The information contained in the Preliminary Official Statement is hereby deemed final within the meaning of the Rule as of this date, except for the information permitted to be omitted from the Preliminary Official Statement pursuant to paragraph (b)(1) of the Rule.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of November, 2012.

TOWNSHIP HIGH SCHOOL DISTRICT  
NUMBER 215, COOK COUNTY, ILLINOIS

By:   
Title: Director of Finance

NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED

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

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

**Township High School District Number 215**  
**Cook County, Illinois**  
**(Thornton Fractional)**  
**\$1,500,000 General Obligation Limited School Bonds, Series 2012A**  
**\$6,175,000 General Obligation Refunding School Bonds, Series 2012B**

**Dated: December 20, 2012**

**Due: December 1, as shown on the inside cover page**

The General Obligation Limited School Bonds, Series 2012A (the "Series 2012A Bonds"), and General Obligation Refunding School Bonds, Series 2012B (the "Series 2012B Bonds" and, together with the Series 2012A Bonds, the "Bonds") of Township High School District Number 215, Cook County, Illinois (the "District"), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2013.

Proceeds of the Series 2012A Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Series 2012A Bonds and (iii) pay costs associated with the issuance of the Series 2012A Bonds.

Proceeds of the Series 2012B Bonds will be used to (i) currently refund certain of the District's outstanding School Bonds, Series 2002, dated December 15, 2002, and (ii) pay costs associated with the issuance of the Series 2012B Bonds.

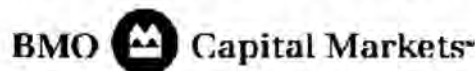
The Series 2012A Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2022, at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.

The Series 2012B Bonds are not subject to redemption prior to maturity.

In the opinion of Bond Counsel, the Series 2012A Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, 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 Series 2012A Bonds and the enforceability of the Series 2012A 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 Series 2012A Bonds is, however, limited as provided by law. See "THE BONDS—Security - Series 2012A Bonds" herein.

In the opinion of Bond Counsel, the Series 2012B Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Series 2012B Bonds and the enforceability of the Series 2012B 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. See "THE BONDS—Security - Series 2012B Bonds" herein.

*The Bonds are offered when, as and if issued by the District and received by BMO Capital Markets GKST Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about December 20, 2012.*



The date of this Official Statement is December 6, 2012.



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

**\$1,500,000 GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2012A**

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

\$1,500,000 3.125% Term Bond due December 1, 2032, Yield 3.150% CUSIP\* 215651 JC5

**\$6,175,000 GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2012B**

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER* (215651)
2013	\$555,000	2.00%	0.85%	JD3
2014	555,000	2.00%	1.00%	JE1
2015	565,000	3.00%	1.15%	JF8
2016	585,000	3.00%	1.30%	JG6
2017	600,000	3.00%	1.45%	JH4
2018	620,000	3.00%	1.58%	JJ0
2019	635,000	3.00%	1.73%	JK7
2020	660,000	4.00%	1.92%	JL5
2021	685,000	4.00%	2.13%	JM3
2022	715,000	4.00%	2.32%	JN1

---

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

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

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

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

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

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

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

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

## OFFICIAL STATEMENT SUMMARY

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

Issuer: .....	Township High School District Number 215, Cook County, Illinois.
Issue: .....	\$1,500,000 General Obligation Limited School Bonds, Series 2012A and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B.
Dated Date:.....	Date of Delivery.
Book-Entry Only Form: .....	The Bonds are issued as fully registered bonds, registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York, in \$5,000 denominations or integral multiples thereof, and will be in Book-Entry Only Form.
Expected Delivery Date: .....	December 20, 2012.
Interest Payment Dates: .....	Each June 1 and December 1, commencing June 1, 2013.
Principal or Mandatory Sinking Fund Payment Dates: .....	For the Series 2012A Bonds, each December 1, beginning December 1, 2030 and ending December 1, 2032, and for the Series 2012B Bonds, each December 1, beginning December 1, 2013 and ending December 1, 2022, as described on the inside cover page of this Official Statement.
Record Date:.....	The close of the business day on the 15th day of the calendar month next preceding any principal or interest payment date.
Optional Redemption: .....	The Series 2012A Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2022, at the redemption price of par plus accrued interest to the redemption date. See "THE BONDS—Redemption" herein.  The Series 2012B Bonds are not subject to redemption prior to maturity.

Authority and Purpose: .....

The Bonds are being issued pursuant to the School Code of the State of Illinois, as amended, the Local Government Debt Reform Act of the State of Illinois, as amended, and separate bond resolutions adopted by the Board of Education of the District on the 27th day of November, 2012, as supplemented by two related notifications of sale.

Proceeds of the Series 2012A Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Series 2012A Bonds and (iii) pay costs associated with the issuance of the Series 2012A Bonds.

Proceeds of the Series 2012B Bonds will be used to (i) currently refund certain of the District's outstanding School Bonds, Series 2002, dated December 15, 2002, and (ii) pay costs associated with the issuance of the Series 2012B Bonds.

Security: .....

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Series 2012A Bonds are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, 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 Series 2012A Bonds and the enforceability of the Series 2012A 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 Series 2012A Bonds is, however, limited as provided by law. See "THE BONDS—Security-Series 2012A Bonds" herein.

In the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, the Series 2012B Bonds are valid and legally binding upon the District and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Series 2012B Bonds and the enforceability of the Series 2012B Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors'

rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See “THE BONDS—Security-Series 2012B Bonds” herein.

Tax Exemption: ..... Chapman and Cutler LLP will provide opinions as to the federal tax exemption of the interest on the Bonds. See “APPENDIX A—Proposed Forms of Opinions of Bond Counsel.”

Paying Agent/Registrar: ..... UMB Bank, National Association, Kansas City, Missouri.

Bond Rating: ..... Standard & Poor’s, New York, New York has assigned the Bonds a rating of “AA-” (Stable Outlook).

Legal Opinion: ..... Chapman and Cutler LLP, Chicago, Illinois.

## TABLE OF CONTENTS

	PAGE
INTRODUCTION .....	2
THE BONDS .....	2
Authority and Purpose.....	2
General Description .....	2
Registration and Transfer .....	2
Redemption.....	2
Security-Series 2012A Bonds.....	4
Debt Service Extension Base Availability after Issuance of the Bonds.....	5
Security-Series 2012B Bonds.....	6
The Refunding .....	7
Sources and Uses .....	8
BOOK-ENTRY ONLY SYSTEM .....	8
THE DISTRICT.....	11
General Description .....	11
District Administration.....	11
Board of Education .....	12
Enrollment .....	12
Employee Union Membership and Relations .....	12
Population Data.....	12
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT .....	13
Summary of Outstanding Debt .....	13
Direct General Obligation Bonded Debt (Principal Only).....	14
Direct General Obligation Bonded Debt (Principal and Interest).....	15
Alternate Revenue Bonds (Principal Only) .....	16
Overlapping General Obligation Bonded Debt .....	17
Selected Financial Information .....	17
Statutory Debt Limit .....	18
Composition of Equalized Assessed Valuation.....	18
Trend of Equalized Assessed Valuation.....	18
Taxes Extended and Collected.....	19
School District Tax Rates by Purpose 2007-2011 .....	19
2007-2011 Representative Total Tax Rates.....	20
Ten Largest Taxpayers .....	20
Retailers' Occupation, Service Occupation and Use Tax .....	21
Construction.....	21
Specified Owner-Occupied Units .....	22
Largest Employers .....	23
Unemployment Rates .....	24
Employment by Industry .....	24
Employment by Occupation .....	25
Median Household Income.....	26
Per Capita Income .....	27



AUDITED FINANCIAL STATEMENTS.....	27
WORKING CASH FUND.....	28
SCHOOL DISTRICT FINANCIAL PROFILE .....	28
STATE AID.....	30
General .....	30
General State Aid.....	30
Supplementary State Aid.....	32
Mandated Categorical State Aid.....	32
Competitive Grant State Aid .....	33
Payment for Mandated Categorical State Aid and Competitive Grant State Aid.....	33
SHORT-TERM BORROWING.....	34
FUTURE DEBT.....	34
DEFAULT RECORD .....	34
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION.....	34
Summary of Property Assessment, Tax Levy and Collection Procedures.....	34
Real Property Assessment .....	35
Equalization .....	37
Exemptions .....	38
Tax Levy.....	40
Property Tax Extension Limitation Law .....	40
Extensions.....	41
Collections.....	41
Truth in Taxation Law.....	42
BOND RATING .....	43
TAX EXEMPTION.....	43
QUALIFIED TAX-EXEMPT OBLIGATIONS .....	46
RETIREMENT PLANS.....	46
Teachers' Retirement System of the State of Illinois.....	46
Illinois Municipal Retirement Fund.....	47
CONTINUING DISCLOSURE .....	47
CERTAIN LEGAL MATTERS.....	48
NO LITIGATION.....	49
UNDERWRITING.....	49
AUTHORIZATION.....	50

**EXHIBITS**

- Exhibit A — Combined Statement of Revenues, Expenditures and Changes in Fund Balance, 2008-2012
- Exhibit B — General Fund Revenue Sources, Fiscal Years Ending June 30, 2008-2012

**APPENDICES**

- Appendix A — Proposed Form of Opinion of Bond Counsel
- Appendix B — Continuing Disclosure Undertaking
- Appendix C — Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2012

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

1601 Wentworth Avenue  
Calumet City, Illinois 60409

**Board of Education**

Richard Dust  
*President*

Michael Bolz

Sheryl Black  
*Secretary*

Rita Oberman

Don Swibes

LeeAnn Revis  
*Vice President*

Roger Yochem

**Administration**

Dr. Creg E. Williams  
*Superintendent*

Charles DiMartino  
*Director of Finance*

Thomas Stefaniak  
*School Treasurer*

**Professional Services**

*Underwriter*

BMO Capital Markets GKST Inc.  
Chicago, Illinois

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

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

*Auditor*

John Kasperek Co., Inc.  
Calumet City, Illinois



[THIS PAGE INTENTIONALLY LEFT BLANK]

**OFFICIAL STATEMENT**

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

**\$1,500,000 General Obligation Limited School Bonds, Series 2012A  
\$6,175,000 General Obligation Refunding School Bonds, Series 2012B**

**INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the offering and sale of its General Obligation Limited School Bonds, Series 2012A (the "*Series 2012A Bonds*"), and General Obligation Refunding School Bonds, Series 2012B (the "*Series 2012B Bonds*" and, together with the Series 2012A Bonds, the "*Bonds*").

**THE BONDS**

**AUTHORITY AND PURPOSE**

The Bonds are being issued pursuant to the School Code of the State of Illinois (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and separate bond resolutions adopted by the Board of Education of the District (the "*Board*") on the 27th day of November, 2012, as supplemented by separate notification of sale (collectively, the "*Bond Resolutions*").

Proceeds of the Series 2012A Bonds will be used to (i) increase the working cash fund of the District, (ii) pay capitalized interest on the Series 2012A Bonds and (iii) pay costs associated with the issuance of the Series 2012A Bonds.

Proceeds of the Series 2012B Bonds will be used to (i) currently refund certain of the District's outstanding School Bonds, Series 2002, dated December 15, 2002 (the "*Series 2002 Bonds*," and those Series 2002 Bonds being refunded, the "*Refunded Bonds*"), and (ii) pay costs associated with the issuance of the Series 2012B Bonds.

**GENERAL DESCRIPTION**

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

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2013.

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

#### REGISTRATION AND TRANSFER

The Registrar will maintain books for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

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

#### REDEMPTION

*Optional Redemption.* The Series 2012A Bonds are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2022, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. The Series 2012B Bonds are not subject to optional redemption prior to maturity.

*Mandatory Sinking Fund Redemption.* The Series 2012A Bonds due on December 1, 2032 are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE SERIES 2012A BONDS DUE DECEMBER 1, 2032

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000
2032	740,000 (stated maturity)

The principal amounts of Series 2012A Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such Series 2012A Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase Series 2012A Bonds required to be retired on such mandatory redemption date. Any such Series 2012A Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*General.* The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Series 2012A Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Series 2012A Bonds of a single maturity, the particular Series 2012A Bonds or portions of Series 2012A Bonds to be redeemed shall be selected by lot by the Registrar from the Series 2012A Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Series 2012A Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of Series 2012A Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of Series 2012A Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the Series 2012A Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the Series 2012A Bonds to be redeemed are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Series 2012A Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Series 2012A Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will

deposit with the Registrar an amount of money sufficient to pay the redemption price of all the Series 2012A Bonds or portions of Series 2012A Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Series 2012A Bonds or portions of Series 2012A Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Series 2012A Bonds or portions of Series 2012A Bonds shall cease to bear interest. Upon surrender of such Series 2012A Bonds for redemption in accordance with said notice, such Series 2012A Bonds will be paid by the Registrar at the redemption price.

#### SECURITY - SERIES 2012A BONDS

The Series 2012A Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("*Bond Counsel*"), will constitute valid and legally binding obligations of the District, are payable from any funds of the District legally available for such purpose, 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 Series 2012A Bonds and the enforceability of the Series 2012A 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 will be extended to pay the Series 2012A Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*").

The Debt Reform Act provides that the Series 2012A Bonds are payable solely 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 of 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, increased each year, commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law) during the 12-month calendar year preceding the levy year. The Limitation Law further provides that the annual amount of taxes to be extended to pay the Series 2012A Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

The Series 2012A Bonds constitute one of three series of limited bonds of the District that are payable from the Base. Payments on the Series 2012A Bonds from the Base will be made on a parity with the payments on the District's outstanding Limited Tax School Bonds, Series 2006 and General Obligation Limited School Bonds, Series 2011. 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 amount of the Base has been determined to be \$765,899.67, which is calculated as follows:

Original Debt Service Extension Base	\$712,630.00
Levy Year 2009 0.1% CPI Increase	<u>712.63</u>
Debt Service Extension Base Levy Year 2009	\$713,342.63
Levy Year 2010 2.7% CPI Increase	<u>19,260.25</u>
Debt Service Extension Base Levy Year 2010	\$732,602.88
Levy Year 2011 1.5% CPI Increase	<u>10,989.04</u>
Debt Service Extension Base Levy Year 2011	\$743,591.92
Levy Year 2012 3.0% CPI Increase	<u>22,307.75</u>
Debt Service Extension Base Levy Year 2012	\$765,899.67

The following chart shows the Base of the District, the debt service payable on the outstanding non-referendum bonds of the District and the Series 2012A Bonds, and the available Base after the issuance of the Series 2012A Bonds.

DEBT SERVICE EXTENSION BASE AVAILABILITY AFTER ISSUANCE OF THE SERIES 2012A BONDS

LEVY YEAR	DEBT SERVICE ON OUTSTANDING NON-REFERENDUM BONDS	PLUS: DEBT SERVICE ON THE BONDS	TOTAL DEBT SERVICE ON NON-REFERENDUM BONDS	DEBT SERVICE EXTENSION BASE	UNUSED DEBT SERVICE EXTENSION BASE
2012	\$742,618.76	\$ 44,401.04 <sup>(1)</sup>	\$787,019.80 <sup>(2)</sup>	\$765,899.67	\$ 23,280.91 <sup>(2)</sup>
2013	645,506.26	46,875.00	692,381.26	765,899.67	73,518.41
2014	645,606.26	46,875.00	692,481.26	765,899.67	73,418.41
2015	644,556.26	46,875.00	691,431.26	765,899.67	74,468.41
2016	647,306.26	46,875.00	694,181.26	765,899.67	71,718.41
2017	647,706.26	46,875.00	694,581.26	765,899.67	71,318.41
2018	646,556.26	46,875.00	693,431.26	765,899.67	72,468.41
2019	648,781.26	46,875.00	695,656.26	765,899.67	70,243.41
2020	649,068.76	46,875.00	695,943.76	765,899.67	69,955.91
2021	645,363.76	46,875.00	692,238.76	765,899.67	73,660.91
2022	647,863.76	46,875.00	694,738.76	765,899.67	71,160.91
2023	645,895.00	46,875.00	692,770.00	765,899.67	73,129.67
2024	647,382.50	46,875.00	694,257.50	765,899.67	71,642.17
2025	647,032.50	46,875.00	693,907.50	765,899.67	71,992.17
2026	644,782.50	46,875.00	691,657.50	765,899.67	74,242.17
2027	645,712.50	46,875.00	692,587.50	765,899.67	73,312.17
2028	299,962.50	46,875.00	346,837.50	765,899.67	419,062.17
2029		86,875.00	86,875.00	765,899.67	679,024.67
2030		765,625.00	765,625.00	765,899.67	274.67
2031		763,125.00	763,125.00	765,899.67	2,774.67

(1) Portion paid from capitalized interest on the Series 2012A Bonds.  
(2) Does not include capitalized interest amounts.

The Bond Resolution for the Series 2012A Bonds provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Series 2012A Bonds. Such Bond Resolution will be filed with the County Clerk of Cook County, Illinois (the "County Clerk") and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in such Bond Resolution.

Reference is made to Appendix A-1 for the proposed form of opinion of Bond Counsel for the Series 2012A Bonds.

#### SECURITY - SERIES 2012B BONDS

The Series 2012B Bonds, in the opinion of Bond Counsel, will constitute valid and legally binding obligations of the District and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Series 2012B Bonds and the enforceability of the Series 2012B 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 Bond Resolution for the Series 2012B Bonds provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Series 2012B Bonds. Such Bond Resolution will be filed with the County Clerk and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in such Bond Resolution.

Reference is made to Appendix A-2 for the proposed form of opinion of Bond Counsel for the Series 2012B Bonds.

THE REFUNDING

A portion of the proceeds of the Series 2012B Bonds will be used to currently refund the Refunded Bonds, further described as follows:

<b>SERIES 2002 BONDS</b>					
MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT CURRENT REFUNDED BY BONDS	CALL PRICE	APPROXIMATE CALL DATE	CUSIP NUMBER (215651)
2012	\$ 470,000	\$ 0			DV9
2013	490,000	490,000	100%	January 15, 2013	DW7
2014	510,000	510,000	100%	January 15, 2013	DX5
2015	535,000	535,000	100%	January 15, 2013	DY3
2016	560,000	560,000	100%	January 15, 2013	DZ0
2017	585,000	585,000	100%	January 15, 2013	EA4
2018	610,000	610,000	100%	January 15, 2013	EB2
2019	635,000	635,000	100%	January 15, 2013	EC0
2020	665,000	665,000	100%	January 15, 2013	ED8
2021	695,000	695,000	100%	January 15, 2013	EE6
2022	<u>730,000</u>	<u>730,000</u>	100%	January 15, 2013	EF3
TOTAL	\$6,485,000	\$6,015,000			

Certain proceeds received from the sale of the Bonds will be deposited in an Escrow Account (the "*Escrow Account*") to be held by UMB Bank, National Association, Kansas City, Missouri (the "*Escrow Agent*"), under the terms of an Escrow Letter Agreement, dated as of the date of issuance of the Bonds (the "*Escrow Agreement*"), between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the "*Government Securities*") and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and a beginning cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the redemption date thereof.



## SOURCES AND USES

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

### SOURCES:

Principal Amount	\$ 7,675,000.00
Net Original Issue Premium	<u>536,762.70</u>

Total Sources	\$8,211,762.70
---------------	----------------

### USES:

Deposit to Escrow Account to pay Refunded Bonds	\$6,048,039.11
Deposit to Working Cash Fund	2,003,193.96
Capitalized Interest	21,121.04
Costs of Issuance*	<u>139,408.59</u>

Total Uses	\$8,211,762.70
------------	----------------

\* Includes underwriter's discount and other issuance costs.

## BOOK-ENTRY ONLY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered bonds registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers.

banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("*Indirect Participants*"). DTC is rated AA+ by Standard & Poor's Ratings Services ("*S&P*"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "*Commission*"). More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com) and [www.dtc.org](http://www.dtc.org).

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as

possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

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

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

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

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

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

## THE DISTRICT

### GENERAL DESCRIPTION

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

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

The District provides education for grades nine through twelve in three high school facilities and one administrative building. The District enrolled 3,563 students at the beginning of the 2012-2013 academic year.

### DISTRICT ADMINISTRATION

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

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

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

BOARD OF EDUCATION

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

ENROLLMENT

HISTORICAL		PROJECTED	
2008/2009	3,448	2013/2014	3,560
2009/2010	3,677	2014/2015	3,560
2010/2011	3,757	2015/2016	3,560
2011/2012	3,545	2016/2017	3,560
2012/2013	3,563	2017/2018	3,560

Source: Enrollment figures are provided by the District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2012-2013 school year, the District had 394 full-time employees and 2 part-time employees. Of the total number of employees, approximately 350 are represented by a union. Employee-union relations are considered to be good.

POPULATION DATA

The District has an estimated population of 60,428.

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

Source: U.S. Census Bureau

**FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT**

**SUMMARY OF OUTSTANDING DEBT<sup>(1)</sup>**

TYPE	DATED DATE	ORIGINAL AMOUNT OF ISSUE	CURRENT AMOUNT OUTSTANDING	FINAL MATURITY DATE
School Bonds, Series 2003	02/01/2006	\$9,000,000	\$5,350,000	12/01/2022
Limited Tax School Bonds, Series 2006	12/01/2006	4,000,000	385,000	12/01/2013
Limited School Bonds, Series 2011	05/17/2011	6,975,000	6,975,000	12/01/2029
The Series 2012A Bonds	12/20/2012	1,500,000	1,500,000	12/01/2032
The Series 2012B Bonds	12/20/2012	<u>6,175,000</u>	<u>6,175,000</u>	12/01/2022
<b>Total</b>		<b>\$37,645,000</b>	<b>\$20,385,000</b>	

<sup>(1)</sup> After issuance of the Bonds



DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2002 BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2003 BONDS <sup>(2)</sup> (DECEMBER 1)	SERIES 2006 BONDS <sup>(3)</sup> (DECEMBER 1)	SERIES 2011 BONDS <sup>(4)</sup> (DECEMBER 1)	PLUS: THE SERIES 2012A BONDS (DECEMBER 1)	PLUS: THE SERIES 2012B BONDS (DECEMBER 1)	LESS: THE REFUNDED BONDS	TOTAL OUTSTANDING BONDS	CUMULATIVE PERCENT RETIRED
2013	\$ 490,000	\$ 445,000	\$385,000	\$ 25,000		\$ 555,000	\$ 490,000	\$ 1,410,000	6.92%
2014	510,000	460,000		330,000		555,000	510,000	1,345,000	13.51%
2015	535,000	480,000		340,000		565,000	535,000	1,385,000	20.31%
2016	560,000	495,000		350,000		585,000	560,000	1,430,000	27.32%
2017	585,000	520,000		365,000		600,000	585,000	1,485,000	34.61%
2018	610,000	540,000		380,000		620,000	610,000	1,540,000	42.16%
2019	635,000	565,000		395,000		635,000	635,000	1,595,000	49.99%
2020	665,000	590,000		415,000		660,000	665,000	1,665,000	58.16%
2021	695,000	615,000		435,000		685,000	695,000	1,735,000	66.67%
2022	730,000	640,000		450,000		715,000	730,000	1,805,000	75.52%
2023				475,000				475,000	77.85%
2024				495,000				495,000	80.28%
2025				520,000				520,000	82.83%
2026				545,000				545,000	85.50%
2027				570,000				570,000	88.30%
2028				600,000				600,000	91.24%
2029				285,000				285,000	92.64%
2030					\$ 40,000 <sup>(5)</sup>			40,000	92.84%
2031					720,000 <sup>(5)</sup>			720,000	96.37%
2032					740,000			740,000	100.00%
Total	\$6,015,000	\$5,350,000	\$385,000	\$6,975,000	\$1,500,000	\$6,175,000	\$6,015,000	\$20,385,000	

- (1) School Bonds, Series 2002, dated December 15, 2002.
- (2) School Bonds, Series 2003, dated February 1, 2003.
- (3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.
- (4) General Obligation Limited School Bonds, Series 2011, dated May 17, 2011.
- (5) Mandatory sinking fund payment.

DIRECT GENERAL OBLIGATION BONDED DEBT (PRINCIPAL AND INTEREST)

LEVY YEAR	DEBT SERVICE ON SERIES 2002 BONDS <sup>(1)</sup>	DEBT SERVICE ON SERIES 2003 BONDS <sup>(2)</sup>	DEBT SERVICE ON SERIES 2006 BONDS <sup>(3)</sup>	DEBT SERVICE ON SERIES 2011 BONDS <sup>(4)</sup>	PLUS: DEBT SERVICE ON SERIES 2012A BONDS	PLUS: DEBT SERVICE ON SERIES 2012B THE BONDS	LESS: DEBT SERVICE ON THE REFUNDED BONDS	TOTAL DEBT SERVICE ON OUTSTANDING BONDS
2012	\$ 760,320.00	\$ 671,700.00	\$401,362.50	\$ 341,256.26	\$ 44,401.04	\$ 739,471.53	\$ 760,320.00	\$ 2,198,191.33
2013	758,270.00	669,790.00		645,506.26	46,875.00	738,650.00	758,270.00	2,100,821.26
2014	760,320.00	671,850.00		645,606.26	46,875.00	737,550.00	760,320.00	2,101,881.26
2015	761,245.00	667,650.00		644,556.26	46,875.00	740,600.00	761,245.00	2,099,681.26
2016	761,045.00	672,355.00		647,306.26	46,875.00	738,050.00	761,045.00	2,104,586.26
2017	760,890.00	670,515.00		647,706.26	46,875.00	740,050.00	760,890.00	2,105,146.26
2018	759,050.00	672,295.00		646,556.26	46,875.00	736,450.00	759,050.00	2,102,176.26
2019	760,475.00	672,435.00		648,781.26	46,875.00	742,400.00	760,475.00	2,110,491.26
2020	760,550.00	671,475.00		649,068.76	46,875.00	741,000.00	760,550.00	2,108,418.76
2021	763,580.00	668,800.00		645,363.76	46,875.00	743,600.00	763,580.00	2,104,638.76
2022				647,863.76	46,875.00			694,738.76
2023				645,895.00	46,875.00			692,770.00
2024				647,382.50	46,875.00			694,257.50
2025				647,032.50	46,875.00			693,907.50
2026				644,782.50	46,875.00			691,657.50
2027				645,712.50	46,875.00			692,587.50
2028				299,962.50	46,875.00			346,837.50
2029					86,875.00			86,875.00
2030					765,625.00			765,625.00
2031					763,125.00			763,125.00
TOTAL	\$7,605,745.00	\$6,708,865.00	\$401,362.50	\$10,340,338.86	\$2,410,026.04	\$7,397,821.53	\$7,605,745.00	\$27,258,413.93

- (1) School Bonds, Series 2002, dated December 15, 2002.
- (2) School Bonds, Series 2003, dated February 1, 2003.
- (3) Limited Tax School Bonds, Series 2006, dated December 1, 2006.
- (4) General Obligation Limited School Bonds, Series 2011, dated May 17, 2011.



ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2005 BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2009A BONDS <sup>(2)</sup> (DECEMBER 1)	SERIES 2009B BONDS <sup>(3)</sup> (DECEMBER 1)	TOTAL DEBT OUTSTANDING BONDS
2012	\$ 255,000	\$ 110,000		\$ 365,000
2013	270,000	110,000 <sup>(4)</sup>		380,000
2014	280,000	115,000		395,000
2015	295,000	120,000 <sup>(4)</sup>		415,000
2016	305,000	125,000		430,000
2017	320,000	130,000 <sup>(4)</sup>		450,000
2018	330,000	135,000		465,000
2019	345,000	125,000 <sup>(4)</sup>		470,000
2020	355,000	145,000	\$ 30,000 <sup>(4)</sup>	530,000
2021	370,000		160,000 <sup>(4)</sup>	530,000
2022	385,000		165,000 <sup>(4)</sup>	550,000
2023	400,000		175,000	575,000
2024	420,000		180,000 <sup>(4)</sup>	600,000
2025	435,000		185,000 <sup>(4)</sup>	620,000
2026			195,000	195,000
2027			205,000 <sup>(4)</sup>	205,000
2028			210,000 <sup>(4)</sup>	210,000
2029			220,000	220,000
<b>TOTAL</b>	<b>\$4,765,000</b>	<b>\$1,115,000</b>	<b>\$1,725,000</b>	<b>\$7,605,000</b>

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

OVERLAPPING GENERAL OBLIGATION BONDED DEBT  
(As of October 16, 2012)

TAXING BODY	OUTSTANDING DEBT <sup>(1)</sup>	PERCENT	AMOUNT
Cook County	\$3,817,190,000	0.53%	\$ 20,280,449
Cook County Forest Preserve District	139,425,000	0.53%	740,755
Metropolitan Water Reclamation District	2,360,535,090	0.54%	12,795,507
Village of Burnham	315,000	73.62%	231,911
City of Calumet City	55,310,000	56.71%	31,367,633
Village of Lansing	18,390,000	93.67%	17,226,369
Calumet Memorial Park District	3,380,000	55.13%	1,863,494
School District Number 154 1/2	678,000	100.00%	678,000
School District Number 155	50,765,717	99.19%	50,356,543
School District Number 156	4,575,000	100.00%	4,575,000
School District Number 157	7,670,000	65.60%	5,031,660
School District Number 158	3,050,177	100.00%	3,050,177
School District Number 171	6,780,000	95.65%	6,485,160
Community College District No. 510	14,957,342	22.01%	<u>3,291,651</u>
TOTAL OVERLAPPING DEBT			\$157,974,309

Source: Cook County Clerk's Office

(1) Does not include Alternate Revenue Bonds.

SELECTED FINANCIAL INFORMATION

2011 Estimated Full Value of Taxable Property:	\$2,436,196,710
2011 Equalized Assessed Valuation of Taxable Property:	\$ 812,065,570
General Obligation Bonded Debt (including this issue):	\$ 20,385,000
Other Direct General Obligation Debt:	\$ 376,840 <sup>(1)</sup>
Total Direct General Obligation Debt:	\$ 20,761,840
Percentage to Full Value of Taxable Property:	0.85%
Per Capita:	\$ 343.58
Overlapping General Obligation Bonded Debt:	\$ 133,234,173
General Obligation Bonded Debt and Overlapping General Obligation Bonded Debt:	\$ 153,619,173
Percentage to Full Value of Taxable Property:	6.31%
Per Capita:	\$ 2,542.19
Population Estimate:	60,428

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

STATUTORY DEBT LIMIT

	AMOUNT	% OF DEBT LIMIT
2011 Equalized Assessed Valuation	\$812,065,570	
Statutory Debt Limit @ 6.9%	56,032,524	100.00%
Bonded Debt Outstanding	18,725,000	
Other Direct Debt	376,840	
Plus: The Bonds	7,675,000	
Less: The Refunded Bonds	6,015,000	
Total Debt Applicable to the Limit	20,761,840	37.05%
Remaining Debt Margin	\$35,270,684	62.95%

COMPOSITION OF EQUALIZED ASSESSED VALUATION

	2007	2008	2009	2010	2011 <sup>(1)</sup>	PERCENT 2010
<b>By Property Type</b>						
Real Estate					\$807,931,678	
Residential	\$624,750,722	\$677,296,998	\$706,906,469	\$718,808,570		70.64%
Farm	113,953	107,885	66,088	63,396		0.01%
Commercial	165,883,246	181,069,904	221,284,178	186,095,928		18.29%
Industrial	119,760,403	133,613,272	115,099,751	108,861,797		10.70%
Railroad	<u>2,845,672</u>	<u>3,221,345</u>	<u>3,716,153</u>	<u>3,698,701</u>	<u>4,133,892</u>	0.36%
Total EAV	\$913,353,996	\$995,309,404	\$1,047,082,639	\$1,017,528,392	\$812,065,570	100.00%

Source: Cook County Clerk's Office

(1) Breakdown by property type for Cook County for 2011 is not yet available.

TREND OF EQUALIZED ASSESSED VALUATION

LEVY YEAR	EQUALIZED ASSESSED VALUATION	% CHANGE IN EAV FROM PREVIOUS YEAR
2007	\$ 913,353,996	+2.98% <sup>(1)</sup>
2008	995,309,404	+8.97%
2009	1,047,082,639	+5.20%
2010	1,017,528,392	-2.82%
2011	812,065,570	-20.19%

Source: Cook County Clerk's Office

(1) Based on the District's \$886,886,929 2006 EAV

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED <sup>(1)</sup>
2006/07	\$25,853,879	\$25,138,267	97.23%
2007/08	27,455,209	27,019,839	98.41%
2008/09	28,482,857	27,888,960	97.91%
2009/10	30,176,575	29,529,016	97.85%
2010/11	30,932,753	30,104,484	97.32%
2011/12 <sup>(2)</sup>	31,451,219	28,308,415	90.01%

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

(1) Represents gross taxes distributed to the District (prior to required refunds) from real estate taxes collected during each collection year. For the tax cycles represented herein, aggregate annual required refunds from gross taxes distributed to the District ranged from \$91,732 to \$1,064,499.

(2) In Process of Collection, as of September 30, 2012.

SCHOOL DISTRICT TAX RATES BY PURPOSE 2007-2011

(Per \$100 Equalized Assessed Valuation)

	2007	2008	2009	2010	2011
Educational Fund	\$2.1727	\$2.0610	\$2.1024	\$2.2231	\$2.8135
Bond & Interest Fund	0.2169	0.1988	0.1891	0.1944	0.2434
Operation & Building Fund	0.2736	0.2730	0.2597	0.2746	0.3470
IMRF	0.0301	0.0258	0.0245	0.0258	0.0387
Transportation	0.0629	0.0721	0.0783	0.0828	0.1046
Special Education	0.0170	0.0170	0.0162	0.0171	0.0215
Tort Judgment/Liability	0.0438	0.0360	0.0342	0.0361	0.0669
Social Security	0.0711	0.0773	0.0735	0.0776	0.0980
Working Cash	0.0356	0.0341	0.0324	0.0343	0.0433
Limited Bonds	<u>0.0816</u>	<u>0.0751</u>	<u>0.0710</u>	<u>0.0735</u>	<u>0.0961</u>
Total	\$3.0053	\$2.8702	\$2.8813	\$3.0393	\$3.8730

Source: Cook County Clerk's Office

2007-2011 REPRESENTATIVE TOTAL TAX RATES\*

TAXING AUTHORITY	2007	2008	2009	2010	2011
The District	\$3.005	\$2.871	\$2.882	\$3.040	\$3.873
Cook County	0.446	0.415	0.394	0.423	0.462
Cook County Forest Preserve District	0.053	0.051	0.049	0.051	0.058
Metropolitan Water Reclamation District	0.263	0.252	0.261	0.274	0.320
Consolidated Elections	0.012	0.000	0.021	0.000	0.025
South Cook Co. Mosquito Abatement	0.006	0.009	0.009	0.010	0.012
Thornton Township	0.372	0.358	0.367	0.387	0.442
Thornton Township General Assistance	0.092	0.089	0.091	0.096	0.129
Thornton Township Road & Bridge	0.016	0.016	0.017	0.018	0.023
Village of Lansing	1.023	0.972	1.124	1.201	1.643
Lan Oak Park District	0.310	0.292	0.292	0.306	0.376
Lansing Public Library District	0.353	0.335	0.345	0.367	0.457
School District Number 158	4.986	4.735	4.862	5.039	4.902
Community College District No. 510	<u>0.362</u>	<u>0.346</u>	<u>0.348</u>	<u>0.361</u>	<u>0.450</u>
<b>TOTAL*</b>	<b>\$11.299</b>	<b>\$10.741</b>	<b>\$11.062</b>	<b>\$11.573</b>	<b>\$13.172</b>

Source: Cook County Clerk's Office

\*The total of such rates is the property tax rate paid by a typical resident living in the Village of Lansing, Cook County, in the District.

TEN LARGEST TAXPAYERS

TAXPAYER NAME <sup>(1)</sup>	PRODUCT OR SERVICE	2011 EQUALIZED ASSESSED VALUE	PERCENT OF DISTRICT'S TOTAL EAV
Simon Property Group	Real estate property	\$34,221,799	4.21%
FUNB 2000 C2 Torrence	Real estate property	16,387,149	2.02%
Sears D768 Tax B2 109A <sup>(2)</sup>	Retail store	8,296,336	1.02%
Cobalt Industrial Reit II	Real estate property	7,875,147	0.97%
Great Lakes WHSE	Storage	6,806,316	0.84%
Temperature Equipment Corp.	Mechanical contractors	5,600,487	0.69%
Cambridge Realty Cap.	Real estate property	5,289,554	0.65%
Inland Real Estate Corp.	Real estate property	4,870,745	0.60%
JC Penney Co.	Retail store	4,352,030	0.54%
Wal Mart Stores	Retail store	<u>3,405,312</u>	<u>0.42%</u>
		<b>\$97,104,874</b>	<b><u>11.96%</u></b>

Source: Cook County Clerk's Office

(1) The taxpayers listed represent 11.96% of the District's \$812,065,570 2011 EAV. Every effort has been made to seek out and report the largest taxpayers. However, many of the taxpayers listed hold multiple parcels and it is possible that some parcels and their valuations have been overlooked.

(2) During Fiscal Year 2011, Sears Roebuck & Co. received a favorable judgment related to the appeal of assessments on property located at the River Oaks Shopping Center in Calumet City. This judgment reflects changes in the assessed value of their property in 2005 through 2009. This results in the District having to pay taxes back to the Cook County Treasurer in the amount of \$1,497,866. The District may also be subject to interest payable, but this amount, if any, as not been determined or assessed.

## RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX

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

YEAR <sup>(1)</sup>	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNDWOOD
	STATE SALES TAX DISTRIBUTION <sup>(2)</sup>	STATE SALES TAX DISTRIBUTION <sup>(2)</sup>	STATE SALES TAX DISTRIBUTION <sup>(2)</sup>	STATE SALES TAX DISTRIBUTION <sup>(2)</sup>
2007	\$75,444	\$5,537,925	\$5,093,767	\$316,796
2008	76,796	5,023,383	4,834,907	262,973
2009	72,947	4,792,314	4,253,883	231,570
2010	71,273	5,182,473	4,023,622	277,897
2011	81,597	5,264,292	3,842,776	283,817
2012 <sup>(3)</sup>	44,000	2,629,516	1,859,408	155,493

Source: Illinois Department of Revenue.

(1) Calendar year reports ending December 31.

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

(3) Second Quarter 2012.

## CONSTRUCTION

The following chart indicates the estimated value of residential building permits issued in the Village of Burnham, the City of Calumet City, the Village of Lansing and the Village of Lynwood.

YEAR	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNDWOOD
	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE	ESTIMATED VALUE
2007	\$886,410	\$1,111,926	\$1,241,214	\$7,921,324
2008	354,564	277,980	425,882	7,872,260
2009	443,205	1,384,000	210,000	1,213,530
2010	88,641	0	0	6,426,483
2011	0	85,000	0	1,812,100
2012*	0	0	0	727,800

Source: U.S. Census Bureau

\*As of August, 2012

SPECIFIED OWNER-OCCUPIED UNITS

According to the U.S. Census Bureau, the District had 16,306 owner occupied units with a median value of \$149,700, the Village of Burnham had 973 owner occupied units with a median value of \$150,500, the City of Calumet City had 8,190 owner occupied units with a median value of \$142,100, the Village of Lansing had 8,326 owner occupied units with a median value of \$151,700, and the Village of Lynwood had 2,777 owner occupied units with a median value of \$164,800. This compares to 1,169,991 occupied units with a median value of \$265,800 for the County of Cook and 3,300,691 owner occupied units with a median value of \$202,500 for the State.

VALUE	THE DISTRICT		VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	388	2.38%	83	8.53%	358	4.22%	232	2.79%
\$50,000 to \$99,999	2,181	13.38%	123	12.64%	1,403	16.53%	907	10.89%
\$100,000 to \$149,999	5,626	34.50%	275	28.26%	2,951	34.76%	2,916	35.02%
\$150,000 to \$199,999	5,007	30.71%	363	37.31%	2,840	33.45%	2,426	29.14%
\$200,000 to \$299,999	2,606	15.98%	110	11.31%	644	7.59%	1,474	17.70%
\$300,000 to \$499,999	441	2.70%	19	1.95%	255	3.00%	353	4.24%
\$500,000 to \$999,999	32	0.20%	---	0.00%	14	0.16%	18	0.22%
\$1,000,000 or more	25	0.15%	---	0.00%	25	0.29%	---	0.00%
Total	16,306	100.00%	973	100.00%	8,490	100.00%	8,326	100.00%

VALUE	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$50,000	632	22.76%	28,961	2.48%	216,017	6.54%
\$50,000 to \$99,999	238	8.57%	51,677	4.42%	450,834	13.66%
\$100,000 to \$149,999	393	14.15%	110,071	9.41%	455,940	13.81%
\$150,000 to \$199,999	316	11.38%	173,572	14.84%	505,936	15.33%
\$200,000 to \$299,999	838	30.18%	313,923	26.83%	723,366	21.92%
\$300,000 to \$499,999	334	12.03%	325,712	27.84%	643,537	19.50%
\$500,000 to \$999,999	14	0.50%	135,426	11.57%	250,844	7.60%
\$1,000,000 or more	12	0.43%	30,649	2.62%	54,217	1.64%
Total	2,777	100.00%	1,169,991	100.00%	3,300,691	100.00%

Source: U.S. Census Bureau (2006-2010 American Community Survey)



## LARGEST EMPLOYERS

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

EMPLOYER	PRODUCT OR SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
VILLAGE OF BURNHAM:		
Gateway Construction Co., Inc., Gateway Erectors Div.	Structural steel erection & reinforced steel installation	75
Calumet Lubricants Co.	Lubricating oils	25
CITY OF CALUMET CITY:		
The District	Education	399
Hasse Construction Co., Inc.	General commercial industrial & underground utilities contractor	100
CSX Transportation, Inc.	Railroad transportation	96
Roman Decorating Products	Wall covering & Laminating adhesives, pastes & accessories	90
Kay Mfg., Co.	Automotive machining job shop	85
Johnson Controls, Inc., Building Efficiency Div.	Wholesaler of heating, air conditioning & refrigeration energy management systems	70
Ashland Specialty Chemical Co.	Polymers & adhesives	70
VILLAGE OF LANSING:		
Silver Line Building Products Corp.	Vinyl window & patio doors	700
NB Coatings, Inc.	Plastic automotive coatings	350
Orc Protel, LLC	Inbound & outbound telemarketing services	250
Land O'Frost, Inc.	Corporate HQ & meat packing & processing	250
Temperature Equipment Corp.	Corporate HQ & distributor of air conditioning, refrigeration & heating equipment	200
American School of Correspondence	Correspondence school	140
VILLAGE OF LYNWOOD:		
Kickert School Bus Line, Inc.	School bus service	200
Drench Trucking Inc., K. R.	Short-distance trucking services, including commercial waste & garbage hauling	100
Hosley International	Home décor accessories importers	100

Source: 2012 Illinois Manufacturers Directory, 2012 Illinois Services Directory and the Illinois Department of Commerce and Economic Opportunity, except for District employee information which was provided by the District.



## UNEMPLOYMENT RATES

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

	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNWOOD	COUNTY OF COOK	STATE OF ILLINOIS
2007 – Average	10.4%	7.6%	5.7%	6.0%	5.2%	5.1%
2008 – Average	12.9%	9.1%	7.1%	7.6%	6.5%	6.4%
2009 – Average	20.2%	13.6%	11.7%	12.3%	10.3%	10.0%
2010 – Average	20.6%	13.9%	11.6%	12.6%	10.5%	10.5%
2011 – Average	19.7%	13.5%	10.3%	12.0%	10.4%	9.8%
2012 – August	N/A	12.0%	9.7%	N/A	9.4%	9.1%

Source: State of Illinois Department of Employment Security

## EMPLOYMENT BY INDUSTRY

The following table shows employment by industry for the Village of Burnham, the City of Calumet City, the Village of Lansing, the Village of Lynwood, the County of Cook and the State of Illinois as reported by the U.S. Census Bureau.

CLASSIFICATION	THE DISTRICT		VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	77	0.29%	---	0.00%	50	0.33%	56	0.42%
Construction	1,691	6.40%	163	10.32%	440	2.89%	1,148	8.59%
Manufacturing	2,863	10.83%	258	16.33%	1,672	10.97%	1,452	10.86%
Wholesale Trade	698	2.64%	11	0.70%	282	1.85%	452	3.38%
Retail Trade	2,951	11.16%	205	12.97%	1,547	10.15%	1,491	11.15%
Transportation, warehousing and utilities	2,430	9.19%	153	9.68%	1,656	10.86%	1,096	8.20%
Information	899	3.40%	35	2.22%	639	4.19%	311	2.33%
Finance, insurance and real estate	1,874	7.09%	106	6.71%	1,210	7.94%	953	7.13%
Professional, scientific management administrative & waste management	2,301	8.70%	94	5.95%	1,429	9.37%	1,016	7.60%
Educational, health & social services	6,418	24.27%	346	21.90%	3,536	23.20%	3,226	24.13%
Arts, entertainment, recreations accommodations & food services	2,821	6.89%	64	4.05%	1,191	7.81%	931	6.96%
Other Services	1,273	4.81%	97	6.14%	724	4.75%	705	5.27%
Public Administration	1,145	4.33%	48	3.04%	868	5.69%	535	4.00%
Total	26,441	100.00%	1,580	100.00%	15,244	100.00%	13,372	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Agriculture, forestry, fishing, hunting and mining	26	0.73%	4,148	0.17%	65,279	1.08%
Construction	129	3.61%	131,640	5.40%	361,528	5.96%
Manufacturing	366	10.25%	276,278	11.33%	789,606	13.02%
Wholesale Trade	87	2.44%	75,727	3.10%	207,774	3.43%
Retail Trade	464	13.00%	238,350	9.77%	657,040	10.84%
Transportation, warehousing and utilities	430	12.04%	153,867	6.31%	356,345	5.88%
Information	88	2.46%	63,038	2.58%	140,821	2.32%
Finance, insurance and real estate	322	9.02%	216,696	8.88%	475,856	7.85%
Professional, scientific management						
administrative & waste management	298	8.35%	321,414	13.18%	657,479	10.84%
Educational, health & social services	954	26.72%	520,589	21.34%	1,312,067	21.64%
Arts, entertainment, recreations						
accommodations & food services	97	2.72%	244,993	9.22%	518,641	8.55%
Other Services	96	2.69%	120,052	4.92%	288,895	4.77%
Public Administration	<u>213</u>	<u>5.97%</u>	<u>92,197</u>	<u>3.78%</u>	<u>231,517</u>	<u>3.82%</u>
Total	3,570	100.00%	2,438,989	100.00%	6,062,848	100.00%

Source: U.S. Census Bureau (2006-2010 American Community Survey)

#### EMPLOYMENT BY OCCUPATION

The following table shows employment by occupation for the Village of Burnham, the City of Calumet City, the Village of Lansing, the Village of Lynwood, County of Cook and the State of Illinois as reported by the U.S. Census Bureau.

CLASSIFICATION	THE DISTRICT		VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	7,220	27.31%	353	22.34%	3,470	22.76%	3,872	28.96%
Service occupations	4,490	16.98%	188	11.90%	2,986	19.59%	2,051	15.34%
Sales & office occupations	7,907	29.90%	484	30.63%	4,730	31.03%	4,197	31.39%
Natural resources, construction & maintenance occupation	2,504	9.47%	264	16.71%	989	6.49%	1,406	10.51%
Production, transportation & material moving occupations	<u>4,320</u>	<u>16.34%</u>	<u>291</u>	<u>18.42%</u>	<u>3,069</u>	<u>20.13%</u>	<u>1,846</u>	<u>13.80%</u>
Total	26,441	100.00%	1,580	100.00%	15,244	100.00%	13,372	100.00%

CLASSIFICATION	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Management, professional & related occupations	1,452	40.67%	896,923	36.77%	2,159,236	35.61%
Service occupations	460	12.89%	413,833	16.97%	989,889	16.33%
Sales & office occupations	903	25.29%	627,277	25.72%	1,566,966	25.85%
Natural resources, construction & maintenance occupation	293	8.21%	169,093	6.93%	490,469	8.09%
Production, transportation & material moving occupations	<u>462</u>	<u>12.94%</u>	<u>331,863</u>	<u>13.61%</u>	<u>856,288</u>	<u>14.12%</u>
Total	3,570	100.00%	2,438,989	100.00%	6,062,848	100.00%

Source: U.S. Census Bureau (2006-2010 American Community Survey)

### MEDIAN HOUSEHOLD INCOME

According to the U.S. Census Bureau, the District had a median household income of \$49,214, the Village of Burnham had a median household income of \$38,715, the City of Calumet City had a median household income of \$43,851, the Village of Lansing had a median household income of \$50,563, and the Village of Lynwood had a median household income of \$56,946. This compares to \$53,942 for the County of Cook and \$55,735 for the State. The following table represents the distribution of household incomes for the Villages, the City, the County and the State at the time of such survey.

	THE DISTRICT		VILLAGE OF BURNHAM		CITY OF CALUMET CITY		VILLAGE OF LANSING	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	1,679	7.55%	176	12.10%	1,246	8.72%	759	6.68%
\$10,000 to \$14,999	786	3.54%	67	4.60%	751	5.25%	319	2.81%
\$15,000 to \$24,999	2,511	11.30%	215	14.78%	1,781	12.46%	1,360	11.98%
\$25,000 to \$34,999	2,721	12.24%	238	16.36%	1,750	12.24%	1,364	12.01%
\$35,000 to \$49,999	3,653	16.44%	166	11.41%	2,852	19.95%	1,831	16.12%
\$50,000 to \$74,999	4,406	19.83%	318	21.86%	2,796	19.56%	2,167	19.08%
\$75,000 to \$99,999	3,189	14.35%	189	12.99%	1,763	12.33%	1,610	14.18%
\$100,000 to \$149,999	2,589	11.65%	83	5.70%	1,020	7.13%	1,600	14.09%
\$150,000 to \$199,999	545	2.45%	3	0.21%	241	1.69%	291	2.56%
\$200,000 or more	<u>145</u>	<u>0.65%</u>	<u>---</u>	<u>0.00%</u>	<u>96</u>	<u>0.67%</u>	<u>55</u>	<u>0.48%</u>
Total	22,224	100.00%	1,455	100.00%	14,296	100.00%	11,356	100.00%

	VILLAGE OF LYNWOOD		COUNTY OF COOK		STATE OF ILLINOIS	
	NUMBER	PERCENT	NUMBER	PERCENT	NUMBER	PERCENT
Under \$10,000	233	7.32%	157,532	12.10%	327,492	6.87%
\$10,000 to \$14,999	158	4.96%	97,369	4.60%	230,008	4.82%
\$15,000 to \$24,999	347	10.89%	203,561	14.78%	483,034	10.13%
\$25,000 to \$34,999	254	7.97%	185,026	16.36%	463,776	9.72%
\$35,000 to \$49,999	367	11.52%	257,985	11.41%	644,024	13.50%
\$50,000 to \$74,999	732	22.98%	349,011	21.86%	896,686	18.80%
\$75,000 to \$99,999	442	13.88%	240,948	12.99%	630,368	13.22%
\$100,000 to \$149,999	462	14.51%	249,666	5.70%	642,112	13.46%
\$150,000 to \$199,999	132	4.14%	92,166	0.21%	229,128	4.80%
\$200,000 or more	58	1.82%	103,217	0.00%	223,323	4.68%
Total	3,185	100.00%	1,936,181	100.00%	4,769,951	100.00%

Source: U.S. Census Bureau (2006-2010 American Community Survey)

#### PER CAPITA INCOME

THE DISTRICT	VILLAGE OF BURNHAM	CITY OF CALUMET CITY	VILLAGE OF LANSING	VILLAGE OF LYNWOOD	COUNTY OF COOK	STATE OF ILLINOIS
\$22,290	\$16,596	\$20,617	\$24,941	\$24,511	\$29,335	\$28,782

Source: U.S. Census Bureau (2006-2010 American Community Survey)

#### AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2012, contained in Appendix C (the "Audit"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek Co., Inc., Calumet City, Illinois (the "Auditor"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance, of the District.

A summary of the District's recent financial history is provided in Exhibit A and Exhibit B to this Official Statement. The tables in these Exhibits 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 C for the District's 2011 fiscal year audit.

## WORKING CASH FUND

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

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

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

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished. See Exhibit A for the District's Working Cash Fund balances for the years ending June 30, 2008-2012.

## SCHOOL DISTRICT FINANCIAL PROFILE

As of the date of this Official Statement, the Illinois State Board of Education ("*ISBE*") utilizes a system for assessing a school district's financial health referred to as the "*School District Financial Profile*" which replaces the Financial Watch List and Financial Assurance and



Accountability System (FAAS). This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored and weighted in order to arrive at a composite district financial profile. The indicators are as follows: fund balance to revenue ratio; expenditures to revenue ratio; days cash on hand; percent of short-term borrowing ability remaining; and percent of long-term debt margin remaining.

Each indicator is calculated and the result is placed into a category of a four, three, two or one, with four being the highest and best category possible. Each indicator is weighted as follows:

Fund balance to revenue ratio	35%
Expenditures to revenue ratio	35%
Days cash on hand	10%
Percent of short-term borrowing ability remaining	10%
Percent of long-term debt margin remaining	10%

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

- *Financial Recognition.* A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- *Financial Review.* A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- *Financial Early Warning.* A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- *Financial Watch.* A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

The District's overall score for fiscal year 2011 (as reported by ISBE in March, 2012) was 3.90 thus placing the District in the Financial Recognition category. The District's overall scores in years 2010 and 2009 were 3.80 and 3.00, respectively.

## STATE AID

### GENERAL

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such "*State Aid*" as a significant part of their budgets. For the fiscal year ended June 30, 2012, 34.46% of the District's General Fund revenue came from sources at the State, including State Aid. See Exhibit B to this Official Statement for more information concerning the breakdown of the District's revenue sources.

The State provides for four different types of State Aid, each of which is discussed in greater detail below. The four forms of State Aid are: (i) General State Aid, (ii) Supplementary State Aid, (iii) Categorical State Aid, and (iv) Competitive Grant Aid. The percentage of the District's State Aid derived from each of these categories is set forth in Exhibit B.

Various proposals for changing the Illinois system of state financial aid have been considered over the years. The nature of future modifications to the process for distributing State Aid cannot be predicted, but such modifications could have an adverse effect on the finances of the District should they be enacted.

### GENERAL STATE AID

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

SCHOOL YEAR	FOUNDATION AMOUNT
2008/2009	\$5,959
2009/2010	6,119
2010/2011	6,119
2011/2012	6,119
2012/2013	6,119

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

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

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

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

1. any applicable reductions in a district's EAV;
2. the number of special need students in a district;
3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;
4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;
5. the number of days the schools of the district are operating with students in attendance;
6. whether or not kindergarten students attend for full day or one-half day sessions;



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

8. changes in enrollment.

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

#### SUPPLEMENTARY STATE AID

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

#### MANDATED CATEGORICAL STATE AID

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as "*Mandated Categorical State Aid*," are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. At present, the School Code provides for Mandated Categorical State Aid with respect to mandatory school programs relating to: (i) special education, (ii) transportation, (iii) free and reduced breakfast and lunch, and (iv) orphanage tuition.

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

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related

expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fully fund the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

Mandated Categorical State Aid payments from the State to the District for the current fiscal year are running less than 30 days behind schedule. Based on prior year expenses for the District, approximately 98% of such payments relate to special education and transportation. For the District's prior fiscal year all Categorical State Aid payments have been received except for approximately \$202,000 related to special education.

#### COMPETITIVE GRANT STATE AID

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

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

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2013, the largest Competitive Grant State Aid programs were in Bilingual Education and Early Childhood Education. In fiscal year 2013, Public Act 97-0728 provides a total of \$474.4 million for all programs qualifying a school district for Competitive Grant State Aid.

#### PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

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

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year. For fiscal years 2010 and 2011, the deadline for such payment was extended to 180 days. The deadline for the State to make Categorical State Aid payments has not been extended for fiscal year 2012. However, no assurances can be given that an extension for such payment will not be made in the future.

Recently, the State has made certain of its Categorical State Aid payments between four and six months after their due date. This includes payments related to special education and transportation. The State's failure to make such payments may have a detrimental impact on the finances of school districts, including the District, because the revenue anticipated during the budget process may not be available to make necessary expenditures.

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

#### **SHORT-TERM BORROWING**

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

#### **FUTURE DEBT**

Except for the Bonds, the District does not currently anticipate issuing any debt in 2012. The District currently anticipates issuing approximately \$7,410,000 of bonds in 2013 for refunding and capital project purposes.

#### **DEFAULT RECORD**

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

#### **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION**

##### **SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

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

## REAL PROPERTY ASSESSMENT

The County Assessor (the "*Assessor*") is responsible for the assessment of all taxable real property within Cook County (the "*County*"), including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "*Department of Revenue*"). For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "*South Tri*"), north and northwest suburbs (the "*North Tri*"), and the City of Chicago (the "*City Tri*"). The District is located in the South Tri and was reassessed for the 2011 tax levy year.

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

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "*Assessed Valuation*") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed (beginning with the 2009 tax levy year) at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

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

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10 year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10 year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

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

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



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

#### EQUALIZATION

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

<u>TAX LEVY YEAR</u>	<u>EQUALIZATION FACTOR</u>
2002	2.4689
2003	2.4598
2004	2.5757
2005	2.7320
2006	2.7076
2007	2.8439
2008	2.9786
2009	3.3701
2010	3.3000
2011	2.9706

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "*EAV*") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department of Revenue, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "*Assessment Base*").

## EXEMPTIONS

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

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000 for assessment year 2009 and thereafter.

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

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

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

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

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$4,000. Beginning in tax year 2010, County taxpayers seeking to claim this exemption must reapply for the exemption on an annual basis.

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

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

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

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

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

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



## TAX LEVY

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

## PROPERTY TAX EXTENSION LIMITATION LAW

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes, unlimited as to rate and amount, cannot be issued by the affected taxing bodies unless they are approved by referendum, are alternate bonds or are for certain refunding purposes (such as the Series 2012B Bonds).

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

The District has the authority to levy taxes for many different purposes. See "Financial Information and Economic Characteristics of the District - School District Tax Rates by Purpose 2007-2011." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (i) unlimited (as provided by statute), (ii) initially set by statute but permitted to be increased by referendum, (iii) capped by statute, or (iv) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds (such as the Series 2012A Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS—Security-Series 2012A Bonds" herein.

#### EXTENSIONS

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

#### COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has been the first business day in March for each of the last ten years. However, for 2010, the first installment penalty date was established as April 1 by statute. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2002	October 1, 2003
2003	November 15, 2004
2004	November 1, 2005
2005	September 1, 2006
2006	December 3, 2007
2007	November 3, 2008
2008	December 1, 2009

2009  
2010  
2011

December 14, 2010  
November 1, 2011  
August 1, 2012

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

Within 90 days following the second installment due date, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court orders resulting from the application for judgment provides for an Annual Tax Sale (the "*Annual Tax Sale*") of unpaid taxes shown on that year's Warrant Books. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. In each such public sale, the collector can use any "automated means." Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and a half years depending on the type and occupancy of the property) and the tax buyer files a petition in the Circuit Court, notifying the necessary parties in accordance with the applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

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

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

#### TRUTH IN TAXATION LAW

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

## BOND RATING

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

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

## TAX EXEMPTION

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

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

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

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



deduction). "Adjusted current earnings" would include certain tax-exempt interest, including interest on the Bonds.

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

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

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

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

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

If a Bond is purchased at any time for a price that is less than the Bond's stated redemption price at maturity or, in the case of an OID Bond, its Issue Price plus accreted original

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

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

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

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

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

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

### **QUALIFIED TAX-EXEMPT OBLIGATIONS**

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

### **RETIREMENT PLANS**

#### **TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS**

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

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

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

See Note 11 to the Audit for the fiscal year ended June 30, 2012, attached hereto as Appendix A, for a more complete discussion.

#### *Employer Funding of Teachers' Retirement System*

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

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

Discussions and deliberations on the complex topic of pension reform remain fluid. The General Assembly did not consider any legislation containing the Cost Shifting Proposal during the Spring Session of the 2012 General Assembly.

The District cannot predict whether, or in what form, the Cost Shifting Proposal may be enacted into law. It is also possible that the General Assembly may put forward its own proposals for pension reforms that are at least somewhat different in substance from that submitted by the Governor. Furthermore, it is possible that any pension reform legislation that is ultimately passed by the General Assembly and signed into law by the Governor would face court challenges.

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

#### ILLINOIS MUNICIPAL RETIREMENT FUND

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

IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be viewed at IMRF's website as follows: [http://www.imrf.org/pubs/annual\\_reports/annual\\_rpts.htm](http://www.imrf.org/pubs/annual_reports/annual_rpts.htm).

See Note 11 to the Audit for the fiscal year ended June 30, 2012, attached hereto as Appendix A, for a more complete discussion.

#### CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to



provide notice of certain events to the Municipal Securities Rulemaking Board (the “MSRB”) pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Commission under the Exchange Act. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth below in “APPENDIX B—Form of Continuing Disclosure Undertaking.”

The District did not file annual financial information or audited financial statements within the times prescribed by previous continuing disclosure undertakings for its fiscal years ending June 30, 2009, and June 30, 2010. The District filed such information with the MSRB on April 19, 2011, together with a material event failure to file notice. The District has been in compliance with its undertakings since such date. An outside venter, Chapman and Cutler LLP, will be filing the District’s undertaking for the fiscal year ended June 30, 2012. The District is considering various options to assure compliance in the future, including retaining third party professionals to assist with such filings, and will have finalized their procedures prior to the fiscal year 2013 filing.

A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See “APPENDIX B—Form of Continuing Disclosure Undertaking.” The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

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

#### **CERTAIN LEGAL MATTERS**

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

## NO LITIGATION

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

## UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the "*Agreement*") between the District and BMO Capital Markets GKST Inc., Chicago, Illinois (the "*Underwriter*"), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$8,152,511.70 (consisting of the original principal amount of the Bonds of \$7,675,000.00, plus net original issue premium of \$536,762.70 and less an Underwriter's discount of \$59,251.00). The Underwriter intends to reoffer the Bonds at an average price of 106.993651% of the principal amount of the Bonds.

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

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

#### AUTHORIZATION

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

/s/ Richard Dust

---

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

December 6, 2012

## EXHIBITS

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

### EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, 2008-2012

	EDUCATIONAL FUND	OPERATION & MAINTENANCE	WORKING CASH	OTHER GOVERNMENTAL FUNDS <sup>(1)</sup>	MEMORANDUM TOTAL
Beginning Balance, July 1, 2007	\$ 5,141,101	\$ 5,055,830	\$1,125,471	\$ 2,345,369	\$13,667,771
Revenues	36,264,077	4,374,546	382,358	4,933,329	45,954,310
Expenditures	34,267,537	4,948,639	0	5,314,745	44,530,921
Transfers	0	(333,008)	0	333,008	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>1,996,540</u>	<u>(907,101)</u>	<u>382,358</u>	<u>(48,408)</u>	<u>1,423,389</u>
Ending Balance June 30, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Beginning Balance, July 1, 2008	\$ 7,137,641	\$ 4,148,729	\$1,507,829	\$ 2,296,961	\$15,091,160
Revenues	37,926,722	4,297,716	356,603	6,266,175	48,847,216
Expenditures	38,105,834	7,046,348	0	6,496,882	51,649,064
Transfers	0	0	0	0	0
Other	0	0	0	0	0
Net Changes in Fund Balance	<u>(179,112)</u>	<u>(2,748,632)</u>	<u>356,603</u>	<u>(230,707)</u>	<u>(2,801,848)</u>
Reallocate Tort Immunity	(109,955)	0	0	109,955	0
Ending Balance June 30, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,176,209	\$12,289,312
Beginning Balance, July 1, 2009	\$ 6,848,574	\$ 1,400,097	\$1,864,432	\$ 2,176,209	\$12,289,312
Revenues	42,934,710	4,213,904	347,263	7,097,751	54,593,628
Expenditures	40,158,692	3,901,344	0	9,535,705	53,595,741
Transfers	0	(111,579)	0	111,579	0
Other	0	0	0	3,000,444	3,000,444
Net Changes in Fund Balance	<u>2,776,018</u>	<u>200,981</u>	<u>347,263</u>	<u>674,069</u>	<u>3,998,331</u>
Other Changes in Fund Balance	(71,104)	71,104	0	0	0
Ending Balance June 30, 2010	\$ 9,553,488	\$ 1,672,182	\$2,211,695	\$ 2,850,278	\$16,287,643
Beginning Balance, July 1, 2010	\$9,553,488	\$1,672,182	\$2,211,695	\$2,850,278	\$16,287,643
Revenues	45,210,156	4,585,482	358,912	6,943,137	57,097,687
Expenditures	38,933,608	3,944,010	0	9,159,596	52,037,214
Transfers	0	0	(6,650,000)	6,650,000	0
Other	0	0	6,957,109	0	6,957,109
Net Changes in Fund Balance	<u>6,276,548</u>	<u>641,472</u>	<u>666,021</u>	<u>4,433,541</u>	<u>12,017,582</u>
Other Changes in Fund Balance	(1,160,225)	0	0	0	(1,160,225)
Ending Balance June 30, 2011	\$14,669,811	\$2,313,654	\$2,877,716	\$7,283,819	\$27,145,000
Beginning Balance, July 1, 2011	\$14,669,811	\$2,313,654	\$2,877,716	\$7,283,819	\$27,145,000
Revenues	43,666,656	6,076,228	334,021	6,769,451	56,846,356
Expenditures	41,813,111	4,277,421	0	11,989,708	58,080,240
Transfers	0	0	0	0	0
Other	0	(264,701)	0	264,701	0
Net Changes in Fund Balance	<u>1,853,545</u>	<u>1,503,500</u>	<u>334,021</u>	<u>(4,955,556)</u>	<u>(1,233,884)</u>
Ending Balance June 30, 2012	\$16,523,356	\$3,847,760	\$3,211,737	\$2,328,263	\$25,911,116

Source: The audited financial statements of the District for the years ending June 30, 2008 - June 30, 2012. Such financial statements are prepared on the modified accrual basis of accounting.

(1) Incorporates the Bond & Interest, Transportation, IMRF, Construction, Fire Prevention & Safety and Tort Funds from the audited financial statements of the District.

**EXHIBIT B — GENERAL FUND REVENUE SOURCES,  
FISCAL YEARS ENDING JUNE 30, 2008-2012**

	YEAR ENDED JUNE 30, 2008	YEAR ENDED JUNE 30, 2009	YEAR ENDED JUNE 30, 2010	YEAR ENDED JUNE 30, 2011	YEAR ENDED JUNE 30, 2012
Local Sources	63.36%	63.34%	60.85%	59.04%	60.04%
State Sources:					
— General Aid	28.71%	20.58%	22.32%	28.48%	30.01%
— Supplementary General Aid	0.00%	0.00%	0.00%	0.00%	0.00%
— Mandated Categorical	2.69%	2.61%	2.58%	3.68%	3.99%
— Competitive Grant Aid	<u>1.15%</u>	<u>1.26%</u>	<u>0.51%</u>	<u>0.55%</u>	<u>0.46%</u>
Total State Sources	32.56%	24.45%	25.41%	32.71%	34.46%
Federal Sources	<u>4.09%</u>	<u>12.21%</u>	<u>13.74%</u>	<u>8.25%</u>	<u>5.50%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The annual financial reports of the District for the years ending June 30, 2008-June 30, 2012. Such financial reports are prepared on the modified accrual basis of accounting.

APPENDIX A-1

PROPOSED FORM OF OPINION OF BOND COUNSEL - SERIES 2012A BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered 3.125% General Obligation Limited School Bonds, Series 2012A (the "*Bonds*"), to the amount of \$1,500,000, dated the date hereof, due and payable on December 1, 2032, the Bonds being 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, on December 1 of the years and in the principal amounts as follows:

2030	\$ 40,000
2031	720,000

the Bonds being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2022 or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, are payable from any funds of the District legally available for such purpose, 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 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) heretofore and 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 includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

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

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

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



APPENDIX A-2

PROPOSED FORM OF OPINION OF BOND COUNSEL - SERIES 2012B BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Township High School District Number 215, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation Refunding School Bonds, Series 2012B (the "*Bonds*"), to the amount of \$6,175,000, dated the date hereof, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2013	\$555,000	2.00%
2014	555,000	2.00%
2015	565,000	3.00%
2016	585,000	3.00%
2017	600,000	3.00%
2018	620,000	3.00%
2019	635,000	3.00%
2020	660,000	4.00%
2021	685,000	4.00%
2022	715,000	4.00%

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

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

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is 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.

## APPENDIX B

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

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by Township High School District Number 215, Cook County, Illinois (the "*District*"), in connection with the issuance of \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the "*Series 2012A Bonds*") and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B Bonds (the "*Series 2012B Bonds*" and, together with the Series 2012A Bonds, the "*Bonds*"). The Bonds are being issued pursuant to separate resolutions adopted by the Board of Education of the District on the 27th day of November, 2012, as supplemented by separate Notifications of Sale (collectively the "*Resolutions*").

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

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

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

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

THE BONDS—Debt Service Extension Base Availability after Issuance of the Series 2012A Bonds

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS

- Summary of Outstanding Debt
- Direct General Obligation Bonded Debt (Principal Only)
- Direct General Obligation Bonded Debt (Principal and Interest)
- Alternate Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Statutory Debt Limit
- Composition of District Equalized Assessed Valuation
- Trend of District Equalized Assessed Valuation
- Taxes Extended and Collected
- School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B—General Fund Revenue Sources

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

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

*Commission* means the Securities and Exchange Commission.

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

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

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

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated December 6, 2012, and relating to the Bonds.

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

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

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

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

*State* means the State of Illinois.

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

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

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

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

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

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the

notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

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

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

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

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a "no-action" letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

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

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

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

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

9. DISSEMINATION AGENT. The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may

discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

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

11. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no rights in any other person or entity.

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

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

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

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER  
215, COOK COUNTY, ILLINOIS

By                     /s/ Richard Dust                      
President, Board of Education

Date: December 20, 2012



**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

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

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information if not previously, filed as described below. 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 modified accrual basis of accounting. Audited Financial Statements will be submitted to EMMA 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 REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

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

---

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



**EXHIBIT III  
CUSIP NUMBERS**

**SERIES 2012A BONDS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (215651)</b>
2032	JC5

**SERIES 2012B BONDS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (215651)</b>
2013	JD3
2014	JE1
2015	JF8
2016	JG6
2017	JH4
2018	JJ0
2019	JK7
2020	JL5
2021	JM3
2022	JN1

## APPENDIX C

### AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2012

The audited financial statements of the District for the fiscal year ended June 30, 2012, contained in Appendix A (the "*Audit*"), including the independent auditor's report accompanying the Audit, have been prepared by John Kasperek & Co., Inc., Calumet City, Illinois (the "*Auditor*"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. Specific questions or inquiries relating to the financial information of the District since the date of the Audit should be directed to Charles DiMartino, Director of Finance of the District.

[THIS PAGE INTENTIONALLY LEFT BLANK]

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL**  
**DISTRICT NO. 215, COOK COUNTY, ILLINOIS**  
**AUDITED FINANCIAL STATEMENTS**  
**YEAR ENDED JUNE 30, 2012**

TABLE OF CONTENTS

	<u>PAGE NO.</u>
<b>INDEPENDENT AUDITORS' REPORTS</b>	
Independent Auditors' Report	1 - 2
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	3 - 4
<b>BASIC FINANCIAL STATEMENTS</b>	
District-Wide Financial Statements:	
Statement of Net Assets	5
Statement of Activities	6
Fund Financial Statements:	
Balance Sheet - Governmental Funds	7
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets	8
Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds	9
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	10
Statement of Fiduciary Net Assets	11
Notes to Financial Statements	12 - 29
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Schedule of Funding Progress:	
Illinois Municipal Retirement Fund	30
Post Retirement Medical Plan	31
Budgetary Comparison Schedules:	
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget and Actual:	
Educational Fund	32 - 40
Operations & Maintenance	41 - 42

TABLE OF CONTENTS (CONTINUED)

	<u>PAGE NO.</u>
Notes to Required Supplementary Information	43
 <b>OTHER SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	44
Combining Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Nonmajor Governmental Funds	45
Statement of Revenues Received, Expenditures Disbursed, and Changes in Fund Balance - Budget and Actual:	
Transportation Fund	46
Municipal Retirement / Social Security Fund	47
Bond and Interest Fund	48
Site and Construction	49
Working Cash Fund	50
Tort Immunity Fund	51
Fire Prevention and Safety Fund	52
Statement of Changes in Assets and Liabilities - Activity Funds	53-55
Schedule of Assessed Valuations, Tax Levies, and Collections	56
Schedule of Debt Service Requirements	57
Schedule of Legal Debt Margin	58
Schedule of Findings and Questioned Costs	59-62

# John Kasperek Co., Inc.

## Certified Public Accountants

### INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2012, which collectively comprise the School District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Thornton Fractional Township High School District No. 215's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of June 30, 2012, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 16, 2012 on our consideration of Thornton Fractional Township High School District No. 215's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The Summary of Funding Progress relative to the Illinois Municipal Retirement Fund and the Post Retirement Medical Plan are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted primarily of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit or express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements. The accompanying budgetary comparison schedules listed as Required Supplementary Information in the table of contents are supplementary information required by the Governmental Accounting Standards Board and the accompanying "Other Supplementary Information" listed in the table of contents are presented for purposes of additional analysis. Such information is not a required part of the basic financial statements of Thornton Fractional Township High School District No. 215; however, it has been subjected to the auditing procedures applied in the audit of the basic financial statements referred to above and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

The Governmental Accounting Standards Board has determined that a management's discussion and analysis is necessary to supplement, although not required to be part of, the basic financial statements. Thornton Fractional Township High School District No. 215 has not presented this supplementary information.

*John Kasperuk Co., Inc.*

Calumet City, Illinois  
October 16, 2012



# 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 financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Thornton Fractional Township High School District No. 215, as of and for the year ended June 30, 2012, which collectively comprise Thornton Fractional Township High School District No. 215's basic financial statements and have issued our report thereon dated October 16, 2012. 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

Management of Thornton Fractional Township High School District No. 215 is responsible for establishing and maintaining effective 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 as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Thornton Fractional Township High School District No. 215's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying schedule of findings and questioned costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. We consider the deficiency described in the accompanying schedule of findings and questioned costs as item 2012-1 to be a material weakness.



Compliance and Other Matters

As part of obtaining reasonable assurance about whether Thornton Fractional Township High School District No. 215's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grants agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as items 2012-2, 2012-3, and 2012-4.

We noted certain matters that we reported to management of Thornton Fractional Township High School District No. 215 in a separate letter dated October 16, 2012.

Thornton Fractional Township High School District No. 215's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit Thornton Fractional Township High School District No. 215's response and, accordingly, we express no opinion on them.

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

*John Kaspruk Co., Inc.*

Calumet City, Illinois  
October 16, 2012

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

<u>ASSETS</u>	<u>Governmental Activities</u>
Cash/investments - pooled accounts	\$ 25,965,375
Cash at district	36,688
Property taxes receivable, net	15,408,925
Due from other governments	2,320,464
Other receivables	21,261
Accrued interest receivable	44,557
Other current assets	470
Capital assets	
Land	560,301
Construction-in-progress	159,634
Depreciable capital assets, net	55,772,256
Total capital assets, net of depreciation	<u>56,492,191</u>
<b>TOTAL ASSETS</b>	<b>\$ 100,289,931</b>
<u>LIABILITIES</u>	
Accounts payable	\$ 1,124,354
Accrued payroll and related items	95,703
Deferred revenue	15,408,926
Other current liabilities	644,920
Accrued interest payable	107,685
Long-term liabilities	
Portion due or payable within one year	
Bonds and other long-term debt	2,053,917
Accrued compensated absences	80,093
Portions due or payable after one year	
Bonds and other long-term debt	26,080,046
Accrued compensated absences	<u>219,729</u>
<b>TOTAL LIABILITIES</b>	<b><u>45,815,373</u></b>
<u>NET ASSETS</u>	
Invested in capital assets, net of related debt	28,358,228
Restricted for	
Special Education	-
Operation and Maintenance	1,890,035
Debt service	604,496
Transportation	995,542
Social Security/IMRF	421,907
Capital projects	(29,488)
Tort immunity	228,121
Unrestricted	<u>22,005,717</u>
<b>TOTAL NET ASSETS</b>	<b>\$ 54,474,558</b>

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Assets	
		Charges for Services	Operating Grants and Contributions		Capital Grants and Contributions
<b>Governmental activities</b>					
<b>Instruction</b>					
Regular instruction	\$ 14,677,679	\$ 995,233	\$ 810,073	\$ -	\$ (12,872,373)
Special education instruction	4,234,798	-	2,193,470	-	(2,041,328)
Other instruction	3,901,842	57,650	272,904	-	(3,571,288)
State retirement contribution	4,276,608	-	4,276,608	-	-
	<u>27,090,927</u>	<u>1,052,883</u>	<u>7,553,055</u>	<u>-</u>	<u>(18,484,989)</u>
<b>Support services</b>					
Pupil services	3,501,364	-	311,045	-	(3,190,319)
Instructional staff services	2,120,391	-	2,708	-	(2,117,683)
General administration services	889,074	7,745	-	-	(881,329)
School administration services	2,000,071	-	-	-	(2,000,071)
Business services	589,131	-	-	-	(589,131)
Facilities acquisition and construction services	1,848,763	-	-	250,000	(1,598,763)
Operation & maintenance of plant services	4,585,064	130,672	-	-	(4,454,392)
Pupil transportation services	2,323,806	-	802,986	-	(1,520,820)
Food services	1,653,468	262,263	760,910	-	(630,295)
Central & other support services	353,189	-	-	-	(353,189)
State retirement contribution	982,207	-	982,207	-	-
	<u>20,846,528</u>	<u>400,680</u>	<u>2,859,856</u>	<u>250,000</u>	<u>(17,335,992)</u>
Community services	9,078	-	-	-	(9,078)
Nonprogrammed charges	2,560,316	-	-	-	(2,560,316)
Interest and fees	1,301,658	-	-	-	(1,301,658)
Tort immunity	369,443	-	-	-	(369,443)
Depreciation - unallocated *	564,895	-	-	-	(564,895)
<b>Total governmental activities</b>	<u>\$ 52,742,845</u>	<u>\$ 1,453,563</u>	<u>\$ 10,412,911</u>	<u>\$ 250,000</u>	<u>(40,626,371)</u>

**General revenues**

<b>Taxes:</b>	
Property taxes, levied for current operating purposes	27,073,068
Property taxes, levied for debt service	2,461,000
Corporate personal property replacement taxes	994,061
Flow through	3,061
General state aid	14,080,188
Investment earnings	131,477
Change in net assets	4,116,484
Net assets - beginning	50,358,074
Net assets - ending	<u>\$ 54,474,558</u>

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

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>				
Cash/investments - pooled accounts	\$ 16,715,500	\$ 3,762,219	\$ 5,487,656	\$ 25,965,375
Cash at district	36,572	-	116	36,688
Property taxes receivable, net	11,278,869	1,380,557	2,749,499	15,408,925
Due from other governments	1,564,561	181,310	574,593	2,320,464
Other receivables	846	12,670	7,745	21,261
Accrued interest on investments	28,681	425	15,451	44,557
Other current assets	470	-	-	470
<b>TOTAL ASSETS</b>	<b>\$ 29,625,499</b>	<b>\$ 5,337,181</b>	<b>\$ 8,835,060</b>	<b>\$ 43,797,740</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 822,845	\$ 76,167	\$ 225,342	\$ 1,124,354
Accrued payroll and related liabilities	63,006	32,697	-	95,703
Deferred revenue	11,581,372	1,380,557	3,059,718	16,021,647
Other current liabilities	634,920	-	10,000	644,920
<b>TOTAL LIABILITIES</b>	<b>13,102,143</b>	<b>1,489,421</b>	<b>3,295,060</b>	<b>17,886,624</b>
<b><u>FUND BALANCES</u></b>				
Restricted	-	-	1,131,152	1,131,152
Assigned	-	-	1,197,111	1,197,111
Committed	-	1,890,035	-	1,890,035
Unassigned	16,523,356	1,957,725	3,211,737	21,692,818
<b>TOTAL FUND BALANCES</b>	<b>16,523,356</b>	<b>3,847,760</b>	<b>5,540,000</b>	<b>25,911,116</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 29,625,499</b>	<b>\$ 5,337,181</b>	<b>\$ 8,835,060</b>	<b>\$ 43,797,740</b>

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET ASSETS**  
**JUNE 30, 2012**

Total fund balances for governmental funds (page 7)		\$ 25,911,116
<p>Amounts reported for governmental activities in the statement of net assets (page 5) are different because:</p>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		56,492,191
Some of the District's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore are reported as deferred revenue in the funds:		
Restricted state aid (special education and transportation claims)		612,721
Accrued interest payable on long-term liabilities is not currently due and therefore is not reported in the funds.		(107,685)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds.		
Long-term liabilities at year-end consist of:		
Bonds payable	(27,885,000)	
Capital lease obligations	(248,963)	
Accrued compensated absences	(299,822)	(28,433,785)
NET ASSETS (page 5)		\$ 54,474,558

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	Educational	Operations and Maintenance	Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 21,439,575	\$ 2,520,247	\$ 4,917,545	\$ 28,877,367
Surplus	-	656,701	-	656,701
Personal property replacement taxes	-	754,061	240,000	994,061
Charges for services	890,857	130,672	-	1,021,529
Donations from private sources	20,900	-	-	20,900
Refund of prior year expenses	403,389	-	7,745	411,134
Investment earnings	83,278	14,547	33,652	131,477
Flow through from state sources	3,061	-	-	3,061
Flow through from federal sources	116,878	-	-	116,878
Unrestricted state aid	11,185,188	2,000,000	895,000	14,080,188
Restricted state aid	1,798,327	-	971,227	2,769,554
State retirement contributions	5,258,815	-	-	5,258,815
Restricted federal aid	2,466,388	-	38,303	2,504,691
<b>TOTAL REVENUES</b>	<b>43,666,656</b>	<b>6,076,228</b>	<b>7,103,472</b>	<b>56,846,356</b>
<b>EXPENDITURES</b>				
<b>Current operating</b>				
<b>Instruction</b>				
Regular instruction	14,456,627	-	187,503	14,644,130
Special education instruction	4,141,545	-	93,253	4,234,798
Other instruction	3,824,865	-	92,955	3,917,820
State retirement contributions	4,276,608	-	-	4,276,608
<b>Support services</b>				
Pupil services	3,324,101	-	177,263	3,501,364
Instructional staff services	2,070,194	-	65,332	2,135,526
General administration services	864,332	-	22,664	886,996
School administration services	1,915,942	-	89,145	2,005,087
Business services	524,716	-	62,592	587,308
Operations & maintenance of plant services	(2,508)	4,216,533	370,381	4,584,406
Pupil transportation services	-	-	2,420,570	2,420,570
Food services	1,512,400	-	105,366	1,617,766
Central and other support services	302,061	-	47,283	349,344
State retirement contributions	982,207	-	-	982,207
Community services	9,078	-	-	9,078
Nonprogrammed charges	2,560,316	-	-	2,560,316
Tort immunity	-	-	369,443	369,443
Debt service	-	-	3,151,846	3,151,846
Capital outlay	1,050,627	60,888	4,734,112	5,845,627
<b>TOTAL EXPENDITURES</b>	<b>41,813,111</b>	<b>4,277,421</b>	<b>11,989,708</b>	<b>58,080,240</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>1,853,545</b>	<b>1,798,807</b>	<b>(4,886,236)</b>	<b>(1,233,884)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Permanent transfers	-	(264,701)	264,701	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>(264,701)</b>	<b>264,701</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>1,853,545</b>	<b>1,534,106</b>	<b>(4,621,535)</b>	<b>(1,233,884)</b>
FUND BALANCES - Beginning of the year	14,669,811	2,313,654	10,161,535	27,145,000
FUND BALANCES - End of year	<u>\$ 16,523,356</u>	<u>\$ 3,847,760</u>	<u>\$ 5,540,000</u>	<u>\$ 25,911,116</u>

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED JUNE 30, 2012**

Net change in fund balances - total governmental funds (page 9) \$ (1,233,884)

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. A difference results by the amount by which depreciation expense differs from capital outlay in the period:

Capital outlay reported in governmental fund statements	5,845,627	
Depreciation expense reported in the statement of activities	<u>(2,449,360)</u>	
Net adjustment		3,396,267

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal on long-term debt is an expenditure in the government funds but reduces the liability in the statement of net assets.

Repayments of debt		
Capital lease	127,877	
General obligation debt	<u>1,840,000</u>	
Total adjustment		1,967,877

Under the modified accrual basis of accounting used in the governmental funds, revenues are not recognized for transactions that do not meet the available criterion for recognition in the current period. In the statement of activities, however, which is presented on the accrual basis, revenues are reported regardless of when they are collected. This adjustment combines the net change of the following revenues:

Restricted state aid	<u>12,973</u>	
Total adjustment		12,973

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available resources. In the statement of activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due, rather than as it accrues. This adjustment combines the net change of the following balances:

Accrued compensated absences	(36,937)	
Accrued interest on long-term liabilities	<u>10,188</u>	
Combined adjustment		<u>(26,749)</u>

Change in net assets of governmental activities (page 6) \$ 4,116,484

The accompanying notes are an integral part of this statement.



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF FIDUCIARY NET ASSETS**  
**FIDUCIARY FUNDS**  
**JUNE 30, 2012**

	<u>Agency Funds</u>
<u>ASSETS</u>	
Cash and investments	<u>\$ 300,318</u>
<u>LIABILITIES</u>	
Due to activity fund organizations	<u>\$ 300,318</u>

The accompanying notes are an integral part of this statement.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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.

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

B. BASIS OF PRESENTATION

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

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

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

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

The District reports the following major governmental funds:

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

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

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

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

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

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

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

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

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

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

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

The District reports the following fiduciary fund type:

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

**C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING**

District-wide and Fiduciary Fund Financial Statements

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

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Governmental Fund Financial Statements

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

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

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

**D. CASH AND INVESTMENTS**

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

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

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

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

**E. PROPERTY TAXES RECEIVABLE**

Property taxes receivable represent the 2011 and prior net uncollected tax levies. An allowance for estimated collection losses of 5% of the total levy has been provided to reduce the receivable to the estimated amounts collectible.

**F. CAPITAL ASSETS**

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

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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

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

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

**G. DEFERRED REVENUE**

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

**H. COMPENSATED ABSENCES**

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

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

**I. USE OF ESTIMATES**

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

**J. USE OF RESTRICTED RESOURCES**

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



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**K. INVENTORIES**

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

**2. DEPOSITS AND INVESTMENTS**

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

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

All deposits and investments of the District, except imprest and activity fund accounts, are maintained in the external cash and investment pool managed by the Thornton Fractional Township School Treasurer's Office. Each fund type's portion of this pool is displayed on the combined statement of assets and liabilities arising from cash transactions as "Cash/investments - pooled account." As of June 30, 2012, there was no material difference between the fair value and reported amount of the District's equity in the pool.

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

**3. CAPITAL ASSETS**

Capital asset activity for the year ended June 30, 2012 was as follows:

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

	Balance July 1, 2011	Additions	Deletions	Balance June 30, 2012
<i>Government activities:</i>				
<i>Capital assets not being depreciated:</i>				
Land	\$ 560,301	\$ -	\$ -	\$ 560,301
Construction in progress	1,674,563	159,634	(1,674,563)	159,634
<i>Total capital assets not being depreciated</i>	<u>2,234,864</u>	<u>159,634</u>	<u>(1,674,563)</u>	<u>719,935</u>
<i>Capital assets being depreciated:</i>				
Buildings	58,990,396	4,454,313	-	63,444,709
Land/Building improvements	10,073,918	1,831,503	(339,699)	11,565,722
Equipment	10,834,307	1,491,639	(77,200)	12,248,746
<i>Total capital assets being depreciated</i>	<u>79,898,621</u>	<u>7,777,455</u>	<u>(416,899)</u>	<u>87,259,177</u>
<i>Less accumulated depreciation for:</i>				
Buildings	19,181,296	1,357,526	-	20,538,822
Land/Building improvements	2,221,436	491,237	-	2,712,673
Equipment	7,634,829	600,597	-	8,235,426
<i>Total accumulated depreciation</i>	<u>29,037,561</u>	<u>2,449,360</u>	<u>-</u>	<u>31,486,921</u>
<i>Total capital assets being depreciated, net</i>	<u>50,861,060</u>	<u>5,328,095</u>	<u>(416,899)</u>	<u>55,772,256</u>
<i>Governmental activity capital assets, net</i>	<u>\$ 53,095,924</u>	<u>\$ 5,487,729</u>	<u>\$ (2,091,462)</u>	<u>\$ 56,492,191</u>

Total depreciation for the year is \$2,449,360. Depreciation expense is reported on the Statement of Activities. It is allocated to specific functions/programs of the District as follows: \$1,848,763 of depreciation on buildings and land improvements, which is charged to facilities acquisition and construction services and \$35,702 of depreciation on food service equipment, which is charged to food services. The remaining \$564,897 is recorded as unallocated.

4. LONG-TERM LIABILITIES

Long-term liability activity for the year ended June 30, 2012, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Amounts Due Within One Year
General obligation	\$ 29,725,000	\$ -	\$ (1,840,000)	\$ 27,885,000	\$ 1,920,000
Capital lease	376,841	-	(127,877)	248,964	133,917
Accrued vacation	76,705	3,388	-	80,093	80,093
Accrued sick leave	186,180	33,549	-	219,729	-
	<u>\$ 30,364,726</u>	<u>\$ 36,937</u>	<u>\$ (1,967,877)</u>	<u>\$ 28,433,786</u>	<u>\$ 2,134,010</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**A. BONDS PAYABLE**

General obligation bonds payable at June 30, 2012, consisted of the following individual issues:

<p>\$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, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	\$ 6,485,000
<p>\$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, 2012 are subject to redemption at the option of the District as a whole or in part on December 1, 2012 or any date thereafter.</p>	5,770,000
<p>\$6,000,000 School Bonds, Series 2005, dated July 1, 2005 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.50 percent through December 2022; bonds due on or after December 1, 2015 are subject to redemption at par at the option of the District as a whole or in part on December 1, 2015 or any date thereafter.</p>	4,765,000
<p>\$4,000,000 School Bonds, Series 2006, dated December 1, 2006 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 4.00 to 4.25 percent through December 2013; bonds are non-callable.</p>	1,050,000
<p>\$1,275,000 G.O. School Bonds, Series 2009A, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year at rates varying from 3.00 to 5.00 percent through December 1, 2020; bonds are non-callable.</p>	1,115,000
<p>\$1,725,000 G.O. School Bonds, Series 2009B – Build America Bonds, dated July 2, 2009 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/20) and interest payable on June 1 and December 1 of each year at rates varying from 6.125 to 6.50 percent through December 1, 2029; bonds due on or after December 1, 2019 are subject to redemption at the option of the District as a whole or in part on December 1, 2018 or any date thereafter. The District receives a subsidy equaling thirty-five (35) percent of the interest payments due.</p>	1,725,000



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

\$6,975,000 G.O. Limited Bonds Series 2011, dated May 17, 2011 issued for building purposes; providing for the serial retirement of principal on December 1 (beginning 12/1/2013) and interest payable on June 1, and December 1, of each year at rates varying from 3.0 to 5.25 percent through December 1, 2029. Bonds due on or after December 1, 2021 are subject to redemption at the option of the District as a whole or in part on December 1, 2020 or any date thereafter.

6,975,000

\$27,885,000

At June 30, 2012, the annual cash flow requirements of bond principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 1,920,000	\$ 1,214,662	\$ 3,134,662
2014	1,725,000	1,136,471	2,861,471
2015	1,695,000	1,067,065	2,762,065
2016	1,770,000	997,467	2,767,467
2017	1,835,000	923,307	2,758,307
2018-2022	10,455,000	3,331,323	13,786,323
2023-2027	6,395,000	1,216,159	7,611,159
2028-2030	2,090,000	160,954	2,250,954
	<u>\$ 27,885,000</u>	<u>\$ 10,047,408</u>	<u>\$ 37,932,408</u>

**B. CAPITAL LEASE OBLIGATIONS**

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

At June 30, 2012, the annual cash flow requirements of capital lease principal and interest were as follows:

Year Ending June 30,	Principal	Interest	Total
2013	\$ 133,917	\$ 9,735	\$ 143,652
2014	115,047	3,754	118,801
	<u>\$ 248,964</u>	<u>\$ 13,489</u>	<u>\$ 262,453</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

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 Tort Immunity Fund. As of June 30, 2012, this fund's equity of \$461,099 represents the excess of cumulative revenues received over cumulative expenditures disbursed which \$191,099 is restricted for future tort immunity expenditures in accordance with Chapter 745, Section 10/9-101 to 9-107 of the *Illinois Compiled Statutes* and \$270,000 is assigned per GASB 54, footnote 12. The following expenditures represent payments made from the Tort Immunity Fund:

Workers' Compensation Act and/or Workers' Occupational Disease Act	\$ 142,820
Unemployment Insurance Act	\$ 54,521
Insurance (Regular or Self-Insurance)	\$ 140,054
Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction	\$ 32,048

B. SPECIAL EDUCATION LEVY

Revenues received and the related expenditures disbursed of this restricted tax levy are accounted for in the Educational Fund. As of June 30, 2012, cumulative expenditures disbursed equal or exceeded cumulative revenues received, therefore, no portion of this fund's equity is restricted for future special education expenditures in accordance with Chapter 105, Section 5/17-2.2a of the *Illinois Compiled Statutes*.

6. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. Property is appraised by the County Assessor at various percentages of fair market value and then subjected to equalization by standard of 33-1/3 of fair market value.

Property taxes levied for any year attach as an enforceable lien on property as of January 1 and are due and payable in the following calendar year. Real estate tax bills are payable in two installments. The first installment is computed at 55% of the prior year's bill and is mailed in late January with a March 1 due date. The second installment is computed after the assessed valuations for the current year have been determined, usually in June or July. Final tax bills are mailed with a penalty date at least 30 days after the date of mailing, but not earlier than August 1. The District receives significant distributions of tax receipts approximately one month after these due dates.

This year a portion of the first installment of the 2011 tax levy and prior tax levy collections were received and are included in the current year revenue. Property taxes receivable represent the uncollected portion of the 2011 tax levy. These property taxes receivable are not considered available to finance current operations; therefore, the revenue has been deferred and will be recognized as these taxes become available.

The Board passed the current levy on December 20, 2011. 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:

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

	Limit	Actual 2011 Levy	Actual 2010 Levy
Educational	3.5000	2.8135	2.2231
Special Education	0.4000	0.0215	0.0171
Operations and Maintenance	0.5500	0.3470	0.2746
Transportation	As needed	0.1046	0.0828
Municipal Retirement	As needed	0.0387	0.0258
Social Security	As needed	0.0980	0.0776
Bond and Interest	As needed	0.3395	0.2679
Working Cash	0.0500	0.0433	0.0343
Tort Immunity	As needed	0.0669	0.0361
		<u>3.8730</u>	<u>3.0393</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.

7. JOINT VENTURES

EXCEPTIONAL CHILDREN HAVE OPPORTUNITIES (A JOINT AGREEMENT)

The District is a participant in Exceptional Children Have Opportunities (ECHO), which was established as a result of a joint agreement between 17 local public school districts for the purpose of providing special education services to the children of its member districts. The joint agreement is governed by a Board of Directors composed of superintendents (or an alternative person appointed by the superintendent) from each member district. Complete financial statements of the joint agreement may be obtained from its administrative office at 350 West 154th Street, South Holland, Illinois 60473. The District paid \$2,642,523 to ECHO for tuition and services during the year ended June 30, 2012.

The following is summary financial information on the joint agreement as of and for the year ended June 30, 2011, the most recent information available:

Total assets-modified cash basis	\$ 8,939,948	Revenues received	\$ 43,117,225
Total liabilities-modified cash basis	\$ -	Expenditures disbursed	\$ 53,919,427
Net assets - invested in capital assets-modified cash basis	\$ 6,039,683	Net increase/decrease in fund balance	\$ (10,802,202)
Unrestricted net assets - modified cash.	\$ 2,900,265		
Total net assets-modified cash basis	\$ 8,939,948		

8. CONTINGENCIES

The District has received funding from State and Federal grants in the current and prior years, which are subject to audits by the granting agencies. Such audits could lead to requests for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, District management believes that such disallowances, if any, would be immaterial.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

9. RISK MANAGEMENT

The District is exposed to various risks of loss including general liability, property and casualty, errors and omissions, workers compensation, unemployment compensation and employee health and medical benefits. In lieu of paying unemployment contributions, the District has elected to reimburse the State of Illinois for the actual amount of benefits paid to their former workers.

The District has elected to provide employee health and medical benefits through a self-insured plan and accordingly, is liable for all employees' health claims that are approved for payment. The District has obtained stop-loss insurance from a commercial company to limit the District's liability for individual and aggregate claims. The stop-loss coverage limits for the plan year ending August 31, 2012 are \$110,000 for individual claims and approximately \$3,632,693 for aggregate claims. The aggregate stop-loss limit is equal to \$13,603 multiplied by the average number of employees during the stop-loss coverage period.

For all other risks of loss, the District has joined together with other school districts to form various pools through which to manage its risk of loss. The District is a member of Suburban School Cooperative Insurance Pool (SSCIP) for its general liability, property and casualty, and errors and omissions coverage and School Employee Loss Fund (SELF) for workers compensation coverage. These public entity risk pools operate as common risk management and insurance programs. They receive premiums from member districts and reinsure through commercial companies to limit the liability for claims in excess of coverage provided by the pool. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three fiscal years.

10. EMPLOYEE RETIREMENT PROGRAMS

A. TEACHERS' RETIREMENT SYSTEM

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for funding the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the System's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2012, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2011 and 2010.

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

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2012, State of Illinois contributions were based on 24.91 percent of creditable earnings not paid from federal funds, and the District recognized revenue and expenditures of \$5,075,977 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2011 and June 30, 2010, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.10 percent (\$4,443,874) and 23.38 percent (\$4,828,400), respectively.

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

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2012 were \$120,507. Contributions for the years ending June 30, 2011 and June 30, 2010, were \$114,078 and \$122,107, respectively.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the state contribution rate to TRS.

For the year ended June 30, 2012, the employer pension contribution was 24.91 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2011 and 2010, the employer contribution was 23.10 and 23.38 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2012, salaries totaling \$399,806 were paid from federal and special trust funds that required employer contributions of \$99,592.

For the years ended June 30, 2011 and June 30, 2010, required District contributions were \$99,570 and \$93,762, respectively.

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

The maximum employer contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the years ended June 30, 2012 and June 30, 2010, the District paid \$0 to TRS for employer contributions under the ERO program. For the year ended June 30, 2011, the District paid \$104,647 in employer ERO contributions, respectively.

Salary increases over 6 percent and excess sick leave. If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the years ended June 30, 2012 and June 30, 2010, the district paid \$0 to TRS for employer contributions due on salary increases in excess of 6 percent. For the year ended June 30, 2011, the District paid \$17,108 to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (17.83 percent of salary during the year ended June 30, 2012).

For the years ended June 30, 2012, 2011 and 2010, the District did not have anyone retire under this section.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer, and state funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2011. The report for the year ended June 30, 2012, is expected to be available in late 2012.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, Illinois 62794-9253. The most current report is also available on the TRS web site at [trs.illinois.gov](http://trs.illinois.gov).



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

**B. IMRF PENSION PLAN**

*Plan Description.* The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

*Funding Policy.* As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statutes require employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer annual required contribution rate for calendar year 2011 was 11.31 percent. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Annual Pension Cost.* The required contribution for the calendar year 2011 was \$552,484.

THREE-YEAR TREND INFORMATION FOR THE REGULAR PLAN

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2011	\$552,484	100%	\$0
12/31/2010	\$529,661	100%	\$0
12/31/2009	\$334,325	100%	\$0

The required contribution for 2011 was determined as part of the December 31, 2009, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2009, included (a) 7.5 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post-retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2009 is being amortized as a level percentage of projected payroll on an open 30 year basis.

*Funded Status and Funding Progress.* As of December 31, 2011, the most recent actuarial valuation date, the Regular plan was 76.94 percent funded. The actuarial accrued liability for benefits was \$11,635,321 and the actuarial value of assets was \$8,952,391, resulting in an underfunded actuarial accrued liability (UAAL) of \$2,682,930. The covered payroll for calendar year 2011 (annual payroll of active employees covered by the plan) was \$4,884,918, and the ratio of the UAAL to the covered payroll was 55 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

11. POSTEMPLOYMENT BENEFITS

A. TEACHER HEALTH INSURANCE SECURITY

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with the cooperation of TRS. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by CMS with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS fund.

The percentage of employer required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2012. State of Illinois contributions were \$182,838, and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2011 and June 30, 2010 were 0.88 percent of pay and 0.84 percent of pay, respectively. State contributions on behalf of District employees were \$173,084 and \$176,844, respectively.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the years ended June 30, 2012 and June 30, 2011, and 0.63 percent during the year ended June 30, 2010. For the year ended June 30, 2012, the District paid \$137,129 to the THIS Fund. For the years ended June 30, 2011 and June 30, 2010, the District paid \$129,813 and \$132,633 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

B. POSTRETIREMENT MEDICAL PLAN

*Plan Description.* The District's Health Insurance Plan for Retired Employees provides limited health care coverage for its eligible retired employees. The plan is funded on a pay-as-you-go basis. Employees are eligible upon retirement if they were enrolled in the active medical plan immediately prior to retiring. Eligibility and coverage varies based on employee classification as described below:

Certified (Teachers and Administrators): TRS-eligible employees are not eligible for continuation of coverage through the District plan.

Non-Certified: Eligible for benefits once they meet criteria for retirement under IMRF plan (age 55 and 8 years of service). All eligible Non-Certified employees and their spouses are eligible to continue medical, dental, vision and prescription drug coverage with the District plans upon retirement. Coverage is allowed to continue after age 65 with

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

the retiree paying 100% of the required premium.

Membership in the plan consisted of the following as of June 30, 2012:

Actives	103
Retirees and Dependents	<u>24</u>
Total	<u><u>127</u></u>
Number of participating employers	1

ANNUAL OPEB COST AND NET OPEB OBLIGATIONS

	June 30, 2011	June 30, 2012
Annual required contribution	\$ 47,039	\$ 48,834
Interest on net OPEB obligation	-	-
Annual OPEB cost	<u>47,039</u>	<u>48,834</u>
Assumed contributions	<u>29,164</u>	<u>12,307</u>
Increase in net OPEB obligation	17,875	36,527
Net OPEB obligation at beginning of year	<u>40,706</u>	<u>58,581</u>
Net OPEB obligation at end of year	<u><u>\$ 58,581</u></u>	<u><u>\$ 95,108</u></u>

THREE-YEAR TREND INFORMATION

Fiscal Year Ending	Annual OPEB Cost	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2012	\$ 48,834	25.20%	\$ 95,108
6/30/2011	\$ 47,039	62.00%	\$ 58,581
6/30/2010	\$ 47,443	54.70%	\$ 40,706

ANNUAL REQUIRED CONTRIBUTION

	June 30, 2011	June 30, 2012
Normal cost (cost of upcoming year benefit accruals for actives)	N/A	\$ 28,791
Amortization of the UAAL (up to 30 year maximum)	N/A	19,230
Interest Adjustment (to end of year)	N/A	1,921
Annual Required Contribution	<u>\$ 47,785</u>	<u>49,942</u>
Interest on Net OPEB Obligation	1,628	2,343
Amortization of NOO	<u>(2,374)</u>	<u>(3,451)</u>
Annual OPEB Cost	<u><u>\$ 47,039</u></u>	<u><u>\$ 48,834</u></u>



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

FUNDED STATUS

(a) Actuarial accrued liability	\$	325,976
(b) Actuarial value of plan assets		-
Unfunded actuarial accrued liability (funding excess) [(a) - (b)]	\$	325,976
Funded ratio (b) / (a)		0.00%
(c) Covered payroll		Not Available
Unfunded actuarial accrued liability (funding excess) as a percentage of covered payroll ((a) - (b)) / (c)		Not Available

FUNDING POLICY AND ACTUARIAL ASSUMPTIONS

Contribution rates:	
District	0.00%
Plan members	0.00%
Actuarial valuation date	7/1/2011
Actuarial cost method	<p><u>Projected Unit Credit ("PUC")</u> - Costs attributable to past service and the current year's service determined by prorating Present Value of Benefits ("PVB") over all years of service that benefits are expected to be paid from the plan.</p> <p><u>Normal Cost ("NC")</u> - The portion of the Present Value which is allocated to the valuation year by the actuarial cost method. Under PUC, the current year's portion is equal to the PVB divided by the total credited service at the anticipated retirement date.</p> <p><u>Actuarial Accrued Liability ("AAL")</u> - Present value of the past service liability of the employee's total PVB. Under PUC, AAL = PVB times the ratio of the participant's credited service to the total credited service at the anticipated retirement date.</p>
Amortization of the UAAL	Closed, level dollar amortization over maximum allowable period of 30 years.
Asset valuation method	N/A
Actuarial assumptions:	
Discount rate	4.00%
Healthcare inflation rate	9.52% initial, 5.00% ultimate
Mortality table	RP-2000 Combined Healthy Mortality Table - Projected with Scale AA fully generational.
Disability rates	None assumed.
Participation	50% of the Non-Certified active employees currently enrolled in the District plan are assumed to participate in the ppo medical plan upon retirement.
Lapse rate	No current retirees are assumed to lapse coverage.
Actuarial Valuation Frequency	An actuarial valuation is prepared triennially, provided no significant events have occurred warranting a new measurement. The Annual Required Contribution (ARC) for the current fiscal year is based upon the results of the most recent actuarial valuation.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

12. FUND BALANCE REPORTING

The District adopted GASB 54 as part of its financial statements for year ended June 30, 2011. The intention of the GASB is to provide a more structured classification of fund balance and to improve the usefulness of fund balance reporting to the users of the District's financial statements. The reporting standard establishes a hierarchy for fund balance classifications and the constraints imposed on the uses of those resources.

GASB 54 provides for two major types of fund balances, which are nonspendable and spendable. Nonspendable fund balances are balances that cannot be spent because they are not expected to be converted to cash or they are legally or contractually required to remain intact.

In addition to the nonspendable fund balance, GASB 54 has provided a hierarchy of spendable fund balances, based on a hierarchy of spending constraints.

- Restricted: fund balances that are constrained by external parties, constitutional provisions, or enabling legislation. Things such as restrictions imposed by creditors, grantors, and contributors.
- Committed: fund balances that contain self-imposed constraints of the government from its highest level of decision making authority. Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.
- Assigned: fund balances that contain self-imposed constraints of the government to be used for a particular purpose. Intent should be expressed by a) the governing body itself or b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.
- Unassigned: fund balance of the general fund that is not constrained for any particular purpose.

The District has classified its fund balances with the following hierarchy:

Nonspendable: The District has no fund balances that are classified here.

Spendable: The District has classified the spendable fund balances as:

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO FINANCIAL STATEMENTS**  
**JUNE 30, 2012**

Fund	Restricted	Committed	Assigned	Unassigned	Governmental Fund Balance Totals
Educational	\$ -	\$ -	\$ -	\$ 16,523,356	\$ 16,523,356
Operations and Maintenance	-	1,890,035	-	1,957,725	3,847,760
Debt Service	709,245	-	-	-	709,245
Transportation	-	-	998,478	-	998,478
Municipal Retirement	421,907	-	-	-	421,907
Capital Projects	-	-	(29,488)	-	(29,488)
Working Cash	-	-	-	3,211,737	3,211,737
Tort Liability	-	-	228,121	-	228,121
Fire Prevention and Safety	-	-	-	-	-
	<u>\$ 1,131,152</u>	<u>\$ 1,890,035</u>	<u>\$ 1,197,111</u>	<u>\$ 21,692,818</u>	<u>\$ 25,911,116</u>

As of June 30, 2012, the District is committed under various capital project contracts for ongoing remodeling work at its both schools in the amount of \$1,890,035.

13. TRANSFERS

	TRANSFERS IN	TRANSFERS OUT
Bond and Interest	\$ 264,701	\$ -
Operations and Maintenance	-	264,701
	<u>\$ 264,701</u>	<u>\$ 264,701</u>

The transfer activity above represents a transfer of cash among the various governmental funds to payoff principal and interest.

14. DEFECIT FUND BALANCE

The following fund had a deficit fund balance at June 30, 2012:

Fund	Fund Type	Amount
Site and Construction	Capital Project Fund	\$ (29,488)

The District plans to eliminate the fund balance deficit through the application of a permanent transfer in the amount of \$2,690,000 that was approved by the board in the September 25, 2012 minutes.

REQUIRED SUPPLEMENTARY INFORMATION

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**EMPLOYER NUMBER: 02269R**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF FUNDING PROGRESS**  
**JUNE 30, 2012**

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 Percentage of Covered Payroll ((b-a)/c)
12/31/11	\$ 8,952,391	\$ 11,635,321	\$ 2,682,930	76.94%	\$4,884,918	54.92%
12/31/10	\$ 8,015,543	\$ 10,878,654	\$ 2,863,111	73.68%	\$4,691,421	61.03%
12/31/09	\$ 7,386,560	\$ 9,785,654	\$ 2,399,094	75.48%	\$4,404,806	54.47%

On a market value basis, the actuarial value of assets as of December 31, 2011 is \$8,443,205. On a market basis, the funded ratio would be 72.57%.

For information regarding pension contribution percentages rates, assumptions and amortization method, see Note 10-B.

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215  
 POSTRETIREMENT MEDICAL PLAN  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS  
 JUNE 30, 2012**

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
07/01/08	\$ -	\$ 356,704	\$ 356,704	0.00%	N/A	N/A
07/01/11	\$ -	\$ 325,976	\$ 325,976	0.00%	N/A	N/A

For information regarding postretirement medical plan percentages rates, assumptions and amortization method, see Note 11-B.

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

Page 1 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 20,943,470	\$ 20,899,324	\$ 21,746,306
Corporate personal property replacement taxes	-	-	120,315
Charges for services	691,000	890,499	798,951
Donations from private sources	-	20,900	-
Refund of prior year expenditures	651,000	402,901	595,082
Investment earnings	76,140	102,441	76,462
Flow-through revenue from state sources	-	3,061	-
Flow through revenue	145,000	-	-
Flow-through revenue from federal sources	-	109,380	9,591
Unrestricted general state aid	11,185,418	11,185,188	12,090,824
Restricted state aid			
Special education	1,651,000	1,716,271	1,651,350
Vocational education	113,593	99,250	155,214
Driver education	76,000	55,457	76,486
ADA safety and educational block grant	15,000	-	14,837
Other restricted state grants-in-aid	37,363	86,014	35,263
Total restricted state aid	<u>1,892,956</u>	<u>1,956,992</u>	<u>1,933,150</u>
Restricted federal aid			
National school lunch program	791,000	849,351	791,171
Title I - low income	523,514	507,022	624,499
ARRA- Title I - low income	-	-	74,571
Title I - school improvement	-	32,400	-
Title IV - safe and drug free schools	4,000	1,764	4,324
Special education IDEA flow through	601,975	683,020	582,561
Special education IDEA room and board	68,000	157	68,403
ARRA- Special education IDEA flow through	-	-	3,422
Vocational education	107,977	95,034	125,860
ARRA - Title I school improv.	-	3,300	-
ARRA education jobs funds	-	18,920	1,258,662
Title II - teacher quality/Class size reduction	80,823	60,530	113,314
Medicaid matching fund	123,000	164,656	122,458
Other restricted federal aid	149,157	-	-
Total restricted federal aid	<u>2,449,446</u>	<u>2,416,154</u>	<u>3,769,245</u>
<b>TOTAL DIRECT REVENUES RECEIVED</b>	<u>\$ 38,034,430</u>	<u>\$ 37,986,840</u>	<u>\$ 41,139,926</u>

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

Page 2 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED</b>			
<b>Current</b>			
<b>Instruction</b>			
<b>Regular programs</b>			
Salaries	\$ 11,451,894	\$ 11,845,414	\$ 11,367,308
Employee benefits	1,600,596	1,496,047	1,586,608
Purchased services	175,378	161,441	166,013
Supplies and materials	846,220	944,440	482,266
Other	637,685	29,695	30,465
	<u>14,711,773</u>	<u>14,477,037</u>	<u>13,632,660</u>
<b>Special education programs</b>			
Salaries	2,573,483	2,581,109	2,213,753
Employee benefits	406,633	374,634	312,332
Purchased services	126,500	114,169	-
Supplies and materials	8,695	16,451	4,503
Other	1,000,800	1,011,414	-
	<u>4,116,111</u>	<u>4,097,777</u>	<u>2,530,588</u>
<b>Other instructional programs</b>			
<b>Vocational programs</b>			
Salaries	1,331,631	1,307,147	1,320,053
Employee benefits	296,017	152,177	337,943
Purchased services	199,485	152,503	118,956
Supplies and materials	90,555	78,654	56,391
	<u>1,917,688</u>	<u>1,690,481</u>	<u>1,833,343</u>
<b>Interscholastic programs</b>			
Salaries	1,353,474	1,318,904	1,228,394
Employee benefits	70,797	65,245	24,812
Purchased services	229,210	203,310	207,433
Supplies and materials	116,759	116,475	93,000
Other	54,737	52,091	51,202
	<u>\$ 1,824,977</u>	<u>\$ 1,756,025</u>	<u>\$ 1,604,841</u>



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

Page 3 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED (Continued)</b>			
Current (continued)			
Instruction (continued)			
Other instructional programs (continued)			
Summer school program			
Salaries	\$ 121,160	\$ 159,123	\$ 116,496
Employee benefits	420	587	418
Supplies and materials	12,000	1,041	210
	<u>133,580</u>	<u>160,751</u>	<u>117,124</u>
Drivers education			
Salaries	182,309	182,309	179,723
Employee benefits	20,944	18,689	2,550
Purchased services	21,530	18,371	19,831
Supplies and materials	5,400	3,676	3,056
	<u>230,183</u>	<u>223,045</u>	<u>205,160</u>
Total other instructional programs	<u>4,106,428</u>	<u>3,830,302</u>	<u>3,760,468</u>
Support services			
Pupil services			
Attendance & social work services			
Salaries	1,478,645	1,470,493	1,358,144
Employee benefits	290,714	248,680	217,450
Purchased services	500	195	679
Supplies and materials	9,436	13,167	12,795
	<u>1,779,295</u>	<u>1,732,535</u>	<u>1,589,068</u>
Guidance services			
Salaries	923,505	994,238	1,004,526
Employee benefits	124,434	122,127	125,151
Purchased services	40,000	-	67,564
Supplies and materials	26,100	35,573	18,176
Other	1,000	1,175	1,000
	<u>1,115,039</u>	<u>1,153,113</u>	<u>1,216,417</u>
Health services			
Salaries	122,605	122,605	117,865
Employee benefits	19,084	16,331	16,052
Purchased services	39,762	34,125	9,238
Supplies and materials	42,096	32,691	7,245
	<u>\$ 223,547</u>	<u>\$ 205,752</u>	<u>\$ 150,400</u>

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

Page 4 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED (Continued)</b>			
Current (continued)			
Support services (continued)			
Pupil services (continued)			
Psychological services			
Salaries	\$ 119,804	\$ 120,524	\$ 60,979
Employee benefits	20,704	16,319	17,677
Supplies and materials	600	570	540
	<u>141,108</u>	<u>137,413</u>	<u>79,196</u>
Speech pathology and audiology services			
Salaries	89,290	85,974	68,052
Employee benefits	18,795	16,121	396
Supplies and materials	702	394	155
Other	225	225	450
	<u>109,012</u>	<u>102,714</u>	<u>69,053</u>
Total pupil services	<u>3,368,001</u>	<u>3,331,527</u>	<u>3,104,134</u>
Instructional staff services			
Improvement of instruction services			
Salaries	270,914	298,039	192,382
Employee benefits	40,916	58,736	40,224
Purchased services	15,868	97,361	124,307
Supplies and materials	23,597	18,132	317,387
Other	1,500	674	774
	<u>352,795</u>	<u>472,942</u>	<u>675,074</u>
Educational media services			
Salaries	425,185	438,812	206,003
Employee benefits	65,250	55,645	16,232
Purchased services	445,000	455,099	-
Supplies and materials	455,660	630,518	54,453
	<u>\$ 1,391,095</u>	<u>\$ 1,580,074</u>	<u>\$ 276,688</u>

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

Page 5 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
Instructional staff services (continued)			
Assessment/Testing			
Purchased services	\$ 14,500	\$ 58,331	\$ -
Supplies and materials	-	-	23,410
Other	50,000	1,889	-
	<u>64,500</u>	<u>60,220</u>	<u>23,410</u>
Total instructional staff services	<u>1,808,390</u>	<u>2,113,236</u>	<u>975,172</u>
General administration services			
Board of education services			
Salaries	-	21,001	-
Employee benefits	-	7,895	-
Purchased services	264,069	256,725	541,334
	<u>264,069</u>	<u>285,621</u>	<u>541,334</u>
Executive administration services			
Salaries	332,946	353,548	326,139
Employee benefits	129,873	43,977	47,499
Purchased services	45,300	18,337	21,670
Supplies and materials	15,600	8,478	7,074
Other	13,000	13,000	10,657
	<u>\$ 536,719</u>	<u>\$ 437,340</u>	<u>\$ 413,039</u>

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

Page 6 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Support services (continued)			
General administration services (continued)			
Special area administration services			
Salaries	\$ -	\$ -	\$ 229,844
Employee benefits	21,460	-	44,509
Purchased services	-	-	3,958
Supplies and materials	-	1,041	2,989
Other	-	-	95,236
	21,460	1,041	376,536
Immunity services			
Purchased services	433,280	184,467	-
	433,280	184,467	-
Total general administration services	1,255,528	908,469	1,330,909
Office of the principal services			
Salaries	1,492,862	1,533,057	1,351,182
Employee benefits	300,751	290,195	316,802
Purchased services	15,467	6,396	9,722
Supplies and materials	44,039	106,284	51,175
Other	680	364	305
	1,853,799	1,936,296	1,729,186
Business services			
Direction of business support services			
Salaries	92,500	123,381	106,811
Employee benefits	20,987	21,401	19,476
	113,487	144,782	126,287
Fiscal services			
Salaries	294,419	258,909	247,714
Employee benefits	41,388	35,148	30,740
Purchased services	9,450	4,191	904
Supplies and materials	5,000	1,583	3,352
Other	1,000	981	797
	\$ 351,257	\$ 300,812	\$ 283,507

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

Page 7 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>EXPENDITURES DISBURSED (Continued)</b>			
<b>Current (continued)</b>			
Food services			
Salaries	\$ 526,169	\$ 567,975	\$ 464,202
Employee benefits	257,523	218,696	222,843
Purchases services	35,750	22,801	26,858
Supplies and materials	720,000	703,681	635,151
	<u>1,539,442</u>	<u>1,513,153</u>	<u>1,349,054</u>
Internal services			
Salaries	64,015	67,100	61,458
Employee benefits	18,395	15,622	-
Purchased services	-	-	-
Supplies and materials	3,800	3,446	3,119
	<u>86,210</u>	<u>86,168</u>	<u>64,577</u>
Total business services	<u>2,090,396</u>	<u>2,044,915</u>	<u>1,823,425</u>
Operations and maintenance of plant services			
Purchased services	-	-	298,655
Total operations and maintenance of plant services	<u>-</u>	<u>-</u>	<u>298,655</u>
Central and other support services			
Staff services			
Salaries	91,200	94,615	63,562
Employee benefits	9,197	7,810	7,683
Purchased services	11,500	9,177	9,564
Supplies and materials	1,000	1,228	74
Other	1,000	960	1,054
	<u>113,897</u>	<u>113,790</u>	<u>81,937</u>
Data processing services			
Salaries	97,600	102,285	-
Employee benefits	9,197	7,810	-
Purchased services	3,000	906	-
Supplies and materials	2,000	782	-
Other	1,000	215	-
	<u>\$ 112,797</u>	<u>\$ 111,998</u>	<u>\$ -</u>

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

Page 8 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Central and other support services (continued)			
Other support services			
Salaries	\$ -	\$ -	\$ 151,409
Employee benefits	-	-	15,365
Purchased services	-	88,801	301,790
Supplies and materials	-	1,254	348,881
Other	-	-	431
	-	90,055	817,876
Total central and other support services	226,694	315,843	899,813
Community services			
Purchased services	87	9,486	8,549
Total community services	87	9,486	8,549
Nonprogrammed charges			
Payments to other governmental units			
Payments for regular programs	-	-	10,174
Payments for special education programs	3,141,571	2,642,523	3,426,491
Payments for community college programs	20,000	5,056	-
Other payments to in state gov units	-	4,068	1,446
Total nonprogrammed charges	\$ 3,161,571	\$ 2,651,647	\$ 3,438,111

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

Page 9 of 9

EDUCATIONAL FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
EXPENDITURES DISBURSED (Continued)			
Current (continued)			
Capital outlay			
Regular programs	\$ 94,248	\$ 79,604	\$ 112,010
Special education programs	1,500	-	-
Vocational programs	5,000	1,270	21,899
Interscholastic programs	4,500	2,216	6,021
Health services	17,720	18,434	22,280
Attendance and social work services	6,000	-	1,795
Improvement of instruction services	2,000	13,948	-
Educational media services	923,120	695,367	-
Executive administration services	2,000	-	-
Internal services	1,600	-	-
Office of the principal services	101,239	15,000	66,165
Fiscal services	2,000	-	-
Food services	85,000	6,744	10,039
Other support services	-	-	406,311
	1,245,927	832,583	646,520
TOTAL DIRECT EXPENDITURES DISBURSED	37,944,705	36,549,118	34,178,190
NET CHANGE IN FUND BALANCE	\$ 89,725	1,437,722	6,961,736
FUND BALANCE - Beginning (Budgetary Basis)		14,669,811	9,553,488
FUND BALANCE - Ending (Budgetary Basis)		16,107,533	16,515,224
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		421,001	(546,728)
To adjust for expenditure accruals		(5,178)	(1,298,685)
FUND BALANCE - Ending (GAAP Basis)		\$ 16,523,356	\$ 14,669,811

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

Page 1 of 2

OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 2,590,570	\$ 2,559,521	\$ 2,666,350
Surplus	-	656,701	-
Corporate personal property replacement taxes	832,000	705,755	832,002
Charges for services	110,910	121,513	116,268
Investment earnings	16,860	21,202	16,859
Unrestricted general state aid	2,000,000	2,000,000	920,000
<b>TOTAL REVENUES RECEIVED</b>	<b>5,550,340</b>	<b>6,064,692</b>	<b>4,551,479</b>
<b>EXPENDITURES DISBURSED</b>			
Current			
Support services			
Operations & maintenance services			
Salaries	2,065,592	1,984,970	1,742,266
Employee benefits	441,466	374,909	338,099
Purchased services	2,183,430	1,578,902	1,529,933
Supplies and materials	310,070	310,134	279,581
Total operations and maintenance services	5,000,558	4,248,915	3,889,879
Capital outlay			
Facilities acquisition and construction	150,000	-	-
Operations and maintenance	128,630	47,576	89,382
Total capital outlay	278,630	47,576	89,382
Debt service			
Interest	264,701	-	-
Total debt service	264,701	-	-
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>5,543,889</b>	<b>4,296,491</b>	<b>3,979,261</b>
<b>EXCESS OF REVENUES RECEIVED OVER EXPENDITURES DISBURSED</b>	<b>\$ 6,451</b>	<b>\$ 1,768,201</b>	<b>\$ 572,218</b>



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

Page 2 of 2

OPERATIONS AND MAINTENANCE FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
OTHER FINANCING USES			
Transfer to Debt service fund	\$ -	\$ (264,701)	\$ -
TOTAL OTHER FINANCING USES	-	(264,701)	-
NET CHANGE IN FUND BALANCE	\$ 6,451	1,503,500	572,218
FUND BALANCE - Beginning (Budgetary Basis)		2,313,654	1,672,182
FUND BALANCE - Ending (Budgetary Basis)		3,817,154	2,244,400
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		11,536	34,003
To adjust for expenditure accruals		19,070	35,251
FUND BALANCE - Ending (GAAP Basis)		\$ 3,847,760	\$ 2,313,654

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2012**

BUDGETS AND BUDGETARY ACCOUNTING

The budget for all governmental fund types is prepared on the cash basis of accounting and excludes on-behalf payments for which the District is not legally responsible. This is a comprehensive basis of accounting other than generally accepted accounting principles. The budget, which was not amended, was passed on September 27, 2011.

Legal spending control for District moneys is at the fund level, but management control is exercised at budgetary line item levels within each fund. Unexpended budgetary balances lapse at the end of each fiscal year.

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

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

OVEREXPENDITURE OF BUDGET

At June 30, 2012, the following funds over expended their budgets:

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Overexpended Amount</u>
Bond and Interest	\$ 2,993,572	\$ 3,151,961	\$ 158,389
Transportation	\$ 2,449,146	\$ 2,470,047	\$ 20,901
IMRF/Social Security	\$ 1,137,590	\$ 1,313,921	\$ 176,331

OTHER SUPPLEMENTARY INFORMATION

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**COMBINING BALANCE SHEET**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**JUNE 30, 2012**

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Site and Construction	Working Cash	Tort Immunity	Fire Prevention and Safety	Total
<b>ASSETS</b>								
Cash/investments - pooled accounts	\$ 805,146	\$ 421,185	\$ 718,596	110,611	\$ 3,206,234	\$ 225,884	\$ -	\$ 5,487,656
Cash at district	146	-	-	-	-	(30)	-	116
Investments	-	-	-	-	-	-	-	-
Property taxes receivable, net	416,156	543,867	1,351,040	-	172,271	266,165	-	2,749,499
Due from other governments	574,593	-	-	-	-	-	-	574,593
Other receivables	-	-	-	-	-	7,745	-	7,745
Accrued interest on investments	1,381	722	1,234	6,223	5,503	388	-	15,451
<b>TOTAL ASSETS</b>	<b>\$ 1,797,422</b>	<b>\$ 965,774</b>	<b>\$ 2,070,870</b>	<b>\$ 116,834</b>	<b>\$ 3,384,008</b>	<b>\$ 500,152</b>	<b>\$ -</b>	<b>\$ 8,835,060</b>
<b>LIABILITIES</b>								
Accounts payable	\$ 72,569	\$ -	\$ 585	146,322	\$ -	\$ 5,866	\$ -	\$ 225,342
Deferred revenue	726,375	543,867	1,351,040	-	172,271	266,165	-	3,059,718
Other current liabilities	-	-	10,000	-	-	-	-	10,000
<b>TOTAL LIABILITIES</b>	<b>798,944</b>	<b>543,867</b>	<b>1,361,625</b>	<b>146,322</b>	<b>172,271</b>	<b>272,031</b>	<b>-</b>	<b>3,295,060</b>
<b>FUND BALANCES</b>								
Restricted	-	421,907	709,245	-	-	-	-	1,131,152
Assigned	998,478	-	-	(29,488)	-	228,121	-	1,197,111
Unassigned	-	-	-	-	3,211,737	-	-	3,211,737
<b>TOTAL FUND BALANCES</b>	<b>998,478</b>	<b>421,907</b>	<b>709,245</b>	<b>(29,488)</b>	<b>3,211,737</b>	<b>228,121</b>	<b>-</b>	<b>5,540,000</b>
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 1,797,422</b>	<b>\$ 965,774</b>	<b>\$ 2,070,870</b>	<b>\$ 116,834</b>	<b>\$ 3,384,008</b>	<b>\$ 500,152</b>	<b>\$ -</b>	<b>\$ 8,835,060</b>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**COMBINING STATEMENT OF REVENUES RECEIVED, EXPENDITURES DISBURSED AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED JUNE 30, 2012**

	Transportation	Municipal Retirement/ Social Security	Bond and Interest	Site and Construction	Working Cash	Tort Immunity	Fire Prevention and Safety	Total
<b>REVENUES</b>								
Property taxes	\$ 759,440	\$ 971,490	\$ 2,461,000	\$ -	\$ 314,678	\$ 410,937	\$ -	\$ 4,917,545
Personal property replacement taxes	-	240,000	-	-	-	-	-	240,000
Refund of prior yr expenses	-	-	-	-	-	7,745	-	7,745
Investment income	7,914	2,582	3,341	-	19,343	472	-	33,652
Unrestricted state aid	725,000	-	-	-	-	170,000	-	895,000
Restricted state aid	721,227	-	-	250,000	-	-	-	971,227
Restricted federal aid	-	-	38,303	-	-	-	-	38,303
<b>TOTAL REVENUES</b>	<b>2,213,581</b>	<b>1,214,072</b>	<b>2,502,644</b>	<b>250,000</b>	<b>334,021</b>	<b>589,154</b>	<b>-</b>	<b>7,103,472</b>
<b>EXPENDITURES</b>								
<b>Current operating</b>								
<b>Instruction</b>								
Regular instruction	-	187,503	-	-	-	-	-	187,503
Special education instruction	-	93,253	-	-	-	-	-	93,253
Other instruction	-	92,955	-	-	-	-	-	92,955
<b>Support services</b>								
Pupil services	-	177,263	-	-	-	-	-	177,263
Instructional staff services	-	65,332	-	-	-	-	-	65,332
General administration services	-	22,664	-	-	-	-	-	22,664
School administration services	-	89,145	-	-	-	-	-	89,145
Business services	-	62,592	-	-	-	-	-	62,592
<b>Operation &amp; maintenance</b>								
of plant services	-	370,381	-	-	-	-	-	370,381
Pupil transportation services	2,420,386	184	-	-	-	-	-	2,420,570
Food services	-	105,366	-	-	-	-	-	105,366
Central and other support services	-	47,283	-	-	-	-	-	47,283
Tort immunity	-	-	-	-	-	369,443	-	369,443
Debt service	-	-	3,151,846	-	-	-	-	3,151,846
Capital outlay	-	-	-	4,734,112	-	-	-	4,734,112
<b>TOTAL EXPENDITURES</b>	<b>2,420,386</b>	<b>1,313,921</b>	<b>3,151,846</b>	<b>4,734,112</b>	<b>-</b>	<b>369,443</b>	<b>-</b>	<b>11,989,708</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(206,805)</b>	<b>(99,849)</b>	<b>(649,202)</b>	<b>(4,484,112)</b>	<b>334,021</b>	<b>219,711</b>	<b>-</b>	<b>(4,886,236)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Permanent transfer	-	-	264,701	-	-	-	-	264,701
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>264,701</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>264,701</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(206,805)</b>	<b>(99,849)</b>	<b>(384,501)</b>	<b>(4,484,112)</b>	<b>334,021</b>	<b>219,711</b>	<b>-</b>	<b>(4,621,535)</b>
<b>FUND BALANCE - Beginning of Year</b>	<b>1,205,283</b>	<b>521,756</b>	<b>1,093,746</b>	<b>4,454,624</b>	<b>2,877,716</b>	<b>8,410</b>	<b>-</b>	<b>10,161,535</b>
<b>FUND BALANCE - End of Year</b>	<b>\$ 998,478</b>	<b>\$ 421,907</b>	<b>\$ 709,245</b>	<b>\$ (29,488)</b>	<b>\$ 3,211,737</b>	<b>\$ 228,121</b>	<b>\$ -</b>	<b>\$ 5,540,000</b>

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

Page 1 of 1

TRANSPORTATION FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 781,050	\$ 771,658	\$ 803,042
Investment earnings	6,340	8,922	6,342
Unrestricted general state aid	725,000	725,000	725,000
Restricted state aid			
Transportation aid	1,096,700	1,006,577	1,364,020
<b>TOTAL REVENUES RECEIVED</b>	2,609,090	2,512,157	2,898,404
<b>EXPENDITURES DISBURSED</b>			
Current			
Support services			
Pupil transportation services			
Salaries	12,700	12,700	11,500
Employee benefits	2,352	2,206	2,130
Purchased services	2,434,094	2,455,141	2,289,166
Total pupil transportation services	2,449,146	2,470,047	2,302,796
<b>TOTAL EXPENDITURES DISBURSED</b>	2,449,146	2,470,047	2,302,796
<b>NET CHANGE IN FUND BALANCE</b>	\$ 159,944	42,110	595,608
<b>FUND BALANCE - Beginning (Budgetary Basis)</b>		1,205,283	860,999
<b>FUND BALANCE - Ending (Budgetary Basis)</b>		1,247,393	1,456,607
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		(298,576)	(269,833)
To adjust for expenditure accruals		49,661	18,509
<b>FUND BALANCE - Ending (GAAP Basis)</b>		\$ 998,478	\$ 1,205,283

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

Page 1 of 1

**MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND**

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 974,370	\$ 986,297	\$ 1,005,101
Corporate personal property replacement taxes	240,000	240,000	120,000
Investment earnings	4,030	3,444	4,025
	<u>1,218,400</u>	<u>1,229,741</u>	<u>1,129,126</u>
<b>EXPENDITURES DISBURSED</b>			
Current operating			
Instruction			
Regular instruction	176,730	187,503	177,572
Special education instruction	76,700	93,253	76,702
Other instruction	80,780	92,955	80,784
Support services			
Pupil services	157,090	177,263	157,088
Instructional staff services	20,350	65,332	20,349
General administration services	31,750	22,664	31,756
School administration services	81,580	89,145	82,251
Business services	142,490	167,958	142,487
Operations and maintenance services	322,680	370,381	322,690
Pupil transportation services	170	184	167
Central and other support services	47,270	47,283	47,277
	<u>1,137,590</u>	<u>1,313,921</u>	<u>1,139,123</u>
<b>TOTAL EXPENDITURES DISBURSED</b>	<u>1,137,590</u>	<u>1,313,921</u>	<u>1,139,123</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ 80,810</u>	(84,180)	(9,997)
<b>FUND BALANCE - Beginning (Budgetary Basis)</b>		<u>521,756</u>	<u>523,602</u>
<b>FUND BALANCE - Ending (Budgetary Basis)</b>		437,576	513,605
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		<u>(15,669)</u>	<u>8,151</u>
<b>FUND BALANCE - Ending (GAAP Basis)</b>		<u>\$ 421,907</u>	<u>\$ 521,756</u>

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

Page 1 of 1

BOND AND INTEREST FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 2,525,000	\$ 2,499,462	\$ 2,635,584
Charges for services	264,701	-	-
Investment earnings	8,000	5,441	8,325
Restricted federal aid			
Build america bond interest	38,303	38,303	38,303
<b>TOTAL REVENUES RECEIVED</b>	<b>2,836,004</b>	<b>2,543,206</b>	<b>2,682,212</b>
<b>EXPENDITURES DISBURSED</b>			
Debt service			
Bond interest	1,151,702	1,309,829	1,058,796
Principal retired	1,840,000	1,840,000	1,715,000
Other debt service	1,870	2,132	1,870
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>2,993,572</b>	<b>3,151,961</b>	<b>2,775,666</b>
<b>EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED</b>	<b>(157,568)</b>	<b>(608,755)</b>	<b>(93,454)</b>
<b>OTHER FINANCING SOURCES</b>			
Transfer from operation and maintenance fund	-	264,701	-
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>-</b>	<b>264,701</b>	<b>-</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ (157,568)</b>	<b>(344,054)</b>	<b>(93,454)</b>
<b>FUND BALANCE - Beginning (Budgetary Basis)</b>		<b>1,093,746</b>	<b>1,165,673</b>
<b>FUND BALANCE - Ending (Budgetary Basis)</b>		<b>749,692</b>	<b>1,072,219</b>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		(40,562)	21,640
To adjust for expenditure accruals		115	(113)
<b>FUND BALANCE - Ending (GAAP Basis)</b>		<b>\$ 709,245</b>	<b>\$ 1,093,746</b>



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

Page 1 of 1

SITE AND CONSTRUCTION FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
REVENUES RECEIVED			
Investment earnings	\$ 3,350	\$ 10,001	\$ 3,354
Restricted state aid			
Energy Efficiency Grant	250,000	250,000	-
TOTAL REVENUES RECEIVED	253,350	260,001	3,354
EXPENDITURES DISBURSED			
Capital outlay			
Facilities acquisition and construction services	5,429,477	5,325,517	1,746,960
TOTAL EXPENDITURES DISBURSED	5,429,477	5,325,517	1,746,960
EXCESS (DEFICIENCY) OF REVENUES RECEIVED OVER (UNDER) EXPENDITURES DISBURSED	(5,176,127)	(5,065,516)	(1,743,606)
OTHER FINANCING SOURCES (USES)			
Permanent transfer from working cash	-	-	6,650,000
TOTAL OTHER FINANCING SOURCES (USES)	-	-	6,650,000
NET CHANGE IN FUND BALANCE	\$ (5,176,127)	(5,065,516)	4,906,394
FUND BALANCE - Beginning (Budgetary Basis)		4,454,624	266,351
FUND BALANCE - Ending (Budgetary Basis)		(610,892)	5,172,745
ADJUSTMENTS TO RECONCILE TO GAAP BASIS			
To adjust for revenue accruals and deferrals		(10,001)	15,606
To adjust for expenditure accruals		591,405	(733,727)
FUND BALANCE - Ending (GAAP Basis)		\$ (29,488)	\$ 4,454,624

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

Page 1 of 1

WORKING CASH FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 317,980	\$ 319,552	\$ 332,854
Investment earnings	19,580	22,819	19,576
<b>TOTAL REVENUES RECEIVED</b>	<b>337,560</b>	<b>342,371</b>	<b>352,430</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Principal on bonds sold	-	-	6,975,000
Premium on bonds sold	-	-	100,259
Bond issuance costs	-	-	(118,150)
Permanent transfer to capital projects	-	-	(6,650,000)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>-</b>	<b>-</b>	<b>307,109</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 337,560</b>	<b>342,371</b>	<b>659,539</b>
<b>FUND BALANCE - Beginning (Budgetary Basis)</b>		<b>2,877,716</b>	<b>2,211,695</b>
<b>FUND BALANCE - Ending (Budgetary Basis)</b>		<b>3,220,087</b>	<b>2,871,234</b>
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		<b>(8,350)</b>	<b>6,482</b>
<b>FUND BALANCE - Ending (GAAP Basis)</b>		<b>\$ 3,211,737</b>	<b>\$ 2,877,716</b>

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

Page 1 of 1

TORT IMMUNITY FUND

YEAR ENDED JUNE 30, 2012

(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ 343,980	\$ 415,983	\$ 350,836
Investment earnings	-	160	-
Unrestricted general state aid	170,000	170,000	100,000
<b>TOTAL REVENUES RECEIVED</b>	<b>513,980</b>	<b>586,143</b>	<b>450,836</b>
 <b>EXPENDITURES DISBURSED</b>			
Current			
Tort immunity	513,790	378,637	463,421
Total tort immunity	513,790	378,637	463,421
<b>TOTAL EXPENDITURES DISBURSED</b>	<b>513,790</b>	<b>378,637</b>	<b>463,421</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>\$ 190</b>	<b>207,506</b>	<b>(12,585)</b>
<b>FUND BALANCE - Beginning (Budgetary Basis)</b>		<b>8,410</b>	<b>33,653</b>
<b>FUND BALANCE - Ending (Budgetary Basis)</b>		<b>215,916</b>	<b>21,068</b>
 <b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		3,011	3,641
To adjust for expenditure accruals		9,194	(16,299)
<b>FUND BALANCE - Ending (GAAP Basis)</b>		<b>\$ 228,121</b>	<b>\$ 8,410</b>

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

Page 1 of 1

FIRE PREVENTION & SAFETY FUND

YEAR ENDED JUNE 30, 2012  
(WITH COMPARATIVE ACTUAL TOTALS FOR YEAR ENDED JUNE 30, 2011)

	2012		2011
	Original and Final Budget	Actual	Actual
<b>REVENUES RECEIVED</b>			
Property taxes	\$ -	\$ -	\$ -
Investment earnings	-	-	-
<b>TOTAL REVENUES RECEIVED</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES DISBURSED</b>			
Current			
Support services			
Facilities acquisition and construction services			
Purchased services	-	-	-
Total operations & maintenance services	-	-	-
Capital outlay			
Facilities acquisition and construction services	-	-	-
Total capital outlay	-	-	-
<b>TOTAL EXPENDITURES DISBURSED</b>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>\$ -</u>	-	-
FUND BALANCE - Beginning (Budgetary Basis)		-	-
FUND BALANCE - Ending (Budgetary Basis)		-	-
<b>ADJUSTMENTS TO RECONCILE TO GAAP BASIS</b>			
To adjust for revenue accruals and deferrals		-	-
To adjust for expenditure accruals		-	-
<b>FUND BALANCE - Ending (GAAP Basis)</b>		<u>\$ -</u>	<u>\$ -</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ACTIVITY FUNDS**

YEAR ENDED JUNE 30, 2012

Page 1 of 3

ASSETS	Balance			Balance
	July 1, 2011	Receipts	Disbursements	June 30, 2012
Cash at district	\$ 313,649	\$ 314,034	\$ 327,365	\$ 300,318
<b>LIABILITIES</b>				
Amounts due to organizations:				
<b>NORTH</b>				
Activity Account	\$ 3,391	\$ 9,807	\$ 11,152	\$ 2,046
Adm. Center Pop Fund	25,851	508	13,164	13,195
Academic Decathlon	234	82	-	316
Adventure Club	-	-	-	-
Art Club	44	-	-	44
Athletics	1	1,000	800	201
Attendance Improvement	397	-	-	397
Badminton Club	65	-	65	-
Basketball Camp - Girls	1,341	-	-	1,341
Basketball Camp - Boys	(201)	-	-	(201)
Band Camp	2,101	2,269	1,537	2,833
Beautification - T.F.N.	-	-	-	-
Big Brother/Big Sister	(85)	85	-	-
Baseball Camp	165	-	-	165
Building Const. V.I.C.A.	(131)	131	-	-
Best Buddies	547	2,068	2,554	61
Business Professionals	47	-	-	47
Bowling Camp	480	-	-	480
Cap and Gown	586	-	-	586
Cheerleaders	1,292	-	1,200	92
Cheer Camp	130	-	-	130
Chess Club	505	146	153	498
Chronoscope	3,670	1,905	3,779	1,796
Class of 2008	-	-	-	-
Class of 2010	112	-	-	112
Class of 2011	5,507	-	5,507	-
Class of 2012	2,501	16,422	17,602	1,321
Class of 2013	4,572	33,566	31,811	6,327
Class of 2014	883	650	296	1,237
Class of 2015	-	2,306	866	1,440
Concessions	1	-	-	1
Craft Club	37	-	37	-
Cultural Diversity Club	120	-	120	-
Distributive Education	250	-	-	250
Diversified Occupations	462	-	-	462
Drama	54	874	913	15
Environmental Club	768	952	840	880
Flower Fund	(154)	365	286	(75)
Faculty Workroom	611	242	-	853
Football Camp	547	1,695	-	2,242
International Club	251	-	215	36
History Club	650	431	405	676
Honors Trip	255	-	-	255
Interrelated Coop Education	308	-	-	308
Interest Account	9,737	-	201	9,536
Jobs for Illinois Graduates	649	-	649	-
Literary Magazine	67	686	-	753
Mathletes	376	-	100	276
Memorial Fund - Jurek	390	-	-	390
Meteor Broadcasting	1,091	500	1,091	500
Monogram Club	3,113	3,381	3,665	2,829
Music	-	177	27	150
National Honor Society	720	1,183	1,969	(66)
North Football Lights	-	-	-	-
Needy Student Fund	1,495	-	120	1,375
Pep Club	\$ 40	\$ -	\$ -	\$ 40

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ACTIVITY FUNDS**

YEAR ENDED JUNE 30, 2012

Page 2 of 3

	Balance July 01, 2011	Receipts	Disbursements	Balance June 30, 2012
Peer Mediators	\$ 2,295	\$ 136	\$ 1,955	\$ 476
Philanthropy Club	663	-	663	-
Physical Education Rental	17,543	19,253	35,982	814
Poetry Slam	396	-	-	396
Pom Poms - Meteorites	82	1,400	1,482	-
Pop Machine	572	4,057	4,803	(174)
Powerlifting	26	-	-	26
Principal's Leadership	3,288	13,732	15,567	1,453
PSE Student Incentive	1,169	-	-	1,169
Science & Tech - Auto Mech	982	-	65	917
Science & Tech - Pop	(4,239)	2,769	977	(2,447)
SICA Convention	-	-	-	-
Soccer Camp	5,515	2,080	-	7,595
Softball Camp	145	-	-	145
Special Education	89	-	-	89
Speech Club	183	35	-	218
Stat Girls	-	-	-	-
Student Council	5,880	7,745	11,307	2,318
Students Against Drunk Driving	533	702	837	398
Tennis Camp	550	20	-	570
TF Center Auto Technology	578	-	28	550
Thorntonian - Newspaper	13,531	11,704	12,470	12,765
Volleyball Camp	1,555	275	250	1,580
<b>NORTH TOTAL</b>	<b>\$ 127,179</b>	<b>\$ 145,339</b>	<b>\$ 187,510</b>	<b>\$ 85,008</b>
<b>SOUTH</b>				
American Field Services	\$ -	\$ -	\$ -	\$ -
Activity Executive Board	282	-	600	(318)
Art Executive Board	-	109	-	109
Athletic Invitational Fund	8,140	5,886	7,170	6,856
Band	217	1,701	1,715	203
Band Camp	5,453	8,112	5,350	8,215
Baseball Camp	2,030	1,120	517	2,633
Basketball Camp	4,298	2,295	560	6,033
Best Buddies	251	674	773	152
Boys Bowling	9	-	-	9
Class Concession Stand	889	4,212	3,399	1,702
Cap and Gown	38	-	-	38
Cheerleaders	30	-	-	30
Choral B	40	1,750	1,281	509
Chess	55	-	-	55
Class of 2008	100	-	-	100
Class of 2009	-	-	-	-
Class of 2010	2,543	-	500	2,043
Class of 2011	2,037	-	-	2,037
Class of 2012	4,143	606	2,756	1,993
Class of 2013	2,237	27,758	28,012	1,983
Class of 2013	1,905	1,255	532	2,628
Class of 2013	-	825	-	825
Cultural Diversity Club	4,880	1,660	1,876	4,664
Cooperative Work Training	654	-	-	654
Drama	3,314	872	495	3,691
Drama Camp	836	475	56	1,255
Environmental Club	555	320	247	628
Football Camp	12,116	4,200	2,198	14,118
FOR-Friends of Rachel	1,445	92	231	1,306
Foreign Language	-	-	-	-
Girls Basketball Camp	2,090	600	403	2,287
GSA	545	421	728	238
History Club	355	137	130	362
Interest Account	18,379	382	148	18,613
Literary Magazine	\$ 772	\$ 1,080	\$ 846	\$ 1,006

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**ACTIVITY FUNDS**

YEAR ENDED JUNE 30, 2012

Page 3 of 3

	Balance		Balance	
	July 1, 2011	Receipts	Disbursements	June 30, 2012
Learning Resource Center	\$ 383	\$ 806	\$ -	\$ 1,189
J Misiasves Memorial Drive	1,622	-	-	1,622
Joan Baldwin Memorial	-	-	-	-
Jobs for IL Grads	24	-	-	24
Math Fund	65	-	-	65
Market Day	1,458	1,502	1,273	1,687
National Honor Society	1,544	2,531	2,186	1,889
Needy Student Fund	127	-	-	127
Patti Leach Memorial Fund	3,300	950	500	3,750
PE Rental Account	3,101	4,076	-	7,177
Pep Club	2,300	6,941	6,275	2,966
TV - Productions Club	504	-	-	504
Porn Pon	713	480	1,000	193
Postscript	2,411	9,789	16,536	(4,336)
Rebel Recognition	9,464	1,516	1,605	9,375
Rebel Rouser	25,216	7,108	8,098	24,226
Responsibility Comm	-	-	-	-
Rebel Spirit Committee	820	-	-	820
Students Against Drunk Driving	485	318	309	494
School Store	-	-	-	-
Scholastic Bowl	136	250	164	222
SICA Newspaper	3,662	-	-	3,662
Special Programs	663	3,162	2,675	1,150
Social Studies Activities	661	275	415	521
Speech Club	421	200	382	239
Student Body Activity Fund	-	-	-	-
Student Leadership	-	-	-	-
Student Senate	14,471	17,785	12,173	20,083
Tennis Club	-	240	-	240
Tri - S Club	-	-	-	-
T.F.S. Activity Office	9,751	14,163	14,513	9,401
T.F.S. Ambassadors	-	-	-	-
T.F.S. Principal's Award	6,170	26,533	9,225	23,478
Teachers Lounge Coke Machine	9,518	942	317	10,143
T.F.S. Teen Staff	168	525	321	372
Volleyball Camp	4,348	1,475	900	4,923
Vocational Coop Club	104	-	-	104
Weight Room Improvements	307	136	-	443
Wrestling Camp	1,915	450	465	1,900
SOUTH TOTAL	<u>186,470</u>	<u>168,695</u>	<u>139,855</u>	<u>215,310</u>
<b>TOTAL LIABILITIES</b>	<b>\$ 313,649</b>	<b>\$ 314,034</b>	<b>\$ 327,365</b>	<b>\$ 300,318</b>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**SCHEDULE OF ASSESSED VALUATIONS, TAX LEVIES AND COLLECTIONS**  
 JUNE 30, 2012

	<u>2011 Levy</u>	<u>2010 Levy</u>	<u>2009 Levy</u>
Equalized assessed valuation	\$ 812,065,570	\$ 1,017,528,392	\$ 1,047,082,639
Tax rates (per \$100 of assessed valuation)			
Educational	2.8135	2.2231	2.1024
Special education	0.0215	0.0171	0.0162
Operations and maintenance	0.3470	0.2746	0.2597
Bond and interest	0.3395	0.2679	0.2601
Transportation	0.1046	0.0828	0.0783
Municipal retirement	0.0387	0.0258	0.0245
Social security	0.0980	0.0776	0.0735
Working cash	0.0433	0.0343	0.0324
Tort immunity	0.0669	0.0361	0.0342
	<u>3.8730</u>	<u>3.0393</u>	<u>2.8813</u>
Extended tax levy			
Educational	\$ 22,846,811	\$ 22,628,157	\$ 22,021,900
Special education	174,594	173,997	169,627
Operations and maintenance	2,817,867	2,794,132	2,719,273
Bond and interest	2,757,620	2,725,601	2,722,761
Transportation	849,420	842,513	819,865
Municipal retirement	314,269	262,522	256,535
Social security	795,824	789,602	769,605
Working Cash	351,624	349,012	339,254
Tort immunity	543,271	367,327	358,102
	<u>\$ 31,451,300</u>	<u>\$ 30,932,863</u>	<u>\$ 30,176,922</u>
Taxes collected year ended:			
June 30, 2012	\$ 14,469,810	\$ 14,568,298	\$ (586,309)
June 30, 2011	-	14,686,536	14,599,732
June 30, 2010	-	-	13,726,550
Total collected	<u>\$ 14,469,810</u>	<u>\$ 29,254,834</u>	<u>\$ 27,739,973</u>
Percent collected	<u>46.01%</u>	<u>94.58%</u>	<u>91.92%</u>



**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**SCHEDULE OF DEBT SERVICE REQUIREMENTS**  
**JUNE 30, 2012**

Year Ended June 30,	Series 2002 Dated 12/15/02		Series 2003 Dated 2/1/03		Series 2005 Dated 7/14/05		Series 2006 Dated 12/1/06		Series 2009A Dated 7/2/09		Series 2009B Dated 7/2/09		Series 2011 Dated 5/17/11		Total Debt Service Requirements
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2013	\$ 470,000	\$ 280,895	\$ 420,000	\$ 237,200	\$ 255,000	\$ 192,804	\$ 665,000	\$ 30,494	\$ 110,000	\$ 47,575	\$ -	\$ 109,438	\$ -	\$ 316,256	\$ 3,134,662
2014	490,000	259,295	445,000	218,245	270,000	180,991	385,000	8,181	110,000	44,440	-	109,438	25,000	315,881	2,861,471
2015	510,000	236,795	460,000	200,820	280,000	168,616	-	-	115,000	40,840	-	109,438	330,000	310,556	2,762,065
2016	535,000	213,282	480,000	182,250	295,000	156,416	-	-	120,000	36,000	-	109,438	340,000	300,081	2,767,467
2017	560,000	188,645	495,000	162,503	305,000	144,416	-	-	125,000	29,875	-	109,437	350,000	288,431	2,758,307
2018	585,000	163,468	520,000	141,423	320,000	131,916	-	-	130,000	23,500	-	109,437	365,000	275,006	2,764,762
2019	610,000	137,470	540,000	118,905	330,000	118,916	-	-	135,000	16,875	-	109,437	380,000	259,631	2,756,234
2020	635,000	109,762	565,000	94,865	345,000	105,416	-	-	145,000	9,875	-	109,438	395,000	242,669	2,757,025
2021	665,000	80,512	590,000	69,455	355,000	91,416	-	-	125,000	3,125	30,000	108,519	415,000	223,925	2,756,952
2022	695,000	49,565	615,000	42,637	370,000	76,732	-	-	-	-	160,000	102,700	435,000	204,716	2,751,350
2023	730,000	16,790	640,000	14,400	385,000	61,206	-	-	-	-	165,000	92,747	450,000	184,114	2,739,257
2024	-	-	-	-	400,000	45,015	-	-	-	-	175,000	82,334	475,000	161,879	1,339,278
2025	-	-	-	-	420,000	27,735	-	-	-	-	180,000	71,237	495,000	139,139	1,333,111
2026	-	-	-	-	435,000	9,353	-	-	-	-	185,000	59,603	520,000	114,708	1,323,664
2027	-	-	-	-	-	-	-	-	-	-	195,000	47,491	545,000	88,408	875,899
2028	-	-	-	-	-	-	-	-	-	-	205,000	34,612	570,000	60,248	869,860
2029	-	-	-	-	-	-	-	-	-	-	210,000	21,125	600,000	30,338	861,463
2030	-	-	-	-	-	-	-	-	-	-	220,000	7,150	285,000	7,481	519,631
	<u>\$ 6,485,000</u>	<u>\$ 1,736,479</u>	<u>\$ 5,770,000</u>	<u>\$ 1,482,715</u>	<u>\$ 4,765,000</u>	<u>\$ 1,510,948</u>	<u>\$ 1,050,000</u>	<u>\$ 38,675</u>	<u>\$ 1,115,000</u>	<u>\$ 252,105</u>	<u>\$ 1,725,000</u>	<u>\$ 1,303,019</u>	<u>\$ 6,975,000</u>	<u>\$ 3,523,467</u>	<u>\$ 37,932,408</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL DISTRICT NO. 215**  
**SCHEDULE OF LEGAL DEBT MARGIN**  
**JUNE 30, 2012**

Equalized Assessed Valuation - 2011 Tax Levy Year	<u>\$ 812,065,570</u>
	<u>Amount</u>
Legal debt limitation (6.9% of equalized assessed valuation)	\$ 56,032,524
General Obligation Debt Outstanding at June 30, 2012	<u>28,133,963</u>
Legal debt margin	<u>\$ 27,898,561</u>

**THORNTON FRACTIONAL TOWNSHIP HIGH SCHOOL SD#215**  
**07-016-2150-17**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**Year Ending June 30, 2012**

**SECTION II - FINANCIAL STATEMENT FINDINGS**

1. FINDING NUMBER:<sup>11</sup> 2012-1      2. THIS FINDING IS:       New       Repeat from Prior Year?  
Year originally reported?      2011

**3. Criteria or specific requirement**

STATEMENT ON AUDITING STANDARDS (SAS) NO. 115, COMMUNICATING INTERNAL CONTROL RELATED MATTERS IDENTIFIED IN AN AUDIT IS CONCERNED SPECIFICALLY WITH FINANCIAL STATEMENT MISSTATEMENTS. A DEFICIENCY IN INTERNAL CONTROL EXISTS WHEN THE DESIGN OR OPERATION OF A CONTROL DOES NOT ALLOW MANAGEMENT OR EMPLOYEES, IN THE NORMAL COURSE OF PERFORMING THEIR ASSIGNED FUNCTIONS, TO PREVENT OR DETECT AND CORRECT MISSTATEMENTS ON A TIMELY BASIS.

**4. Condition**

THE DISTRICT DOES NOT CURRENTLY HAVE FORMAL WRITTEN INTERNAL CONTROL POLICIES AND PROCEDURES.

**5. Context<sup>12</sup>**

NONE

**6. Effect**

THE DESIGN AND OPERATION OF INTERNAL CONTROL ALLOWS MANAGEMENT OR EMPLOYEES, IN THE NORMAL COURSE OF PERFORMING THEIR ASSIGNED FUNCTIONS, TO PREVENT MISSTATEMENTS ON A TIMELY BASIS. WITHOUT WRITTEN POLICIES, THE DISTRICT INCREASES THE RISK OF NOT IDENTIFYING THESE MISSTATEMENTS ON A TIMELY BASIS.

**7. Cause**

NONE

**8. Recommendation**

MANAGEMENT SHOULD CONSIDER IMPLEMENTING WRITTEN INTERNAL CONTROL POLICIES AND PROCEDURES.

**9. Management's response<sup>13</sup>**

WE AGREE WITH THE FINDINGS AND RECOMMENDATIONS AS PRESENTED.

**For ISBE Review**

Date: \_\_\_\_\_

Initials: \_\_\_\_\_

Resolution Criteria Code Number \_\_\_\_\_

Disposition of Questioned Costs Code Letter \_\_\_\_\_

<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  
07-016-2150-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2012

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2012-2 2. THIS FINDING IS:  New  Repeat from Prior year?  
Year originally reported? 2011

3. Federal Program Name and Year: NATIONAL SCHOOL LUNCH PROGRAM

4. Project No.: 2012-4210-00 5. CFDA No.: 10.555

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF AGRICULTURE

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
THE COMPLIANCE REQUIREMENT FOR "L. REPORTING" GENERALLY REQUIRES THAT LEA'S REPORT FINANCIAL INFORMATION TO THE PASS-THROUGH ENTITY AND THAT THESE REPORTS ARE ACCURATE AND SUPPORTED BY THE UNDERLYING ACCOUNTING RECORDS.

9. Condition<sup>15</sup>  
THE SCHOOL DISTRICT IS NOT PROPERLY COMPLYING WITH THE REQUIREMENTS OF VERIFYING FREE AND REDUCED PRICE APPLICATIONS.

10. Questioned Costs<sup>16</sup>  
N/A

11. Context<sup>17</sup>  
SCHOOL DISTRICT HAD ONE APPLICATION NOT ON HAND TO EXAMINE OF WHICH WAS REPORTED TO ISBE AS REDUCED TO PAID. SCHOOL DISTRICT HAD TWENTY EIGHT APPLICATIONS THAT DID NOT HAVE INCOME SUPPORTING DOCUMENTATION ATTACHED TO THE VERIFIED APPLICATIONS.

12. Effect  
DUE TO THE INACCURACIES IN THE VERIFICATION PROCESS, THE SCHOOL DISTRICT COULD BE PROVIDING FREE AND REDUCED PRICE MEALS TO CHILDREN WHO ARE NOT ELIGIBLE.

13. Cause  
THE FORMAL REQUIREMENTS OF THE VERIFICATION PROCESS HAVE NOT BEEN PROPERLY RELAYED TO THE EMPLOYEES RESPONSIBLE FOR THE VERIFICATION.

14. Recommendation  
PROVIDE EMPLOYEES WITH THE RESPONSIBILITY FOR THE VERIFICATION PROCESS WITH WRITTEN INSTRUCTIONS DOCUMENTING THE COMPLIANCE REQUIREMENTS.

15. Management's response<sup>18</sup>  
WE AGREE WITH THE FINDINGS AND RECOMMENDATIONS AS PRESENTED.

<b>For ISBE Review</b>	
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  
07-016-2150-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2012

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

1. FINDING NUMBER:<sup>14</sup> 2012-3 2. THIS FINDING IS:  New  Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: NATIONAL SCHOOL LUNCH PROGRAM

4. Project No.: 2012-4210-00 5. CFDA No.: 10.555

6. Passed Through: ILLINOIS STATE BOARD OF EDUCATION

7. Federal Agency: US DEPARTMENT OF AGRICULTURE

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
THE COMPLIANCE REQUIREMENT FOR "L. REPORTING" GENERALLY REQUIRES THAT LEA'S REPORT FINANCIAL INFORMATION TO THE PASS-THROUGH ENTITY AND THAT THESE REPORTS ARE ACCURATE AND SUPPORTED BY THE UNDERLYING ACCOUNTING RECORDS.

9. Condition<sup>15</sup>  
THE SCHOOL DISTRICT IS NOT PROPERLY COMPLYING WITH THE REQUIREMENTS OF VERIFYING FREE AND REDUCED PRICE APPLICATIONS.

10. Questioned Costs<sup>16</sup>  
N/A

11. Context<sup>17</sup>  
SCHOOL DISTRICT HAD ONE APPLICATION THAT DURING INITIAL DETERMINATION WAS REPORTED AS REDUCED BUT WHEN COMPARED TO INCOME GUIDELINES PROVIDED BY ISBE SHOULD HAVE BEEN FREE AT INITIAL DETERMINATION. SCHOOL DISTRICT HAD NINE APPLICATIONS THAT DIDN'T REFLECT PROPER HOUSEHOLD # AT INITIAL DETERMINATION.

12. Effect  
DUE TO THE INACCURACIES IN THE VERIFICATION PROCESS, THE SCHOOL DISTRICT COULD BE PROVIDING FREE AND REDUCED PRICE MEALS TO CHILDREN WHO ARE NOT ELIGIBLE.

13. Cause  
THE FORMAL REQUIREMENTS OF THE VERIFICATION PROCESS HAVE NOT BEEN PROPERLY RELAYED TO THE EMPLOYEES RESPONSIBLE FOR THE VERIFICATION.

14. Recommendation  
PROVIDE EMPLOYEES WITH THE RESPONSIBILITY FOR THE VERIFICATION PROCESS WITH WRITTEN INSTRUCTIONS DOCUMENTING THE COMPLIANCE REQUIREMENTS.

15. Management's response<sup>18</sup>  
WE AGREE WITH THE FINDINGS AND RECOMMENDATIONS AS PRESENTED.

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  
07-016-2150-17  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
Year Ending June 30, 2012

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:<sup>14</sup> 2012-4      2. THIS FINDING IS:       New       Repeat from Prior year?  
Year originally reported? \_\_\_\_\_

3. Federal Program Name and Year: MODEL COMMUNITIES GRANT

4. Project No.: 2011-1U58DP00263-01      5. CFDA No.: 93.272A

6. Passed Through: PUBLIC HEALTH INSTITUTE OF METRO. CHICAGO AND COOK COUNTY  
DEPARTMENT OF PUBLIC HEALTH

7. Federal Agency: US DEPARTMENT OF HEALTH AND HUMAN SERVICES

8. Criteria or specific requirement (including statutory, regulatory, or other citation)  
THE COMPLIANCE REQUIREMENT FOR "L. REPORTING" GENERALLY REQUIRES THAT LEA'S REPORT FINANCIAL INFORMATION TO THE PASS-THROUGH ENTITY AND THAT THESE REPORTS ARE ACCURATE AND SUPPORTED BY THE UNDERLYING ACCOUNTING RECORDS.

9. Condition<sup>15</sup>  
EXPENDITURES REPORTED TO PUBLIC HEALTH INSTITUTE OF METRO. CHICAGO FROM 2130-300 WERE OVERSTATED BY \$104.00 AND \$440.63 DUE TO CLAIMED TWICE FOR REIMBURSEMENT.

10. Questioned Costs<sup>16</sup>  
\$544.63 IS QUESTIONED COSTS COMPUTED FROM ITEM 9 ABOVE.

11. Context<sup>17</sup>  
THE AMOUNT OF QUESTIONED COST IS DEEMED IMMATERIAL.

12. Effect  
\$544.63 OF THE OVER CLAIMED EXPENDITURES WERE REPORTED AND REIMBURSED AS OF JUNE 30, 2012. THE AMOUNT OF \$544.63 WILL NEED TO BE ISSUED BACK TO PUBLIC HEALTH INSTITUTE OF METRO. CHICAGO.

13. Cause  
POLICIES AND PROCEDURES IN PLACE PROVIDE REASONABLE ASSURANCE THAT REPORTS OF FEDERAL AWARDS SUBMITTED TO PUBLIC HEALTH INSTITUTE OF METRO. CHICAGO ARE SUPPORTED BY UNDERLYING ACCOUNTING RECORDS AND FAIRLY PRESENTED IN ACCORDANCE WITH PROGRAM REQUIREMENTS WERE NOT FOLLOWED WHEN THE EXPENDITURE REPORT WAS PREPARED AND FILED.

14. Recommendation  
MANAGEMENT SHOULD REVIEW ITS POLICIES AND PROCEDURES AND IMPLEMENT CHANGES TO STRENGTHEN INTERNAL CONTROL OVER FINANCIAL REPORTING. REVIEW OF THE REPORTS AND COMPARISON TO UNDERLYING ACCOUNTING RECORDS SHOULD BE PERFORMED PRIOR TO SUBMISSION.

15. Management's response<sup>18</sup>  
WE AGREE WITH THE FINDINGS AND RECOMMENDATIONS AS PRESENTED.

<b>For ISBE Review</b>	
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.



STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

**NOTIFICATION OF SALE OF  
GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2012A**

To: Board of Education of 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 November, 2012, and being entitled:

RESOLUTION providing for the issue of not to exceed \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of and interest on said bonds.

(the “*Bond Resolution*”), a contract for the purchase of \$1,500,000 General Obligation Limited School Bonds, Series 2012A (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, BMO Capital Markets GKST Inc., Chicago, Illinois, at a price of \$2,024,315.00, and in the aggregate not less than 98.0% of the original principal amount of the Bonds (exclusive of any original issue discount).

The Bonds shall be issued in an aggregate principal amount of \$1,500,000, shall be dated December 20, 2012, and shall become due and payable (subject to prior redemption as hereinafter set forth) on December 1, 2032, and bearing interest at the rate per annum of 3.125%. The first interest payment date on the Bonds shall be June 1, 2013.

The Bonds are subject to 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, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000

The Bonds shall be subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar (as defined in the Bond Resolution)), on December 1, 2022, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Proceeds of the Bonds in the amount of \$21,121.04 shall be deposited to the Bond Fund (as defined in the Bond Resolution) and be used to pay interest due on the Bonds on June 1, 2013.

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 6.50% per annum, and that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or 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 2012 to 2031, 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



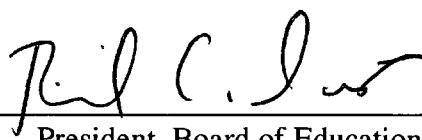
maturity. Please be further advised that the Bonds were sold on terms resulting in a final schedule of taxes levied, to be abated and to be extended as follows:

YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED TO PRODUCE
2012	\$ 766,000.00	\$742,719.09	\$ 23,280.91
2013	766,000.00	719,125.00	46,875.00
2014	766,000.00	719,125.00	46,875.00
2015	766,000.00	719,125.00	46,875.00
2016	766,000.00	719,125.00	46,875.00
2017	766,000.00	719,125.00	46,875.00
2018	766,000.00	719,125.00	46,875.00
2019	766,000.00	719,125.00	46,875.00
2020	766,000.00	719,125.00	46,875.00
2021	766,000.00	719,125.00	46,875.00
2022	766,000.00	719,125.00	46,875.00
2023	766,000.00	719,125.00	46,875.00
2024	766,000.00	719,125.00	46,875.00
2025	766,000.00	719,125.00	46,875.00
2026	766,000.00	719,125.00	46,875.00
2027	766,000.00	719,125.00	46,875.00
2028	766,000.00	719,125.00	46,875.00
2029	766,000.00	679,125.00	86,875.00
2030	766,000.00	375.00	765,625.00
2031	766,000.00	2,875.00	763,125.00

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 6th day of December, 2012.

A handwritten signature in cursive script, appearing to read "Paul C. Jones", written above a horizontal line.

President, Board of Education

A handwritten signature in cursive script, appearing to read "Greg Wilby", written above a horizontal line.

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 6th day of December, 2012.

  
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, a Notification of Sale of \$1,500,000 General Obligation Refunding School Bonds, Series 2012A, a true, correct and complete copy of which is attached hereto.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 6th day of December, 2012.

  
Secretary Board of Education

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

**DIRECTION FOR ABATEMENT OF TAXES**

To: The County Clerks of The Counties of Cook, Kendall and Will, Illinois

Please be advised that on the 27th day of November, 2012, 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 \$2,000,000 General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of and interest on said bonds.

(the "Bond Resolution"), pursuant to which, on the 6th day of December, 2012, 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 \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the "Bonds") to BMO Capital Markets GKST Inc., Chicago, Illinois. The Bonds are dated December 20, 2012, and are due on December 1, 2032, and bear interest at the rate per annum of 3.125%.

The Bonds are subject to 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, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000

You are further advised that the Bond Resolution provides for the levy and collection of a direct annual tax on all taxable property within the District for each of the years 2012 to 2031, inclusive, for the payment of the principal of and interest on the 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 the 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 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:

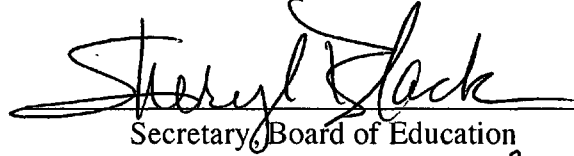
YEAR OF LEVY	TAX LEVIED IN BOND RESOLUTION	TAX TO BE ABATED	TAX TO BE EXTENDED TO PRODUCE
2012	\$ 766,000.00	\$742,719.09	\$ 23,280.91
2013	766,000.00	719,125.00	46,875.00
2014	766,000.00	719,125.00	46,875.00
2015	766,000.00	719,125.00	46,875.00
2016	766,000.00	719,125.00	46,875.00
2017	766,000.00	719,125.00	46,875.00
2018	766,000.00	719,125.00	46,875.00
2019	766,000.00	719,125.00	46,875.00
2020	766,000.00	719,125.00	46,875.00
2021	766,000.00	719,125.00	46,875.00
2022	766,000.00	719,125.00	46,875.00
2023	766,000.00	719,125.00	46,875.00
2024	766,000.00	719,125.00	46,875.00
2025	766,000.00	719,125.00	46,875.00
2026	766,000.00	719,125.00	46,875.00
2027	766,000.00	719,125.00	46,875.00
2028	766,000.00	719,125.00	46,875.00
2029	766,000.00	679,125.00	86,875.00
2030	766,000.00	375.00	765,625.00
2031	766,000.00	2,875.00	763,125.00

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 6th day of  
December, 2012.



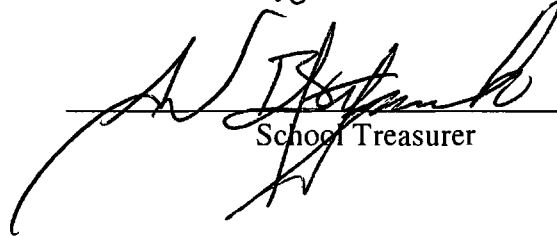
---

President, Board of Education



---

Secretary, Board of Education



---

School Treasurer

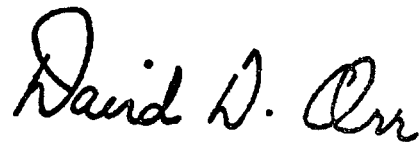


STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

**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 18 day of December, 2012, 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 \$1,500,000 General Obligation Limited School Bonds, Series 2012A, 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 18 day of December, 2012.



---

County Clerk of  
The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK        )

**NOTIFICATION OF SALE OF  
GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2012B**

To: Board of Education of 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 November, 2012, and being entitled:

RESOLUTION providing for the issue of not to exceed \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

(the “*Bond Resolution*”), a contract for the purchase of \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (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, BMO Capital Markets GKST Inc., Chicago, Illinois, at a price of \$6,128,196.70, and in the aggregate not less than 98.0% of the original principal amount of the Bonds (exclusive of any original issue discount).

The Bonds shall be issued in an aggregate principal amount of \$6,175,000, shall be dated December 20, 2012, and shall become due and payable serially (subject to prior redemption as hereinafter set forth) on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

2013	\$555,000	2.00%
2014	555,000	2.00%
2015	565,000	3.00%
2016	585,000	3.00%
2017	600,000	3.00%
2018	620,000	3.00%
2019	635,000	3.00%
2020	660,000	4.00%
2021	685,000	4.00%
2022	715,000	4.00%

The first interest payment date on the Bonds shall be June 1, 2013.

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 6.50% per annum, that the net present value debt service savings to the District as a result of the issuance of the Bonds and the refunding of the Refunded Bonds (as defined in the Bond Resolution) is not less than 2.50% of the principal amount of the Refunded Bonds, and that no person holding any office of the District, either by election or appointment, is in any manner interested, directly or indirectly, in his or her own name or 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 the Refunded Bonds (as defined in the Bond Resolution) are the following of the District's outstanding bonds:

\$6,015,000 School Bonds, Series 2002, dated December 15, 2002, being a portion of the bonds outstanding from an issue in the original principal amount of \$9,995,000, fully registered and without coupons, due serially on December 1 of the years and in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$490,000	4.50%
2014	510,000	4.50%
2015	535,000	4.50%
2016	560,000	4.50%
2017	585,000	4.30%
2018	610,000	4.40%
2019	635,000	4.50%
2020	665,000	4.50%
2021	695,000	4.60%
2022	730,000	4.60%

Please be further advised that the Refunded Bonds will be called for redemption prior to maturity on January 15, 2013.

Please be further advised that Section 9 of the Bond Resolution provides for a direct annual tax in and for each of the years 2012 to 2031, 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
2012	\$766,000.00	\$ 26,528.47	\$739,471.53
2013	766,000.00	27,350.00	738,650.00
2014	766,000.00	28,450.00	737,550.00
2015	766,000.00	25,400.00	740,600.00
2016	766,000.00	27,950.00	738,050.00
2017	766,000.00	25,950.00	740,050.00
2018	766,000.00	29,550.00	736,450.00
2019	766,000.00	23,600.00	742,400.00
2020	766,000.00	25,000.00	741,000.00
2021	766,000.00	22,400.00	743,600.00
2022	766,000.00	766,000.00	0.00
2023	766,000.00	766,000.00	0.00
2024	766,000.00	766,000.00	0.00
2025	766,000.00	766,000.00	0.00
2026	766,000.00	766,000.00	0.00
2027	766,000.00	766,000.00	0.00
2028	766,000.00	766,000.00	0.00
2029	766,000.00	766,000.00	0.00
2030	766,000.00	766,000.00	0.00
2031	766,000.00	766,000.00	0.00

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.

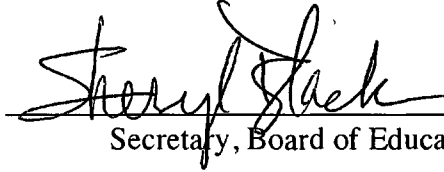
Respectfully submitted this 6th day of December, 2012.

  
\_\_\_\_\_  
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 6th day of December, 2012.

  
Secretary, Board of Education

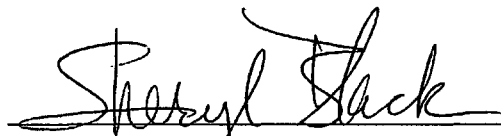
STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**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, a Notification of Sale of \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, a true, correct and complete copy of which is attached hereto.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 6th day of December, 2012.

  
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 November, 2012, 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 \$7,500,000 General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois, and for the levy of a direct annual tax sufficient to pay the principal of and interest on said bonds.

pursuant to which, on the 4th day of December, 2012, the President of the Board and the Superintendent and Business Manager of the District, as the designated officers of the District, agreed on behalf of the District, to sell \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (the “Bonds”) to BMO Capital Markets GKST Inc., Chicago, Illinois. The Bonds are dated December 20, 2012, and are due serially on December 1 of the years and in the amounts and bear interest at the rates per annum as follows:

2013	\$555,000	2.00%
2014	555,000	2.00%
2015	565,000	3.00%
2016	585,000	3.00%
2017	600,000	3.00%
2018	620,000	3.00%
2019	635,000	3.00%
2020	660,000	4.00%
2021	685,000	4.00%
2022	715,000	4.00%

You are further advised that the Bond Resolution provides for the levy and collection of a direct annual tax on all taxable property within the District for each of the years 2012 to 2031,

inclusive, for the payment of the principal of and interest on the 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 the 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.

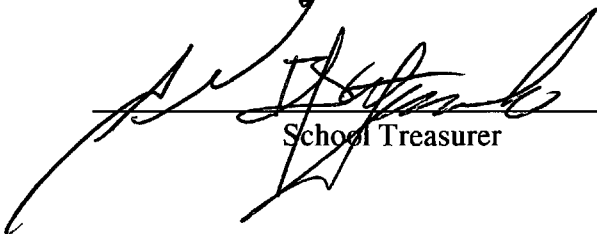
YOU ARE THEREFORE ORDERED AND DIRECTED to abate from the taxes levied in Section 9 of the Bond Resolution that amount representing the reduction to the District resulting from the sale of the Bonds in the principal amount and bearing interest at the rates as hereinabove referred to, the amount of such 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
2012	\$766,000.00	\$ 26,528.47	\$739,471.53
2013	766,000.00	27,350.00	738,650.00
2014	766,000.00	28,450.00	737,550.00
2015	766,000.00	25,400.00	740,600.00
2016	766,000.00	27,950.00	738,050.00
2017	766,000.00	25,950.00	740,050.00
2018	766,000.00	29,550.00	736,450.00
2019	766,000.00	23,600.00	742,400.00
2020	766,000.00	25,000.00	741,000.00
2021	766,000.00	22,400.00	743,600.00
2022	766,000.00	766,000.00	0.00
2023	766,000.00	766,000.00	0.00
2024	766,000.00	766,000.00	0.00
2025	766,000.00	766,000.00	0.00
2026	766,000.00	766,000.00	0.00
2027	766,000.00	766,000.00	0.00
2028	766,000.00	766,000.00	0.00
2029	766,000.00	766,000.00	0.00
2030	766,000.00	766,000.00	0.00
2031	766,000.00	766,000.00	0.00

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 6th day of December, 2012.

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

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

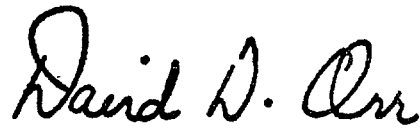
  
 \_\_\_\_\_  
 School Treasurer

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 18 day of December, 2012, 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 \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, 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 18 day of December, 2012.



---

County Clerk of  
The County of Cook, Illinois

(SEAL)

STATE OF ILLINOIS        )  
   ) SS  
 COUNTY OF COOK         )

**CERTIFICATE OF REDUCTION OF TAXES  
 HERETOFORE LEVIED FOR THE PAYMENT OF BONDS**

TO THE COUNTY CLERK OF THE COUNTY OF COOK, ILLINOIS:

We, the undersigned, being 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, having been directed and authorized by the Board to prepare and file this Certificate, do hereby certify and notify you as follows:

1. That the District has heretofore issued its bonds for various school purposes as authorized by the School Code of the State of Illinois, as amended (the “*Code*”).
2. That in accordance with the Code, the District has levied taxes to pay maturing principal and interest on its bonds and has filed such levies in your office.
3. That a portion of the bonds of the District that are presently outstanding and that have not been refunded (the “*Prior Bonds*”) are described as follows:

SERIES AND DATE OF BONDS	ORIGINAL PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING	BOND RESOLUTION ADOPTED ON	BOND RESOLUTION FILED WITH COUNTY CLERK ON
School Bonds, Series 2002, dated December 15, 2002	\$9,995,000	\$6,485,000	December 17, 2002	December 23, 2002

4. That the amounts levied to pay the Prior Bonds in and for each of the years prior to 2012 have been collected and received by the District or are in the process of extension and collection.

5. That the Board has authorized the issuance of \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, dated December 20, 2012, of the District (the “*Refunding Bonds*”).

6. That proceeds of the Refunding Bonds will be used for the purpose of refunding a portion of the Prior Bonds described in paragraph 3 hereof as follows:

\$6,015,000 School Bonds, Series 2002, dated December 15, 2002, being a portion of the bonds outstanding from an issue in the original principal amount of \$9,995,000, fully registered and without coupons, due serially on December 1 of the years and in the amounts and bearing interest at the rates per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2013	\$490,000	4.50%
2014	510,000	4.50%
2015	535,000	4.50%
2016	560,000	4.50%
2017	585,000	4.30%
2018	610,000	4.40%
2019	635,000	4.50%
2020	665,000	4.50%
2021	695,000	4.60%
2022	730,000	4.60%

7. That pursuant to Section 19-23 of the Code, you are hereby notified and directed to make proper reduction of the taxes heretofore levied for the years 2012 (collectible in 2013) to 2021, inclusive, for the payment of the Prior Bonds described in paragraph 3 hereof by abating all of said taxes levied for said years for such purpose in their entirety.

8. That the resolution adopted by the Board on the 27th day of November, 2012, authorizing the Refunding Bonds (the “*Bond Resolution*”) prescribes all details thereof and provides for the levy and collection of a direct annual tax upon all the taxable

property within the District to pay the principal thereof and interest thereon as the Refunding Bonds mature.

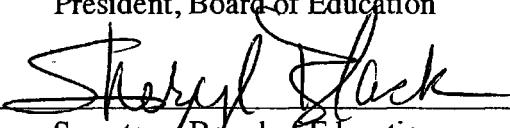
9. That certified copy of the Bond Resolution has been filed in your office as County Clerk of The County of Cook, Illinois, and constitutes the authority for the extension and collection of the taxes to pay the principal and interest on the Refunding Bonds.

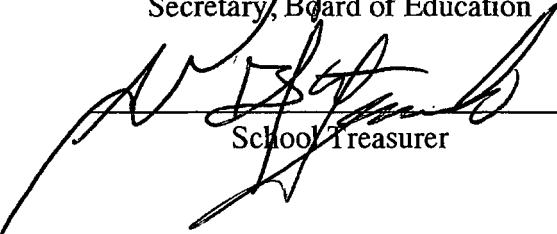
10. That you are notified and directed that such refunding bond and interest taxes shall be levied and collected as set forth in the Bond Resolution in like manner as the general taxes for the District and shall not be included within any limitation of rate for general purposes now or hereafter provided by law but shall be excluded therefrom and be in addition thereto and in excess thereof.

11. That except as set forth in paragraph 7 hereof, the taxes heretofore levied by the District for the payment of principal of or interest on its bonds should not be abated at this time.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 6th day of December, 2012.

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

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

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

RECEIPT IS HEREBY ACKNOWLEDGED this 18 day of December, 2012, of a duplicate original of this CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF BONDS, manually executed by the President and Secretary of the Board of Education of Township High School District Number 215, Cook County, Illinois, and the School Treasurer of said School District, and it is hereby certified that the same has been deposited in the official files and records of my office and that the taxes heretofore levied for the years 2012 to 2021, inclusive, for the payment of the Prior Bonds as described in said Certificate will be reduced and abated as provided in paragraph 7 of said Certificate.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 18 day of December, 2012.

*David D. Orr*

---

County Clerk of The County of Cook, Illinois

[SEAL]



STATE OF ILLINOIS    )  
                                  ) SS  
COUNTY OF COOK     )

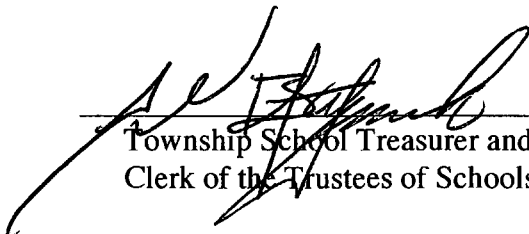
**TREASURER'S SURETY BOND CERTIFICATE**

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 \$1,500,000 General Obligation Limited School Bonds, Series 2012A, dated December 20, 2012, proposed to be issued by the District.

I do further certify that said surety bond in the amount of ~~\$375,000~~ <sup>\$437,500</sup> and with Lloyd's & London as surety thereon was duly submitted to the Trustees for approval or rejection at a legally convened meeting held on the 27th day of November, 2012, and pursuant to motion duly made, seconded and adopted was approved by the Trustees.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 6th day of December, 2012.

  
\_\_\_\_\_  
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 Executive Director for the South Cook Intermediate Service Center, an educational service center established pursuant to Section 2-3.62 of the School Code of the State of Illinois, as amended, serving a portion of the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, including the area within the territorial boundaries of Township High School District Number 215, Cook County, Illinois, 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 18 day of December, 2012.

  
\_\_\_\_\_  
Executive Director


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 12<sup>th</sup> day of December, 2012.


  
\_\_\_\_\_  
Township School Treasurer and ex-officio Clerk of  
the Trustees 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 Executive Director for the South Cook Intermediate Service Center, an educational service center established pursuant to Section 2-3.62 of the School Code of the State of Illinois, as amended (the "Code"), serving a portion of the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, including the area within the territorial boundaries of Township High School District Number 215, Cook County, Illinois (the "District"), and as such official I do further certify that the records of my office do evidence that the District, or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the Code, or of any other provision of said Code.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 13 day of December, 2012.

  
\_\_\_\_\_  
Executive Director

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

**SIGNATURE CERTIFICATE**

I, the undersigned, do hereby certify under oath that I am the duly qualified and acting President of the Board of Education of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify under oath as follows:

1. That I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended.

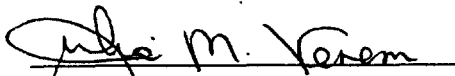
2. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.

3. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Richard Dust (print name), do hereby certify under oath, that the following is my manual signature:

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

Subscribed and sworn to before me  
this 3rd day of May, 2011.

  
\_\_\_\_\_  
Illinois Notary Public

My commission expires: 2-9-2013

(NOTARY SEAL)



**FILED**  
INDEX DEPARTMENT

JUL 08 2011

IN THE OFFICE OF  
SECRETARY OF STATE

STATE OF ILLINOIS )  
 ) SS  
COUNTY OF COOK )

**SIGNATURE CERTIFICATE**


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

1. That I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended.

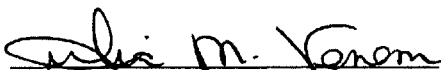
2. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.

3. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Sheryl Black (print name), do hereby certify under oath, that the following is my manual signature:

  
Secretary Board of Education

Subscribed and sworn to before me  
this 3rd day of May, 2011.

  
Illinois Notary Public

My commission expires: 2-9-2013

(NOTARY SEAL)



**FILED**  
INDEX DEPARTMENT

JUL 08 2011

IN THE OFFICE OF  
SECRETARY OF STATE

**FILED**  
INDEX DEPARTMENT

JUL 19 2005

IN THE OFFICE OF  
SECRETARY OF STATE

STATE OF ILLINOIS     )  
  ) SS  
COUNTY OF COOK     )

**SIGNATURE CERTIFICATE**

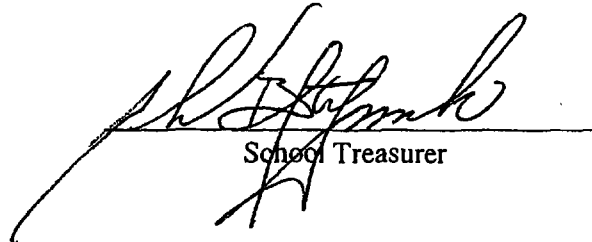
I, the undersigned, do hereby certify under oath that I am the duly qualified and acting School Treasurer of Township High School District Number 215, Cook County, Illinois, and as such official I do further certify under oath as follows:

1. That I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended.

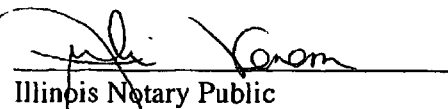
2. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.

3. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Thomas P. Stefaniak, do hereby certify under oath, that the following is my manual signature:

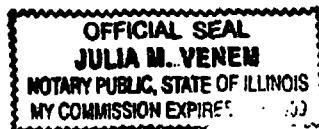
  
\_\_\_\_\_  
School Treasurer

Subscribed and sworn to before me  
this 28 day of June, 2005.

  
\_\_\_\_\_  
Illinois Notary Public

My commission expires: 2-9-2009

(NOTARY SEAL)



December 20, 2012

UMB Bank, National Association  
1010 Grand Boulevard  
Kansas City, Missouri 64106

Re: Township High School District Number 215  
Cook County, Illinois  
General Obligation Refunding School Bonds, Series 2012B

Ladies and Gentlemen:

Township High School District Number 215, Cook County, Illinois (the "*District*"), by a resolution adopted by its Board of Education on the 27th day of November, 2012, as supplemented by a notification of sale (together, the "*Bond Resolution*"), has authorized the issue and delivery of \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, dated December 20, 2012 (the "*Bonds*"). The District has authorized by the Bond Resolution that the proceeds of the Bonds be used to refund \$6,015,000 School Bonds, Series 2002, dated December 15, 2002, due on or after December 1, 2013 (the "*Prior Bonds*"), of the District.

The District will deposit \$6,048,039.11 from the proceeds of the Bonds (the "*Proceeds*") with you and you are hereby instructed as follows with respect thereto:

1. Upon deposit, you are directed to fund a beginning cash escrow deposit on demand in the amount of \$6,048,039.11. The beginning cash escrow deposit is to be held in cash uninvested in an irrevocable trust fund account (the "*Trust Account*") for the District to the benefit of the holders of the Prior Bonds.
2. You shall hold the Proceeds in cash uninvested in the Trust Account for the sole and exclusive benefit of the holders of the Prior Bonds until payment of the Prior Bonds is made at the call date thereof, January 15, 2013.
3. You shall promptly apply the initial cash deposit as necessary to the payment of the Prior Bonds as herein provided.
4. You shall remit the sum of \$6,048,039.11 on January 15, 2013, to U.S. Bank National Association, Chicago, Illinois, as successor to LaSalle Bank National Association, Chicago, Illinois, as bond registrar and paying agent for the Prior Bonds, such sum being sufficient to pay the principal of the Prior Bonds on such date, and such



remittance shall fully release and discharge you from any further duty or obligation thereto under this Agreement.


5. You shall make no payment of fees, due or to become due, of the bond registrar and paying agent on the Bonds or the Prior Bonds. The District shall pay the same as they become due.

6. If at any time it shall appear to you that the available Proceeds on demand in the Trust Account will not be sufficient to pay the Prior Bonds on the date and in the amount set forth in paragraph 5 above, you shall notify the District not less than five (5) days prior to such date and the District shall make up the anticipated deficit from any funds legally available for such purpose so that no default in the making of any such payment will occur.

7. That, upon final disbursement of funds sufficient to pay the Prior Bonds as hereinabove provided for, you shall transfer any balance remaining in the Trust Account to the District and thereupon this Agreement shall terminate.

Very truly yours,

TOWNSHIP HIGH SCHOOL DISTRICT  
NUMBER 215, COOK COUNTY, ILLINOIS

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

Accepted this 20th day of December, 2012.

UMB BANK, NATIONAL ASSOCIATION  
Kansas City, Missouri

By  \_\_\_\_\_  
Authorized Signatory

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 3.125% \$1,500,000 General Obligation Limited School Bonds, Series 2012A, of the District (the "*Bonds*"), dated December 20, 2012, fully registered and without coupons, due on December 1, 2032, the Bonds being 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, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000

and the Bonds being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2022, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Bonds or the issue, sale or validity of the Bonds, 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 for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E 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 officials of the District in the Tax Exemption Certificate and Agreement, dated December 20, 2012, and by the Board of Education of the District in Section 13 of the resolution adopted on the 27th day of November, 2012, 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 (collectively, the "*Official Statement*") 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, except as set forth in the Official Statement, there have been no instances in the previous five years in which the District has failed to comply, in all material respects, with any 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 20th day of December, 2012.

SIGNATURES	OFFICIAL TITLES
 _____	, President, Board of Education
 _____	, Secretary, Board of Education
 _____	, School Treasurer

I do hereby certify that I am ~~the Director of Finance~~ of the District, 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.

  
\_\_\_\_\_

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 \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, of the District (the “*Bonds*”), dated December 20, 2012, 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
2013	\$555,000	2.00%
2014	555,000	2.00%
2015	565,000	3.00%
2016	585,000	3.00%
2017	600,000	3.00%
2018	620,000	3.00%
2019	635,000	3.00%
2020	660,000	4.00%
2021	685,000	4.00%
2022	715,000	4.00%

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 for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E 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.

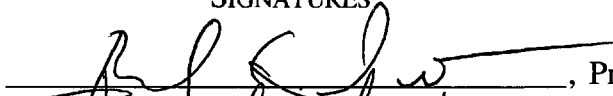


We do further certify that (i) the District has not been certified to be in financial difficulty by the State Board of Education of the State of Illinois (the "*State Board*") pursuant to Section 1A-8 of the Code, (ii) the State Board has not approved or established a Financial Oversight Panel for the 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 officials of the District in the Tax Exemption Certificate and Agreement, dated December 20, 2012, and by the Board of Education of the District in Section 14 of the resolution adopted on the 27th day of November, 2012, 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 (collectively, the "*Official Statement*") 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, except as set forth in the Official Statement, there have been no instances in the previous five years in which the District has failed to comply, in all material respects, with any 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 20th day of December, 2012.

SIGNATURES	OFFICIAL TITLES
	, President, Board of Education
	, Secretary, Board of Education
	, School Treasurer

I do hereby certify that I am the District Administrator of the District, 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 \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the "*Series 2012A Bonds*"), and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (the "*Series 2012B Bonds*" and together with the Series 2012A Bonds, the "*Bonds*") of the District, dated December 20, 2012, fully registered and without coupons, have been delivered to the purchaser thereof, namely, BMO Capital Markets GKST 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 \$2,024,315.00, with respect to the Series 2012A Bonds, and \$6,128,196.70 with respect to the Series 2012B Bonds, 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 9.00%.

I do further certify that the total aggregate indebtedness of the District, howsoever evidenced and howsoever incurred, including the Bonds but not including (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended ("*Alternate Bonds*"), does not exceed the sum of \$20,761,840, 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 \$ 5,381,526 .

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 ..... \$ 2,003,193.96
- (b) In escrow with UMB Bank, National Association, Kansas City, Missouri (the “Escrow Agent”), pursuant to an Escrow Agreement, dated as of December 20, 2012, by and between the District and the Escrow Agent (the “Agreement”) ..... \$ 6,048,039.11
- (c) To paying the expenses of issuing the Bonds ..... \$ 80,157.59
- (d) In the School Bond and Interest Fund of 2012 of the District ..... \$ 21,121.04

I do further certify that the costs of issuance of the Bonds are set forth in *Exhibit A* attached hereto, and that said costs are reasonable and not excessive in view of the amount of the Bonds and the complexity of the proceedings related to their issuance.

I do further certify that the proceeds of sale of the Bonds deposited in the Working Cash Fund will be used to pay for capital improvements in and for the District, that the description and estimated cost of said capital improvements are set forth in *Exhibit B* attached hereto, and that the drawdown schedule for the expenditure of said proceeds is set forth in *Exhibit C* attached hereto.

I do further certify that as of the date hereof, (a) none of the proceeds of sale of the Bonds deposited in the Working Cash Fund have been or are expected to be invested in (i) an investment that has specifically negotiated withdrawal or reinvestment provisions and a specifically negotiated interest rate or (ii) an agreement to supply investments on two or more

future dates (*e.g.*, a forward supply contract) (such investments and agreements being commonly known as repurchase agreements, guaranteed investment contracts or GICs), and (b) the District has not entered into and does not expect to enter into an interest rate swap, interest rate cap, futures contract, forward contract or an option with respect to the Bonds (such arrangements being commonly known as hedges).

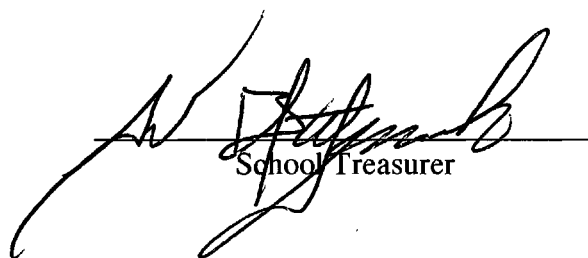
I do further certify that pursuant to the Agreement, provision has been made for the payment up to and including the maturity or prior redemption of all of the principal and interest on the outstanding bonds of the District described in the Agreement as the Refunded Bonds (the “*Refunded Bonds*”).

I do further certify that except as set forth herein, no funds of the District derived directly or indirectly from any borrowing will be used for the payment of the principal or interest on the Refunded Bonds or will be or have been deposited with the Escrow Agent or any paying agent for such purpose.

I do further certify that in addition to the Bonds, the only 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, are as follows:

DESCRIPTION OF BONDS	ORIGINAL PRINCIPAL AMOUNT	PRINCIPAL AMOUNT OUTSTANDING
Limited Tax School Bonds, Series 2006, dated December 1, 2006	\$4,000,000	\$ 385,000
General Obligation Limited School Bonds, Series 2011, dated May 17, 2011	\$6,975,000	6,975,000

IN WITNESS WHEREOF, I hereunto affix my official signature, this 20th day of December,  
2012.



School Treasurer

**EXHIBIT A**

**COSTS OF ISSUANCE**

Bond Counsel/Disclosure Counsel	\$65,000.00
Rating Agency	12,000.00
Paying Agent/Bond Registrar	300.00
Surety Bond	700.00
Contingency	2,157.59
<b>TOTAL</b>	<b>\$80,157.59</b>

**EXHIBIT B**

DESCRIPTION OF CAPITAL IMPROVEMENTS	ESTIMATED COST
Land Acquisition	\$ _____
New Building Acquisition/Construction	_____
Building Renovation	<u>\$2,140,000</u>
Site Preparation or Improvements	_____
Other Construction	_____
Equipment	_____
Other	_____
TOTAL	<u>\$2,140,000</u>

**EXHIBIT C**

**DRAWDOWN SCHEDULE**

QUARTER	BEGINNING BALANCE <sup>1</sup>	PLUS ESTIMATED INVESTMENT EARNINGS <sup>2</sup>	LESS DRAWDOWN	ENDING BALANCE
Upon Closing (reimbursements)	\$ _____	\$ _____	\$ _____	\$ _____
First (after Closing)	<u>\$2,140,000</u>	_____	<u>\$500,000</u>	<u>\$1,640,000</u>
Second	<u>\$1,640,000</u>	_____	<u>\$500,000</u>	<u>\$1,140,000</u>
Third	<u>\$1,140,000</u>	_____	<u>\$1,140,000</u>	<u>-0-</u>
Fourth	_____	_____	_____	_____
Fifth	_____	_____	_____	_____
Sixth	_____	_____	_____	_____
Seventh	_____	_____	_____	_____
Eighth	_____	_____	_____	_____
Ninth	_____	_____	_____	_____
Tenth	_____	_____	_____	_____
Eleventh	_____	_____	_____	_____
Twelfth	_____	_____	_____	_____

<sup>1</sup> Ending balance from prior period becomes beginning balance for period.

<sup>2</sup> Assumes an estimated investment return of \_\_\_\_% per annum.

STATE OF MISSOURI     )  
                                  ) SS  
COUNTY OF JACKSON    )

### **CERTIFICATE OF BOND REGISTRAR**

We, the undersigned, do hereby certify that we are officers of UMB Bank, National Association, Kansas City, Missouri (the "*Bond Registrar*"), and as such officers we do further certify as follows:

1. That the Bond Registrar has been appointed bond registrar for the \$1,500,000 General Obligation Limited School Bonds, Series 2012A, and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B dated December 20, 2012 (collectively, the "*Bonds*"), of Township High School District Number 215, Cook County, Illinois (the "*District*"), pursuant to separate resolutions adopted by the Board of Education the District on the 27<sup>th</sup> day of November, 2012 as supplemented by separate notifications of sale (the "*Bond Resolutions*").

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

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 \$7,675,000 to the purchaser thereof, namely, BMO Capital Markets GKST Inc., Chicago, Illinois.

4. Pursuant to and in accordance with the provisions of the Bond Resolutions, prior to delivery of the Bonds, the Bonds so delivered were authenticated on behalf of the Bond Registrar by a duly authorized and empowered, qualified and acting signatory of the Bond Registrar.

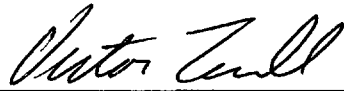
5. That the Bond Registrar has full power and authority under the applicable laws of the United States of America and the States of Missouri and Illinois to act as bond registrar for the Bonds in the manner contemplated by the Bond Resolution; it has taken all necessary corporate action by its properly 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 certified copies of the Bond Resolutions and executed copies of the Notification of Sale for the Bonds.

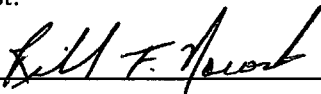


IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this 20th day of December, 2012.

UMB BANK, National Association  
Kansas City, Missouri

By   
Its Sr. Vice President

Attest:

By   
Its Assistant Secretary

(SEAL OF BOND REGISTRAR)

STATE OF ILLINOIS        )  
                                      ) SS  
COUNTY OF COOK        )

**CERTIFICATION OF UNDERWRITER**

I, the undersigned, do hereby certify that I am VP Administration of BMO Capital Markets GKST 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 (the "Contract"), dated the 6th day of December, 2012 (the "Sale Date"), concerning the purchase by the Underwriter from the District of \$1,500,000 General Obligation Limited School Bonds, Series 2012A, and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B, dated December 20, 2012, of the District (together, 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 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) (the "Public") at the price for each maturity of the Bonds as shown on the cover page of the Official Statement, dated December 6, 2012, and related to the issuance of the Bonds (the "Price").

4. That on the Sale Date based upon the Underwriter's assessment of then prevailing market conditions, the Price for the Bonds of each maturity was not less than the fair market value to the Public of the Bonds of such maturity as of the Sale Date.

5. That as of the Sale Date the Underwriter reasonably expected that (a) the first sale to the Public of an amount of Bonds of each maturity equal to ten percent or

more of such maturity of the Bonds (the “*First Substantial Block*”) would be at the Price for such maturity and (b) no Bonds of any maturity would be sold at a higher price before the First Substantial Block of Bonds of such maturity was sold to the Public at the Price, 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.

6. That in offering all of the Bonds to the Public, the Underwriter did not reserve or hold back any Bonds for itself, its affiliates or its affiliated accounts or for any other person not part of the Public, and that for purposes of this Certificate, “affiliate” means any company that controls, is controlled by, or is under common control with the Underwriter and “affiliated account” means any account of the Underwriter or its affiliates that is controlled by the Underwriter or an affiliate or in which the Underwriter or an affiliate of the Underwriter has a beneficial ownership interest.

IN WITNESS WHEREOF, I hereunto affix my signature, this 20th day of December, 2012.

BMO CAPITAL MARKETS GKST INC.  
Chicago, Illinois

By: 

Title: VP Administration

## TAX EXEMPTION CERTIFICATE AND AGREEMENT

The undersigned are duly qualified officers of Township High School District Number 215, Cook County, Illinois (the "*District*"), and are charged, with others, with the responsibility for executing and delivering the District's \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the "*Series 2012A Bonds*"), and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B (the "*Series 2012B Bonds*" and together with the Series 2012A Bonds, the "*Bonds*"), on the date hereof. Certain terms are defined in Article I hereof. Terms used herein and not defined in Article I shall have the meanings given to them in the Bond Resolution.

One purpose of executing this Tax Agreement is to set forth various facts regarding the Bonds and to establish the expectations of the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein are made on behalf of the District for the benefit of the owners from time to time of the Bonds.

The District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service of the exemption from federal income taxation of interest on the Bonds, under present rules, the District may be treated as a "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.

### ARTICLE I

#### DEFINITIONS

In addition to such other words and terms used and defined in this Tax Agreement, the following words and terms used in this Tax Agreement 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 there is 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 there is an agreement, understanding, or arrangement relating to such a modification or establishment during that one-year period).

“*Board*” means the Board of Education of the District.

“*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.

“*Bond Fund*” mean, with respect to the Series 2012A Bonds, the “School Bond and Interest Fund of Series 2012A” established pursuant to the 2012A Bond Resolution and, with respect to the Series 2012B Bonds, the “Refunding Bond and Interest Sinking Fund Account of 2012” established pursuant to the 2012B Bond Resolution.

“*Bond Resolution*” means, together, the 2012A Bond Resolution and the 2012B Bond Resolution.

“*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 date of this Tax Agreement, which is 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.

“*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.

“*Escrow Account*” means the account established pursuant to the Escrow Agreement.

“*Escrow Agent*” means UMB Bank, National Association, Kansas City, Missouri, as escrow agent under the Escrow Agreement.

“*Escrow Agreement*” means the agreement between the Escrow Agent and the District providing for the deposit in trust of certain Government Securities for the purpose of refunding in advance of maturity the Refunded Bonds.

“*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).

“*Government Securities*” means the obligations held and to be held under the Escrow Agreement.

“*Gross Proceeds*” means amounts in the Bond Fund, the Escrow Account 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.

*“Prior Bond Fund”* means the fund or funds established in connection with the issuance of the Prior Bonds to pay the debt service on the Prior Bonds.

*“Prior Bond Proceeds”* means amounts actually or constructively received from the sale of the Refunded Bonds and all other amounts properly treated as gross proceeds of the Refunded Bonds under the Regulations, 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 the Refunded Bonds were issued but only if it is to be paid within one year after the Refunded Bonds were issued and (b) amounts derived from the sale of any right that is part of the terms of a Refunded Bond or is otherwise associated with a Refunded Bond (*e.g.*, a redemption right).

*“Prior Bonds”* means the District’s outstanding issues being refunded by the Bonds, as more particularly described in the preambles to the 2012B Bond Resolution.

*“Prior Project”* means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

*“Private Business Use”* means any use of the Project or the Prior 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 or the Prior 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 or the Prior 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 or the Prior Project that is not available for use by the general public.

*“Project”* means improving the sites of, building and equipping additions to and altering, repairing and equipping existing school buildings of the District.

*“Project Fund”* means that portion of the fund or funds of the District from which the costs of the Project will be paid.

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

*“Project Portion of the Bonds”* means the Series 2012A Bonds, the proceeds of which will be used for the Project.

*“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. pt. 344.

*“Rebate Fund”* means the fund, if any, identified and defined in Section 4.2 herein.

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

*“Refunded Bonds”* means those certain Prior Bonds being refunded by the Bonds.

*“Refunding Portion of the Bonds”* means the Series 2012B Bonds, the proceeds of which will be used for the refunding of the Refunded Bonds.

*“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.

*“Reserve Portion of the Bond Fund”* means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

*“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).

*“Transferred Proceeds”* means amounts actually or constructively received from the sale of the Prior Bonds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Refunding Portion of the Bonds.

*“2012A Bond Resolution”* means the resolution adopted by the Board of Education on the 27th day of November, 2012, providing for the issuance of the Series 2012A Bonds, as supplemented by a notification of sale.

*“2012B Bond Resolution”* means the resolution adopted by the Board of Education on the 27th day of November, 2012, providing for the issuance of the Series 2012B Bonds, as supplemented by a notification of sale.

*“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 Section 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.

## ARTICLE II

### DESCRIPTION OF BONDS

*Section 2.1. Purpose of the Bonds.* The Bonds are being issued solely and exclusively to finance the Project and to refund in advance of maturity the Refunded Bonds, each in a prudent manner consistent with the revenue needs of the District.

*Section 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 of the Project Portion of the Bonds 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 December 20, 2015, at which time it is anticipated that all Sale Proceeds of the Project Portion of the Bonds 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 to pay the Refunded Bonds and 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.

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

*Section 2.4. Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to finance Capital Expenditures or to pay principal of, interest on and redemption premium, if any, on the Refunded Bonds, other than the following:

- (a) an amount not to exceed five percent of the Sale Proceeds of the Project Portion of the Bonds for working capital expenditures directly related to Capital Expenditures financed by the Project;
- (b) payments of interest on the Bonds to the extent allocable to the Project Portion of 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 and interest on the Bonds to the extent allocable to the Refunding Portion of the Bonds for the period commencing at Closing and ending on the date one year after the date on which the Prior 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; and
- (f) investment earnings that are commingled with substantial other revenues and are expected to be allocated to expenditures within six months.

*Section 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 Section 2.4 hereof, a like amount of then available funds of the District will be treated as unspent Sale Proceeds.

*Section 2.6. Payments to District or Related Persons.* The District acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the District or any member of the same Controlled Group as the District, those amounts will not be treated as having been spent for federal income tax purposes. However, Sale Proceeds or investment earnings thereon will be allocated to expenditures for federal income tax purposes if the District uses such amounts to reimburse itself for amounts paid to persons other than the District or any member of the same Controlled Group as the District, provided that the original expenditures were paid on or after Closing, and provided that the original expenditures were not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing. In addition, investment earnings may be allocated to expenditures to the extent provided in paragraph 2.4(g) of this Section. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the District or any member of the same Controlled Group as the District will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the District does not allocate any such amounts to expenditures for the Project or other expenditures permitted under this Tax Agreement, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Bonds prior to the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service. The District will consistently follow this accounting method for federal income tax purposes.

*Section 2.7. Investment of Bond Proceeds.* Not more than 50% of the Sale Proceeds of the Project Portion of the Bonds 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.

*Section 2.8. No Grants.* None of the Sale Proceeds or investment earnings thereon will be used to make grants to any person.

*Section 2.9. 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 or the Prior 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 or any 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.

*Section 2.10. Internal Revenue Service Audits.* The District represents that the Internal Revenue Service has not contacted the District regarding the Prior Bonds or any other 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.

*Section 2.11. Abusive Transactions.* Neither the District nor any member of the same Controlled Group as the District will receive a rebate or credit resulting from any payments having been made in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds.

### **ARTICLE III**

#### **USE OF PROCEEDS; DESCRIPTION OF FUNDS**

*Section 3.1. Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under the Bond Resolution at the time of Closing are described herein. 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. No Sale Proceeds, or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the District, any member of the same Controlled Group as the District, or an Affiliated Person.

(b) Only the funds and accounts described in Section 2.2 hereof will be funded at Closing. There are no other funds or accounts created under the Bond Resolution, other than the Rebate Fund if it is created as provided in Section 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.

(f) The Bonds will be allocated between the Refunding Portion of the Bonds and the Project Portion of the Bonds based on the percentages of the issue price allocable to each

portion. Allocation of specific maturities to each portion will be made at such time as is necessary.

*Section 3.2. Purpose of Bond Fund.* The Bond Fund (other than the Reserve Portion of 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 (other than the Reserve Portion of 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 (other than the Reserve Portion of 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.

The District will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

*Section 3.3. The Prior Bonds.* (a) As of the earlier of (i) the time of the Closing or (ii) the date three years after the Prior Bonds were issued, all Prior Bond Proceeds, including investment earnings thereon, were completely spent to pay the costs of Capital Expenditures.

(b) As of the date hereof, no Prior Bond Proceeds or money or property of any kind (including cash) is on deposit in any fund or account, regardless of where held or the source thereof, with respect to the Prior Bonds or any credit enhancement or liquidity device relating to the foregoing, or is otherwise restricted to pay the District's obligations other than amounts on deposit in the Escrow Account.

(c) The Prior Bond Fund was used primarily to achieve a proper matching of revenues and earnings with principal and interest payments on the Prior Bonds in each bond year. The Prior Bond Fund was depleted at least once a year, except for a reasonable carry over amount not to exceed the greater of (i) the earnings on the investment of moneys in such account for the immediately preceding bond year or (ii) one-twelfth (1/12th) of the principal and interest payments on the Prior Bonds.

(d) At the time the Prior Bonds were issued, the District reasonably expected to spend at least 85% of the proceeds (including investment earnings) of the Prior Bonds to be used for non-refunding purposes for such purposes within three years of the date the Prior Bonds were issued and such proceeds were so spent. Not more than 50% of the proceeds of the Prior Bonds to be used for non-refunding purposes was invested in investments having a substantially guaranteed Yield for four years or more.

(e) The Refunded Bonds subject to redemption prior to maturity will be called on the first optional redemption date of the Refunded Bonds.

(f) The Refunded Bonds do not include, directly or indirectly in a series, any advance refunding obligations.

(g) The District has not been notified that the Prior Bonds are under examination by the Internal Revenue Service, and to the best of the District's knowledge the Prior Bonds are not under examination by the Internal Revenue Service.

(h) The District acknowledges that (i) the final rebate payment with respect to the Prior Bonds may be required to be made sooner than if the refunding had not occurred and (ii) the final rebate is due 60 days after the Prior Bonds are paid in full.

*Section 3.4. The Escrow Account.* (a) The Escrow Account will be funded at the Closing.

(b) The uninvested cash and anticipated receipts from the Government Securities on deposit in the Escrow Account, without regard to any reinvestment thereof, will be sufficient to pay, when due, principal and interest on the Refunded Bonds as such become due and payable and to redeem the outstanding principal amount of any callable Refunded Bonds on the first optional redemption date of such callable Refunded Bonds, at the applicable redemption price thereof.

(c) Any moneys remaining on deposit in the Escrow Account upon the final disbursement of funds sufficient to pay principal and interest of the Refunded Bonds shall be transferred by the Escrow Agent to the Bond Fund to be used to pay interest on the Bonds.

*Section 3.5. 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 Section 2.2 hereof 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 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) Transferred Proceeds;

(iv) 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);

(v) 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;

(vi) 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

(vii) 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, and the average reasonably expected remaining economic life of the Prior Project is at least 10 years. The weighted average maturity of the Bonds does not exceed 9 years and does not exceed 120 percent of the average reasonably expected economic life of the Project or the Prior 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 Section 2.1 hereof.

*Section 3.6. Final Allocation of Proceeds.* Subject to the requirements of this Tax Agreement, including those concerning working capital expenditures in paragraph 2.4, the District may generally use any reasonable, consistently applied accounting method to account for Gross Proceeds, investments thereon, and expenditures. The District must account for the final allocation of proceeds of the Project Portion of the Bonds to expenditures not later than 18 months after the later of the date the expenditure is paid or the date the property with respect to which the expenditure is made is Placed-in-Service. This allocation must be made in any event

by the date 60 days after the fifth anniversary of the issue date of the Bonds or the date 60 days after the retirement of the Bonds, if earlier.

Reasonable accounting methods for allocating funds include any of the following methods if consistently applied: a specific tracing method; a Gross Proceeds spent first method; a first-in, first-out method; or a ratable allocation method. The District may also reallocate proceeds of the Bonds from one expenditure to another until the end of the period for final allocation, discussed above. Unless the District has taken an action to use a different allocation method by the end of the period for a final allocation, proceeds of the Bonds will be treated as allocated to expenditures using the specific tracing method.

## ARTICLE IV

### ARBITRAGE REBATE; RECORD KEEPING; INVESTMENT DIRECTION

*Section 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.

*Section 4.2. Rebate Fund.* The District may 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 the Bond Resolution and this Tax Agreement. 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 hereof.

*Section 4.3. Records.* The District agrees to keep and retain or cause to be kept and retained for the period described in Section 7.9 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.

*Section 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 the



Bond Resolution and this Tax Agreement. 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 other 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 subsection (b)(xi) of this Section;

(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 Tax Agreement 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 Section.

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 Section satisfy various safe harbors set forth in the Regulations relating to the valuation of certain types of investments. The safe harbor provisions of this Section 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 Section and forego the protection provided by the safe harbors provided herein.

*Section 4.5. Arbitrage Elections.* The District hereby waives its right to invest Sale Proceeds of the Bonds and investment earnings thereon in the Escrow Account in investments with Yields higher than Bond Yield. The President and Secretary of the Board and the School Treasurer of the District are both hereby authorized to execute one or more elections regarding certain matters with respect to arbitrage.

*Section 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 and investment earnings thereon will be used for local governmental activities of the District. None of the District, any entity that issues tax-exempt bonds, qualified tax credit bonds or direct pay bonds on behalf of the District or any entity subject to Control by the District will issue, during the calendar year 2012, any tax-exempt bonds (other than current refunding

bonds to the extent of the aggregate face amount of the tax exempt bonds currently refunded thereby), qualified tax credit bonds or direct pay 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 principal amount of the issue, (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, (d) “*qualified tax credit bonds*” means any qualified tax credit bond (as defined in Section 54A(d) of the Code) or any “build America bond” that is not a qualified bond under Section 6431 of the Code and (e) “*direct pay bonds*” means any bond treated as a qualified bond as defined in Section 6431 of the Code. As of the date hereof, no tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions (other than the Bonds) have been issued by the District, any entity that issues bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2012. The District does not reasonably expect that it, any entity that issues 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 tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions within calendar year 2012. Therefore, subject to compliance with all the terms and provisions of this Section 4.6, the District is excepted from the required rebate of arbitrage profits on the Bonds.

## ARTICLE V

### YIELD AND INVESTMENT LIMITATIONS

*Section 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 reasonably expected to sell 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.

*Section 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 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 and any Reserve Portion of the Bond Fund) that have not been on deposit under the Resolution for more than 13 months, so long as the Bond Fund (other than the Reserve Portion of 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 Project Portion of 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 Tax Agreement);

(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 other than those on deposit in the Escrow Account for a period of one year from the date received.

*Section 5.3. Yield Limits on Prior Bond Proceeds.* Except for an amount not to exceed the lesser of \$100,000 or five percent of Prior Bond Proceeds, the District acknowledges that all Prior Bond Proceeds must be invested at market prices and at a Yield not in excess of the Yield on the Prior Bonds.

*Section 5.4. Continuing Nature of Yield Limits.* Except as provided in Section 7.10 hereof, once moneys are subject to the Yield limits of Section 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

*Section 5.5. Federal Guarantees.* Except for investments meeting the requirements of Section 5.2(a) hereof and except for investments in the Escrow Account, 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 Section nor Section 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.

*Section 5.6. Investments After the Expiration of Temporary Periods, Etc.* Any amounts other than amounts in the Escrow Account, that are subject to the yield limitation in Section 5.2 because Section 5.2(a) is not applicable and amounts not subject to yield restriction only because they are described in Section 5.2(b) cannot 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).

## ARTICLE VI

### PRIVATE ACTIVITY BOND REPRESENTATIONS; FORM 8038-G; BANK QUALIFICATION

*Section 6.1. Payment and Use Tests.* (a) No more than five percent of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than five percent of the Sale Proceeds of the Project Portion of Bonds 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 or on each issue of the Prior Bonds considered separately 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 \$5,000,000 or five percent of the sum of the proceeds of each issue of the Prior Bonds and investment earnings thereon were used, and no more than the lesser of \$5,000,000 or five percent of the sum of the Sale Proceeds of the Project Portion of the Bonds and investment earnings thereon 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 or the Prior Project other than a state or local governmental unit will use more than five percent of such facilities, considered separately, on any basis other than the same basis as the general public.

*Section 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.

*Section 6.3. Bank Qualification.* (a) The District has designated 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), (ii) as of the date hereof in calendar year 2012, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code during calendar year 2012 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 2012 it will issue, have another entity issue on behalf of the District, borrow the proceeds of or have allocated to the District for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). “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, in calendar year 2012 issue, permit the issuance on behalf of it or by any entity subject to Control by the

District (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2012 unless it first obtains an opinion of Bond Counsel to the effect that such issuance, borrowing or allocation will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

## ARTICLE VII

### MISCELLANEOUS

*Section 7.1. Termination; Interest of District in Rebate Fund.* The terms and provisions set forth in this Tax Agreement 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 Sections 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

*Section 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.

*Section 7.3. No Sale of the Project or Prior Project.* (a) Other than as provided in the next sentence, neither the Project, the Prior 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 property financed with the Bonds or with the Prior Bonds 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.

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

*Section 7.5. First Call Date Limitation; Final Maturity.* The period between the date of Closing and the first call date of the Series 2012A Bonds is not more than 10-1/2 years, and the period between the date of Closing and the final maturity of the Series 2012B Bonds is not more than 10-1/2 years.

*Section 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.

*Section 7.7. First Amendment.* The District acknowledges and agrees that it will not use, or allow the Project or the Prior 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.

*Section 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.

*Section 7.9. Records 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, to demonstrate compliance with the covenants in the Bond Resolution and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including the Bond Resolution, this Tax Agreement and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, 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 information required under Sections 4.3 and 4.4 hereof and in particular information related to 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 documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any 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 payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

*Section 7.10. Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in Section 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 C.F.R. pt. 10.

*Section 7.11. Excess Proceeds.* Gross Proceeds allocable to the Refunding Portion of the Bonds and investment earnings thereon and all unspent Prior Bond Proceeds as of the date of Closing and investment earnings thereon do not exceed by more than one percent of the Sale Proceeds of the Bonds allocable to the Refunding Portion of the Bonds the amount that will be used for:

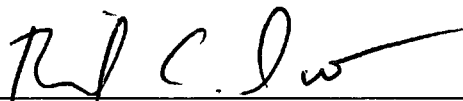
- (i) payment of principal of or interest or call premium on the Refunded Bonds;
- (ii) payment of pre-issuance accrued interest on the Refunding Portion of the Bonds and interest on the Refunding Portion of the Bonds that accrues for a period up to the completion date of any capital project for which the prior issue was issued, plus one year;
- (iii) payment of cost of issuance of the Refunding Portion of the Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Refunding Portion of the Bonds or investments of the Refunding Portion of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds; and
- (vi) interest on purpose investments.

*Section 7.12. Successors and Assigns.* The terms, provisions, covenants and conditions of this Tax Agreement shall bind and inure to the benefit of the respective successors and assigns of the Board and the District.

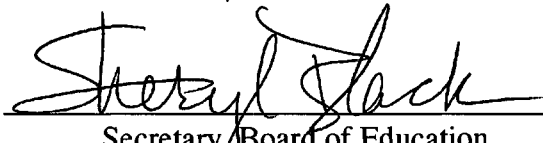
*Section 7.13. Headings.* The headings of this Tax Agreement are inserted for convenience only and shall not be deemed to constitute a part of this Tax Agreement.

*Section 7.14. 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 Tax Agreement. 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.

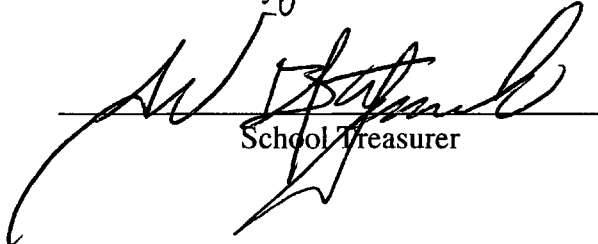
IN WITNESS WHEREOF, we hereunto affix our official signatures, this 20th day of December, 2012.



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



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



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

**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 \$1,500,000 General Obligation Limited School Bonds, Series 2012A (the “*Series 2012A Bonds*”) and \$6,175,000 General Obligation Refunding School Bonds, Series 2012B Bonds (the “*Series 2012B Bonds*” and, together with the Series 2012A Bonds, the “*Bonds*”). The Bonds are being issued pursuant to two separate resolutions adopted by the Board of Education of the District on the 27th day of November, 2012, as supplemented by separate notifications of sale (collectively, the “*Resolutions*”).

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

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

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

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

THE BONDS—Debt Service Extension Base Availability after Issuance of the Series 2012A Bonds  
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS

- Summary of Outstanding Debt
- Direct General Obligation Bonded Debt (Principal Only)
- Direct General Obligation Bonded Debt (Principal and Interest)
- Alternate Revenue Bonds (Principal Only)
- Selected Financial Information (only as it relates to direct debt)
- Statutory Debt Limit
- Composition of District Equalized Assessed Valuation
- Trend of District Equalized Assessed Valuation
- Taxes Extended and Collected
- School District Tax Rates by Purpose

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit B—General Fund Revenue Sources

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

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

*Commission* means the Securities and Exchange Commission.

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

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

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

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated December 6, 2012, and relating to the Bonds.

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

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

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

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

*State* means the State of Illinois.

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

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

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

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

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

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

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

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

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

(a) (i) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including without limitation, pursuant to a “no-action” letter issued by the Commission, a change in law, or a change in the identity, nature, or status of the District, or type of business conducted; or

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

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

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

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

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

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

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



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

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

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

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

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER  
215, COOK COUNTY, ILLINOIS

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

Date: December 20, 2012

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

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

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30). Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information if not previously, filed as described below. 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 modified accrual basis of accounting. Audited Financial Statements will be submitted to EMMA 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 REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

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

---

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

**EXHIBIT III  
CUSIP NUMBERS**

**SERIES 2012A BONDS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (215651)</b>
2032	JC5

**SERIES 2012B BONDS**

<b>YEAR OF MATURITY</b>	<b>CUSIP NUMBER (215651)</b>
2013	JD3
2014	JE1
2015	JF8
2016	JG6
2017	JH4
2018	JJ0
2019	JK7
2020	JL5
2021	JM3
2022	JN1

REGISTERED  
No.

REGISTERED  
5

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
GENERAL OBLIGATION LIMITED SCHOOL BONDS, SERIES 2012A

See Reverse Side for  
Additional Provisions

Interest Rate: % Maturity Date: December 1, Dated Date: December 20, 2012 CUSIP 215651

Registered Owner: CEDE & CO.

Principal Amount:

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, 2013, 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 UMB Bank, National Association, Kansas City, Missouri, 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.

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.

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) heretofore and 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. Payments on the Bonds from the Base will be made on a parity with the payments on the outstanding limited bonds heretofore issued by the District. 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.

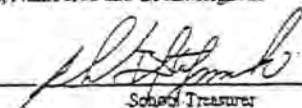
This Bond shall not be valid or become obligatory for any purpose until the certificate of authentication hereon shall have been signed by the Bond Registrar.

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  
UMB Bank, National Association,  
Kansas City, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited School Bonds, Series 2012A, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, NATIONAL ASSOCIATION,  
as Bond Registrar

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

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
COOK COUNTY, ILLINOIS  
GENERAL OBLIGATION LIMITED SCHOOL BOND, SERIES 2012A

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.

The Bonds 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, on December 1 of the years and in the principal amounts as follows:

YEAR	PRINCIPAL AMOUNT
2030	\$ 40,000
2031	720,000

The Bonds are subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar (as defined in the Bond Resolution)), on December 1, 2022, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

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.

This Bond is transferable by the registered holder hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Kansas City, Missouri, 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.

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.

The District and the Bond Registrar may deem and treat the registered holder 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.

REGISTERED  
No. \_\_\_\_\_

REGISTERED  
\$ \_\_\_\_\_

UNITED STATES OF AMERICA  
STATE OF ILLINOIS  
COUNTY OF COOK  
TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
GENERAL OBLIGATION REFUNDING SCHOOL BOND, SERIES 2012B

See Reverse Side for  
Additional Provisions

Interest Rate: \_\_\_\_\_%      Maturity Date: December 1, \_\_\_\_\_      Dated Date: December 20, 2012      CUSIP 215651 \_\_\_\_\_

Registered Owner: CEDE & CO.

Principal Amount:

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, 2013, 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 UMB Bank, National Association, Kansas City, Missouri, as bond registrar and paying agent (the "Bond Registrar"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar at the close of business on the 15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged.

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.

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


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.

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:  
UMB Bank, National Association,  
Kansas City, Missouri

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Refunding School Bonds, Series 2012B, of Township High School District Number 215, Cook County, Illinois.

UMB BANK, NATIONAL ASSOCIATION,  
as Bond Registrar

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

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 215  
COOK COUNTY, ILLINOIS  
GENERAL OBLIGATION REFUNDING SCHOOL BOND, SERIES 2012B

This Bond is one of a series of bonds issued by the District for the purpose of refunding certain outstanding bonds of the District, 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 said Board of Education by a resolution duly and properly adopted for that purpose, in all respects as provided by law.

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 Kansas City, Missouri, 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.

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.

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.

SPECIMEN



# 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: *Dennis Russo*



The Depository Trust &  
Clearing Corporation

Very truly yours,

Township High School District  
Number 215, Cook County, Illinois

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)

[202]

(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.

**Information Return for Tax-Exempt Governmental Obligations**

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

<b>Part I Reporting Authority</b>		If Amended Return, check here <input type="checkbox"/>	
1 Issuer's name <b>Township High School District Number 215, Cook County, Illinois</b>		2 Issuer's employer identification number (EIN) <b>36-6004406</b>	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address)	Room/suite	5 Report number (For IRS Use Only)	
<b>1601 Wentworth Avenue</b>		<b>3</b>	
6 City, town, or post office, state, and ZIP code <b>Calumet City, Illinois 60409</b>		7 Date of issue <b>December 20, 2012</b>	
8 Name of issue <b>General Obligation Limited School Bonds, Series 2012A, and General Obligation Refunding School Bonds, Series 2012B</b>		9 CUSIP number <b>215651 JC5</b>	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) <b>Charles DiMartino, Director of Finance</b>		10b Telephone number of officer or other employee shown on 10a <b>(708) 585-2334</b>	

**Part II Type of Issue (enter the issue price).** See the instructions and attach schedule.

11 Education	11	8,211,762	70
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <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	12/01/2032	\$ 8,211,762.70	\$ 7,675,000	8.290 years	2.35487 %

**Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)**

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	8,211,762	70
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	139,408	59
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to currently refund prior issues	27	6,048,039	11
28 Proceeds used to advance refund prior issues	28	0	00
29 Total (add lines 24 through 28)	29	6,187,447	70
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	2,024,315	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	►	5.757282	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded	►	N/A	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)	►	01/15/2012	
34 Enter the date(s) the refunded bonds were issued (MM/DD/YYYY)	►	12/30/2002	



**Part VI Miscellaneous**

<b>35</b>	Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) . . . . .	<b>35</b>	<b>0</b>	<b>00</b>
<b>36a</b>	Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions) . . . . .	<b>36a</b>	<b>0</b>	<b>00</b>
	<b>b</b> Enter the final maturity date of the GIC ▶ _____			
	<b>c</b> Enter the name of the GIC provider ▶ _____			
<b>37</b>	Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units . . . . .	<b>37</b>	<b>0</b>	<b>00</b>
<b>38a</b>	If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:			
	<b>b</b> Enter the date of the master pool obligation ▶ _____			
	<b>c</b> Enter the EIN of the issuer of the master pool obligation ▶ _____			
	<b>d</b> Enter the name of the issuer of the master pool obligation ▶ _____			
<b>39</b>	If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box . . . . .			<input checked="" type="checkbox"/>
<b>40</b>	If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box . . . . .			<input type="checkbox"/>
<b>41a</b>	If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:			
	<b>b</b> Name of hedge provider ▶ _____			
	<b>c</b> Type of hedge ▶ _____			
	<b>d</b> Term of hedge ▶ _____			
<b>42</b>	If the issuer has superintegrated the hedge, check box . . . . .			<input type="checkbox"/>
<b>43</b>	If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box . . . . .			<input checked="" type="checkbox"/>
<b>44</b>	If the issuer has established written procedures to monitor the requirements of section 148, check box . . . . .			<input checked="" type="checkbox"/>
<b>45a</b>	If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement . . . . . ▶ _____			
	<b>b</b> Enter the date the official intent was adopted ▶ _____			

<b>Signature and Consent</b>	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. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.				
		<b>12/20/2012</b>	<b>Thomas Stefaniak, School Treasurer</b>		
	Signature of issuer's authorized representative	Date	Type or print name and title		
<b>Paid Preparer Use Only</b>	Print/Type preparer's name	Preparer's signature	Date	Check <input type="checkbox"/> if self-employed	PTIN
	<b>Kent M. Floros</b>		<b>12/20/2012</b>		<b>P01077928</b>
	Firm's name ▶ <b>Chapman and Cutler LLP</b>	Firm's EIN ▶ <b>36-2153731</b>		Firm's address ▶ <b>111 West Monroe Street, Chicago, Illinois 60603</b>	
	Firm's address ▶ <b>111 West Monroe Street, Chicago, Illinois 60603</b>			Phone no. ▶ <b>(312) 845-3000</b>	