

CHAPMAN AND CUTLER

Theodore S. Chapman
1877-1943
Henry E. Cutler
1879-1959

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Telephone (312) 845-3000
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Salt Lake City
50 South Main Street
Salt Lake City, Utah 84144
(801) 533-0066

May 20, 2002

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 225, Cook County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Refunding School Bonds, Series 2002A (the "Bonds"), to the amount of \$6,845,000, dated May 1, 2002, due serially on December 1 of the years and in the amounts and bearing interest as follows:

| | | |
|------|-------------|-------|
| 2011 | \$1,605,000 | 4.25% |
| 2012 | 1,665,000 | 4.40% |
| 2013 | 1,740,000 | 4.40% |
| 2014 | 1,695,000 | 4.50% |
| 2015 | 140,000 | 4.60% |

the Bonds due on or after December 1, 2013, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2012, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

CHAPMAN AND CUTLER

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore Inc., Certified Public Accountants, Denver, Colorado.

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

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



Kkost:kd

CHAPMAN AND CUTLER

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May 20, 2002

We hereby certify that we have examined certified copy of the proceedings of the Board of Education of Township High School District Number 225, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B (the "*Bonds*"), to the original principal amount of \$6,182,769.20, dated the date hereof, due serially on December 1 of the years and further described as follows:

ORIGINAL PRINCIPAL AMOUNT

| YEAR OF MATURITY | TOTAL | PER \$5,000 COMPOUND ACCRETED VALUE AT MATURITY | ORIGINAL YIELD TO MATURITY |
|---------------------|--------------|---|----------------------------------|
| 2011 | \$ 80,058.75 | \$3,202.35 | 4.73% |
| 2012 | 81,669.60 | 3,024.80 | 4.83% |
| 2013 | 73,973.90 | 2,845.15 | 4.95% |
| 2014 | 136,164.90 | 2,669.90 | 5.07% |
| 2015 | 942,368.05 | 2,499.65 | 5.19% |
| 2016 | 948,920.50 | 2,331.50 | 5.32% |
| 2017 | 889,539.20 | 2,185.60 | 5.40% |
| 2018 | 833,943.00 | 2,049.00 | 5.47% |
| 2019 | 779,425.35 | 1,915.05 | 5.55% |
| 2020 | 731,277.25 | 1,796.75 | 5.60% |
| 2021 | 685,428.70 | 1,684.10 | 5.65% |

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

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors' rights and subject to 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)

CHAPMAN AND CUTLER

heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by the District, as more fully described in said proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore Inc., Certified Public Accountants, Denver, Colorado.

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

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

KKost:kd

A handwritten signature in black ink, appearing to be a stylized name, possibly "Chapman and Cutler" or similar, written in a cursive script.

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 225, Cook County, Illinois (the "*District*"), and as such officials we do further certify as follows:

1. That the District was organized in the year 1947, 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:

Carol Rogal, President, Board of Education

Karen Long, Vice-President, Board of Education

Sarah Beyne, Member, Board of Education

A. Andrew Olson III, Member, Board of Education

Tom Shaer, Member, Board of Education

Elias Matsakis, Member, Board of Education

Donna Torf, Member, Board of Education

James Lacivita, Secretary, Board of Education

Anthony Adams, School Treasurer

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

3. That the changes in the boundaries of the District during the last five (5) years were as follows: None

(Attach copy of the orders providing for all such changes. If no changes have occurred, please so indicate with the word "none".)

4. That the only cities, villages or incorporated towns located wholly or partly within the District are as follows: Glenview and Northbrook, 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 all of the District is located in a county of 3,000,000 or more inhabitants.
7. That the *Pioneer Press* (which includes the *Glenview Announcements* and *Northbrook Star*) is a local, community newspaper published in and with a general circulation in the District.
8. That all of the news media that have filed a request for notice of the meetings of the Board pursuant to the Open Meetings Act of the State of Illinois, as amended (5 ILCS 120/1 *et seq.*), are as follows: Glenview Announcements, Northbrook Star, Pioneer Press

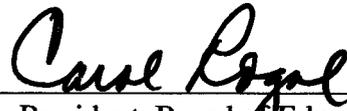
(If no requests have been made, please so indicate with the word "none".)

9. That the regular meetings of the Board are held on the 2nd and 4th Mondays of each month at 7:30 o'clock P.M., at the Administration Building, 1835 Landwehr Road, Glenview, Illinois, within the District, that the Board has given public notice of said schedule of regular meetings stating the regular dates, times and places of said meetings at the beginning of each calendar or fiscal year by posting a copy of said public notice at the principal office of the Board and by supplying copies of said public notice to all of the newspapers, radio or television stations and other news media that have filed a request for such notice, and that the Board has made said schedule available to the public.
10. That the District is now maintaining and operating a school system composed of grades 9 to 12, inclusive, such school system meeting and complying in all

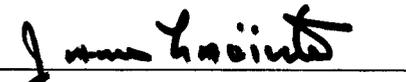
respects with all of the standards established for recognition by the State Board of Education of the State of Illinois.

11. That the District does not have an official corporate seal.
12. That the District has an estimated population of 73,000, and that there are approximately 50,440 legal voters in the District.
13. That no petition has been filed or is now pending affecting in any manner whatsoever the boundaries or the corporate existence of the District.
14. That there is no litigation or controversy pending or threatened and there are no tax objections pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes or the title of any of its present officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 29th day of April, 2002.



President, Board of Education



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

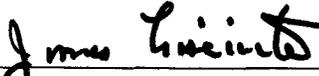
INDEBTEDNESS CERTIFICATE

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 225, 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 \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, does not exceed the total sum of \$ 17,576,994, which said indebtedness is itemized as follows:

| | |
|--|----------------------|
| Bonds issued by the District (not including alternate bonds)..... | \$ <u>17,576,994</u> |
| Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended | \$ <u>-0-</u> |
| Contracts (including all payments on installment purchase contracts and public utility contracts) | \$ <u>-0-</u> |
| Indebtedness resulting from annexations of territory..... | \$ <u>-0-</u> |
| Judgments | \$ <u>-0-</u> |
| Leases (including leases with the School Building Commission and public building commissions) | \$ <u>-0-</u> |
| Miscellaneous floating indebtedness | \$ <u>-0-</u> |
| Special assessments levied against District property | \$ <u>-0-</u> |
| Other forms of debt (not including warrants issued in anticipation of the collection of taxes levied) | \$ <u>-0-</u> |

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

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 29th day of April, 2002.



Secretary, Board of Education



School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

2000 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 225, Cook County, Illinois, as of the date of this certificate, is the sum of \$3,087,247,244, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2000, 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 20th day of May, 2002.



County Clerk of The County of Cook,
Illinois

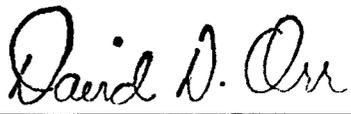
(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

2001 NON-AVAILABILITY 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 225, Cook County, Illinois, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2001, is not now available and will not be available until at least on or after August 1, 2002.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 20th day of May, 2002.



County Clerk of The County of Cook,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

SPECIAL MEETING CERTIFICATE

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 225, Cook County, Illinois (the "Board"), and as such official I do further certify as follows:

1. That on the 12th day of November, 2001, a special meeting of the Board was called for the 11th day of March, 2002 (the "Meeting"), by the President or by three (3) members of the Board by giving notice thereof in writing, stating the time, place and purpose of the Meeting, and including the agenda for the Meeting (the "Board Notice").

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

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

4. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the Board Notice.

5. That on the 8th day of March, 2002, public notice of the Meeting, including the agenda for the Meeting, was posted at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, the same being the principal office of the Board (the "Public Notice").

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

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

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

IN WITNESS WHEREOF, I hereunto affix my official signature, this 11th day of March, 2002.


Secretary, Board of Education

PUBLIC NOTICE

The Board of Education, Northfield Township High School District #225 has scheduled a special Board meeting for Monday, March 11, 2002 at 7:00 p.m. The agenda for the special meeting is attached to this notice. The agenda for the Board workshop will be issued at a later date.

A summary of the announced meetings of the Board of Education for the month of March is:

| | | |
|--------------------------|------------------|-----------------------|
| Monday, March 11, 2002 | <u>7:00 p.m.</u> | Special Board Meeting |
| Saturday, March 16, 2002 | 8:30 a.m. | Board Workshop |
| Monday, March 18, 2002 | 7:30 p.m. | Regular Board Meeting |

All of the above referenced meetings will be held in the Board Room in the Glenbrook Administration Building, 1835 Landwehr Road, Glenview with the exception of the workshop on March 16, 2002. The workshop will be held at The Glen Club, 2901 West Lake Avenue, Glenview, IL. The meetings will be open to the public, with the exception of the closed sessions.

CAROL ROGAL
BOARD PRESIDENT

JAMES LACTIVITA
BOARD SECRETARY

Dated this 6th day of March, 2002.

E X H I B I T 1

BOARD OF EDUCATION
GLENBROOK HIGH SCHOOLS
1835 Landwehr Road
Glenview, IL 60025

March 11, 2002 - 7:00 p.m.

SPECIAL MEETING

AGENDA

1. Call to Order (7:00 p.m.)
2. Recognition of Community Visitors for Comments Limited to Topics on this Agenda
3. Approval of Resolution of Intent to Issue Series 2002 Funding Bonds and Resolution Setting Public Hearing for April 8, 2002
4. Focus on Education Open Forum:
 1. Dialogue Regarding Proposed Teacher Appraisal Program Revision
 2. Status Report Regarding North Central Association Activities
5. Closed Session: To consider the appointment, employment, compensation, discipline, performance, or dismissal of specific employees (Section 2 (c) (1) of the Open Meetings Act).
6. Adjournment (10:00 p.m.)

MAT-08-2002 14:16 225 DISTRICT OFFICE 847 488 4733 P.02

PUBLIC NOTICE

The Board of Education, Northfield Township High School District #225 has scheduled a special Board meeting for Monday, March 11, 2002 at 7:00 p.m. The agenda for the special meeting is attached to this notice. The agenda for the Board workshop will be issued at a later date.

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CAROL ROGAL
BOARD PRESIDENT

JAMES LACTVITA
BOARD SECRETARY

Dated this 6th day of March, 2002.

BOARD OF EDUCATION

GLENBROOK HIGH SCHOOLS
1835 Landwehr Road
Glenview, IL 60025

March 11, 2002 - 7:00 p.m.

SPECIAL MEETING

AGENDA

1. Call to Order (7:00 p.m.)
2. Recognition of Community Visitors for Comments Limited to Topics on this Agenda
3. Approval of Resolution of Intent to Issue Series 2002 Funding Bonds and Resolution Setting Public Hearing for April 8, 2002
4. Focus on Education Open Forum:
 1. Dialogue Regarding Proposed Teacher Appraisal Program Revision
 2. Status Report Regarding North Central Association Activities
5. Closed Session: To consider the appointment, employment, compensation, discipline, performance, or dismissal of specific employees (Section 2 (c) (1) of the Open Meetings Act).
6. Adjournment (10:00 p.m.)

MINUTES of a special public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 11th day of March, 2002.

* * *

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

Upon the roll being called, Carol Rogal, the President, and the following members at said location answered present: Karen Long, Sarah Beyne,
A. Andrew Olson III, Tom Shaer, Elias Matsakis, Donna Torf,

The following members were absent: None

The President announced that in view of the current financial condition of the District, the Board of Education would consider the adoption of a resolution declaring its intention to issue funding bonds pursuant to Article 19 of the School Code and directing that notice of such intention be published.

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

RESOLUTION setting forth and describing in detail claims heretofore authorized and allowed for proper school purposes which are presently outstanding and unpaid, declaring the intention to avail of the provisions of Article 19 of the School Code of the State of Illinois, as amended, and to issue bonds for the purpose of funding and paying claims against Township High School District Number 225, Cook County, Illinois, and directing that notice of such intention be published as provided by law.

* * *

WHEREAS, pursuant to the provisions of Article 19 of the School Code of the State of Illinois, as amended (the "*Code*"), Township High School District Number 225, Cook County, Illinois (the "*District*"), is authorized to issue bonds to fund and pay claims against the District; and

WHEREAS, the District has presently outstanding and unpaid claims in the aggregate amount of \$7,400,000 (the "*Claims*"), all of the Claims having been heretofore authorized and allowed for proper school purposes; and

WHEREAS, there are not sufficient funds on hand and available with which to pay the Claims, and the Board of Education of the District (the "*Board*") has determined and does hereby determine that it is necessary and in the best interests of the District that the Claims be funded and paid from proceeds of bonds in the principal amount of \$7,400,000 (the "*Bonds*"); and

WHEREAS, before the Bonds can be issued pursuant to the Code, the Board must examine and consider the Claims and must adopt a resolution declaring the Claims to be authorized and allowed for proper school purposes, set forth and describe in detail the Claims, declare its intention to issue the Bonds for the purpose of paying the Claims and direct that notice of such intention to issue the Bonds be given as provided by law; and

WHEREAS, the Board has examined and considered the Claims:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 225, 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. The Claims. The Claims consist of the District's obligation to pay principal and interest on a portion of its General Obligation School Bonds (Alternate Revenue Source), Series 2000C, and it is hereby found, determined and declared that the Claims are presently outstanding and unpaid, were heretofore authorized and allowed for proper school purposes and constitute valid and binding obligations of the District.

Section 3. Declaration of Intent. The Board does hereby determine and declare its intention to avail the provisions of Article 19 of the Code and to issue Bonds in the amount of \$7,400,000 for the purpose of paying the Claims.

Section 4. 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 19 of the Code and to issue the Bonds shall be given by publication of such notice once in either the *Northbrook Star* or the *Glenview Announcements*, the same being newspapers of general circulation in the District.

Section 5. 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 225
COOK COUNTY, ILLINOIS
TO ISSUE \$7,400,000
FUNDING BONDS**

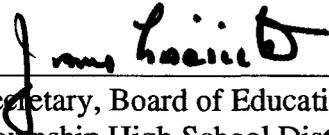
PUBLIC NOTICE is hereby given that on the 11th day of March, 2002, the Board of Education of Township High School District Number 225, Cook County, Illinois, adopted a resolution declaring its intention and determination to issue bonds in the aggregate amount of \$7,400,000 for the purpose of paying presently outstanding and unpaid claims against the District, all of which unpaid claims have been heretofore authorized and allowed for proper school purposes and it is the intention of said Board of Education to avail of the provisions of Article 19 (Sections 19-8 to 19-14, inclusive) 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 funding and paying such unpaid claims.

A petition may be filed with the Secretary of the Board of Education of Township High School District Number 225, Cook County, Illinois, within thirty (30) days after the date of publication of this notice, signed by not less than _____ voters of said School District, said number of voters being equal to ten per cent (10%) of the registered voters of said School District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 19 be submitted to the voters of said School District. If such petition is filed with the Secretary of said Board of Education 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 5th day of November, 2002. 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 said School 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 225, Cook County, Illinois.

DATED this 11th day of March, 2002.



Secretary, Board of Education,
Township High School District
Number 225, Cook County, Illinois



President, Board of Education,
Township High School District
Number 225, 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 6. 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 7. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 8. 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 11, 2002.



President, Board of Education



Secretary, Board of Education

Member Beyne moved and Member Shaer
seconded the motion that said resolution as read 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 roll call, the following members voted AYE:

Rogal, Long, Beyne, Olson, Shaer, Matsakis, Torf

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 225, 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

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 225, Cook County, Illinois (the "Board"), and that as such official I am the keeper of the records and files of the Board.

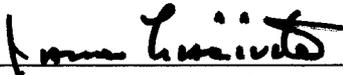
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 11th day of March, 2002, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION setting forth and describing in detail claims heretofore authorized and allowed for proper school purposes which are presently outstanding and unpaid, declaring the intention to avail of the provisions of Article 19 of the School Code of the State of Illinois, as amended, and to issue bonds for the purpose of funding and paying claims against Township High School District Number 225, Cook County, Illinois, and directing that notice of such intention be published as 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 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said resolution, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board in the conduct of said meeting and in the adoption of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 11th day of March, 2002.



Secretary, Board of Education

ADORDERNUMBER: 0000450894

PONUMBER:

AMOUNT: \$ 71.78

NO. OF AFFIDAVITS: 1

Pioneer Press Certificate of Publication

State of Illinois - County of Cook Kane Lake McHenry

Pioneer Press, does hereby certify it has published the attached advertisements in the following secular weekly newspapers. All newspapers meet Illinois Revised Statute requirements for publication of Legal Notices.

Note: Legal Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/21/2002 to 03/21/2002 1 Week(s)

WEST ZONE

Elm Leaves, Forest Leaves, Franklin Park Herald - Journal, Maywood Herald, Melrose Park Herald, Northlake Herald - Journal, Oak Leaves, River Grove Messenger, Westchester Herald, West Proviso Herald

NORTH ZONE

Evanston Review, Glencoe News, Glenview Announcements, Northbrook Star, Wilmette Life, Winnetka Talk

LAKESHORE ZONE

Antioch Review, Deerfield Review, Grayslake Review, Gurnee Review, Highland Park News, Lake Forester, Libertyville Review, Mundelein Review, Review of Lindenhurst / Lake Villa, Vernon Hills Review

CENTRAL ZONE

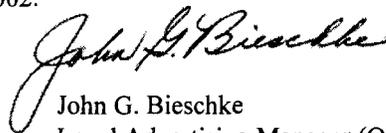
Des Plaines Times, Edgebrook - Sauganash Review, Edison - Norwood Times Review, Lincolnwood Review, Morton Grove Champion, Mount Prospect Times, Niles Herald - Spectator, Norridge / Harwood Heights News, Park Ridge Advocate, Skokie Review.

NORTHWEST ZONE

Algonquin Countryside, Arlington Heights Post, Barrington Courier-Review, Buffalo Grove Countryside, Cary - Grove Countryside, Elk Grove Times, Hoffman Estates Review, Lake Zurich Courier, Palatine Countryside, Rolling Meadows Review, Schaumburg Review, Wheeling Countryside

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and its official seal affixed at Glenview, Illinois 03/21/2002.

By



John G. Bieschke
Legal Advertising Manager (Official Title)

NOTICE OF INTENTION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225 COOK COUNTY, ILLINOIS TO ISSUE \$7,400,000 FUNDING BONDS

PUBLIC NOTICE is hereby given that on the 11th day of March, 2002, the Board of Education of Township High School District Number 225, Cook County, Illinois, adopted a resolution declaring its intention and determination to issue bonds in the aggregate amount of \$7,400,000 for the purpose of paying presently outstanding and unpaid claims against the District, all of which unpaid claims have been heretofore authorized and allowed for proper school purposes and it is the intention of said Board of Education to avail of the provisions of Article 19 (Sections 19-8 to 19-14, inclusive) 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 funding and paying such unpaid claims.

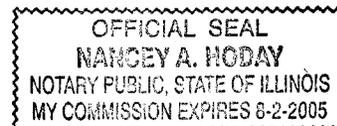
A petition may be filed with the Secretary of the Board of Education of Township High School District Number 225, Cook County, Illinois, within thirty (30) days after the date of publication of this notice, signed by not less than 5,044 voters of said School District, said number of voters being equal to ten per cent (10%) of the registered voters of said School District, requesting that the proposition to issue said bonds as authorized by the provisions of said Article 19 be submitted to the voters of said School District. If such petition is filed with the Secretary of said Board of Education 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 5th day of November, 2002. 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 School 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 225, Cook County, Illinois, DATED this 11th day of March, 2002.

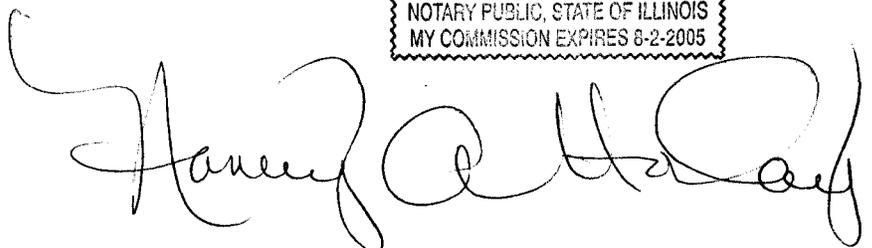
James Lacivita
Secretary,
Board of Education,
Township High School
District Number 225
Cook County, Illinois

Carol Rogal
President,
Board of Education,
Township High School
District Number 225
Cook County, Illinois

Published in Pioneer Press
3/21/02 (450894)N



BLAIR, WILLIAM & CO.
MS. ELIZABETH HENNESSY
222 W. ADAMS
CHICAGO, IL 60606



STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

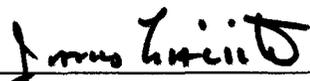
I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education (the "*Board*") of Township High School District Number 225, Cook County, Illinois (the "*District*"), and as such official I do further certify that pursuant to a resolution entitled:

RESOLUTION setting forth and describing in detail claims heretofore authorized and allowed for proper school purposes which are presently outstanding and unpaid, declaring the intention to avail of the provisions of Article 19 of the School Code of the State of Illinois, as amended, and to issue bonds for the purpose of funding and paying claims against Township High School District Number 225, Cook County, Illinois, and directing that notice of such intention be published as provided by law.

duly adopted by the Board on the 11th day of March, 2002, notice of intention of the District to issue \$7,400,000 Funding Bonds was published on the 21st day of March, 2002, in the Northbrook Star and Glenview Announcements, the same being a newspaper of general circulation in the District, and was not posted electronically on the District's World Wide Web pages.

I do further certify that no petition has ever been filed in my office as Secretary of the Board or has ever been presented to me as such official requesting that the proposition to issue said bonds be submitted to the voters of the District, but that I provided a petition form regarding the same to every individual requesting one.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 13th day of **May**, 2002.



Secretary, Board of Education

MINUTES of a special public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 11th day of March, 2002.

* * *

The meeting was called to order by the President, and upon the roll being called, Carol Rogal, the President, and the following members at said location answered present: Karen Long, Sarah Beyne, A. Andrew Olson III,
Tom Shaer, Elias Matsakis, Donna Torf

The following members were absent: None

The President announced that the Bond Issue Notification Act requires that a public hearing be called and held in connection with the sale of bonds in the amount of \$7,400,000 for the purpose of paying claims against the District and that the Board of Education would consider the adoption of a resolution calling such public hearing.

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

RESOLUTION calling a public hearing concerning the intent of the Board of Education of Township High School District Number 225, Cook County, Illinois, to sell \$7,400,000 Funding Bonds.

* * *

WHEREAS, Township High School District Number 225, 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 \$7,400,000 for the purpose of paying claims against 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 Resolved by the Board of Education of Township High School District Number 225, 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 reference.

Section 2. Public Hearing. The Board hereby calls a public hearing to be held at 7:30 o'clock P.M. on the 8th day of April, 2002, in the Board Room, Administration Building, 1835 Landwehr Road, Glenview, 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*").

Section 3. Notice. The Secretary of the Board (the “*Secretary*”) shall (i) publish notice of the Hearing at least once in either the *Northbrook Star* or *Glenview Announcements*, the same being newspapers 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.

Section 4. Form of Notice. Notice of the Hearing shall appear above the name of the Secretary and shall be in substantially the following form:

Section 5. Hearing Requirements. 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.

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 or provision shall not affect any of the remaining provisions of this Resolution.

Section 7. Repeal. All resolutions and 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 March 11, 2002.



President, Board of Education



Secretary, Board of Education

Member Matsakis moved and Member Long

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

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

Upon the roll being called, the following members voted

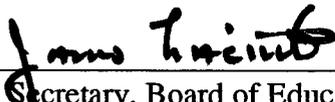
AYE: Rogal, Long, Beyne, Olson, Shaer, Matsakis, Torf

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 225, 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

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 225, 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 11th day of March, 2002, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION calling a public hearing concerning the intent of the Board of Education of Township High School District Number 225, Cook County, Illinois, to sell \$7,400,000 Funding Bonds.

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

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said resolution, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, 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 WITNESS WHEREOF, I hereunto affix my official signature, this 11th day of March, 2002.

Secretary, Board of Education

p/h re bonds

ADORDERNUMBER: 0000450908

PONUMBER:

AMOUNT: \$ 32.56

NO. OF AFFIDAVITS: 1

Pioneer Press Certificate of Publication

State of Illinois - County of Cook Kane Lake McHenry

Pioneer Press, does hereby certify it has published the attached advertisements in the following secular weekly newspapers. All newspapers meet Illinois Revised Statute requirements for publication of Legal Notices.

Note: Legal Notice appeared in the following checked positions.

PUBLICATION DATE(S): 03/21/2002 to 03/21/2002 1 Week(s)

WEST ZONE

Elm Leaves, Forest Leaves, Franklin Park Herald - Journal, Maywood Herald, Melrose Park Herald, Northlake Herald - Journal, Oak Leaves, River Grove Messenger, Westchester Herald, West Proviso Herald

NORTH ZONE

Evanston Review, Glencoe News, Glenview Announcements, Northbrook Star, Wilmette Life, Winnetka Talk

LAKESHORE ZONE

Antioch Review, Deerfield Review, Grayslake Review, Gurnee Review, Highland Park News, Lake Forester, Libertyville Review, Mundelein Review, Review of Lindenhurst / Lake Villa, Vernon Hills Review

CENTRAL ZONE

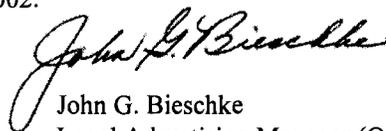
Des Plaines Times, Edgebrook - Sauganash Review, Edison - Norwood Times Review, Lincolnwood Review, Morton Grove Champion, Mount Prospect Times, Niles Herald - Spectator, Norridge / Harwood Heights News, Park Ridge Advocate, Skokie Review.

NORTHWEST ZONE

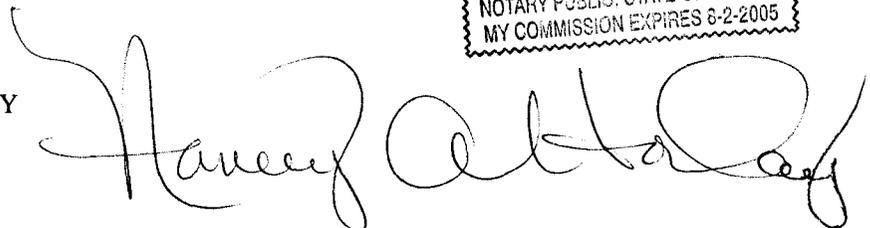
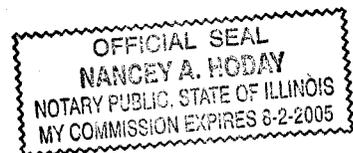
Algonquin Countryside, Arlington Heights Post, Barrington Courier-Review, Buffalo Grove Countryside, Cary - Grove Countryside, Elk Grove Times, Hoffman Estates Review, Lake Zurich Courier, Palatine Countryside, Rolling Meadows Review, Schaumburg Review, Wheeling Countryside

IN WITNESS WHEREOF, the undersigned, being duly authorized, has caused this Certificate to be signed and its official seal affixed at Glenview, Illinois 03/21/2002.

By



John G. Bieschke
Legal Advertising Manager (Official Title)



NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF THE BOARD OF EDUCATION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225, COOK COUNTY, ILLINOIS TO SELL \$7,400,000 FUNDING BONDS

PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 225, Cook County, Illinois (the "District"), will hold a public hearing on the 8th day of April, 2002, at 7:30 o'clock P.M. The hearing will be held in the Board Room, Administration Building, 1835 Landwehr Road, Glenview, 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 \$7,400,000 for the purpose of paying claims against the District.

By order of the Board of Education of Township High School District Number 225, Cook County, Illinois.

DATED the 11th day of March, 2002.

/s/ James Lacivita
Secretary
Board of Education
Township High School
District Number 225
Cook County, Illinois

Published in Pioneer Press
3/21/02 (450908)N

BLAIR, WILLIAM & CO.
MS. ELIZABETH HENNESSY
222 W. ADAMS
CHICAGO, IL 60606

MINUTES of a regular public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held in the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 8th day of April, 2002.

* * *

The meeting was called to order by the President, and upon the roll being called, Carol Rogal, the President, and the following members at said location answered present: Karen Long, A. Andrew Olson III, Toms Shaer
Elias Matsakis, Donna Torf

The following members were absent: Sarah Beyne

At 7:30 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 \$7,400,000 Funding Bonds (the "*Bonds*") for the purpose of paying claims against 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: To pay principal and interest on General Obligation School Bonds (Alternative Revenue Source), Series 2000C, previously authorized and allowed by the District.

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 Olson moved and Member Torf

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

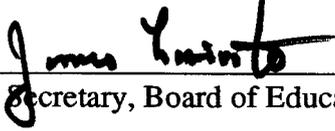
AYE: Rogal, Long, Olson, Shaer, Matsakis, Torf

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 225, 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 8th day of April, 2002, insofar as the same relates to a public hearing concerning the intent of the Board to sell \$7,400,000 Funding 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 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed holding of said hearing, 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, 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 48 hours before said public hearing at the principal office of the Board and that attached hereto as *Exhibit A* is a true, correct and complete copy of said notice as so posted.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 8th day of April, 2002.



Secretary, Board of Education

Exhibit A

**NOTICE OF PUBLIC HEARING CONCERNING THE INTENT OF
THE BOARD OF EDUCATION OF TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225,
COOK COUNTY, ILLINOIS
TO SELL \$7,400,000 FUNDING BONDS**

PUBLIC NOTICE IS HEREBY GIVEN that Township High School District Number 225, Cook County, Illinois (the "*District*"), will hold a public hearing on the 8th day of April, 2002, at 7:30 o'clock P.M. The hearing will be held in the Board Room, Administration Building, 1835 Landwehr Road, Glenview, 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 \$7,400,000 for the purpose of paying claims against the District.

By order of the Board of Education of Township High School District Number 225, Cook County, Illinois.

DATED the 11th day of March, 2002.

/s/ James Lacivita
Secretary, Board of Education, Township High
School District Number 225, Cook County,
Illinois

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

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

TAX EXTENSION CERTIFICATE

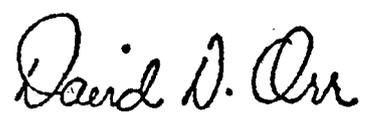
I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk (the "County Clerk") of The County of Cook, Illinois (the "County"), and as such official I do further certify as follows:

1. That taxes for Township High School District Number 225, Cook County, Illinois (the "District"), for the 1994 levy year were extended in 1995 in the County for payment of principal of and interest on the following outstanding bonds of the District and in the following amounts:

| DESCRIPTION OF BONDS | EXTENSION FOR 1994 LEVY YEAR |
|--------------------------------------|------------------------------|
| School Bonds, dated December 1, 1988 | \$799,066.38 |
| School Bonds, Series 1994 | 254,248.39 |
| School Bonds, Series 1995 | 1,043,629.12 |

2. That other than the above-described bonds that have not yet become due and the General Obligation School Bonds, Series 2000 now proposed to be issued by the District, there are no outstanding bond issues of the District for which a tax levy for any year after 1999 has been filed with the County Clerk.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 28 day of September, 2000.



County Clerk of The County of Cook, Illinois

[SEAL]

OFFICIAL STATEMENT

NEW ISSUE - Book Entry Only

Rating: Standard & Poor's "AAA"
(See "RATING" herein.)

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

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225 COOK COUNTY, ILLINOIS (GLENBROOK)

\$6,845,000 General Obligation Limited Tax Refunding School Bonds, Series 2002A **\$6,182,769.20 General Obligation Limited Tax Capital Appreciation Refunding School Bonds,** **Series 2002B**

Dated: May 1, 2002 – Series 2002A
Date of Delivery – Series 2002B

Due: December 1, as shown on inside cover

The General Obligation Limited Tax Refunding School Bonds, Series 2002A (the "2002A Bonds") and the General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B (the "2002B Bonds", together with the 2002A Bonds known as the "Bonds") are issued under the provisions of the School Code of the State of Illinois, as amended, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and bond resolution duly adopted on April 29, 2002 by the Board of Education of the District.

Semiannual interest on the 2002A Bonds is payable each June 1 and December 1, commencing December 1, 2002. The accreted value of the 2002B Bonds will be payable annually at maturity on December 1 of the years shown on the inside cover page.

The Bonds 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. Principal of and interest on the Bonds will be paid by Cole Taylor Bank, Chicago, Illinois as bond registrar and paying agent, to DTC, which in turn will remit such principal and interest 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 on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants.

The 2002A Bonds are subject to optional redemption prior to maturity as discussed herein under "REDEMPTION". The 2002B Bonds are not subject to redemption prior to maturity.

In the opinion of Chapman and Cutler, Chicago, Illinois, Bond Counsel, the Bonds are valid and legally binding upon the District, and all taxable property of the District is subject to the levy of ad valorem taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See "SECURITY FOR THE BONDS" herein.

For maturity schedules, amounts and yields or prices, see the inside cover page.

These Bonds are offered when, as and if issued and received by the Underwriter, subject to prior sale, withdrawal or modification of the offer without any notice, and to the approval of legality of the Bonds by Chapman and Cutler, Chicago, Illinois, Bond Counsel. It is anticipated that the Bonds in definitive form will be available for delivery to the Underwriter in Chicago, Illinois on or about May 20, 2002.

William Blair & Company

The Date of This Official Statement is April 29, 2002

\$6,845,000 General Obligation Limited Tax Refunding School Bonds, Series 2002A

Current Interest Bond Maturities, Amounts, Interest Rates and Yields

| <u>Dec. 1</u> <u>Maturity</u> | <u>Amount</u> | <u>Interest Rate</u> | <u>Yield</u> |
|----------------------------------|---------------|----------------------|--------------|
| 2011 | \$1,605,000 | 4.250% | 4.200% |
| 2012 | 1,665,000 | 4.400 | 4.300 |
| 2013 | 1,740,000 | 4.400 | 4.440 |
| 2014 | 1,695,000 | 4.500 | 4.560 |
| 2015 | 140,000 | 4.600 | 4.680 |

(Plus accrued interest from May 1, 2002)

\$6,182,769.20 General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B

Maturities, Compound Accreted Values at Maturity, Amounts, Yields and Prices

| <u>Due</u> <u>Dec. 1</u> | <u>Aggregate</u> <u>Original Principal</u> <u>Amount</u> | <u>Original Principal</u> <u>Amount Per</u> <u>\$5,000 Compound</u> <u>Accreted Value at</u> <u>Maturity</u> | <u>Aggregate</u> <u>Compound</u> <u>Accreted Value at</u> <u>Maturity</u> | <u>Original Yield to</u> <u>Maturity</u> | <u>Original Price</u> |
|-----------------------------|--|--|--|---|-----------------------|
| 2011 | \$80,058.75 | \$3,202.35 | \$125,000 | 4.730% | 64.047% |
| 2012 | 81,669.60 | 3,024.80 | 135,000 | 4.830 | 60.496 |
| 2013 | 73,973.90 | 2,845.15 | 130,000 | 4.950 | 56.903 |
| 2014 | 136,164.90 | 2,669.90 | 255,000 | 5.070 | 53.398 |
| 2015 | 942,368.05 | 2,499.65 | 1,885,000 | 5.190 | 49.993 |
| 2016 | 948,920.50 | 2,331.50 | 2,035,000 | 5.320 | 46.630 |
| 2017 | 889,539.20 | 2,185.60 | 2,035,000 | 5.400 | 43.712 |
| 2018 | 833,943.00 | 2,049.00 | 2,035,000 | 5.470 | 40.980 |
| 2019 | 779,425.35 | 1,915.05 | 2,035,000 | 5.550 | 38.301 |
| 2020 | 731,277.25 | 1,796.75 | 2,035,000 | 5.600 | 35.935 |
| 2021 | 685,428.70 | 1,684.10 | 2,035,000 | 5.650 | 33.682 |

No dealer, broker, salesman or other person has been authorized by the District or the Underwriter to give any information or to make any representations other than those contained in this Official Statement 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, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies or from other sources is 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 operations of the District since the date of this Official Statement.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this 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.

The information contained in this Official Statement is tentative and subject to completion, amendment, or other change without notice. Certain terms and conditions described herein are subject to further negotiation. The District reserves the right to withdraw, amend or modify the terms and conditions of this proposed financing at any time without any notice.

Any statements made in this Official Statement, including the Exhibits, 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 BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933 NOR HAS THE BOND RESOLUTION BEEN QUALIFIED UNDER THE TRUST INDENTURE ACT OF 1939 IN RELIANCE UPON EXEMPTIONS CONTAINED IN SUCH ACTS. THE REGISTRATION OR QUALIFICATION OF THE BONDS IN ACCORDANCE WITH THE APPLICABLE PROVISIONS OF SECURITIES LAWS OF THE STATES IN WHICH THE BONDS HAVE BEEN REGISTERED OR QUALIFIED AND THE EXEMPTION FROM REGISTRATION OR QUALIFICATION IN OTHER STATES CANNOT BE REGARDED AS A RECOMMENDATION THEREOF. NEITHER THESE STATES NOR ANY OF THEIR AGENCIES HAVE PASSED UPON THE MERITS OF THE BONDS OR THE ACCURACY OR COMPLETENESS OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY MAY BE A CRIMINAL OFFENSE.

CERTAIN PERSONS PARTICIPATING IN THIS OFFERING MAY ENGAGE IN TRANSACTIONS THAT MAINTAIN OR OTHERWISE AFFECT THE PRICE OF THE BONDS. SPECIFICALLY, THE UNDERWRITER MAY OVERALLOT IN CONNECTION WITH THE OFFERING, AND MAY BID FOR, AND PURCHASE, THE BONDS IN THE OPEN MARKET. THE PRICES AND OTHER TERMS RESPECTING THE OFFERING AND SALE OF THE BONDS MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITER AFTER THE BONDS ARE RELEASED FOR SALE, AND THE BONDS MAY BE OFFERED AND SOLD AT PRICES OTHER THAN THE INITIAL OFFERING PRICES, INCLUDING SALES TO STATUS OF THE INTEREST ON THE BONDS.

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**NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
COOK COUNTY, ILLINOIS
(GLENBROOK)**

**\$6,845,000 General Obligation Limited Tax Refunding School Bonds, Series 2002A
\$6,182,769.20 General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B**

INTRODUCTION

The purpose of this Official Statement, including the cover page, inside cover page and the Exhibits hereto, is to set forth information in connection with the offering and sale by Northfield Township High School District Number 225, Cook County, Illinois (the "District"), of its \$6,845,000 General Obligation Limited Tax Refunding School Bonds, Series 2002A (the "2002A Bonds") and the \$6,182,769.20 General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B (the "2002B Bonds", together with the 2002A Bonds known as the "Bonds").

The Bonds will be issued pursuant to the provisions of the School Code of the State of Illinois, as amended (the "School Code"), and the Local Government Debt Reform Act of the State of Illinois, as amended (the "Debt Reform Act"), and all laws amendatory thereof and supplementary thereto, and a bond resolution duly adopted on April 29, 2002 by the Board of Education of the District (the "Bond Resolution").

The Bonds are being issued to refund a portion of the District's General Obligation Limited Tax School Bonds, Series 2000A, and General Obligation School Bonds (Alternate Revenue Source), Series 2000C (collectively, the "Refunded Bonds") and to pay costs associated with the issuance of the Bonds.

All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the Bond Resolution. Copies of the Bond Resolution are available for inspection at the office of the District in Glenview, Illinois. All statements, information and statistics herein are believed to be correct but are not guaranteed by the Underwriters or the District, and all expressions of opinion, whether or not expressly so stated, are intended merely as such and not as representations of fact. The information contained herein is provided as of the date hereof and is subject to change.

THE BONDS

Description

The Bonds are being issued in two series. The 2002A Bonds are current interest bonds and are designated hereunder collectively as the "CIBS". The 2002B Bonds are capital appreciation bonds and are designated hereunder as the "CABS".

The CIBs will be dated May 1, 2002, will be in fully registered form, will be in denominations of \$5,000 each and authorized integral multiples thereof (but no single CIB will represent installments of principal maturing on more than one date) and will become due and payable (subject to prior redemption as hereinafter set forth) on December 1 of each of the years, in the amounts and bearing interest per annum as set forth on the inside cover page. The CIBs will 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 CIBs is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2002. Interest on each CIB will be paid by check or draft of Cole Taylor Bank, Chicago, Illinois (the "Bond Registrar"), payable upon presentation in lawful money of the United States of America, to the person in whose name such CIB is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the CIBs will be payable in lawful money of the United States of America at the Bond Registrar.

The CABS will be dated the date of issuance thereof, will be in fully registered form, will be in denominations of Original Principal Amounts (as set forth on the inside cover page) or any integral multiple thereof, each representing Compound Accreted Value (as hereinafter defined) at maturity at \$5,000 or any integral multiple thereof (but no single CAB will represent Compound Accreted Value maturing on more than one date). As used herein, the "Compound Accreted Value" of a CAB on any date of determination will be an amount equal to the Original Principal Amount (or integral multiple thereof) plus an investment return accrued to the date of such determination at a semi-annual compounding rate which is necessary to produce the original yield to maturity for such CAB from

the date of such CAB. The Compound Accreted Value of a CAB on any June 1 or December 1, commencing on June 1, 2002, is as specifically set forth in Exhibit J to this Official Statement. The Compound Accreted Value of any CAB on a date other than a June 1 or December 1 will be determined conclusively by the Bond Registrar or a certified public accountant selected by the Bond Registrar by interpolating such Compound Accreted Value, using the straight line method, by reference to the Compound Accreted Values on the respective June 1 and December 1 immediately prior to and immediately subsequent to the date for which such determination is being made and the number of days elapsed since the respective June 1 or December 1 immediately prior to the date for which such determination is being made, calculated on the basis of a 360-day year consisting of twelve 30-day months. The CABs will mature (subject to prior redemption as hereinafter set forth) on December 1 of the years, will bear interest from their date at the rates per annum in each case compounded semi-annually on each June 1 and December 1, commencing on June 1, 2002, which will provide the original yields to maturity until the respective maturity dates thereof, and will be issued in the Original Principal Amount or any integral multiple thereof each representing \$5,000 Compound Accreted Value at maturity as set forth on the inside of the cover page. Interest on the CABs will be payable only at the respective maturity dates thereof. The Compound Accreted Value of the CABs will be payable at maturity in lawful money of the United States of America upon presentation and surrender of the CABs at the Bond Registrar.

Registration

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 attorney duly authorized in writing, the District will execute and the Bond Registrar will 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 with respect to the CIBS and for alike aggregate Original Principal Amount with respect to the CABS. Any fully registered CIB or CIBs may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of CIB or CIBs of the same maturity of other authorized denominations. Any fully registered CAB or CABs may be exchanged at said office of the Bond Registrar for a like aggregate original principal amount of CAB or CABs of the same maturity of other authorized denominations. The execution by the District of any fully registered Bond will constitute full and due authorization of such Bond and the Bond Registrar will 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 will not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

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

The person in whose name any Bond will be registered will be deemed and regarded as the absolute owner thereof for all purposes, and payment of the principal of or interest on any Bond will be made only to or upon the order of the registered owner thereof or his legal representative. All such payments will 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 will 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.

Optional Redemption

2002A Bonds

The 2002A Bonds due on and after December 1, 2013 are subject to redemption prior to maturity at the option of the District as a whole or in part on any date and after December 1, 2012, and if in part in integral multiples of \$5,000 in any order of their maturity (less than all of the 2002A Bonds of a single maturity to be selected by the Bond Registrar), at par plus accrued interest.

2002B Bonds

The 2002B Bonds are not subject to optional redemption prior to maturity.

General Redemption Terms

The District will, at least 45 days prior to any optional 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 Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot not more than 60 days prior to the redemption date by the Bond Registrar by such method of lottery as the Bond Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); provided that such lottery shall provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by the registered owner of Bonds to be redeemed, notice of any redemption will be given by the Bond 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 Bond or Bonds to be redeemed at the address shown on the Bond Register or at such other address as is furnished in wiring by such registered owner to the Bond Registrar.

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

Plan of the Financing

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

Series 2002A Bonds:

| | |
|------------------------|-------------------|
| <u>Sources:</u> | |
| Bond Proceeds | \$6,845,000.00 |
| Reoffering Premium | 3,138.80 |
| Accrued Interest | 15,872.78 |
| Funds on Hand | <u>124,000.00</u> |
| Total Sources | \$6,988,011.58 |
| <u>Uses:</u> | |
| Escrow Deposit | \$6,882,987.46 |
| Costs of Issuance* | 89,151.34 |
| Accrued Interest | <u>15,872.78</u> |
| Total Uses | \$6,988,011.58 |

Series 2002B Bonds:

| | |
|------------------------|-----------------------|
| <u>Sources:</u> | |
| Bond Proceeds | <u>\$6,182,769.20</u> |
| Total Sources | \$6,182,769.20 |
| <u>Uses:</u> | |
| Escrow Deposit | \$6,051,457.31 |
| Costs of Issuance* | <u>131,311.89</u> |
| Total Uses | \$6,182,769.20 |

* Including underwriter's discount.

The District is issuing the Bonds to provide for an escrow fund to make the principal and interest payments on the Refunded Bonds when due upon maturity. The Refunded Bonds will be paid as described below.

To provide for the refunding of the Refunded Bonds, the District will use \$12,934,444.77 of the proceeds of the Bonds to purchase direct obligations of the United States America (the "Treasury Securities") and to provide a beginning cash balance. The Treasury Securities and beginning cash balance will be held by Cole Taylor Bank, Chicago, Illinois. The principal of the Treasury Securities and the interest earned thereon, together with the beginning cash balance will be used, together with proceeds from the reinvestment thereof, to pay the principal, premium and interest on the Refunded Bonds when due upon maturity.

The accuracy of (a) the mathematical computations as to the adequacy of the maturing principal amounts of and interest on the Treasury Securities, together with proceeds from the reinvestment thereof, and any cash held by Cole Taylor Bank, Chicago, Illinois to pay the Refunded Bonds, and (b) the mathematical computations supporting the conclusion that the Bonds are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, will be verified at the time of delivery of the Bonds by Causey, Demgen & Moore Inc., Certified Public Accountants, Denver, Colorado (the "Verifier"). Such verification will be based, among other things, upon mathematical computations supplied by the Underwriter in connection with the matters set forth above.

The escrow fund created for the defeasance of the Refunded Bonds will be initially funded to maturity. However, the District has reserved all of the optional redemption rights related to the Refunded Bonds. Therefore, all or a portion of the Refunded Bonds may be redeemed prior to maturity in accordance with the applicable optional redemption provisions for each series of the Refunded Bonds. Accordingly, there can be no assurance that the Refunded Bonds that are subject to optional redemption will not be called for redemption prior to their respective maturity dates.

BOOK-ENTRY-ONLY SYSTEM

The Depository Trust Company ("DTC"), New York, New York, 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 the Bonds, in the aggregate principal amount of such issue, and will be deposited with DTC.

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 bonds transactions in deposited bonds, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of bonds 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. bonds brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has Standard & Poor's highest rating: AAA. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of 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 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 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.

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

SECURITY FOR THE BONDS

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

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

The Bonds constitute one of three series of limited bonds of the District that are payable from the Base. Payments on the Bonds will be made on a parity with the payments on the nonrefunded portion of the District’s outstanding General Obligation Limited Tax School Bonds, Series 2000, dated October 1, 2000. The District also has outstanding two series of non-referendum bonds payable from property taxes unlimited as to rate or amount (“Unlimited Tax Bonds”) and may issue Unlimited Tax Bonds in the future to refund Unlimited Tax Bonds then outstanding. The District is authorized to issue from time to time additional limited bonds payable from the Base and additional Unlimited Tax Bonds, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District’s limited bonds. The following charts show the Base of the District and outstanding non-referendum bonds including the Bonds.

| <u>Levy Year</u> | <u>Outstanding Non- Referendum Debt Service</u> | <u>Less: Refunded Debt Service</u> | <u>Plus: Net Debt Service on the Bonds</u> | <u>Total Non- Referendum Debt Service</u> | <u>Aggregate Debt Service Extension Base</u> | <u>Coverage*</u> |
|------------------|---|--|--|---|--|------------------|
| 1996 | \$2,099,603 | | | \$2,099,603 | \$2,035,198 | N/A |
| 1997 | 2,132,003 | | | 2,132,003 | 2,035,198 | N/A |
| 1998 | 1,435,278 | | | 1,435,278 | 2,035,198 | 1.42 |
| 1999 | 1,430,478 | | | 1,430,478 | 2,035,198 | 1.42 |
| 2000 | 2,034,655 | | | 2,034,655 | 2,035,198 | 1.00 |
| 2001 | 2,031,500 | | | 2,031,500 | 2,035,198 | 1.07 |
| 2002 | 2,033,825 | (\$301,263) | \$300,748 | 2,033,310 | 2,035,198 | 1.00 |
| 2003 | 2,033,425 | (301,263) | 300,748 | 2,032,910 | 2,035,198 | 1.00 |
| 2004 | 2,033,425 | (301,263) | 300,748 | 2,032,910 | 2,035,198 | 1.00 |
| 2005 | 2,033,425 | (301,263) | 300,748 | 2,032,910 | 2,035,198 | 1.00 |
| 2006 | 2,028,425 | (301,263) | 300,748 | 2,027,910 | 2,035,198 | 1.00 |
| 2007 | 2,031,413 | (301,263) | 300,748 | 2,030,898 | 2,035,198 | 1.00 |
| 2008 | 2,034,925 | (301,263) | 300,748 | 2,034,410 | 2,035,198 | 1.00 |
| 2009 | 2,034,875 | (301,263) | 300,748 | 2,034,360 | 2,035,198 | 1.00 |
| 2010 | 2,031,263 | (2,031,263) | 2,030,748 | 2,030,748 | 2,035,198 | 1.00 |
| 2011 | 2,034,763 | (2,034,763) | 2,032,535 | 2,032,535 | 2,035,198 | 1.00 |
| 2012 | 2,025,113 | (2,025,113) | 2,029,275 | 2,029,275 | 2,035,198 | 1.00 |
| 2013 | | | 2,032,715 | 2,032,715 | 2,035,198 | 1.00 |
| 2014 | | | 2,031,440 | 2,031,440 | 2,035,198 | 1.00 |
| 2015 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |
| 2016 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |
| 2017 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |
| 2018 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |
| 2019 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |
| 2020 | | | 2,035,000 | 2,035,000 | 2,035,198 | 1.00 |

* Debt service levies for bonds issued prior to the effective date of the Tax Extension Limitation Law may lawfully exceed the debt service extension base.

THE DISTRICT

Founded in 1947, the District serves 4,520 pupils in grades 9 through 12. There are two high schools in the District: Glenbrook South primarily serves the students living in Glenview, and Glenbrook North serves those living in Northbrook. The District employs 712 persons of which 378 are teachers, 283 are non-certified personnel and 51 are administrators.

The District is governed by an elected 7-member Board of Education and a full-time administrative staff.

Administration

Dr. David Hales, Superintendent, began his tenure at the Glenbrook High Schools in 1998. He served as superintendent of the Southwest Allen County Schools in Fort Wayne, Indiana for ten years and of the Mt. Pleasant Township Community Schools in Yorktown, Indiana for six years. A graduate of Purdue, he began his career in education as a mathematics teacher in 1970. He received his M.S. in 1973 and his Ph.D. in 1975 in educational administration from Indiana State University. He served as a principal, and has also taught, as an adjunct faculty member, at Ball State University. He has written articles for the *Indiana School Board Association Journal*, *The Hoosier Schoolmaster*, *Job Search* and *Student Advocate*. Dr. Hale was the regional recipient of the Outstanding Secondary School Administrator Award presented by the Indiana Secondary School Administrators, November 1980. He was one of six superintendents from across the state to testify before the House Select Committee on Primary and Secondary Education in 1990 and he was appointed by the State Superintendent of Public Instruction and the Governor to the Board of Directors of the Corporation of Educational Technology, 1991-1998. He was selected by Northern Indiana Rotary District 6540 as one of five Group Study Exchange team members to South Korea, Spring 1995. Dr. Hales was recently selected as part of a group of educators who traveled to China in July to compare and contrast the American vs. Chinese school systems.

Dr. Craig Schilling, Assistant Superintendent for Business Affairs, joined the District in 1992 after having been Assistant Superintendent for Fiscal Affairs for seven years at Rich Township High School District Number 227. Prior to that he held positions at Bellwood Elementary School District 88 and Marquardt Elementary School District 15. He has also served as Township Treasurer and for the last eleven years has taught a school business management course for Northern Illinois University. Dr. Schilling has been a speaker and presenter at over 50 workshops and training seminars throughout the United States and Canada and has been certified as an expert witness in school finance cases. In 1994-95 Dr. Schilling served as the President of the Illinois Association of School Business Officials and served on its Board of Directors from 1996 through 1998. Since 1993, he has served on the Illinois Financial Accounting Committee appointed by the State Superintendent of Instruction to give advice on school finance issues. Dr. Schilling received his undergraduate degree from the University of Maryland, his master's degree from Boston University and a Certificate of Advanced Study in School Business Management and his Ed.D. from Northern Illinois University.

Board of Education

| | <u>Year Term Expires</u> |
|----------------------------|--------------------------|
| Carol Rogal, President | 2005 |
| Karen Long, Vice President | 2003 |
| Sarah Beyne | 2003 |
| A. Andrew Olson III | 2003 |
| Tom Shaer | 2005 |
| Elias Matsakis | 2005 |
| Donna Torf | 2005 |
| James Lacivita, Secretary | Appointed |
| Anthony Adams, Treasurer | Appointed |

Enrollments

Enrollments for the District have been and are projected as follows:

| <u>School Year</u> | <u>Enrollment</u> | <u>School Year</u> | <u>Enrollment</u> |
|--------------------|-------------------|--------------------|-------------------|
| 1997-1998 | 4,091 | 2002-2003* | 4,569 |
| 1998-1999 | 4,254 | 2003-2004* | 4,536 |
| 1999-2000 | 4,336 | 2004-2005* | 4,627 |
| 2000-2001 | 4,454 | 2005-2006* | 4,704 |
| 2001-2002 | 4,520 | 2006-2007* | 4,613 |

* Projections

GENERAL

Location

The District is located in the northwestern portion of suburban Cook County, 25 miles northwest of Chicago. The District is primarily in Northfield Township with small portions in both Niles and Maine Townships. Located within the District are some of the wealthiest suburbs of Chicago including Glenview, Northbrook and Deerfield. The commercial and residential populations in these villages has increased dramatically in the last decade. The District contains approximately 32 square miles of land. The estimated population of the District is 73,000.

Transportation

The District is served by an excellent network of air, rail and highway facilities. Route 68 (Dundee Road) and Route 43 (Waukegan Road) are two important state highways that intersect the District. The community has easy access to two interstate expressways, the Tri-State Tollway (I-294) and Edens Expressway (I-94). Glenview and Northbrook are on the main branch of the Milwaukee Road Railroad commuter service which provides regular service to Chicago's loop in less than 45 minutes. The Regional Transportation Authority's "Pace" suburban bus service connects Northbrook and Glenview to other suburban areas.

O'Hare International Airport is located 16 miles south of the District and Palwaukee Airport accommodates both private and corporate aircraft approximately 3 miles west of the District.

Population

The Villages of Glenview and Northbrook, a portion of which the District services, were incorporated in 1899 and 1923 respectively.

Population Trends

| | <u>1970</u> | <u>1980</u> | <u>1990</u> | <u>2000</u> |
|-----------------------|-------------|-------------|-------------|-------------|
| Village of Glenview | 24,880 | 32,060 | 37,093 | 41,847 |
| Village of Northbrook | 25,422 | 30,778 | 32,308 | 33,435 |
| Cook County | 5,493,766 | 5,253,655 | 5,105,067 | 5,376,741 |
| State of Illinois | 11,110,285 | 11,426,518 | 11,430,602 | 12,419,293 |

Source: US Census of Population and Housing

Economics

The following includes pertinent information as to the underlying socio-economic characteristics of the District and its surrounding area.

The following table shows tax receipts reported by retailers in the Villages of Glenview and Northbrook for calendar years 1991 through 2001. These sales tax receipt statistics provide an indication of consumer spending by individuals and companies only. Governmental spending is not subject to sales tax.

Sales Tax Receipts

| <u>Village of Glenview</u> <u>Receipts by Type of Retailer</u> | | | | <u>Village of Northbrook</u> <u>Receipts by Type of Retailer</u> | | | |
|---|-------------|--------------|--------------|---|-------------|--------------|--------------|
| <u>Year*</u> | <u>Food</u> | <u>Other</u> | <u>Total</u> | <u>Year*</u> | <u>Food</u> | <u>Other</u> | <u>Total</u> |
| 1991 | \$760,920 | \$13,244,162 | \$14,005,082 | 1991 | \$843,413 | \$25,090,258 | \$25,933,671 |
| 1992 | 736,790 | 14,710,217 | 15,456,007 | 1992 | 812,892 | 25,645,578 | 26,458,470 |
| 1993 | 742,730 | 17,074,200 | 17,816,930 | 1993 | 825,569 | 26,235,847 | 27,061,416 |
| 1994 | 765,497 | 18,794,405 | 19,559,902 | 1994 | 847,549 | 24,092,631 | 24,940,180 |
| 1995 | 798,285 | 19,758,992 | 20,557,277 | 1995 | 902,933 | 23,697,731 | 24,600,664 |
| 1996 | 768,339 | 19,077,735 | 19,846,074 | 1996 | 907,602 | 28,050,675 | 28,958,277 |
| 1997 | 697,754 | 19,542,126 | 20,239,880 | 1997 | 790,688 | 32,046,244 | 32,836,932 |
| 1998 | 831,655 | 20,493,364 | 21,325,019 | 1998 | 790,840 | 34,337,939 | 35,128,779 |
| 1999 | 1,038,204 | 24,020,792 | 25,058,996 | 1999 | 875,760 | 35,207,309 | 36,083,069 |
| 2000 | 1,224,100 | 26,045,613 | 27,269,713 | 2000 | 855,093 | 35,893,024 | 36,748,117 |
| 2001 | 1,493,286 | 28,617,204 | 30,110,490 | 2001** | 884,395 | 33,665,331 | 34,549,726 |

* Calendar year reports ending December 31

Source: State of Illinois, Department of Revenue

Median Family Income and Median Home Value

| | <u>Median Family Income</u> | | | <u>Median Home Value</u> | | |
|-----------------------|-----------------------------|-------------|---------------------------|--------------------------|-------------|---------------------------|
| | <u>1980</u> | <u>1990</u> | <u>2000⁽¹⁾</u> | <u>1980</u> | <u>1990</u> | <u>2000⁽¹⁾</u> |
| Village of Glenview | \$36,344 | \$67,412 | \$113,965 | \$111,900 | \$235,600 | \$320,000 |
| Village of Northbrook | 42,297 | 82,229 | 140,724 | 128,400 | 271,000 | 382,000 |
| Cook County | 23,077 | 39,296 | NA | 37,500 | 102,100 | NA |
| State of Illinois | 22,746 | 38,664 | NA | 53,900 | 80,900 | NA |

Source: U.S. Census Bureau
(1) Chicago Tribune Homes

Construction

Construction values listed below are exclusive of land costs.

| <u>Village of Glenview</u> | | | | <u>Village of Northbrook</u> | | | |
|----------------------------|-----------------------|--------------|-------------------------|------------------------------|-----------------------|--------------|-------------------------|
| <u>Year</u> | <u>No. of Permits</u> | <u>Value</u> | <u>All Construction</u> | <u>Year</u> | <u>No. of Permits</u> | <u>Value</u> | <u>All Construction</u> |
| 1991 | 58 | \$10,738,035 | \$32,420,237 | 1991 | 40 | \$10,818,498 | \$34,132,152 |
| 1992 | 80 | 14,193,074 | 33,780,498 | 1992 | 41 | 10,584,125 | 48,256,030 |
| 1993 | 125 | 22,443,433 | 52,518,419 | 1993 | 69 | 23,248,001 | 48,331,983 |
| 1994 | 90 | 16,191,294 | 47,141,812 | 1994 | 62 | 20,710,567 | 57,304,603 |
| 1995 | 44 | 10,370,240 | 38,518,599 | 1995 | 68 | 23,697,289 | 84,213,823 |
| 1996 | 203 | 28,699,538 | 43,911,770 | 1996 | 48 | 17,963,142 | 74,962,112 |
| 1997 | 185 | 27,308,042 | 59,353,892 | 1997 | 120 | 33,206,449 | 58,953,197 |
| 1998 | 128 | 33,503,748 | 71,006,698 | 1998 | 155 | 41,218,624 | 86,218,861 |
| 1999 | 94 | 17,665,128 | 43,511,055 | 1999 | 124 | 34,512,421 | 78,120,809 |
| 2000 | 180 | 36,604,312 | 92,900,707 | 2000 | 90 | 30,159,700 | 100,923,346 |
| 2001 | 316 | 65,196,551 | 475,932,855 | 2001 | 123 | 35,551,350 | 97,668,266 |

Source: LaSalle Bank NA Survey of Building – Chicago Metropolitan Area

Largest Area Employers

| <u>Company</u> | <u>Type of Business</u> | <u>Number of Employees</u> |
|--|---|----------------------------|
| Allstate Insurance Co. | Insurance corporate office | 5,000 |
| Walgreen Co. | Drug stores corporate office | 1,800 |
| Deluxe Video Services, Inc. | Video cassettes | 1,700 |
| Underwriters Laboratories Inc. | Independent non-profit testing and certification | 1,600 |
| Kraft Foods, Inc. | Food sales and distribution | 1,200 |
| Federal Building Services Inc. | Janitorial service | 1,100 |
| Household International, Inc. | Financial services | 1,100 |
| Motorola Automotive Products Inc. | Automotive electronics | 800 |
| Caremark, Inc. | Integrated health care services | 750 |
| General Binding Corp. | Binding systems | 750 |
| Glenbrook H.S.D. 225 | Education | 712 |
| Baxter Healthcare Corp. | Wholesale medical supplies and services | 700 |
| Culligan International Co. | Water quality treatment products | 681 |
| Commerce Clearing House, Inc. | Tax and business law information | 680 |
| Glenbrook Hospital | General hospital | 600 |
| Illinois Student Assistance Commission | Student financial aid program | 512 |
| Scott Foresman/Addison Wesley | Textbook and learning material printing | 500 |
| Trinity International University | Christian liberal arts university and theology school | 500 |
| Alliant Foodservice, Inc. | Food service group | 450 |
| Deloitte & Touche Tax Technologies | Tax software | 400 |
| Magnecraft Electric Co. | Wholesale electrical relays | 400 |
| WorldTravel BTI | Corporate travel management | 350 |
| Neiman Marcus | Retail department store | 350 |
| Grainger Parts | Wholesale industrial equipment repair parts | 350 |
| College of American Pathologists | Pathologist association corporate headquarters | 350 |
| Omni-Circuits, Inc. | Printed circuit boards | 330 |
| Major Reflector Products | Reflective lighting fixture components | 325 |
| Guarantee Trust Life Insurance Co. | Life and health insurance services | 320 |
| Dade Behring, Inc. | Medical equipment corporate office | 320 |
| Fujisawa Healthcare, Inc. | Wholesale pharmaceutical products | 300 |
| Utilities Inc. | Water and sewer utility holding company | 300 |
| North American Corp. of Illinois | Paper wholesaler and distributor | 300 |
| Barnes International, Inc. | Machine tools | 300 |

Source: 2002 Illinois Manufacturers and 2002 Services Directories. Includes employers in Deerfield, Glenview, Northbrook, Northfield and Prospect Heights.

Employment Statistics

(As of January 2002)

| | <u>Village of Glenview</u> | <u>Village of Northbrook</u> | <u>Cook County</u> | <u>State of Illinois</u> |
|-------------------|--------------------------------|----------------------------------|------------------------|------------------------------|
| Labor Force | 21,974 | 18,095 | 2,565,778 | 6,294,022 |
| Employment | 20,987 | 17,439 | 2,472,277 | 5,875,968 |
| Unemployment | 987 | 656 | 184,501 | 418,054 |
| Unemployment Rate | 4.5% | 3.6% | 6.9% | 6.6% |

Source: Illinois Department of Employment Security

Unemployment

| <u>Year</u> | <u>Village of Glenview</u> | <u>Village of Northbrook</u> | <u>Cook County</u> | <u>State of Illinois</u> |
|-------------|--------------------------------|----------------------------------|------------------------|------------------------------|
| 1993 | 5.0% | 4.2% | 8.0% | 7.5% |
| 1994 | 3.7 | 3.2 | 6.1 | 5.7 |
| 1995 | 3.1 | 2.7 | 5.6 | 5.2 |
| 1996 | 3.0 | 2.5 | 5.6 | 5.3 |
| 1997 | 2.6 | 2.3 | 5.0 | 4.7 |
| 1998 | 2.6 | 2.3 | 4.7 | 4.5 |
| 1999 | 2.3 | 2.3 | 4.5 | 4.3 |
| 2000 | 2.5 | 2.1 | 4.7 | 4.4 |
| 2001 | 3.7 | 3.7 | 5.9 | 5.4 |
| 2002* | 4.5 | 4.5 | 6.9 | 6.6 |

* January 2002 Average

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

| | | |
|--|------------|-------------------------------|
| Estimated Full Value of Taxable Property, 2000 | | \$9,261,741,732 |
| Equalized Assessed Valuation of Taxable Property, 2000 | | \$3,087,247,244 |
| General Obligation Bonded Debt (including the Bonds): (Exhibit A) | | \$25,139,763 |
| Percentage to Full Value of Taxable Property: | 0.27% | |
| Percentage to Equalized Assessed Valuation: | 0.81% | |
| Per Capita: | \$344.38 | |
| Percentage of Debt Limit (6.9% of EAV) | 11.80% | |
| Overlapping General Obligation Bonded Debt: (Exhibit B) | | \$310,239,928 |
| Direct and Overlapping General Obligation Bonded Debt: | | \$335,379,691 |
| Percentage to Full Value of Taxable Property: | 3.62% | |
| Percentage to Equalized Assessed Valuation: | 10.86% | |
| Per Capita: | \$4,594.24 | |
| Population, 2002 Official Estimate: | | 73,000 |
| Area: | | Approximately 28 square miles |

TAXES EXTENDED and COLLECTED, ASSESSED VALUATIONS and TAX RATES:
(Exhibits C, D, and E)

| <u>Year</u> <u>Levies/Col.</u> | <u>Taxes</u> <u>Extended</u> | <u>Taxes</u> <u>Collected</u> | <u>Percentage</u> | <u>Assessed</u> <u>Valuation</u> | <u>Tax</u> <u>Rate</u> |
|-----------------------------------|---------------------------------|----------------------------------|-------------------|-------------------------------------|---------------------------|
| 1990/91 | \$36,859,120 | \$36,537,080 | 99.13% | \$2,019,677,814 | \$1.825 |
| 1991/92 | 39,039,662 | 39,462,623 | 101.08% | 2,072,168,887 | 1.884 |
| 1992/93 | 41,394,684 | 41,464,456 | 100.17% | 2,409,469,382 | 1.718 |
| 1993/94 | 45,059,519 | 45,240,461 | 100.40% | 2,467,662,593 | 1.826 |
| 1994/95 | 48,985,191 | 49,467,916 | 100.99% | 2,421,413,275 | 2.023 |
| 1995/96 | 50,444,727 | 51,161,073 | 101.42% | 2,656,383,712 | 1.899 |
| 1996/97 | 51,835,713 | 52,629,116 | 101.53% | 2,723,894,554 | 1.903 |
| 1997/98 | 53,096,307 | 52,943,353 | 99.71% | 2,748,256,068 | 1.932 |
| 1998/99 | 54,815,626 | 54,642,487 | 99.68% | 2,979,110,106 | 1.840 |
| 1999/00 | 58,477,681 | 59,232,216 | 101.29% | 3,127,148,690 | 1.870 |
| 2000/01 | 61,497,965 | 60,748,515 | 98.78% | 3,087,247,244 | 1.992 |

Source: Offices of the County Clerk and County Treasurer, Cook County, IL and the District.

PROPERTY TAX LEVY AND COLLECTION PROCEDURES, COOK COUNTY

All of the "Equalized Assessed Valuation" (described below) of taxable property in the District is located in Cook County (the "County"). The Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (the "Property Tax Code"). Information under this caption describes the current procedures for real property assessment, tax levy and tax collection in the County. There is no assurance that the procedures described under this caption will not be changed.

Assessment

The Cook County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment assessed directly by the State. One third of the County is reassessed each year on a repeating triennial schedule established by the Assessor. Suburbs in the north portion of the County including the District, were reassessed in 2001.

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

The Assessor has established procedures enabling taxpayers to contest their tentative Assessed Valuation. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment through a process that has been modified as the result of recently enacted amendments to the Property Tax Code (the "Property Tax Code Amendments"). Prior to January 1, 1996, a taxpayer generally was required to seek a review of its assessment by filing a complaint with the Cook County Board of Appeals, from which there was generally no further appeal. However, pursuant to the Property Tax Code Amendments, the Cook County Board of Appeals was replaced in December 1998 by a Board of Review with three members elected by the voters of the County at the General Election in November, 1998. The Board of Review has powers similar to, but somewhat broader than, those previously vested in the Board of Appeals to review and adjust Assessed Valuations set by the Assessor.

The Property Tax Code Amendments also provide that, beginning with assessments for the year 1996, owners of residential property having six or fewer units are able to appeal decisions of the Board of Appeals or the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a state-wide administrative body. Owners of real estate other than residential property with six or fewer units have been able to appeal Assessed Valuations to the PTAB since 1997. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal decisions of the PTAB to either the Circuit Court of Cook County or the Illinois Appellate Court under the Illinois Administrative Review Law.

Equalization

After the Assessor has established the Assessed Valuation for each parcel for a given year (including any revision made by the Board of Review), the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county. The purpose of equalization is to bring the aggregate assessed value of all real estate in each county to the statutory requirement of 33-1/3 percent of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the "Equalized Assessed Valuation").

The Equalized Assessed Valuation for each parcel is the final property valuation used for the determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the "Assessment Base"). The following table sets forth the Equalization Factors for the last ten years. The Equalization Factor for a given year has been used in computing the taxes extended for collection in the following year.

| <u>Tax Year</u> | <u>Equalization Factor</u> |
|-----------------|----------------------------|
| 2000 | 2.2235 |
| 1999 | 2.2505 |
| 1998 | 2.1799 |
| 1997 | 2.1489 |
| 1996 | 2.1517 |
| 1995 | 2.1243 |
| 1994 | 2.1135 |
| 1993 | 2.1407 |
| 1992 | 2.0897 |
| 1991 | 2.0523 |

The Equalized Assessed Valuation used to determine any applicable tax limits is the one for the immediately preceding year and not the current year, subject to certain adjustments for new, annexed and disconnected property and for any recovered value from tax increment financing districts. See *"Property Tax Extension Limitation Law"* below.

Exemptions

An annual General Homestead Exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used for residential purposes by the amount of any increase over the 1977 Equalized Assessed Valuation, up to a maximum reduction of \$4,500. Additional exemptions exist for (i) senior citizens, with the exemption operating annually to reduce the Equalized Assessed Valuation on a senior citizen's home by \$2,500, and (ii) disabled veterans, with the exemption operating annually to exempt up to \$58,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. A Homestead Improvement Exemption allows owners of single family residences to make up to \$45,000 in home improvements without increasing the Assessed Valuation of their property for at least four years. For rehabilitation of certain historic property, the Equalized Assessed Valuation is limited for eight years to the value when the rehabilitation work began. The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older and have annual incomes of \$35,000 or less prior to taxable year 1999, or annual incomes of \$40,000 or less in 1999 and taxable years thereafter. Certain property is also exempt from taxation on the basis of ownership and/or use.

Additionally, since 1996 counties have been authorized to create special property tax exemptions in long-established residential areas or in areas of deteriorated, vacant or abandoned homes and properties. Under such an exemption, longtime, residential owner-occupants in eligible areas would be entitled to a deferral or exemption from that portion of property taxes resulting from an increase in market value because of refurbishment or renovation of other residences or construction of new residences in the area. The County has not established such a property tax exemption in the District. However, if the County were in the future to provide for such a property tax exemption in the District, the District would be required to participate in the program.

Tax Levy

There are over 800 units of local government (the "Units") located in whole or in part in the County which have taxing power. As part of the annual budgetary process of the Units, each year in which the determination is made to levy real estate taxes, proceedings are adopted by the designated body for each Unit. The tax levy proceedings impose the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The remaining administration and collection of the real estate taxes is statutorily assigned to the County Clerk and the County Treasurer, who is also the County Collector.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law.

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 enters in the books prepared

for the County Collector (the "Warrant Books") the tax (determined by multiplying the total tax rate by the Equalized Assessed Valuation of the parcel), along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. 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.

The Truth in Taxation Law, contained within the Property Tax Code, imposes procedural limitations on the Unit's real estate taxing powers and requires that notice in prescribed form must be published if the aggregate annual levy is estimated to exceed 105 percent of the levy of the preceding year, exclusive of levies for debt service, levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105 percent of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures.

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

Collection

Property taxes are collected by the County Collector 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 due on the later of August 1 or 30 days after the mailing of the tax bills. The first installment is an estimated bill equal to one-half of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, assessed value and Equalization Factor and tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment. Other than as described below, for the last ten years, the second installment "penalty date" (that is, the date after which interest is due on unpaid amounts) was no later than September 25. The second installment "penalty date" for 1994 taxes was November 3, 1995 because of delays experienced in the assessment process. The second installment "penalty date" for the 1997 taxes was October 28, 1998, because of changes to the assessment appeal process described above. It is possible that delays in the assessment process or changes to the assessment appeal process described above will cause delays similar to those experienced in 1995 and 1998 in the preparation and mailing of second installment tax bills in future years.

The County may provide for tax bills to be payable in four installments instead of two. The County has not determined to require payment of tax bills in four installments. During the periods of peak collections, tax receipts are forwarded to each Unit weekly.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court, and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on the year's Warrant Books (the "Annual Tax Sale"). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue penalties at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus a maximum of 12% for each six month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with 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 are eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes and interest to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale.

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

The annual budget of the District has a provision for an allowance for uncollectible taxes. The District reviews this provision annually and makes adjustments accordingly. The allowance for uncollectible taxes is 5% of the gross tax levy. Uncollected taxes are written off by the District after four years.

Property Tax Extension Limitation Law

In 1995, the provisions of the Tax Extension Limitation Law previously applicable only to non-home rule taxing districts located in DuPage, Kane, Lake, McHenry and Will Counties was extended to non-home rule taxing districts in the County, including the District. The effects of the Tax Extension Limitation Law are to limit or retard the growth in the amount of property taxes that can be extended for a non-home rule taxing body and to impose direct referendum requirements upon the issuance of certain types of general obligation bonds by such non-home rule taxing bodies. The Tax Extension Limitation Law specifically limits the annual growth in property tax extensions for the District to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant levy year. Generally, extensions can be increased beyond this limitation only due to increases in the equalized assessed value attributable to new construction and referendum approval of tax or limitation rate increases. Beginning March 1, 1995, general obligation bonds secured by an unlimited tax levy can only be issued with referendum approval, with limited exceptions such as for refunding bonds.

Although the extension limitations contained in the Tax Extension Limitation Law upon its original enactment in 1991 did not apply to the District, the Tax Extension Limitation Law as originally enacted requires the County Clerk, in extending taxes for taxing districts in the County, including the District, to use the Equalized Assessed Valuation of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended. The Tax Extension Limitation Law retains this requirement.

In 1995, the provisions of the Tax Extension Limitation Law were amended to (i) authorize the issuance of "limited bonds" payable from a non-home rule taxing district's "debt service extension base"; and (ii) to exclude certain types of general obligation bonds, known as "alternate bonds" issued pursuant to section 15 of the Debt Reform Act, from the direct referendum requirements of the Tax Extension Limitation Law.

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 excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds.

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

In rendering its opinion, Bond Counsel will rely upon certifications of the District with respect to certain material facts solely within the District's knowledge and upon the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore Inc., Certified Public Accountants. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

The Internal Revenue Code of 1986, as amended (the "Code"), includes provisions for an alternative minimum tax ("AMT") for corporations in addition to the corporate regular tax in certain cases. The AMT, if any, depends upon the corporation's alternative minimum taxable income ("AMTI"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (excluding S Corporations, Regulated Investment Companies, Real Estate Investment Trusts, REMICs and FASITs) is an amount equal to 75% of the excess of such corporation's "adjusted current earnings" over an amount equal to its AMTI

(before such adjustment item and the alternative tax net operating loss deduction). "Adjusted current earnings" would include all tax exempt interest, including interest on the Bonds.

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

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

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

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

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 affect 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.

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

State Tax Opinion

Interest on the Bonds is not exempt from Illinois state 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.

ORIGINAL ISSUE DISCOUNT

The 2002B Bonds do not pay interest until a date that is more than one year after the date of issue. The interest payments on the 2002B bonds are not "qualified stated interest" for federal income tax purposes and will accordingly be included in the computation of original issue discount as described below. The difference between the Issue Price of each maturity of the 2002B Bonds and the sum of all interest payments thereon plus the amount payable at maturity is original issue discount. The Issue Price for each maturity of the 2002B Bonds is the price at which a substantial amount of such maturity of the 2002B Bonds is first sold to the public. The Issue Price of each

maturity of the 2002B bonds is expected to be the amount set forth on the inside cover page hereof but is subject to change based on actual sales.

For an investor who purchases a 2002B Bond in the initial public offering at the Issue Price for such maturity and who holds such 2002B Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed under "TAX EXEMPTION" above, (a) the full amount of original issue discount with respect to such 2002B Bond constitutes interest which is not includable in the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such 2002B Bond at its stated maturity; (c) such original issue discount is not included as an item of tax preference in computing an adjustment used in determining 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.

If a 2002B Bond issued with original issue discount is purchased at any time for a price that is less than the 2002B Bond's Issue Price plus accreted original issue discount (the "Revised Issue Price"), the purchaser will be treated as having purchased such 2002B Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Such treatment would apply to any purchaser who purchases such 2002B Bond for a price that is less than its Revised Issue Price.

Owners of 2002B Bonds who dispose of 2002B Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2002B Bonds in the initial public offering, but at a price different from the Issue Price or purchase 2002B Bonds subsequent to the initial public offering should consult their own tax advisors. Based upon the stated position of the Illinois Department of Revenue under Illinois income tax law, accreted original issue discount on such 2002B Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of 2002B Bonds issued with original issue discount should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such 2002B Bonds.

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler, Chicago, Illinois, as Bond Counsel (the "Bond Counsel") who has been retained by, and acts as, Bond Counsel to the District. Bond Counsel has not been retained or consulted on disclosure matters and has not undertaken to review or verify the accuracy, completeness or sufficiency of this 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 has, at the request of the Underwriter reviewed the statements describing its approving opinion and the statements under the headings "TAX EXEMPTION" and "ORIGINAL ISSUE DISCOUNT" solely to determine whether such information is accurate in all material respects. This review was undertaken solely for the benefit of the Underwriter and may not be relied upon by any other person including, but not limited to, the owners of the Bonds.

NO LITIGATION

No litigation is now pending or threatened affecting the issuance or delivery of the Securities, or in any way contesting the validity or enforceability of the Securities. A no litigation certificate will be included with the customary closing papers when the Securities are delivered.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to certain information repositories pursuant to the requirements of Section (b)(5) of Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934 (the "1934 Act"). The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below under "THE UNDERTAKING."

The District is in compliance with each and every undertaking previously entered into by it pursuant to the Rule. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See “*THE UNDERTAKING - Consequences of Failure of the District to Provide Information.*” A failure by the District to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability 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.

UNDERTAKING

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

Annual Financial Information Disclosure

The District covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) to each Nationally Recognized Municipal Securities Information Repository (a “NRMSIR”) then recognized by the Securities and Exchange Commission for purposes of the Rule and to the repository, if any, designated by the State of Illinois as the state depository (the “SID”) and recognized as such by the Commission for purposes of the Rule. There currently is no SID. The District is required to deliver such information so that such entities receive the information on the date specified in the Undertaking.

“*Annual Financial Information*” means information appearing in this Official Statement under the following captions:

| <u>Caption</u> | <u>Page</u> |
|--|-------------|
| THE DISTRICT – Enrollments | 12 |
| FINANCIAL INFORMATION | 17 |
| Exhibit A - Direct General Obligation Bonded Debt | 27 |
| Exhibit A-1- Tax Levies for Direct Bonded Debt | 28 |
| Exhibit C - Composition of Equalized Assessed Valuation | 30 |
| Exhibit D - School District Tax Rates by Purpose | 30 |
| Exhibit G - Combined Statement of Revenues, Expenditures and Changes in Fund Balance | 33 |

“*Audited Financial Statements*” means the District's general purpose financial statements as of June 30 and for the year then ended, prepared in accordance with generally accepted accounting principles.

Material Events Disclosure

The District covenants that it will disseminate to each NRMSIR or to the Municipal Securities Rulemaking Board (the “MSRB”) and to the SID, if any, in a timely manner the disclosure of the occurrence of an Event (as described below) that is material, as materiality is interpreted under the 1934 Act. The “*Events*”, certain of which may not apply to the Bonds, are:

1. Principal and interest payment delinquencies;
2. Non-payment related defaults;
3. Unscheduled draws on debt service reserves reflecting financial difficulties;
4. Unscheduled draws on credit enhancements reflecting financial difficulties;
5. Substitution of credit or liquidity providers, or their failure to perform;
6. Adverse tax opinions or events affecting the tax-exempt status of the security;
7. Modification to the rights of security holders;

8. Bond calls;
9. Defeasances;
10. Release, substitution or sale of property securing repayment of the securities; and
11. Rating changes.

Consequences of Failure of the District to Provide Information

If the District shall fail to provide disclosure of Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking, the District shall give notice of such fact to each NRMSIR or to the MSRB and the SID, if any, in a timely manner.

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

Amendments; Waiver

Notwithstanding any other provision of the Undertaking, the District by resolution authorizing such amendment or waiver, may amend the Undertaking, and any provision of the Undertaking may be waived, if:

- (a) The amendment or waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the District, or type of business conducted.
- (b) The Undertaking, as amended, or the provision, as waived, would have complied with the requirements of the Rule at the time of the primary offering, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and
- (c) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

Termination of Undertaking

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

Additional Information

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

Dissemination Agent

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

RATING

The Bonds are rated "AAA" by Standard & Poor's, a division of The McGraw-Hill Companies, Inc. ("S&P"). Such rating reflects only the views of such organization and any desired explanation of the significance of such rating should be obtained from the rating agency furnishing the same, at the following address; Standard & Poor's

Corporation, 25 Broadway, New York, New York 10004. Generally, a rating agency bases its rating on the information and materials furnished to it and on investigations, studies and assumptions of its own. There is no assurance such rating will continue for any given period of time or that such rating will be revised downward or withdrawn entirely by the rating agency, if in the judgment of such rating agency, circumstances so warrant. Any such downward revision or withdrawal of such rating may have an adverse effect on the market price of the Bonds.

UNDERWRITING

William Blair & Company, a limited liability company (the "Underwriter"), has agreed to purchase the Bonds from the District at a price of \$12,886,828.96 plus accrued interest from May 1, 2002. The purchase price will result in a gross underwriting spread of \$144,079.04.

The obligation of the Underwriter is such that it must purchase and pay for all of the Bonds if any are purchased. The Bonds are being offered for sale at the initial prices stated on the inside cover of this Official Statement plus accrued interest. After the initial offering, the offering prices and other selling terms may be changed. The Underwriter reserves the right to offer any of the Bonds to one or more purchasers.

The Underwriter may engage in secondary market trading in the Bonds subject to applicable securities laws. However, the Underwriter is not obligated to repurchase any of the Bonds at the request of any owner thereof.

CERTIFICATION OF THE OFFICIAL STATEMENT

At the time of payment for and delivery of the Bonds, the Underwriters will be furnished a certificate, executed by proper officers, acting in their official capacity, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in this Official Statement and any addenda, supplement or amendment hereto on the date of this Official Statement, and on the date of delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, this Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated herein or necessary to make the statements herein in the light of the circumstances under which they were made not misleading; (c) insofar as the descriptions and statements, including financial data, of or pertaining to entities, other than the District, and their activities contained in this Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and that the District has no reason to believe that they are untrue in any material respect; and (d) there has been no material adverse change in the financial condition of the District since June 30, 2001, the date of the last financial statement of the District.

/s/ Carol Rogal

President, Board of Education
Northfield Township High School District Number 225
Cook County, Illinois

Attest:

/s/ James Lacivita

Secretary, Board of Education
Northfield Township High School District Number 225
Cook County, Illinois

EXHIBITS

Exhibits A, A-1, and B present information about direct and overlapping bonded debt. Exhibit C provides information about the composition of equalized assessed valuations. Exhibits D and E provide information about tax rates for the District and overlapping jurisdictions. Exhibit F lists the District's largest taxpayers. Exhibits G shows the District's recent financial history. Exhibit H shows the Fiscal 2000-2001 Budget. Exhibit I shows the Table of Compound Accreted Values. Exhibits J and K show the Form of Legal Opinion for the Bonds. Exhibit L shows the Audited Financial Statement of the District for the year ended June 30, 2001.

Exhibit A - Direct General Obligation Bonded Debt

| Principal Due (Dec. 1) | Outstanding Bonds | Less Refunded Bonds | Plus: Series 2002A Bonds | Plus: Series 2002B Bonds | Total |
|---------------------------|----------------------|---------------------------|--------------------------------|--------------------------------|---------------------|
| 2002 | \$1,302,017 | | | | \$1,302,017 |
| 2003 | 1,368,436 | | | | 1,368,436 |
| 2004 | 1,181,184 | | | | 1,181,184 |
| 2005 | 1,119,841 | | | | 1,119,841 |
| 2006 | 1,060,651 | | | | 1,060,651 |
| 2007 | 1,339,865 | | | | 1,339,865 |
| 2008 | 1,505,000 | | | | 1,505,000 |
| 2009 | 1,580,000 | | | | 1,580,000 |
| 2010 | 1,655,000 | | | | 1,655,000 |
| 2011 | 1,730,000 | (\$1,730,000) | \$1,605,000 | \$80,059 | 1,685,059 |
| 2012 | 1,820,000 | (1,820,000) | 1,665,000 | 81,670 | 1,746,670 |
| 2013 | 1,915,000 | (1,915,000) | 1,740,000 | 73,974 | 1,813,974 |
| 2014 | | | 1,695,000 | 136,165 | 1,831,165 |
| 2015 | | | 140,000 | 942,368 | 1,082,368 |
| 2016 | | | | 948,921 | 948,921 |
| 2017 | | | | 889,539 | 889,539 |
| 2018 | | | | 833,943 | 833,943 |
| 2019 | | | | 779,425 | 779,425 |
| 2020 | | | | 731,277 | 731,277 |
| 2021 | | | | 685,429 | 685,429 |
| Total | \$17,576,994 | (\$5,465,000) | \$6,845,000 | \$6,182,769 | \$25,139,763 |

Exhibit A-1 – Tax Levies for Direct Bonded Debt

| Tax Year | Outstanding Bonds | Refunded Debt Service | The Bonds | Total |
|--------------|----------------------|--------------------------|---------------------|---------------------|
| 2001 | \$2,031,500 | | | \$2,031,500 |
| 2002 | 2,033,825 | (\$301,263) | \$300,748 | 2,033,310 |
| 2003 | 2,033,425 | (301,263) | 300,748 | 2,032,910 |
| 2004 | 2,033,425 | (301,263) | 300,748 | 2,032,910 |
| 2005 | 2,033,425 | (301,263) | 300,748 | 2,032,910 |
| 2006 | 2,028,425 | (301,263) | 300,748 | 2,027,910 |
| 2007 | 2,031,413 | (301,263) | 300,748 | 2,030,898 |
| 2008 | 2,034,925 | (301,263) | 301,748 | 2,034,410 |
| 2009 | 2,034,875 | (301,263) | 301,748 | 2,034,360 |
| 2010 | 2,031,263 | (2,031,263) | 2,030,748 | 2,030,748 |
| 2011 | 2,034,763 | (2,034,763) | 2,032,535 | 2,032,535 |
| 2012 | 2,025,113 | (2,025,113) | 2,029,275 | 2,029,275 |
| 2013 | | | 2,032,715 | 2,032,715 |
| 2014 | | | 2,031,440 | 2,031,440 |
| 2015 | | | 2,035,000 | 2,035,000 |
| 2016 | | | 2,035,000 | 2,035,000 |
| 2017 | | | 2,035,000 | 2,035,000 |
| 2018 | | | 2,035,000 | 2,035,000 |
| 2019 | | | 2,035,000 | 2,035,000 |
| 2020 | | | 2,035,000 | 2,035,000 |
| Total | \$24,386,375 | (\$8,501,238) | \$24,772,693 | \$40,657,830 |

Exhibit B - Overlapping General Obligation Bonded Debt

(As of March 1, 2002)

| <u>Taxing Authority</u> | <u>Outstanding Bonds</u> | <u>Estimated Percentage Applicable</u> | <u>Amount Applicable*</u> |
|---|------------------------------|--|-------------------------------|
| Cook County | \$2,079,630,000 | 3.551% | \$73,847,661 |
| Cook County Forest Preserve District | 41,445,000 | 3.551% | 1,471,712 |
| Met. Water Reclamation District of Greater Chicago | 908,905,000 | 3.625% | 32,947,806 |
| Village of Deerfield | 24,630,000 | 11.507% | 2,834,174 |
| Village of Glenview | 102,000,000 | 89.708% | 91,502,160 |
| Village of Golf | 1,265,000 | 100.000% | 1,265,000 |
| Village of Northbrook | 34,650,000 | 96.620% | 33,478,830 |
| Niles Library District | 7,600,000 | 2.889% | 219,564 |
| Glenview Park District | 3,063,400 | 83.514% | 2,558,368 |
| Northbrook Park District | 19,760,500 | 98.818% | 19,526,931 |
| School District #30 | 14,383,069 | 100.000% | 14,383,069 |
| School District #31 | 10,630,000 | 100.000% | 10,630,000 |
| School District #34 | 15,485,000 | 99.358% | 15,385,586 |
| Village of Glenview SSA #9 | 99,619 | 100.000% | 99,619 |
| Village of Glenview SSA #10 | 96,619 | 100.000% | 96,619 |
| Village of Glenview SSA #11 | 85,403 | 100.000% | 85,403 |
| Village of Glenview SSA #12 | 49,900 | 100.000% | 49,900 |
| Village of Glenview SSA #17 | 82,020 | 100.000% | 82,020 |
| Village of Glenview SSA #18 | 34,327 | 100.000% | 34,327 |
| Village of Glenview SSA #24 | 14,763 | 100.000% | 14,763 |
| Village of Glenview SSA #27 | 1,596 | 100.000% | 1,596 |
| Village of Glenview SSA #31 | 4,348 | 100.000% | 4,348 |
| Village of Glenview SSA #32 | 36,913 | 100.000% | 36,913 |
| Village of Glenview SSA #33 | 45,384 | 100.000% | 45,384 |
| Village of Northbrook SSA #1 | 9,500,000 | 100.000% | 9,500,000 |
| Village of Northbrook SSA #2 | 44,901 | 100.000% | 44,901 |
| Village of Northbrook SSA #3 | 12,374 | 100.000% | 12,374 |
| Village of Northbrook SSA #4 | 36,700 | 100.000% | 36,700 |
| Village of Northbrook SSA #5 | 47,200 | 100.000% | 47,200 |
| Total Overlapping General Obligation Bonded Debt | | | \$310,239,928 |

* Calculations might differ due to rounding.

Source: Cook County Clerk's Office.

Exhibit C - Composition of Equalized Assessed Valuations, 1996-2000

| | 1996 | 1997 | 1998 | 1999 | 2000* |
|--------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Residential | \$1,537,179,387 | \$1,539,566,780 | \$1,691,388,292 | \$1,765,147,557 | |
| Commercial | 775,149,602 | 796,194,930 | 843,998,381 | 894,686,428 | |
| Industrial | 10,821,889 | 11,855,087 | 443,070,315 | 466,659,170 | N.A. |
| Farm | 143,825 | 95,989 | 107,485 | 107,486 | |
| Railroad | 599,851 | 543,282 | 545,633 | 548,049 | |
| Total | \$2,723,894,554 | \$2,748,256,068 | \$2,979,110,106 | \$3,127,148,690 | \$3,087,247,244 |

* 2000 Composition of Equalized Assessed Valuations is not available.

Source: Cook County Clerk's Office.

Effects of Exemptions and Multipliers

In addition to the effect of exemptions the multiplier is an important factor in determining taxable valuation.

The table below shows the effect of the multiplier and exemptions in tax years 1997 through 2000.

| | 1997 | 1998 | 1999 | 2000 |
|---|------------------------|------------------------|------------------------|------------------------|
| Assessed Value | \$1,338,159,025 | \$1,426,640,233 | \$1,447,662,661 | \$1,447,833,968 |
| Equalization factor | <u>X 2.1489</u> | <u>X 2.1799</u> | <u>X 2.2505</u> | <u>X 2.2235</u> |
| re-exemption EAV | 2,875,569,927 | 3,109,933,044 | 3,257,964,817 | 3,219,258,827 |
| Homeowners Exemption | 106,143,750 | 105,965,547 | 104,453,591 | 106,873,951 |
| Senior Citizen Exemption | 16,832,250 | 17,356,226 | 17,196,442 | 17,309,358 |
| Tax Freeze Exemption | 4,337,859 | 7,501,165 | 9,166,094 | 7,828,274 |
| Taxable Equalized Assessed Valuation | \$2,748,256,068 | \$2,979,110,106 | \$3,127,148,690 | \$3,087,247,244 |

Source: Cook County Clerk's Office.

Exhibit D - School District Tax Rates by Purpose, 1996-2000

| <u>Fund</u> | <u>1996</u> | <u>1997</u> | <u>1998</u> | <u>1999</u> | <u>2000</u> | <u>Limits</u> |
|---------------------|----------------|----------------|----------------|----------------|-----------------|---------------|
| IMRF | \$0.0281 | \$0.0287 | \$0.0211 | \$0.0201 | \$0.0243 | None |
| Social Security | 0.0281 | 0.0286 | 0.0211 | 0.0201 | 0.0243 | None |
| Liability Insurance | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | None |
| Transportation | 0.0224 | 0.0231 | 0.0235 | 0.0235 | 0.0251 | \$0.1200 |
| Education | 1.4816 | 1.5891 | 1.5091 | 1.4213 | 1.4818 | 1.9100 |
| Building | 0.2532 | 0.2061 | 0.2451 | 0.3294 | 0.3603 | 0.3750 |
| Bonds and Interest | 0.0000 | 0.0000 | 0.0000 | 0.0471 | 0.0477 | None |
| Working Cash Funds | 0.0075 | 0.0088 | 0.0081 | 0.0077 | 0.0081 | 0.0500 |
| Life Safety | 0.0466 | 0.0468 | 0.0112 | 0.0000 | 0.0000 | 0.0500 |
| Special Education | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0200 |
| Limited Bonds | 0.0000 | 0.0000 | 0.0000 | 0.0000 | 0.0202 | None |
| Life Safety Bond | 0.0346 | 0.0000 | 0.0000 | 0.0000 | 0.0000 | None |
| Total | \$1.903 | \$1.932 | \$1.840 | \$1.870 | \$1.992* | |

* Equivalent to \$199.20 per \$10,000 equalized assessed property valuation.

Source: Cook County Clerk's Office

Exhibit E - Representative Total Tax Rates, 1997-2000

| Taxing Authority | 1997 Tax Rate (per \$100) | 1998 Tax Rate (per \$100) | 1999 Tax Rate (per \$100) | 2000 Tax Rate (per \$100) |
|--------------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| Cook County | \$0.919 | \$0.911 | \$0.854 | \$0.824 |
| Cook County Forest Preserve | 0.074 | 0.072 | 0.070 | 0.069 |
| Suburban TB Sanitarium | 0.008 | 0.008 | 0.008 | 0.008 |
| Consolidated Elections | 0.027 | 0.000 | 0.023 | 0.000 |
| Northfield Township | 0.022 | 0.020 | 0.019 | 0.021 |
| Northfield Road and Bridge | 0.041 | 0.039 | 0.038 | 0.041 |
| Northfield General Assistance | 0.009 | 0.000 | 0.000 | 0.000 |
| Met. Water Reclamation Dist. | 0.451 | 0.444 | 0.419 | 0.415 |
| North Shore Mosquito Abatement Dist. | 0.011 | 0.011 | 0.011 | 0.011 |
| High School District 225 | 1.932 | 1.840 | 1.870 | 1.992 |
| Community College 535 | 0.216 | 0.205 | 0.203 | 0.213 |
| Glenview Park District | 0.498 | 0.587 | 0.578 | 0.612 |
| Village of Glenview | 1.039 | 0.929 | 0.903 | 0.940 |
| School District 34 | 3.188 | 2.991 | 2.839 | 3.030 |
| Total | \$8.435 | \$8.057 | \$7.835 | \$8.176* |

* A total tax rate of \$8.176 results in a tax bill of \$817.60 per \$10,000 of equalized assessed valuation.

Source: Cook County Clerk's Office

Exhibit F - Representative Largest Taxpayers

| <u>Taxpayer</u> | <u>Product or Service</u> | <u>2000 Equalized Assessed Valuation</u> |
|-----------------------------------|--|--|
| Allstate Insurance Co. | Insurance corporate office | \$98,944,205 |
| Northbrook Court Shopping Center | Shopping mall | 58,104,858 |
| Village Square Shopping Center | Shopping mall | 34,270,365 |
| Underwriters Laboratories Inc. | Independent non-profit testing and certification | 25,394,073 |
| Baxter Healthcare | Wholesale medical supplies and service | 20,274,009 |
| Korman Lederer | Numerous commercial and industrial properties | 19,483,919 |
| Sheraton North Shore Hotel | Hotel | 17,659,035 |
| Motorola Automotive Products Inc. | Automotive electronics | 16,961,065 |
| Marshall Fields | Retail store | 16,445,053 |
| Combined Center | Commercial building over three stories | 15,697,622 |
| Illinois Tool Works | Engineered components and industrial systems corporate headquarters | 14,595,583 |
| Embassy Suites | Hotel | 13,516,761 |
| North Suburban Development Corp. | Commercial building over three stories | 12,148,570 |
| Plaza Del Prado Shopping Center | Shopping mall | 11,246,487 |
| Scott Foresman/Addison Wesley | Corporate headquarters – book publishing | 10,106,010 |

Note: The 2000 Cook County multiplier of 2.2235 has been applied to the 2000 assessed valuations of these taxpayers.

Source: Cook County Clerk's Office, the Northfield Township Assessor's Office and the Village of Glenview

Exhibit G - Combined Statement of Revenues, Expenditures and Changes in Fund Balances, 1996-2001

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Bond and Interest</u> | <u>Working Cash</u> | <u>Memorandum</u> |
|---------------------------------------|---------------------|----------------------------|-----------------------------|------------------------------|-------------------------|---------------------|
| Beginning Balance July 1, 1995 | \$14,327,218 | \$1,028,013 | \$2,619,699 | \$1,058,691 | \$12,210,499 | \$31,244,120 |
| Revenues | 55,265,499 | 2,478,970 | 149,691 | 1,982,488 | 1,085,656 | 60,962,304 |
| Expenditures | 52,234,092 | 2,305,224 | 1,052,209 | 2,023,672 | 0 | 57,615,197 |
| Transfers | 3,000,000 | 0 | 0 | 0 | 0 | 3,000,000 |
| Other | 135,073 | 0 | 0 | 0 | (3,000,000) | (2,864,927) |
| Ending Balance June 30, 1996 | <u>\$20,493,698</u> | <u>\$1,201,759</u> | <u>\$1,717,181</u> | <u>\$1,017,507</u> | <u>\$10,296,155</u> | <u>\$34,726,300</u> |
| Beginning Balance July 1, 1996 | \$20,493,698 | \$1,201,759 | \$1,717,181 | \$1,017,507 | \$10,296,155 | \$34,726,300 |
| Revenues | 57,200,142 | 2,593,856 | 672,946 | 2,492,412 | 561,489 | 63,520,845 |
| Expenditures | 58,369,875 | 2,505,796 | 866,049 | 2,057,154 | 0 | 63,798,874 |
| Transfers | 6,000,000 | 0 | 0 | 0 | 0 | 6,000,000 |
| Other | 0 | 0 | 0 | 0 | (6,000,000) | (6,000,000) |
| Ending Balance June 30, 1997 | <u>\$25,323,965</u> | <u>\$1,289,819</u> | <u>\$1,524,078</u> | <u>\$1,452,765</u> | <u>\$4,857,644</u> | <u>\$34,448,271</u> |
| Beginning Balance July 1, 1997 | \$25,323,965 | \$1,289,819 | \$1,524,078 | \$1,452,765 | \$4,857,644 | \$34,448,271 |
| Revenues | 58,695,580 | 2,690,748 | 1,354,203 | 1,850,330 | 554,077 | 65,144,938 |
| Expenditures | 58,571,539 | 2,543,766 | 824,327 | 2,055,910 | 0 | 63,995,542 |
| Transfers | 1,017,625 | 0 | 0 | 0 | (1,017,625) | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance June 30, 1998 | <u>\$26,465,631</u> | <u>\$1,436,801</u> | <u>\$2,053,954</u> | <u>\$1,247,185</u> | <u>\$4,394,096</u> | <u>\$35,597,667</u> |
| Beginning Balance July 1, 1998 | \$26,465,631 | \$1,436,801 | \$2,053,954 | \$1,247,185 | \$4,394,096 | \$35,597,667 |
| Revenues | 60,766,941 | 2,602,928 | 852,533 | 1,555,295 | 479,599 | 66,257,296 |
| Expenditures | 60,325,601 | 2,582,493 | 2,486,806 | 2,083,297 | 0 | 67,478,197 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance June 30, 1999 | <u>\$26,906,971</u> | <u>\$1,457,236</u> | <u>\$419,681</u> | <u>\$719,183</u> | <u>\$4,873,695</u> | <u>\$34,376,766</u> |
| Beginning Balance July 1, 1999 | \$26,906,971 | \$1,457,236 | \$419,681 | \$719,183 | \$4,873,695 | \$34,376,766 |
| Revenues | 62,222,583 | 3,273,674 | 1,944,520 | 1,489,351 | 535,886 | 69,466,014 |
| Expenditures | 59,501,929 | 3,272,158 | 138,646 | 1,404,473 | 0 | 64,317,206 |
| Transfers | 0 | 0 | 0 | 0 | 0 | 0 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 |
| Ending Balance June 30, 2000 | <u>\$29,627,625</u> | <u>\$1,458,752</u> | <u>\$2,225,555</u> | <u>\$804,061</u> | <u>\$5,409,581</u> | <u>\$39,525,574</u> |
| Beginning Balance July 1, 2000 | \$29,496,910 | \$1,515,296 | \$2,263,233 | \$968,524 | \$5,502,690 | \$39,746,653 |
| Revenues | 65,993,859 | 3,618,964 | 586,156 | 1,970,527 | 894,806 | 73,064,312 |
| Expenditures | 67,160,529 | 3,214,108 | 7,505,490 | 2,831,644 | 0 | 80,711,771 |
| Transfers | 2,379,063 | 0 | 0 | 0 | (2,379,063) | 0 |
| Other | 6,554,339 | 0 | 21,939,425 | 1,185,842 | 15,103,676 | 44,783,282 |
| Ending Balance June 30, 2001 | <u>\$37,263,642</u> | <u>\$1,920,152</u> | <u>\$17,283,324</u> | <u>\$1,293,249</u> | <u>\$19,122,109</u> | <u>\$76,882,476</u> |

Source: Audited financial statements of the District for the years ending 1996-2001

Exhibit H - Budget – 2002 Fiscal Year

| | <u>General</u> | <u>Special Revenue</u> | <u>Capital Projects</u> | <u>Bond and Interest</u> | <u>Working Cash</u> | <u>Memorandum</u> |
|---------------------------------------|----------------|----------------------------|-----------------------------|------------------------------|-------------------------|-------------------|
| Beginning Balance July 1, 2001 | \$37,263,642 | \$1,920,152 | \$17,283,324 | \$1,293,249 | \$19,122,109 | \$76,882,476 |
| Revenues | 65,771,654 | 3,558,200 | 7,500,800 | 1,713,358 | 1,337,500 | 79,881,512 |
| Expenditures | 86,244,045 | 3,598,104 | 23,413,576 | 4,317,850 | 0 | 117,573,575 |
| Transfers | 13,200,000 | 0 | 0 | | (13,200,000) | 0 |
| Other | (2,295,000) | 0 | 0 | 2,295,000 | 0 | 0 |
| Ending Balance June 30, 2002 | \$27,696,251 | \$1,880,248 | \$1,370,548 | \$983,757 | \$7,259,609 | \$39,190,413 |

Source: The District

Exhibit I - Table of Compound Accreted Values

Northfield Township High School District No. 225
 Cook County (Glenbrook), Illinois
 Series 2002B, Refunding 2000C w/CAB

ACCRETED VALUE TABLE

| DATE | 12/01/2011 | 12/01/2012 | 12/01/2013 | 12/01/2014 | 12/01/2015 | 12/01/2016 | 12/01/2017 | 12/01/2018 | 12/01/2019 | 12/01/2020 | 12/01/2021 |
|------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | ④ 4.7300622% | ④ 4.8301132% | ④ 4.9500745% | ④ 5.0701358% | ④ 5.1900625% | ④ 5.3200212% | ④ 5.4001292% | ④ 5.4700556% | ④ 5.5500194% | ④ 5.6000536% | ④ 5.6501546% |
| 5/20/2002 | 3,202.35 | 3,024.80 | 2,845.15 | 2,669.90 | 2,499.65 | 2,331.50 | 2,185.80 | 2,049.00 | 1,915.05 | 1,796.75 | 1,684.10 |
| 6/01/2002 | 3,206.93 | 3,029.21 | 2,849.40 | 2,673.99 | 2,503.57 | 2,335.24 | 2,189.16 | 2,052.38 | 1,918.26 | 1,799.78 | 1,686.97 |
| 12/01/2002 | 3,282.77 | 3,102.37 | 2,919.93 | 2,741.78 | 2,568.53 | 2,397.36 | 2,248.27 | 2,108.51 | 1,971.49 | 1,850.18 | 1,734.63 |
| 6/01/2003 | 3,360.41 | 3,177.30 | 2,992.20 | 2,811.28 | 2,635.19 | 2,461.13 | 2,308.97 | 2,166.18 | 2,026.20 | 1,901.98 | 1,783.63 |
| 12/01/2003 | 3,439.89 | 3,254.03 | 3,066.26 | 2,882.55 | 2,703.57 | 2,526.60 | 2,371.32 | 2,225.43 | 2,082.42 | 1,955.24 | 1,834.02 |
| 6/01/2004 | 3,521.24 | 3,332.62 | 3,142.15 | 2,955.62 | 2,773.73 | 2,593.81 | 2,435.35 | 2,286.29 | 2,140.21 | 2,009.99 | 1,885.83 |
| 12/01/2004 | 3,604.52 | 3,413.10 | 3,219.92 | 3,030.55 | 2,845.71 | 2,662.80 | 2,501.10 | 2,348.83 | 2,199.60 | 2,066.27 | 1,939.11 |
| 6/01/2005 | 3,689.77 | 3,495.53 | 3,299.61 | 3,107.38 | 2,919.56 | 2,733.63 | 2,568.63 | 2,413.07 | 2,260.64 | 2,124.12 | 1,993.89 |
| 12/01/2005 | 3,777.03 | 3,579.95 | 3,381.28 | 3,186.15 | 2,995.32 | 2,806.35 | 2,637.99 | 2,479.06 | 2,323.37 | 2,183.60 | 2,050.22 |
| 6/01/2006 | 3,866.36 | 3,666.41 | 3,464.96 | 3,268.92 | 3,073.05 | 2,881.00 | 2,709.22 | 2,546.87 | 2,387.85 | 2,244.74 | 2,108.14 |
| 12/01/2006 | 3,957.80 | 3,754.95 | 3,550.72 | 3,349.74 | 3,152.80 | 2,957.63 | 2,782.37 | 2,616.53 | 2,454.11 | 2,307.60 | 2,167.70 |
| 6/01/2007 | 4,051.40 | 3,845.64 | 3,638.60 | 3,434.66 | 3,234.61 | 3,036.30 | 2,857.49 | 2,688.09 | 2,522.21 | 2,372.21 | 2,228.94 |
| 12/01/2007 | 4,147.22 | 3,938.51 | 3,728.66 | 3,521.73 | 3,318.55 | 3,117.07 | 2,934.65 | 2,761.61 | 2,592.21 | 2,438.63 | 2,291.91 |
| 6/01/2008 | 4,245.30 | 4,033.63 | 3,820.95 | 3,611.01 | 3,404.67 | 3,199.98 | 3,013.88 | 2,837.14 | 2,664.14 | 2,506.91 | 2,356.65 |
| 12/01/2008 | 4,345.71 | 4,131.04 | 3,915.52 | 3,702.55 | 3,493.02 | 3,285.10 | 3,095.26 | 2,914.74 | 2,738.07 | 2,577.11 | 2,423.23 |
| 6/01/2009 | 4,448.48 | 4,230.81 | 4,012.43 | 3,796.41 | 3,583.67 | 3,372.49 | 3,178.83 | 2,994.45 | 2,814.05 | 2,649.27 | 2,491.69 |
| 12/01/2009 | 4,553.69 | 4,332.98 | 4,111.74 | 3,892.65 | 3,676.67 | 3,462.20 | 3,264.66 | 3,076.35 | 2,892.14 | 2,723.45 | 2,562.08 |
| 6/01/2010 | 4,661.39 | 4,437.63 | 4,213.50 | 3,991.34 | 3,772.08 | 3,554.29 | 3,352.81 | 3,160.49 | 2,972.40 | 2,799.70 | 2,634.46 |
| 12/01/2010 | 4,771.63 | 4,544.80 | 4,317.79 | 4,092.52 | 3,869.96 | 3,648.84 | 3,443.34 | 3,246.93 | 3,054.88 | 2,878.10 | 2,708.89 |
| 6/01/2011 | 4,884.48 | 4,654.56 | 4,424.66 | 4,196.27 | 3,970.39 | 3,745.90 | 3,536.31 | 3,335.74 | 3,139.66 | 2,958.68 | 2,785.42 |
| 12/01/2011 | 5,000.00 | 4,766.97 | 4,534.17 | 4,302.84 | 4,073.42 | 3,845.54 | 3,631.80 | 3,426.97 | 3,226.78 | 3,041.53 | 2,864.11 |
| 6/01/2012 | - | 4,882.09 | 4,646.39 | 4,411.72 | 4,179.13 | 3,947.83 | 3,729.86 | 3,520.70 | 3,316.33 | 3,126.69 | 2,945.02 |
| 12/01/2012 | - | 5,000.00 | 4,761.39 | 4,523.56 | 4,287.58 | 4,062.84 | 3,830.56 | 3,618.99 | 3,408.35 | 3,214.24 | 3,028.22 |
| 6/01/2013 | - | - | 4,879.24 | 4,638.23 | 4,398.84 | 4,160.65 | 3,933.99 | 3,715.92 | 3,502.94 | 3,304.24 | 3,113.77 |
| 12/01/2013 | - | - | 5,000.00 | 4,755.82 | 4,512.99 | 4,271.32 | 4,040.21 | 3,817.55 | 3,600.14 | 3,396.76 | 3,201.73 |
| 6/01/2014 | - | - | - | 4,876.38 | 4,630.11 | 4,384.94 | 4,149.30 | 3,921.96 | 3,700.05 | 3,491.87 | 3,292.19 |
| 12/01/2014 | - | - | - | 5,000.00 | 4,750.26 | 4,501.58 | 4,261.34 | 4,029.23 | 3,802.72 | 3,589.64 | 3,385.19 |
| 6/01/2015 | - | - | - | - | 4,873.53 | 4,621.32 | 4,376.39 | 4,139.43 | 3,908.25 | 3,690.15 | 3,480.83 |
| 12/01/2015 | - | - | - | - | 5,000.00 | 4,744.25 | 4,494.56 | 4,252.64 | 4,016.70 | 3,793.48 | 3,579.16 |
| 6/01/2016 | - | - | - | - | - | 4,870.45 | 4,615.92 | 4,368.95 | 4,128.17 | 3,899.70 | 3,680.28 |
| 12/01/2016 | - | - | - | - | - | 5,000.00 | 4,740.55 | 4,488.44 | 4,242.72 | 4,008.89 | 3,784.25 |
| 6/01/2017 | - | - | - | - | - | - | 4,868.55 | 4,611.20 | 4,360.46 | 4,121.14 | 3,891.16 |
| 12/01/2017 | - | - | - | - | - | - | 5,000.00 | 4,737.32 | 4,481.46 | 4,236.53 | 4,001.08 |
| 6/01/2018 | - | - | - | - | - | - | - | 4,866.89 | 4,605.82 | 4,355.16 | 4,114.12 |
| 12/01/2018 | - | - | - | - | - | - | - | 5,000.00 | 4,733.64 | 4,477.10 | 4,230.34 |
| 6/01/2019 | - | - | - | - | - | - | - | - | 4,865.00 | 4,602.46 | 4,349.86 |
| 12/01/2019 | - | - | - | - | - | - | - | - | 5,000.00 | 4,731.33 | 4,472.74 |
| 6/01/2020 | - | - | - | - | - | - | - | - | - | 4,863.81 | 4,599.10 |
| 12/01/2020 | - | - | - | - | - | - | - | - | - | 5,000.00 | 4,729.03 |
| 6/01/2021 | - | - | - | - | - | - | - | - | - | - | 4,862.63 |
| 12/01/2021 | - | - | - | - | - | - | - | - | - | - | 5,000.00 |

Exhibit J – Form of 2002A Legal Opinion

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER]

[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 225, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Refunding School Bonds, Series 2002A (the “*Bonds*”), to the amount of \$6,845,000, dated May 1, 2002, due serially on December 1 of the years and in the amounts and bearing interest as follows:

| | | |
|------|-------------|-------|
| 2011 | \$1,605,000 | 4.25% |
| 2012 | 1,665,000 | 4.40% |
| 2013 | 1,740,000 | 4.40% |
| 2014 | 1,695,000 | 4.50% |
| 2015 | 140,000 | 4.60% |

the Bonds due on or after December 1, 2013, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2012, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is, 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 less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by 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 not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the

alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore Inc., Certified Public Accountants, Denver, Colorado.

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

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

Kkost:kd

Exhibit K – Form of 2002B Legal Opinion

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings of the Board of Education of Township High School District Number 225, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B (the “*Bonds*”), to the original principal amount of \$6,182,769.20, dated the date hereof, due serially on December 1 of the years and further described as follows:

ORIGINAL PRINCIPAL AMOUNT

| YEAR OF MATURITY | TOTAL | PER \$5,000 COMPOUND ACCRETED VALUE AT MATURITY | ORIGINAL YIELD TO MATURITY |
|-------------------------|--------------|--|-----------------------------------|
| 2011 | \$ 80,058.75 | \$3,202.35 | 4.73% |
| 2012 | 81,669.60 | 3,024.80 | 4.83% |
| 2013 | 73,973.90 | 2,845.15 | 4.95% |
| 2014 | 136,164.90 | 2,669.90 | 5.07% |
| 2015 | 942,368.05 | 2,499.65 | 5.19% |
| 2016 | 948,920.50 | 2,331.50 | 5.32% |
| 2017 | 889,539.20 | 2,185.60 | 5.40% |
| 2018 | 833,943.00 | 2,049.00 | 5.47% |
| 2019 | 779,425.35 | 1,915.05 | 5.55% |
| 2020 | 731,277.25 | 1,796.75 | 5.60% |
| 2021 | 685,428.70 | 1,684.10 | 5.65% |

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

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, all except as limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws relating to the enforcement of creditors’ rights and subject to 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 less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by the District, as more fully described in said proceedings.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is not includible in gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be included in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering our opinion on tax exemption, we have relied on the mathematical computation of the yield on the Bonds and the yield on certain investments by Causey, Demgen & Moore Inc., Certified Public Accountants, Denver, Colorado.

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

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

KKost:kd

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Exhibit L - Audited Financial Statements, June 30, 2001

**NORTHFIELD TOWNSHIP HIGH
SCHOOL DISTRICT NO. 225**

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED JUNE 30, 2001
AND
INDEPENDENT AUDITORS' REPORT**

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

August 31, 2001

To the Board of Education
Northfield Township High School District No. 225
1835 Landwehr Road
Glenview, IL 60025

We have audited the accompanying combined financial statements and the combining financial statements of Northfield Township High School District No. 225, as of and for the year ended June 30, 2001, and the individual fund financial statements of the District as of and for the years ended June 30, 2001 and 2000, as listed in the table of contents. These financial statements are the responsibility of Northfield Township High School District No. 225's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the combined, combining, and individual fund financial statements referred to above present fairly, in all material respects, the financial position of Northfield Township High School District No. 225 as of June 30, 2001, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America. Also, in our opinion, the individual fund financial statements as of June 30, 2000, present fairly, in all material respects, the financial position of each of the individual funds as of June 30, 2000 and the results of operations of such funds 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 August 31, 2001 on our consideration of Northfield Township High School District No. 225's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be read in conjunction with this report in considering the results of our audit.

Our audit of the 2001 financial statements was conducted for the purpose of forming an opinion on the combined financial statements taken as a whole and on the combining and individual fund financial statements. The financial information listed as supplementary schedules and statistical tables (unaudited) in the table of contents is presented for purposes of additional analysis and is not a required part of the aforementioned financial statements of Northfield Township High School District No. 225. Such information has been subjected to the auditing procedures applied in the audit of the combined, combining and individual fund financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements of each of the respective individual funds taken as a whole.

The historical pension information listed in the table of contents is not a required part of the combined financial statements but is supplementary information required by the Government Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

William F. Gurrie & Co., Ltd.
WILLIAM F. GURRIE & CO., LTD.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

ALL FUND TYPES AND ACCOUNT GROUPS

COMBINED BALANCE SHEET

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

| | GOVERNMENTAL FUND TYPES | | |
|--|-------------------------|---------------------|---------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE |
| ASSETS AND OTHER DEBITS | | | |
| Cash | \$ 93,686 | \$ 3,818 | \$ 1,964 |
| Investments | 37,698,942 | 2,188,131 | 1,151,237 |
| Receivables (net of allowance for uncollectibles): | | | |
| Interest | 584,823 | 59,397 | 216,936 |
| Property taxes | 30,276,258 | 1,345,725 | 693,856 |
| Replacement taxes | 211,429 | 45,454 | 70,148 |
| Intergovernmental | 460,180 | - | - |
| Prepaid Items | 87,353 | - | - |
| Other current assets | 63,689 | - | - |
| Fixed assets | - | - | - |
| Amount available for retirement of General Long-Term Debt | - | - | - |
| Amount to be provided from future receipts | - | - | - |
| TOTAL ASSETS AND OTHER DEBITS | \$ 69,476,360 | \$ 3,642,525 | \$ 2,134,141 |
| LIABILITIES, FUND EQUITY AND OTHER CREDITS | | | |
| LIABILITIES | | | |
| Accounts payable | \$ 827,628 | \$ 37,447 | \$ - |
| Salaries and wages payable | 149,278 | - | - |
| Compensated absences | 195,110 | - | - |
| Due to Activity Fund Organizations | - | - | - |
| Other current liabilities | 17,775 | - | - |
| Deferred revenue | 30,672,495 | 1,684,926 | 840,892 |
| Accrued insurance claims | 350,432 | - | - |
| Bonds payable | - | - | - |
| Compensated absences - long-term | - | - | - |
| TOTAL LIABILITIES | 32,212,718 | 1,722,373 | 840,892 |
| FUND EQUITY AND OTHER CREDITS | | | |
| Invested in General Fixed Assets | - | - | - |
| FUND BALANCE | | | |
| Reserved Fund Balance: | | | |
| Reserved for prepaid expenditures | 87,353 | - | - |
| Unreserved Fund Balance: | | | |
| Undesignated | 37,176,289 | 1,920,152 | 1,293,249 |
| TOTAL FUND EQUITY AND OTHER CREDITS | 37,263,642 | 1,920,152 | 1,293,249 |
| TOTAL LIABILITIES, FUND EQUITY AND OTHER CREDITS | \$ 69,476,360 | \$ 3,642,525 | \$ 2,134,141 |

See Accompanying Notes to Combined Financial Statements

| CAPITAL PROJECTS | FIDUCIARY | | ACCOUNT GROUPS | | TOTAL | |
|----------------------|----------------------|-----------------------|----------------------|-----------------------|-----------------------|------|
| | FUND TYPES | | GENERAL | GENERAL | (MEMORANDUM ONLY) | |
| | TRUST AND AGENCY | | FIXED ASSETS | LONG-TERM DEBT | 2001 | 2000 |
| \$ 865 | \$ 870,707 | \$ - | \$ - | \$ 971,040 | \$ 2,437,457 | |
| 19,505,733 | 18,968,572 | - | - | 79,512,615 | 37,718,238 | |
| 532,906 | 516,507 | - | - | 1,910,569 | 699,923 | |
| - | 137,177 | - | - | 32,453,016 | 33,541,269 | |
| 13,988 | - | - | - | 341,019 | 384,350 | |
| - | - | - | - | 460,180 | 356,754 | |
| - | - | - | - | 87,353 | 91,000 | |
| - | - | - | - | 63,689 | 98,208 | |
| - | - | 126,354,228 | - | 126,354,228 | 109,233,778 | |
| - | - | - | 1,293,249 | 1,293,249 | 968,524 | |
| - | - | - | 47,426,664 | 47,426,664 | 4,225,562 | |
| <u>\$ 20,053,492</u> | <u>\$ 20,492,963</u> | <u>\$ 126,354,228</u> | <u>\$ 48,719,913</u> | <u>\$ 290,873,622</u> | <u>\$ 189,755,063</u> | |
| \$ 2,393,490 | \$ - | \$ - | \$ - | \$ 3,258,565 | \$ 859,900 | |
| - | - | - | - | 149,278 | 144,674 | |
| - | - | - | - | 195,110 | 161,638 | |
| - | 869,622 | - | - | 869,622 | 710,581 | |
| - | - | - | - | 17,775 | 17,747 | |
| 376,678 | 501,232 | - | - | 34,076,223 | 33,308,618 | |
| - | - | - | - | 350,432 | 377,388 | |
| - | - | - | 48,382,848 | 48,382,848 | 4,920,000 | |
| - | - | - | 337,065 | 337,065 | 274,086 | |
| <u>2,770,168</u> | <u>1,370,854</u> | <u>-</u> | <u>48,719,913</u> | <u>87,636,918</u> | <u>40,774,632</u> | |
| - | - | 126,354,228 | - | 126,354,228 | 109,233,778 | |
| - | - | - | - | 87,353 | 91,000 | |
| <u>17,283,324</u> | <u>19,122,109</u> | <u>-</u> | <u>-</u> | <u>76,795,123</u> | <u>39,655,653</u> | |
| <u>17,283,324</u> | <u>19,122,109</u> | <u>126,354,228</u> | <u>-</u> | <u>203,236,704</u> | <u>148,980,431</u> | |
| <u>\$ 20,053,492</u> | <u>\$ 20,492,963</u> | <u>\$ 126,354,228</u> | <u>\$ 48,719,913</u> | <u>\$ 290,873,622</u> | <u>\$ 189,755,063</u> | |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

ALL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000

| | GOVERNMENTAL FUND TYPES | | | |
|--|-------------------------|---------------------|---------------------|----------------------|
| | GENERAL | SPECIAL REVENUE | DEBT SERVICE | CAPITAL PROJECTS |
| REVENUE | | | | |
| Local sources: | | | | |
| Property taxes | \$ 54,854,307 | \$ 1,994,870 | \$ 1,501,701 | \$ (6,153) |
| Replacement taxes | 1,149,209 | 273,174 | 318,991 | 90,921 |
| Other payments in lieu of taxes | 1,003,428 | - | - | - |
| Tuition | 139,102 | - | - | - |
| Transportation fees | - | 398,977 | - | - |
| Earnings on investments | 2,246,236 | 131,261 | 149,835 | 501,388 |
| Food services | 1,273,099 | - | - | - |
| Pupil activities | 189,818 | - | - | - |
| Textbooks | 987,946 | - | - | - |
| Rentals | 105,794 | - | - | - |
| Contributions and donations from private sources | 71,221 | - | - | - |
| Services provided other LEA's | 87,931 | - | - | - |
| Refund of prior years' expenditures | 53,334 | 3,970 | - | - |
| Other local sources | 11,799 | - | - | - |
| Total Local Sources | <u>62,173,224</u> | <u>2,802,252</u> | <u>1,970,527</u> | <u>586,156</u> |
| State Sources | 6,308,170 | 816,712 | - | - |
| Federal Sources | 1,216,139 | - | - | - |
| Total Revenues | <u>69,697,533</u> | <u>3,618,964</u> | <u>1,970,527</u> | <u>586,156</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 34,781,207 | 421,703 | - | - |
| Support Services | 25,390,001 | 2,790,561 | - | - |
| Community Services | 29,680 | 1,844 | - | - |
| Nonprogrammed Charges | 1,047,430 | - | - | - |
| Debt Service: | | | | |
| Principal | - | - | 1,140,000 | - |
| Interest and other | - | - | 1,691,644 | - |
| Capital Outlay | 9,615,885 | - | - | 7,505,490 |
| Total Expenditures | <u>70,864,203</u> | <u>3,214,108</u> | <u>2,831,644</u> | <u>7,505,490</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(1,166,670)</u> | <u>404,856</u> | <u>(861,117)</u> | <u>(6,919,334)</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating Transfers In | 2,379,063 | - | 1,043,000 | - |
| Operating Transfers (Out) | (1,043,000) | - | - | - |
| Bond Proceeds | 7,597,339 | - | 142,842 | 21,939,425 |
| Other | - | - | - | - |
| Total Other Financing Sources (Uses) | <u>8,933,402</u> | <u>-</u> | <u>1,185,842</u> | <u>21,939,425</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | 7,766,732 | 404,856 | 324,725 | 15,020,091 |
| FUND BALANCE, BEGINNING OF YEAR | <u>29,496,910</u> | <u>1,515,296</u> | <u>968,524</u> | <u>2,263,233</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 37,263,642</u> | <u>\$ 1,920,152</u> | <u>\$ 1,293,249</u> | <u>\$ 17,283,324</u> |

See Accompanying Notes to Combined Financial Statements

Exhibit B

| FIDUCIARY FUND TYPES EXPENDABLE TRUST | TOTAL (MEMORANDUM ONLY) | |
|--|----------------------------|---------------|
| | 2001 | 2000 |
| \$ 241,052 | \$ 58,585,777 | \$ 54,433,052 |
| - | 1,832,295 | 1,964,165 |
| - | 1,003,428 | 830,580 |
| - | 139,102 | 305,609 |
| - | 398,977 | 462,535 |
| 653,754 | 3,682,474 | 2,428,190 |
| - | 1,273,099 | 1,138,986 |
| - | 189,818 | 147,618 |
| - | 987,946 | 954,695 |
| - | 105,794 | 107,248 |
| - | 71,221 | 215,442 |
| - | 87,931 | 95,360 |
| - | 57,304 | 68,456 |
| - | 11,799 | 12,657 |
| 894,806 | 68,426,965 | 63,164,593 |
| - | 7,124,882 | 6,051,639 |
| - | 1,216,139 | 1,108,943 |
| 894,806 | 76,767,986 | 70,325,175 |
| - | 35,202,910 | 32,290,080 |
| - | 28,180,562 | 26,574,047 |
| - | 31,524 | 29,037 |
| - | 1,047,430 | 1,073,625 |
| - | 1,140,000 | 1,080,000 |
| - | 1,691,644 | 324,473 |
| - | 17,121,375 | 6,357,546 |
| - | 84,415,445 | 67,728,808 |
| 894,806 | (7,647,459) | 2,596,367 |
| - | 3,422,063 | - |
| (2,379,063) | (3,422,063) | - |
| 15,103,676 | 44,783,282 | - |
| - | - | 1,714,090 |
| 12,724,613 | 44,783,282 | 1,714,090 |
| 13,619,419 | 37,135,823 | 4,310,457 |
| 5,502,690 | 39,746,653 | 35,436,196 |
| \$ 19,122,109 | \$ 76,882,476 | \$ 39,746,653 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

ALL FUND TYPES

COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES BUDGET AND ACTUAL FOR THE YEAR ENDED JUNE 30, 2001

| | GOVERNMENTAL FUND TYPES | | | | | |
|---|-------------------------|----------------------|-------------------|---------------------|--------------------|---------------------|
| | GENERAL | | SPECIAL REVENUE | | DEBT SERVICE | |
| | BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| REVENUE | | | | | | |
| Local sources: | | | | | | |
| Property taxes | \$ 55,806,168 | \$ 54,854,307 | \$ 2,126,258 | \$ 1,994,870 | \$ 1,455,189 | \$ 1,501,701 |
| Replacement taxes | 1,250,000 | 1,149,209 | 250,000 | 273,174 | 300,000 | 318,991 |
| Other payments in lieu of taxes | 925,711 | 1,003,428 | - | - | - | - |
| Tuition | 290,000 | 139,102 | - | - | - | - |
| Transportation fees | - | - | 395,000 | 398,977 | - | - |
| Earnings on investments | 1,450,000 | 2,246,236 | 82,000 | 131,261 | 32,000 | 149,835 |
| Food services | 1,238,000 | 1,273,099 | - | - | - | - |
| Pupil activities | 123,000 | 189,818 | - | - | - | - |
| Textbooks | 934,000 | 987,946 | - | - | - | - |
| Rentals | 87,000 | 105,794 | - | - | - | - |
| Contributions and donations | | | | | | |
| from private sources | 158,000 | 71,221 | - | - | - | - |
| Services provided other LEA's | 90,705 | 87,931 | - | - | - | - |
| Refund of prior years' expenditures | 10,000 | 53,334 | - | 3,970 | - | - |
| Other local sources | 16,000 | 11,799 | - | - | - | - |
| Total Local Sources | 62,378,584 | 62,173,224 | 2,853,258 | 2,802,252 | 1,787,189 | 1,970,527 |
| State Sources | 2,120,238 | 2,604,496 | 660,000 | 816,712 | - | - |
| Federal Sources | 933,006 | 1,216,139 | - | - | - | - |
| Total Revenues | 65,431,828 | 65,993,859 | 3,513,258 | 3,618,964 | 1,787,189 | 1,970,527 |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| Instruction | 31,397,907 | 31,077,533 | 430,400 | 421,703 | - | - |
| Support Services | 25,930,983 | 25,390,001 | 3,018,420 | 2,790,561 | - | - |
| Community Services | 29,250 | 29,680 | 2,100 | 1,844 | - | - |
| Nonprogrammed Charges | 1,035,000 | 1,047,430 | - | - | - | - |
| Debt Service: | | | | | | |
| Principal | - | - | - | - | 1,140,000 | 1,140,000 |
| Interest and other | - | - | - | - | 1,673,564 | 1,691,644 |
| Capital Outlay | 9,852,156 | 9,615,885 | 2,000 | - | - | - |
| Provision for Contingencies | 666,067 | - | 70,000 | - | 50,000 | - |
| Total Expenditures | 68,911,363 | 67,160,529 | 3,522,920 | 3,214,108 | 2,863,564 | 2,831,644 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,479,535) | (1,166,670) | (9,662) | 404,856 | (1,076,375) | (861,117) |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| Operating Transfers In | 15,600,000 | 2,379,063 | - | - | - | - |
| Operating Transfers (Out) | - | - | - | - | - | - |
| Bond Proceeds | - | 7,597,339 | - | - | - | 142,842 |
| Other | (1,100,000) | (1,043,000) | - | - | 1,100,000 | 1,043,000 |
| Total Other Financing Sources (Uses) | 14,500,000 | 8,933,402 | - | - | 1,100,000 | 1,185,842 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | \$ 11,020,465 | 7,766,732 | \$ (9,662) | 404,856 | \$ 23,625 | 324,725 |
| FUND BALANCE, BEGINNING OF YEAR | | 29,496,910 | | 1,515,296 | | 968,524 |
| FUND BALANCE, END OF YEAR | | \$ 37,263,642 | | \$ 1,920,152 | | \$ 1,293,249 |

See Accompanying Notes to Combined Financial Statements

| CAPITAL PROJECTS | | FIDUCIARY FUND TYPES WORKING CASH | | TOTAL (MEMORANDUM ONLY) | |
|----------------------|----------------------|---|----------------------|----------------------------|----------------------|
| BUDGET | ACTUAL | BUDGET | ACTUAL | BUDGET | ACTUAL |
| \$ - | \$ (6,153) | \$ 242,423 | \$ 241,052 | \$ 59,630,038 | \$ 58,585,777 |
| 76,933 | 90,921 | - | - | 1,876,933 | 1,832,295 |
| - | - | - | - | 925,711 | 1,003,428 |
| - | - | - | - | 290,000 | 139,102 |
| - | - | - | - | 395,000 | 398,977 |
| 1,043,500 | 501,388 | 782,000 | 653,754 | 3,389,500 | 3,682,474 |
| - | - | - | - | 1,238,000 | 1,273,099 |
| - | - | - | - | 123,000 | 189,818 |
| - | - | - | - | 934,000 | 987,946 |
| - | - | - | - | 87,000 | 105,794 |
| - | - | - | - | 158,000 | 71,221 |
| - | - | - | - | 90,705 | 87,931 |
| - | - | - | - | 10,000 | 57,304 |
| - | - | - | - | 16,000 | 11,799 |
| <u>1,120,433</u> | <u>586,156</u> | <u>1,024,423</u> | <u>894,806</u> | <u>69,163,887</u> | <u>68,426,965</u> |
| - | - | - | - | 2,780,238 | 3,421,208 |
| - | - | - | - | 933,006 | 1,216,139 |
| <u>1,120,433</u> | <u>586,156</u> | <u>1,024,423</u> | <u>894,806</u> | <u>72,877,131</u> | <u>73,064,312</u> |
| - | - | - | - | 31,828,307 | 31,499,236 |
| 608,889 | - | - | - | 29,558,292 | 28,180,562 |
| - | - | - | - | 31,350 | 31,524 |
| - | - | - | - | 1,035,000 | 1,047,430 |
| - | - | - | - | 1,140,000 | 1,140,000 |
| - | - | - | - | 1,673,564 | 1,691,644 |
| 8,610,071 | 7,505,490 | - | - | 18,464,227 | 17,121,375 |
| 12,000 | - | - | - | 798,067 | - |
| <u>9,230,960</u> | <u>7,505,490</u> | <u>-</u> | <u>-</u> | <u>84,528,807</u> | <u>80,711,771</u> |
| <u>(8,110,527)</u> | <u>(6,919,334)</u> | <u>1,024,423</u> | <u>894,806</u> | <u>(11,651,676)</u> | <u>(7,647,459)</u> |
| - | - | - | - | 15,600,000 | 2,379,063 |
| - | - | (15,600,000) | (2,379,063) | (15,600,000) | (2,379,063) |
| 29,486,000 | 21,939,425 | 15,100,000 | 15,103,676 | 44,586,000 | 44,783,282 |
| - | - | - | - | - | - |
| <u>29,486,000</u> | <u>21,939,425</u> | <u>(500,000)</u> | <u>12,724,613</u> | <u>44,586,000</u> | <u>44,783,282</u> |
| <u>\$ 21,375,473</u> | <u>15,020,091</u> | <u>\$ 524,423</u> | <u>13,619,419</u> | <u>\$ 32,934,324</u> | <u>37,135,823</u> |
| | <u>2,263,233</u> | | <u>5,502,690</u> | | <u>39,746,653</u> |
| | <u>\$ 17,283,324</u> | | <u>\$ 19,122,109</u> | | <u>\$ 76,882,476</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the Northfield Township High School District No. 225 (the "District") conform to generally accepted accounting principles, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

A. Reporting Entity

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include or exclude a potential component unit in the reporting entity is made by applying the criteria established by the Governmental Accounting Standards Board (GASB). The definition of a component unit is a legally separate organization for which the District is financially accountable and other organizations for which the nature and significance of their relationship with the District are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District is financially accountable if it appoints a voting majority of the organization's governing body and (1) it is able to impose its will on that organization or (2) there is a potential for the organization to provide specific financial benefits to, or impose specific financial burdens on, the District. The District also may be financially accountable if an organization is fiscally dependent on the District, regardless of whether the organization has (1) a separately elected governing board, (2) a governing board appointed by a higher level of government or (3) a jointly appointed board. There are no component units, as defined by GASB, which are included in the District's reporting entity. Even though there are local government agencies within the geographic area served by the District, such as the municipality, library and park district, these agencies have been excluded from the report because they are legally separate and the District is not financially accountable for them.

Also, the District is not included as a component unit in any other governmental reporting entity, as defined by GASB pronouncements.

B. Measurement Focus, Basis of Accounting and Basis of Presentation

The accounts of the District are organized and operated on the basis of funds and account groups. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures or expenses as appropriate. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements. Account groups are a reporting device to account for certain assets and liabilities of the governmental funds not recorded directly in those funds.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

The District has the following fund types and account groups:

Governmental Funds are used to account for the District's general government activities. Governmental fund types use the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual, i.e., when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. The District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred, except for unmatured principal and interest on general long-term debt which is recognized when due, and certain compensated absences, claims and judgements which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Also, in accordance with GASB No. 24, on-behalf payments (payments made by a third party for the benefit of the district, such as payments made by the state to the Teachers' Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and are recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant and accordingly, when such funds are received they are recorded as deferred revenues until earned.

Governmental funds include the following fund types:

General Fund - The General 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 another fund. The General Fund consists of the following:

Educational Account - This account is used for most of the instructional and administrative aspects of the District's operations. The revenue consists primarily of state government aid and local property taxes.

Operations and Maintenance Account - This account is used for expenditures made for repair and maintenance of District property. Revenue consists primarily of local property taxes.

Special Revenue Funds - Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the Debt Service Fund, Capital Projects Funds or Fiduciary Funds) that are legally restricted to expenditures for specified purposes.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

Each of the District's Special Revenue Funds has been established as a separate fund in accordance with the fund structure required by the State of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of the District's Special Revenue Funds follows:

Transportation Fund - This fund accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund - This fund accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare for certified employees and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs. A brief description of the District's Debt Service Fund is as follows:

Bond and Interest Fund - This fund accounts for the periodic principal and interest payments on the bond issues of the District. The primary revenue source is local property taxes levied specifically for debt service.

Capital Projects Funds - The Capital Projects Funds are used to account for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Site and Construction Fund - This fund is used to account for construction projects and renovations financed through serial bond issues.

Fire Prevention and Life Safety Fund - This fund is used to account for State-approved life safety projects financed through serial bond issues.

Fiduciary Fund Types (Trust and Agency Funds) - Fiduciary Funds (Trust and Agency Funds) are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Expendable Trust Fund - The Expendable Trust Fund (Working Cash Fund) accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements to the General Fund and the Special Revenue Fund's Transportation Fund. Money loaned by the Working Cash Fund to other funds must be repaid within one year. As allowed by the School Code of Illinois, this fund may be permanently abolished and become a part of the Educational Account within the General Fund or it may be partially abated to the General Fund, Special Revenue Funds, Debt Service Funds or the Fire Prevention and Life Safety Fund.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

Agency Funds - The Agency Funds include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for Activity Funds, they are not local education agency funds. Student Activity Funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience Accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

General Fixed Assets and General Long-Term Debt Account Groups

Account groups are used to establish accounting control and accountability for the District's general fixed assets and general long-term debt. The accounting and financial reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed Assets - General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures paid in the Governmental Funds and capitalized at cost in the General Fixed Assets Account Group. Donated general fixed assets are listed at estimated fair market value as of the date of acquisition. Depreciation accounting is not applicable, except to determine the per capita tuition charge. Interest costs incurred during construction are not capitalized as part of fixed assets.

Long-Term Liabilities - Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds. The debt recorded in the District's General Long-Term Debt Account Group consists of serial bond issues and long-term debt retirements payable.

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

C. Assets, Liabilities and Equity

Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value.

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "interfund receivables/payables" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds."

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2000 levy ordinance was approved during the December 18, 2000 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which, in general, limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year, preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed (typically, this is due in late August or early September). The first installment is an estimated bill, and is one-half of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization, and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2000 property tax levy (estimated) is recorded as a receivable, net of estimated uncollectible amounts approximating 1%. The balance at year-end is made up of the original levy net of uncollectibles and amounts collected in the current period. Net taxes receivable less the amount expected to be received within 60 days is reflected as deferred revenue.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to funds where taxes were automatically abated by the county clerk and to the Municipal Retirement / Social Security Fund, with the balance allocated to the remaining funds at the discretion of the District.

Prepaid Items

Certain payments to vendors that reflect costs applicable to future accounting periods are recorded as prepaid items.

Fixed Assets

Fixed assets used in governmental fund types of the District are recorded in the general fixed assets account group at cost or estimated historical cost if purchased or constructed. Donated fixed assets are recorded at their estimated fair value at the date of donation. Interest incurred during construction is not capitalized on general fixed assets.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not included in the general fixed assets account group.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

Compensated Absences

Employees who work a twelve-month year are entitled to be compensated for vacation time. Vacations are usually taken within the calendar year. Accrued but unpaid vacation leave at June 30, 2001 has been reflected as a liability.

All certified employees receive a specified number of vacation days per year depending on their years of service, in accordance with the Board Policy. Unused vacation days accumulate to a maximum of 25 days. When a certified employee with 120 or more months of service resigns from the District, he/she receives payment for up to 25 days of unused accrued vacation time payable at his/her current salary rate.

Educational support personnel receive eleven vacation days per year, which accumulate to a maximum of 25 days. The District reimburses employees for unused accrued vacation days remaining upon termination of employment at his/her current rate of pay.

Long-Term Obligations

The District reports long-term debt of governmental funds at face value in the general long-term debt account group. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the general long-term debt account group.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as an "other financing source" net of the applicable premium or discount.

Memorandum Only - Total Columns

Total columns on the general-purpose financial statements are captioned as "Memorandum Only" because they do not represent consolidated financial information and are presented only to facilitate financial analysis. The amounts in these columns do not present information that reflects financial position, results of operations or cash flows in accordance with generally accepted accounting principles. Interfund eliminations have not been made in the aggregation of this data.

Comparative Data

Comparative totals for the prior year have been presented in selected sections of the accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations.

2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Budgetary Data

Budgeted amounts for the Governmental Funds and Expendable Trust Fund are adopted on the modified accrual basis, which is consistent with generally accepted accounting principles (GAAP).

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of an ordinance. By the last Tuesday in December, a tax levy ordinance is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.
7. The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

B. Budget Reconciliations

Items required to adjust actual revenues and expenditures reported on the budgetary basis to those reported on the Statement of Revenues, Expenditures and Changes in Fund Balance - All Governmental Fund Types and Expendable Trust Funds (GAAP basis) are as follows:

| | <u>Revenues</u> | <u>Expenditures</u> |
|---|-------------------|---------------------|
| General Fund Budgetary Basis | \$ 65,993,859 | \$ 67,160,529 |
| To adjust for on-behalf payments received | - | 3,703,674 |
| To adjust for on-behalf payments made | 3,703,674 | - |
| GAAP Basis | \$ 69,697,533 | \$ 70,864,203 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

3. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. Deposits and Investments

Under the Illinois Compiled Statutes, the Northfield Township School Treasurer is the lawful custodian of all school funds. The Treasurer is appointed by the Township School Trustees, an independently elected body, to serve the school districts in the township. The Treasurer is the direct recipient of property taxes, replacement taxes and most state and federal aid and disburses school funds upon lawful order of the school board. The Treasurer invests excess funds at his discretion, subject to the legal restrictions discussed below. For these purposes, the Treasurer is permitted to combine monies from more than one fund of a single district and to combine monies of more than one district in the township. Monies combined under these circumstances, as well as investment earnings, are accounted for separately for each fund and/or district.

Cash and investments, other than the student activity and convenience accounts, petty cash, and imprest funds, are part of a common pool for all school districts and cooperatives within the township. The Treasurer maintains records that segregate the cash and investment balance by district or cooperative. Income from investments is distributed monthly based upon the District's percentage participation in the pool. All cash for all funds, including cash applicable to the Bond and Interest Fund and the Illinois Municipal Retirement/Social Security Fund, is not deemed available for purposes other than those for which these balances are intended.

The Treasurer's investment policies are established by the Northfield Township School Trustees as prescribed by the Illinois School Code and the Illinois Compiled Statutes. The Treasurer is authorized to invest in obligations of the U.S. Treasury, backed by the full faith and credit of the U.S. Government, certificates of deposit issued by commercial banks and savings and loan associations, and commercial paper rated within the three highest classifications by at least two standard rating services (subject to certain limitations).

Because all cash and investments are pooled by a separate legal governmental agency (Treasurer), categorization by risk category is not determinable. Further information about whether investments are insured, collateralized, or uncollateralized is available from the Treasurer's financial statements.

At year end, the District's cash and investments totaled \$80,483,655. For disclosure purposes, this amount is segregated into four components: 1) deposits with financial institutions, which include amounts held in demand deposits, savings accounts and non-negotiable certificates of deposits, all of which was insured or collateralized; 2) Investments in State Treasurer's Pools which are non-categorizeable; 3) Investments in securities and 4) Petty cash. The carrying amount of deposits with financial institutions, investments with State Treasurer's Pools and petty cash at year end was \$61,222,495, \$9,793,351, \$9,459,789 and \$8,020 respectively.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

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

Illinois Funds is an investment pool managed by the State of Illinois, Office of the Treasurer, which allows governments within the State to pool their funds for investment purposes. Illinois Funds is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in Illinois Funds are valued at Illinois Funds' share price, which is the price the investment could be sold for.

B. Loan Receivable

During the past several years, the Board of Education authorized the purchase, and interest-free financing, of personal computer equipment by District employees up to \$5,000 per employee (\$10,000 in 1995). The participating employees will repay the District over a 10-20 month period of time through payroll deductions. Upon termination of employment with the District, the employee is required to pay any remaining balance of the loan.

C. Interfund Transfers

During the year, the Board of Education authorized the abatement of a portion of the Working Cash Fund, thereby transferring fund balance of \$2,379,063 to the Educational Fund. State law allows for the abatement of the Working Cash Fund and transferring its fund balance to other funds at the close of its fiscal year.

D. Fixed Assets

Activity in the general fixed assets account group for the District for the year ended June 30, 2001 was as follows:

| | <u>Balance</u> <u>July 1,</u> <u>2000</u> | <u>Additions</u> | <u>Retirements</u> | <u>Balance</u> <u>June 30,</u> <u>2001</u> |
|--|--|--------------------------|---------------------------|---|
| Land | \$ 881,196 | \$ 11,165 | \$ - | \$ 892,361 |
| Buildings and Improvements | 87,410,415 | 15,296,646 | - | 102,707,061 |
| Equipment other Than transportation | <u>20,942,167</u> | <u>1,813,564</u> | <u>925</u> | <u>22,754,806</u> |
| Total general Fixed assets | \$ <u>109,233,778</u> | \$ <u>17,121,375</u> | \$ <u>925</u> | \$ <u>126,354,228</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

E. Long-Term Debt

General Obligation Bonds. General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Original Amount</u> | <u>Carrying Amount</u> |
|---------------------|-----------------------|------------------------|------------------------|
| Working Cash -1994 | 5.70%-7.00% | \$ 3,780,000 | \$ 3,780,000 |
| Working Cash -2000A | 4.75%-5.75% | 11,300,000 | 11,300,000 |
| Working Cash -2000B | 5.05%-5.30% | 4,830,000 | 3,817,848 |
| Working Cash -2000C | 5.00%-5.50% | 29,485,000 | 29,485,000 |
| | | | |
| Total | | <u>\$ 49,395,000</u> | <u>\$ 48,382,848</u> |

Annual debt service requirements to maturity for general obligation bonds are as follows:

| | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|-----------|----------------------|----------------------|----------------------|
| 2002 | \$ 1,950,000 | \$ 2,309,731 | \$ 4,259,731 |
| 2003 | 2,330,000 | 2,191,487 | 4,521,487 |
| 2004 | 2,450,000 | 2,065,075 | 4,515,075 |
| 2005 | 2,575,000 | 1,972,625 | 4,547,625 |
| 2006 | 2,655,000 | 1,914,625 | 4,569,625 |
| 2007-2011 | 14,520,000 | 8,067,831 | 22,587,831 |
| 2012-2016 | 14,170,000 | 4,114,769 | 18,284,769 |
| 2017-2020 | <u>8,745,000</u> | <u>993,163</u> | <u>9,738,163</u> |
| | | | |
| Total | <u>\$ 49,395,000</u> | <u>\$ 23,629,306</u> | <u>\$ 73,024,306</u> |

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2001, the statutory debt limit for the District was \$215,773,260, providing a debt margin of \$196,875,412. In addition, there are numerous covenants with which the District must comply in regard to these bond issues. As of June 30, 2001, the District was in compliance with all significant bond covenants.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

Changes in General Long-term Liabilities. During the year ended June 30, 2001, the following changes occurred in liabilities which were reported in the general long-term debt account group:

| | <i>Balance July 1, 2000</i> | <i>Additions</i> | <i>Reductions</i> | <i>Balance June 30, 2001</i> |
|-------------------------|--|-----------------------------|----------------------------|---|
| General obligation debt | \$ 4,920,000 | \$ 44,602,848 | \$ 1,140,000 | \$ 48,382,848 |
| Compensated absences | <u>274,086</u> | <u>62,979</u> | <u>-</u> | <u>337,065</u> |
| Totals | <u>\$ 5,194,086</u> | <u>\$ 44,665,827</u> | <u>\$ 1,140,000</u> | <u>\$ 48,719,913</u> |

The obligations for the compensated absences will be repaid from the General Fund.

4. OTHER INFORMATION

A. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchased insurance from private insurance companies for general liability, workers' compensation and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds.

The District is self-insured for medical coverage that is provided to District personnel. Blue Cross/Blue Shield administers claims for a per-person, per-month fee. Expenditures are recorded as incurred in the form of direct contributions from the District to Blue Cross/Blue Shield for payment of employee health claims and administration fees. The District's liability will not exceed \$90,000 per employee or \$5,060,000 in the aggregate as provided by stop-loss provisions incorporated in the plan.

At June 30, 2001, total unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, amounted to \$350,432. The estimates are developed based on reports prepared by the administrative agent. For the two years ended June 30, 2000 and June 30, 2001, changes in the liability reported in the General Fund for unpaid claims are summarized as follows:

| | <i>Claims Payable Beginning of Year</i> | <i>Current Year Claims and Changes in Estimates</i> | <i>Claims Payment</i> | <i>Claims Payable End of Year</i> |
|------------------|--|--|----------------------------------|--|
| Fiscal Year 2000 | \$ <u>266,924</u> | \$ <u>2,538,433</u> | \$ <u>2,427,969</u> | \$ <u>377,388</u> |
| Fiscal Year 2001 | \$ <u>377,388</u> | \$ <u>2,220,739</u> | \$ <u>2,247,695</u> | \$ <u>350,432</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

The District is also self-insured for unemployment compensation. R. E. Harrington, Inc. administers the plan for a fixed fee. Payments are made to the Illinois Department of Labor based on actual claims filed and approved. No liability has been accrued for unemployment claims since the District has estimated that the liability at June 30, 2001, if any, would be insignificant.

B. Other Post-employment Benefits

The District provides post-retirement health care benefits for certain retirees. The District pays 100 percent of the premiums of individual health care coverage for employees who retire and who are eligible for health benefits from the Teachers Retirement System (TRS). Retirees may not convert the benefit into an in-lieu payment to secure coverage under independent plans.

As of year-end, there were 58 employees who had retired and were receiving a premium-coverage benefit. The District finances the plan on a pay-as-you-go basis. For the year ended June 30, 2001, the District recognized \$135,173 of expenditures for these premiums.

C. 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 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.

Members of TRS include all active nonannuitants that are employed by a TRS-covered employer to provide services for which teacher certification is required. Active TRS members are required to contribute 9 percent of their creditable earnings. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the District. In addition, the District pays a ½ of 1 percent contribution to the Teachers' Health Insurance Security Fund, a separate fund in the State Treasury that is not part of this retirement plan. The District's payroll for the year ended June 30, 2001 was \$40,766,446; of this amount \$32,290,097 was reported as creditable earnings to TRS.

The State of Illinois makes employer pension contributions to TRS on behalf of district employees who are TRS members. For the year ended June 30, 2001, contributions made by the State were at the rate of 11.47% of creditable earnings, or \$3,703,674. This amount has been recognized in the financial statements as both a receipt and expenditure. Contributions for the years ended June 30, 2000 and June 30, 1999 were \$3,250,751 (10.77% of covered salaries) and \$3,015,836 (10.2% of covered salaries) respectively.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

For the year ended June 30, 2001, TRS-covered employers were required to contribute .58 percent of creditable earnings as the employer share of the newly enacted 2.2 formula change. The contribution for the year ended June 30, 2001 was \$187,283. For the year ended June 30, 2000, the required 2.2 formula contribution was .3 percent of creditable earnings and the amount contributed was \$175,066. The year ended June 30, 1999 was the first year that 2.2 formula contributions were required.

When TRS members are paid from federal and trust funds administered by the District, there is a statutory requirement for the District to pay an additional contribution that is currently 10.5 percent of salaries paid from those funds. For the year ended June 30, 2001, salaries totaling \$142,981 were paid from federal and trust funds, which required employer contributions of \$15,013. The District's required contributions for the years ended June 30, 2000 and June 30, 1999 were \$5,736 and \$3,231 respectively.

The District is required to make employer contributions to TRS for members who retired under the 1993 - 1995 Early Retirement Incentive (ERI). For each year of service purchased, members received an equal number of years of age. Employers contributed 20 percent of the highest salary used in the calculation of final average salary for each year purchased; member contributions were also required. Employer contributions could be made in a lump sum, over five years in quarterly installments, or under a different schedule approved by the TRS Board of Trustees. For the year ended June 30, 2001, the District paid \$0 for employer contributions under the early retirement incentive. The District contributions for the years ended June 30, 2000 and June 30, 1999 were \$0 and \$594,296 respectively.

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. No member or employer contributions are required if the member has 34 years of service. The maximum employer payment of 100 percent of the member's highest salary used in the calculation of final average salary is required if the member is 55 years old. For the year ended June 30, 2001, the District paid \$0 for employer contributions under the ERO.

TRS financial information, an explanation of TRS's benefits and descriptions of member, employer and state funding requirements, can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2000. The System's report for the year ended June 30, 2001 is expected to be available in late 2001. The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, P.O. Box 19253, 2815 West Washington Street, Springfield, IL 62794-9253. The most current report is also available on the TRS Web site at www.trs.state.il.us.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2001

D. Illinois Municipal Retirement Fund

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

Employees participating in IMRF are required to contribute 4.50 percent of their annual covered salary. The member rate is established by state statute. The District is required to contribute at an actuarially determined rate. The employer rate for calendar year 1999 was 9.42 percent of payroll. The employer contribution requirements are established and may be amended by the IMRF Board of Trustees. IMRF's unfunded actuarial accrued liability is being amortized as a level percentage of payroll on a closed basis. The remaining amortization period at December 31, 1999 was 33 years.

For December 31, 2000, the District's annual pension cost of \$674,216 was equal to the District's required and actual contributions. The required contribution was determined as part of the December 31, 1999 actuarial valuation using the entry age actuarial cost method. The actuarial assumptions included (a) 7.50% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 0.4% to 11.6% per year, and (c) 3% per year cost-of-living adjustments. Both (a) and (b) included an inflation component of 4.00%. The actuarial value of IMRF assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a five-year period. The assumptions used for the 1998 actuarial valuation were based on the 1993-1995 experience study. However, the 2000 actuarial valuation information shown as required supplementary information is based on the assumptions based on the 1996-1998 experience study.

E. Pronouncement Issued But Not Yet Adopted

GASB Statement No. 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Governments*, establishes financial reporting standards for state and local governments, including school districts. Some of the more significant aspects of the new standard include: reporting the overall state of the government's financial health, not just individual funds; providing the most complete information available about the cost of delivering services to the citizens; including fixed asset accounting and depreciation; and including an introductory section analyzing the government's financial performance. The District is required to adopt this Statement for the fiscal year ending June 30, 2003. The adoption of this statement will have a material effect on the District's financial statements.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT 225

ILLINOIS MUNICIPAL RETIREMENT FUND ANALYSIS OF FUNDING PROGRESS (UNAUDITED) JUNE 30, 2001

| Actuarial Valuation Date | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|--------------------------------|------------------------------|-------------------------------------|---------------------------|
| 12/31/00 | \$ 674,216 | 100% | \$ - |
| 12/31/99 | 728,548 | 100% | - |
| 12/31/98 | 760,565 | 100% | - |
| 12/31/97 | 759,641 | 100% | - |
| 12/31/96 | 761,559 | 100% | - |
| 12/31/95 | 762,131 | 100% | - |
| 12/31/94 | 769,733 | 100% | - |
| 12/31/93 | 735,780 | 100% | - |
| 12/31/92 | 839,292 | 100% | - |

| 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) |
|--------------------------------|--|--|------------------------------------|--------------------------|---------------------------|---|
| 12/31/00 | \$ 18,653,796 | \$ 15,200,707 | \$ (3,453,089) | 122.72% | \$ 8,333,944 | None |
| 12/31/99 | 16,410,666 | 14,075,913 | (2,334,753) | 116.59% | 7,734,063 | None |
| 12/31/98 | 12,718,731 | 12,246,859 | (471,872) | 103.85% | 7,478,517 | None |
| 12/31/97 | 10,851,833 | 12,498,323 | 1,646,490 | 86.83% | 7,282,799 | 22.61% |
| 12/31/96 | 10,272,442 | 12,681,223 | 2,408,781 | 81.01% | 7,046,107 | 34.19% |
| 12/31/95 | 9,247,891 | 12,050,608 | 2,802,717 | 76.74% | 6,774,449 | 41.37% |
| 12/31/94 | 7,397,334 | 11,000,160 | 3,602,826 | 67.25% | 6,781,793 | 53.12% |
| 12/31/93 | 7,223,414 | 11,414,664 | 4,191,250 | 63.28% | 6,707,197 | 62.49% |
| 12/31/92 | 6,560,911 | 10,800,118 | 4,239,207 | 60.75% | 6,868,182 | 61.72% |

***Digest of Changes**

Assumptions

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

The principal changes were:

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

**COMBINING AND INDIVIDUAL FUND
FINANCIAL STATEMENTS**

GENERAL FUNDS

To account for resources traditionally associated with government operations which are not required to be accounted for in another fund, the District maintains the following General Operating Accounts:

Educational Fund - to account for most of the instructional and administrative aspects of the District's operations.

Operations and Maintenance Fund - to account for repair and maintenance of District property.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

GENERAL FUND

COMBINING BALANCE SHEET

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

| | OPERATIONS AND | | TOTAL | |
|---|----------------------|----------------------|----------------------|----------------------|
| | EDUCATIONAL FUND | MAINTENANCE FUND | 2001 | 2000 |
| ASSETS | | | | |
| Cash | \$ 86,529 | \$ 7,157 | \$ 93,686 | \$ 1,718,296 |
| Investments | 17,966,069 | 19,732,873 | 37,698,942 | 27,828,868 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Interest | 243,520 | 341,303 | 584,823 | 520,080 |
| Property Taxes | 24,300,644 | 5,975,614 | 30,276,258 | 31,467,716 |
| Replacement Taxes | - | 211,429 | 211,429 | 225,097 |
| Intergovernmental | 460,180 | - | 460,180 | 356,754 |
| Prepaid Items | 87,353 | - | 87,353 | 91,000 |
| Other Current Assets | 63,689 | - | 63,689 | 98,208 |
| Total Assets | \$ 43,207,984 | \$ 26,268,376 | \$ 69,476,360 | \$ 62,306,019 |
| LIABILITIES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 463,116 | \$ 364,512 | \$ 827,628 | \$ 857,848 |
| Salaries and Wages Payable | 148,554 | 724 | 149,278 | 144,674 |
| Compensated Absences | 125,092 | 70,018 | 195,110 | 161,638 |
| Other Current Liabilities | 17,775 | - | 17,775 | 17,747 |
| Deferred Revenue | 24,499,711 | 6,172,784 | 30,672,495 | 31,249,814 |
| Accrued insurance claims | 350,432 | - | 350,432 | 377,388 |
| Total Liabilities | 25,604,680 | 6,608,038 | 32,212,718 | 32,809,109 |
| FUND BALANCES | | | | |
| Reserved: | | | | |
| Reserved for Prepaid Expenditures | 87,353 | - | 87,353 | 91,000 |
| Unreserved: | | | | |
| Undesignated | 17,515,951 | 19,660,338 | 37,176,289 | 29,405,910 |
| Total Fund Balance | 17,603,304 | 19,660,338 | 37,263,642 | 29,496,910 |
| Total Liabilities and Fund Balance | \$ 43,207,984 | \$ 26,268,376 | \$ 69,476,360 | \$ 62,306,019 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**GENERAL FUND****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR THE YEAR ENDED JUNE 30, 2000

| | EDUCATIONAL FUND | OPERATIONS AND MAINTENANCE FUND | TOTAL | |
|---|----------------------|---------------------------------------|----------------------|----------------------|
| | | | 2001 | 2000 |
| REVENUE | | | | |
| Local Sources: | | | | |
| Property Taxes | \$ 44,486,614 | \$ 10,367,693 | \$ 54,854,307 | \$ 51,467,892 |
| Replacement taxes | - | 1,149,209 | 1,149,209 | 1,617,953 |
| Other payments in lieu of taxes | 128,175 | 875,253 | 1,003,428 | 830,580 |
| Tuition | 139,102 | - | 139,102 | 305,609 |
| Earnings on investments | 1,102,777 | 1,143,459 | 2,246,236 | 1,915,127 |
| Food services | 1,273,099 | - | 1,273,099 | 1,138,986 |
| Pupil activities | 52,758 | 137,060 | 189,818 | 147,618 |
| Textbooks | 987,946 | - | 987,946 | 954,695 |
| Rentals | 29,435 | 76,359 | 105,794 | 107,248 |
| Contributions and Donations from Private Sources | - | 71,221 | 71,221 | 215,442 |
| Services Provided Other LEA's | 87,931 | - | 87,931 | 95,360 |
| Refund of Prior Years' Expenditures | 53,334 | - | 53,334 | 68,456 |
| Other local sources | 11,799 | - | 11,799 | 12,657 |
| Total Local Sources | 48,352,970 | 13,820,254 | 62,173,224 | 58,877,623 |
| State Sources | 5,465,409 | 842,761 | 6,308,170 | 4,813,178 |
| Federal Sources | 1,216,139 | - | 1,216,139 | 1,108,943 |
| Total Revenues | 55,034,518 | 14,663,015 | 69,697,533 | 64,799,744 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | 34,781,207 | - | 34,781,207 | 31,908,655 |
| Support Services | 21,380,565 | 4,009,436 | 25,390,001 | 23,726,327 |
| Community Services | 29,680 | - | 29,680 | 27,106 |
| Nonprogrammed Charges | 1,047,430 | - | 1,047,430 | 1,073,625 |
| Capital Outlay | 1,710,717 | 7,905,168 | 9,615,885 | 6,212,622 |
| Total Expenditures | 58,949,599 | 11,914,604 | 70,864,203 | 62,948,335 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (3,915,081) | 2,748,411 | (1,166,670) | 1,851,409 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Operating Transfers In | 2,379,063 | - | 2,379,063 | - |
| Bond Proceeds | - | 7,597,339 | 7,597,339 | - |
| Other | - | (1,043,000) | (1,043,000) | - |
| Total Other Financing Sources (Uses) | 2,379,063 | 6,554,339 | 8,933,402 | - |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | (1,536,018) | 9,302,750 | 7,766,732 | 1,851,409 |
| FUND BALANCE, BEGINNING OF YEAR | 19,139,322 | 10,357,588 | 29,496,910 | 27,645,501 |
| FUND BALANCE, END OF YEAR | \$ 17,603,304 | \$ 19,660,338 | \$ 37,263,642 | \$ 29,496,910 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**EDUCATIONAL FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|-------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 45,345,506 | \$ 44,486,614 | \$ (858,892) | \$ 43,093,492 |
| Other Payments in Lieu of Taxes | 125,711 | 128,175 | 2,464 | - |
| Regular Tuition from Pupils or Parents | - | 13,406 | 13,406 | - |
| Summer School Tuition from Pupils or Parents | 290,000 | 125,696 | (164,304) | 305,609 |
| Interest on Investments | 1,093,000 | 1,102,777 | 9,777 | 1,452,025 |
| Sales to Pupils - Lunch | 3,000 | 10,455 | 7,455 | 3,861 |
| Sales to Pupils - A la Carte | 1,060,000 | 1,087,898 | 27,898 | 956,353 |
| Sales to Adults | 110,000 | 85,906 | (24,094) | 102,280 |
| Other Food Service | 65,000 | 88,840 | 23,840 | 76,492 |
| Admissions - Athletic | 16,000 | 18,762 | 2,762 | 20,879 |
| Other Pupil Activity Revenue | 22,000 | 33,996 | 11,996 | 26,635 |
| Sales - Regular Textbook | 934,000 | 987,946 | 53,946 | 954,695 |
| Rentals | 12,000 | 29,435 | 17,435 | 29,049 |
| Services Provided Other LEA's | 90,705 | 87,931 | (2,774) | 95,360 |
| Refund of Prior Years' Expenditures | 10,000 | 53,334 | 43,334 | 50,565 |
| Local Fees | 16,000 | 11,100 | (4,900) | 12,545 |
| Other | - | 699 | 699 | 112 |
| Total Local Sources | <u>49,192,922</u> | <u>48,352,970</u> | <u>(839,952)</u> | <u>47,179,952</u> |
| STATE SOURCES | | | | |
| General State Aid | - | - | - | 140,000 |
| Special Education - Private Facility Tuition | 5,000 | 920 | (4,080) | 15 |
| Special Education - Extraordinary | 190,000 | 346,512 | 156,512 | 303,738 |
| Special Education - Personnel | 340,000 | 481,641 | 141,641 | 452,648 |
| Special Education - Orphanage - Individual | 200,000 | 133,495 | (66,505) | 122,161 |
| Special Education - Orphanage - Summer Individual | - | 29,511 | 29,511 | 47,494 |
| Special Education - Summer School | 3,500 | 63,473 | 59,973 | 3,233 |
| Vocational Education - Formula | 42,692 | 43,928 | 1,236 | 18,739 |
| Vocational Education - Secondary Program Improvement | 3,468 | 5,424 | 1,956 | - |
| Vocational Education - Agriculture Education | 1,648 | 1,690 | 42 | 1,648 |
| Bilingual Education - Downstate - T.P.I. | 52,913 | 31,949 | (20,964) | 32,980 |
| Bilingual Education - Downstate - T.B.E. | 59,961 | 35,324 | (24,637) | 38,197 |
| Gifted Education | 44,404 | (3,916) | (48,320) | 25,701 |
| Driver Education | 125,000 | 78,654 | (46,346) | 95,456 |
| Learning Improvement - Change Grants | - | 4,000 | 4,000 | 4,000 |
| Block Grant for Professional Development | 54,161 | 54,161 | - | 55,024 |
| Report Cards | 1,500 | - | (1,500) | 1,592 |
| Criminal Background Investigation | 2,000 | - | (2,000) | - |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
EDUCATIONAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2001
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|-------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| ADA Safety and Educational Block Grant (Flat Grant) | \$ 90,725 | \$ 253,213 | \$ 162,488 | \$ 90,725 |
| Technology - Integration Program | 201,266 | 201,266 | - | - |
| Other State Sources | - | 490 | 490 | 1,000 |
| Total State Sources | <u>1,418,238</u> | <u>1,761,735</u> | <u>343,497</u> | <u>1,434,351</u> |
| FEDERAL SOURCES | | | | |
| IASA - Title VI - Formula | 51,039 | 19,072 | (31,967) | 15,684 |
| Safe and Drug Free Schools - Formula (Title IV) | 18,344 | 18,344 | - | 17,595 |
| Fed. - Sp. Ed. - I.D.E.A. - Flow Through | 134,365 | 199,059 | 64,694 | 145,653 |
| Fed. - Sp. Ed. - I.D.E.A. - Room & Board | 110,000 | 50,389 | (59,611) | 124,242 |
| V.E. - Perkins - Title IIC Secondary | 48,763 | 39,033 | (9,730) | 39,384 |
| V.E. - Perkins - Title III E Technical Preparation | 18,220 | 20,536 | 2,316 | 6,696 |
| V.E. - Implementation (DOL) | 34,000 | 39,471 | 5,471 | 39,631 |
| Medicaid Matching Fund | 500,000 | 779,835 | 279,835 | 656,334 |
| Emergency Immigrant Assistance | - | - | - | (3,401) |
| IASA - Title II - Eisenhower - Professional Development Formula | 10,275 | 10,275 | - | 10,149 |
| Department of Rehabilitation Services | 8,000 | 8,212 | 212 | 13,166 |
| Other Federal Sources | - | 31,913 | 31,913 | 43,810 |
| Total Federal Sources | <u>933,006</u> | <u>1,216,139</u> | <u>283,133</u> | <u>1,108,943</u> |
| Total Revenue | <u>51,544,166</u> | <u>51,330,844</u> | <u>(213,322)</u> | <u>49,723,246</u> |
| EXPENDITURES | | | | |
| Instruction | | | | |
| Regular Programs | | | | |
| Salaries | 17,316,571 | 17,412,473 | (95,902) | 15,859,071 |
| Employee Benefits | 2,882,443 | 2,824,292 | 58,151 | 2,855,037 |
| Purchased Services | 337,434 | 173,057 | 164,377 | 214,150 |
| Supplies and Materials | 242,776 | 268,670 | (25,894) | 187,589 |
| Capital Outlay | 891,633 | 808,161 | 83,472 | 476,638 |
| Other Objects | 38,350 | 11,183 | 27,167 | 17,838 |
| Total | <u>21,709,207</u> | <u>21,497,836</u> | <u>211,371</u> | <u>19,610,323</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
EDUCATIONAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2001
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|-----------------------------------|------------------|------------------|--|------------------|
| | BUDGET | ACTUAL | | |
| Special Education Programs | | | | |
| Salaries | \$ 2,174,800 | \$ 2,090,154 | \$ 84,646 | \$ 1,785,514 |
| Employee Benefits | 225,360 | 222,340 | 3,020 | 206,886 |
| Purchased Services | 289,134 | 257,207 | 31,927 | 189,064 |
| Supplies and Materials | 23,130 | 19,319 | 3,811 | 15,982 |
| Capital Outlay | 25,900 | 17,147 | 8,753 | 64,353 |
| Other Objects | 6,000 | 2,668 | 3,332 | 5,912 |
| Tuition | 800,000 | 674,476 | 125,524 | 698,443 |
| Total | <u>3,544,324</u> | <u>3,283,311</u> | <u>261,013</u> | <u>2,966,154</u> |
| Vocational Programs | | | | |
| Salaries | 2,114,900 | 2,051,136 | 63,764 | 1,930,002 |
| Employee Benefits | 304,528 | 296,901 | 7,627 | 238,617 |
| Purchased Services | 95,937 | 64,827 | 31,110 | 103,872 |
| Supplies and Materials | 97,858 | 89,739 | 8,119 | 92,040 |
| Capital Outlay | 144,212 | 138,704 | 5,508 | 221,467 |
| Total | <u>2,757,435</u> | <u>2,641,307</u> | <u>116,128</u> | <u>2,585,998</u> |
| Interscholastic Programs | | | | |
| Salaries | 2,611,350 | 2,765,220 | (153,870) | 2,524,833 |
| Employee Benefits | 149,150 | 138,184 | 10,966 | 133,844 |
| Purchased Services | 282,051 | 340,527 | (58,476) | 310,891 |
| Supplies and Materials | 220,463 | 210,218 | 10,245 | 186,785 |
| Capital Outlay | 21,845 | 14,047 | 7,798 | 47,528 |
| Total | <u>3,284,859</u> | <u>3,468,196</u> | <u>(183,337)</u> | <u>3,203,881</u> |
| Summer School Programs | | | | |
| Salaries | 295,500 | 276,434 | 19,066 | 254,541 |
| Purchased Services | - | - | - | 1,050 |
| Supplies and Materials | 20,000 | 25,393 | (5,393) | 21,600 |
| Total | <u>315,500</u> | <u>301,827</u> | <u>13,673</u> | <u>277,191</u> |
| Gifted Programs | | | | |
| Salaries | 397,000 | 390,783 | 6,217 | 372,715 |
| Employee Benefits | 81,450 | 80,549 | 901 | 75,371 |
| Purchased Services | 24,160 | 26,321 | (2,161) | 25,892 |
| Supplies and Materials | 14,695 | 12,639 | 2,056 | 9,794 |
| Capital Outlay | 500 | 155 | 345 | 510 |
| Total | <u>517,805</u> | <u>510,447</u> | <u>7,358</u> | <u>484,282</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**EDUCATIONAL FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|---|-------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| Bilingual Programs | | | | |
| Salaries | \$ 279,100 | \$ 278,245 | \$ 855 | \$ 255,623 |
| Employee Benefits | 11,217 | 946 | 10,271 | 1,191 |
| Supplies and Materials | 3,550 | 5,539 | (1,989) | 3,287 |
| Capital Outlay | 4,310 | - | 4,310 | 4,533 |
| Total | <u>298,177</u> | <u>284,730</u> | <u>13,447</u> | <u>264,634</u> |
| Truant's Alternative and Optional Programs | | | | |
| Tuition | <u>59,000</u> | <u>68,093</u> | <u>(9,093)</u> | <u>80,470</u> |
| Total | <u>59,000</u> | <u>68,093</u> | <u>(9,093)</u> | <u>80,470</u> |
| Total Instruction | <u>32,486,307</u> | <u>32,055,747</u> | <u>430,560</u> | <u>29,472,933</u> |
| Support Services | | | | |
| Pupils | | | | |
| Attendance and Social Work Services | | | | |
| Salaries | 859,800 | 814,391 | 45,409 | 729,951 |
| Employee Benefits | 154,710 | 163,606 | (8,896) | 143,455 |
| Purchased Services | 266,665 | 176,782 | 89,883 | 177,238 |
| Supplies and Materials | 12,115 | 9,711 | 2,404 | 10,477 |
| Capital Outlay | 6,425 | 5,783 | 642 | 12,640 |
| Total | <u>1,299,715</u> | <u>1,170,273</u> | <u>129,442</u> | <u>1,073,761</u> |
| Guidance Services | | | | |
| Salaries | 2,612,500 | 2,692,425 | (79,925) | 2,512,764 |
| Employee Benefits | 270,700 | 264,570 | 6,130 | 278,933 |
| Purchased Services | 38,650 | 31,811 | 6,839 | 47,094 |
| Supplies and Materials | 24,790 | 30,886 | (6,096) | 27,249 |
| Capital Outlay | 5,325 | 5,632 | (307) | 6,454 |
| Total | <u>2,951,965</u> | <u>3,025,324</u> | <u>(73,359)</u> | <u>2,872,494</u> |
| Health Services | | | | |
| Salaries | 198,700 | 204,800 | (6,100) | 197,385 |
| Employee Benefits | 25,300 | 25,038 | 262 | 22,995 |
| Purchased Services | 13,100 | 11,542 | 1,558 | 15,272 |
| Supplies and Materials | 4,250 | 5,664 | (1,414) | 5,609 |
| Capital Outlay | 1,000 | 4,622 | (3,622) | 2,917 |
| Total | <u>242,350</u> | <u>251,666</u> | <u>(9,316)</u> | <u>244,178</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**EDUCATIONAL FUND**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|------------------|------------------|--|------------------|
| | BUDGET | ACTUAL | | |
| Psychological Services | | | | |
| Salaries | \$ 220,600 | \$ 233,706 | \$ (13,106) | \$ 249,570 |
| Employee Benefits | 27,830 | 27,135 | 695 | 26,118 |
| Purchased Services | 63,114 | 9,832 | 53,282 | 39,074 |
| Supplies and Materials | 12,000 | 9,735 | 2,265 | 9,107 |
| Total | <u>323,544</u> | <u>280,408</u> | <u>43,136</u> | <u>323,869</u> |
| Speech Pathology and Audiology Services | | | | |
| Purchased Services | 50,000 | 64,728 | (14,728) | 57,000 |
| Total | <u>50,000</u> | <u>64,728</u> | <u>(14,728)</u> | <u>57,000</u> |
| Other Support Services - Pupils | | | | |
| Salaries | 690,200 | 678,071 | 12,129 | 571,870 |
| Employee Benefits | 157,020 | 157,453 | (433) | 130,467 |
| Total | <u>847,220</u> | <u>835,524</u> | <u>11,696</u> | <u>702,337</u> |
| Total Pupils | <u>5,714,794</u> | <u>5,627,923</u> | <u>86,871</u> | <u>5,273,639</u> |
| Instructional Staff | | | | |
| Improvement of Instruction Services | | | | |
| Salaries | 604,261 | 576,767 | 27,494 | 712,340 |
| Employee Benefits | 49,213 | 28,516 | 20,697 | 63,885 |
| Purchased Services | 250,216 | 259,026 | (8,810) | 120,452 |
| Supplies and Materials | 18,921 | 22,144 | (3,223) | 789 |
| Total | <u>922,611</u> | <u>886,453</u> | <u>36,158</u> | <u>897,466</u> |
| Educational Media Services | | | | |
| Salaries | 1,536,600 | 1,523,931 | 12,669 | 1,366,226 |
| Employee Benefits | 119,150 | 119,043 | 107 | 106,582 |
| Purchased Services | 75,796 | 48,770 | 27,026 | 55,017 |
| Supplies and Materials | 300,831 | 234,966 | 65,865 | 212,965 |
| Capital Outlay | 339,814 | 254,840 | 84,974 | 370,148 |
| Total | <u>2,372,191</u> | <u>2,181,550</u> | <u>190,641</u> | <u>2,110,938</u> |
| Assessment and Testing | | | | |
| Purchased Services | 4,000 | 7,400 | (3,400) | 4,400 |
| Supplies and Materials | 300 | - | 300 | 244 |
| Total | <u>4,300</u> | <u>7,400</u> | <u>(3,100)</u> | <u>4,644</u> |
| Total Instructional Staff | <u>3,299,102</u> | <u>3,075,403</u> | <u>223,699</u> | <u>3,013,048</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**EDUCATIONAL FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE | 2000 ACTUAL |
|---|------------------|------------------|----------------------------|------------------|
| | BUDGET | ACTUAL | FAVORABLE (UNFAVORABLE) | |
| General Administration | | | | |
| Board of Education Services | | | | |
| Salaries | \$ 61,550 | \$ 36,539 | \$ 25,011 | \$ 33,078 |
| Employee Benefits | 4,270 | 4,323 | (53) | 4,545 |
| Purchased Services | 746,100 | 582,286 | 163,814 | 465,189 |
| Supplies and Materials | 1,500 | 234 | 1,266 | 882 |
| Other Objects | 23,000 | 29,302 | (6,302) | 22,123 |
| Total | <u>836,420</u> | <u>652,684</u> | <u>183,736</u> | <u>525,817</u> |
| Executive Administration Services | | | | |
| Salaries | 328,000 | 329,569 | (1,569) | 318,446 |
| Employee Benefits | 36,830 | 35,909 | 921 | 35,733 |
| Purchased Services | 18,400 | 13,412 | 4,988 | 15,184 |
| Supplies and Materials | 2,550 | 1,687 | 863 | 3,451 |
| Capital Outlay | 2,000 | 456 | 1,544 | 601 |
| Other Objects | 6,900 | 3,849 | 3,051 | 3,128 |
| Total | <u>394,680</u> | <u>384,882</u> | <u>9,798</u> | <u>376,543</u> |
| Special Area Administrative Services | | | | |
| Salaries | 414,800 | 450,776 | (35,976) | 425,754 |
| Employee Benefits | 103,910 | 93,201 | 10,709 | 190,964 |
| Purchased Services | 3,570 | 4,003 | (433) | 44,110 |
| Supplies and Materials | 10,200 | 16,824 | (6,624) | 13,035 |
| Capital Outlay | 27,900 | 46,417 | (18,517) | 92,135 |
| Total | <u>560,380</u> | <u>611,221</u> | <u>(50,841)</u> | <u>765,998</u> |
| Total General Administration | <u>1,791,480</u> | <u>1,648,787</u> | <u>142,693</u> | <u>1,668,358</u> |
| School Administration | | | | |
| Office of the Principal Services | | | | |
| Salaries | 1,167,300 | 1,160,253 | 7,047 | 1,099,528 |
| Employee Benefits | 141,860 | 141,441 | 419 | 110,298 |
| Purchased Services | 143,505 | 123,008 | 20,497 | 152,933 |
| Supplies and Materials | 54,676 | 69,735 | (15,059) | 56,584 |
| Capital Outlay | 7,950 | 11,694 | (3,744) | 22,715 |
| Total | <u>1,515,291</u> | <u>1,506,131</u> | <u>9,160</u> | <u>1,442,058</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
EDUCATIONAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2001
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|---|------------------|------------------|--|------------------|
| | BUDGET | ACTUAL | | |
| Other Support Services - | | | | |
| School Administration | | | | |
| Salaries | \$ 2,304,900 | \$ 2,358,382 | \$ (53,482) | \$ 2,125,377 |
| Employee Benefits | 335,190 | 335,817 | (627) | 389,661 |
| Total | <u>2,640,090</u> | <u>2,694,199</u> | <u>(54,109)</u> | <u>2,515,038</u> |
| Total School Administration | <u>4,155,381</u> | <u>4,200,330</u> | <u>(44,949)</u> | <u>3,957,096</u> |
| Business | | | | |
| Direction of Business Support Services | | | | |
| Salaries | 143,500 | 131,215 | 12,285 | 126,547 |
| Employee Benefits | 23,550 | 23,485 | 65 | 21,925 |
| Purchased Services | 9,000 | 10,451 | (1,451) | 9,181 |
| Supplies and Materials | 1,750 | 1,569 | 181 | 1,879 |
| Capital Outlay | 1,000 | 722 | 278 | 1,412 |
| Total | <u>178,800</u> | <u>167,442</u> | <u>11,358</u> | <u>160,944</u> |
| Fiscal Services | | | | |
| Salaries | 294,250 | 286,748 | 7,502 | 271,815 |
| Employee Benefits | 43,250 | 43,591 | (341) | 38,471 |
| Purchased Services | 9,300 | 6,360 | 2,940 | 5,169 |
| Supplies and Materials | 3,500 | 927 | 2,573 | 2,609 |
| Capital Outlay | 2,000 | - | 2,000 | 71 |
| Total | <u>352,300</u> | <u>337,626</u> | <u>14,674</u> | <u>318,135</u> |
| Operation and Maintenance of | | | | |
| Plant Services | | | | |
| Salaries | - | 14,604 | (14,604) | - |
| Purchased Services | 250,500 | 260,132 | (9,632) | 264,192 |
| Supplies and Materials | 1,357,000 | 1,268,463 | 88,537 | 1,263,149 |
| Capital Outlay | 13,600 | 8,512 | 5,088 | 9,258 |
| Total | <u>1,621,100</u> | <u>1,551,711</u> | <u>69,389</u> | <u>1,536,599</u> |
| Pupil Transportation Services | | | | |
| Purchased Services | <u>48,500</u> | <u>47,150</u> | <u>1,350</u> | <u>43,895</u> |
| Total | <u>48,500</u> | <u>47,150</u> | <u>1,350</u> | <u>43,895</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
EDUCATIONAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2001
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|------------------|------------------|--|------------------|
| | BUDGET | ACTUAL | | |
| Food Services | | | | |
| Purchased Services | \$ 585,000 | \$ 685,784 | \$ (100,784) | \$ 575,063 |
| Supplies and Materials | 501,000 | 588,323 | (87,323) | 549,776 |
| Capital Outlay | 50,000 | 29,824 | 20,176 | 9,619 |
| Total | <u>1,136,000</u> | <u>1,303,931</u> | <u>(167,931)</u> | <u>1,134,458</u> |
| Internal Services | | | | |
| Salaries | 233,500 | 240,565 | (7,065) | 207,540 |
| Employee Benefits | 32,740 | 32,437 | 303 | 29,857 |
| Purchased Services | 275,000 | 263,718 | 11,282 | 218,411 |
| Supplies and Materials | 1,070,400 | 1,396,375 | (325,975) | 1,038,384 |
| Capital Outlay | 27,000 | 15,606 | 11,394 | 28,833 |
| Other Objects | 18,500 | 20,098 | (1,598) | 18,000 |
| Total | <u>1,657,140</u> | <u>1,968,799</u> | <u>(311,659)</u> | <u>1,541,025</u> |
| Total Business | <u>4,993,840</u> | <u>5,376,659</u> | <u>(382,819)</u> | <u>4,735,056</u> |
| Central | | | | |
| Direction of Central Support Services | | | | |
| Salaries | 2,500 | - | 2,500 | - |
| Purchased Services | 24,000 | 20,524 | 3,476 | 18,303 |
| Supplies and Materials | 16,000 | 15,548 | 452 | 19,132 |
| Capital Outlay | 45,000 | 41,427 | 3,573 | 33,978 |
| Other Objects | 200 | 178 | 22 | - |
| Total | <u>87,700</u> | <u>77,677</u> | <u>10,023</u> | <u>71,413</u> |
| Information Services | | | | |
| Salaries | 58,500 | 58,253 | 247 | 56,283 |
| Employee Benefits | 4,000 | 3,896 | 104 | 3,076 |
| Purchased Services | 8,500 | 7,600 | 900 | 7,392 |
| Supplies and Materials | 950 | 1,545 | (595) | 462 |
| Capital Outlay | 500 | 383 | 117 | 379 |
| Other Objects | 280 | 260 | 20 | 235 |
| Total | <u>72,730</u> | <u>71,937</u> | <u>793</u> | <u>67,827</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**EDUCATIONAL FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|--------------------|--------------------|--|--------------------|
| | BUDGET | ACTUAL | | |
| Staff Services | | | | |
| Salaries | \$ 292,000 | \$ 294,933 | \$ (2,933) | \$ 295,983 |
| Employee Benefits | 104,070 | 79,321 | 24,749 | 70,491 |
| Purchased Services | 38,000 | 29,767 | 8,233 | 33,719 |
| Supplies and Materials | 2,150 | 4,551 | (2,401) | 1,379 |
| Capital Outlay | 500 | - | 500 | 87 |
| Other Objects | 1,200 | 673 | 527 | 160 |
| Total | <u>437,920</u> | <u>409,245</u> | <u>28,675</u> | <u>401,819</u> |
| Data Processing Services | | | | |
| Salaries | 744,700 | 541,787 | 202,913 | 637,314 |
| Employee Benefits | 162,530 | 161,076 | 1,454 | 67,768 |
| Purchased Services | 588,650 | 543,230 | 45,420 | 428,099 |
| Supplies and Materials | 101,500 | 70,927 | 30,573 | 71,537 |
| Capital Outlay | 377,770 | 306,585 | 71,185 | 1,213,555 |
| Other Objects | 5,000 | 1,502 | 3,498 | 4,701 |
| Total | <u>1,980,150</u> | <u>1,625,107</u> | <u>355,043</u> | <u>2,422,974</u> |
| Total Central | <u>2,578,500</u> | <u>2,183,966</u> | <u>394,534</u> | <u>2,964,033</u> |
| Total Support Services | <u>22,533,097</u> | <u>22,113,068</u> | <u>420,029</u> | <u>21,611,230</u> |
| Community Services | | | | |
| Salaries | 28,000 | 25,859 | 2,141 | 26,085 |
| Supplies and Materials | 1,250 | 3,821 | (2,571) | 1,021 |
| Total | <u>29,250</u> | <u>29,680</u> | <u>(430)</u> | <u>27,106</u> |
| Nonprogrammed Charges | | | | |
| Payments for Special Education Programs | | | | |
| Tuition | 1,035,000 | 1,047,430 | (12,430) | 1,073,625 |
| Total | <u>1,035,000</u> | <u>1,047,430</u> | <u>(12,430)</u> | <u>1,073,625</u> |
| Total Nonprogrammed Charges | <u>1,035,000</u> | <u>1,047,430</u> | <u>(12,430)</u> | <u>1,073,625</u> |
| Provision for Contingencies | <u>410,000</u> | <u>-</u> | <u>410,000</u> | <u>-</u> |
| Total Expenditures | <u>56,493,654</u> | <u>55,245,925</u> | <u>1,247,729</u> | <u>52,184,894</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(4,949,488)</u> | <u>(3,915,081)</u> | <u>1,034,407</u> | <u>(2,461,648)</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
EDUCATIONAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
 FOR THE YEAR ENDED JUNE 30, 2001
 WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|----------------------|----------------------|--|----------------------|
| | BUDGET | ACTUAL | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Permanent Transfer from Working Cash Fund - Abatement | \$ 15,600,000 | \$ 2,379,063 | \$ (13,220,937) | \$ - |
| Total Other Financing Sources (Uses) | <u>15,600,000</u> | <u>2,379,063</u> | <u>(13,220,937)</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | <u>\$ 10,650,512</u> | (1,536,018) | <u>\$ (12,186,530)</u> | (2,461,648) |
| FUND BALANCE, BEGINNING OF YEAR | | <u>19,139,322</u> | | <u>21,600,970</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 17,603,304</u> | | <u>\$ 19,139,322</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**OPERATIONS AND MAINTENANCE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|---|-------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 10,460,662 | \$ 10,367,693 | \$ (92,969) | \$ 8,374,400 |
| Corporate Personal Property | | | | |
| Replacement Taxes | 1,250,000 | 1,149,209 | (100,791) | 1,617,953 |
| Other Payments in Lieu of Taxes | 800,000 | 875,253 | 75,253 | 830,580 |
| Interest on Investments | 357,000 | 1,143,459 | 786,459 | 463,102 |
| Fees | 85,000 | 137,060 | 52,060 | 100,104 |
| Rentals | 75,000 | 76,359 | 1,359 | 78,199 |
| Contributions and Donations from Private Sources | 158,000 | 71,221 | (86,779) | 215,442 |
| Refund of Prior Years' Expenditures | - | - | - | 17,891 |
| Total Local Sources | <u>13,185,662</u> | <u>13,820,254</u> | <u>634,592</u> | <u>11,697,671</u> |
| STATE SOURCES | | | | |
| General State Aid | 702,000 | 718,811 | 16,811 | 78,076 |
| Other State Sources | - | 123,950 | 123,950 | 50,000 |
| Total State Sources | <u>702,000</u> | <u>842,761</u> | <u>140,761</u> | <u>128,076</u> |
| Total Revenue | <u>13,887,662</u> | <u>14,663,015</u> | <u>775,353</u> | <u>11,825,747</u> |
| EXPENDITURES | | | | |
| Support Services | | | | |
| Business | | | | |
| Facilities Acquisition and Construction Services | | | | |
| Purchased Services | - | - | - | 10,000 |
| Capital Outlay | 7,720,972 | 7,802,320 | (81,348) | 3,412,935 |
| Total | <u>7,720,972</u> | <u>7,802,320</u> | <u>(81,348)</u> | <u>3,422,935</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**OPERATIONS AND MAINTENANCE FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|--------------------|----------------------|--|----------------------|
| | BUDGET | ACTUAL | | |
| Operation and Maintenance of Plant Services | | | | |
| Salaries | \$ 2,942,850 | \$ 2,817,226 | \$ 125,624 | \$ 2,750,312 |
| Employee Benefits | 378,520 | 378,500 | 20 | 332,604 |
| Purchased Services | 649,500 | 517,101 | 132,399 | 526,834 |
| Supplies and Materials | 334,800 | 296,609 | 38,191 | 300,149 |
| Capital Outlay | 135,000 | 102,848 | 32,152 | 179,856 |
| Total | <u>4,440,670</u> | <u>4,112,284</u> | <u>328,386</u> | <u>4,089,755</u> |
| Total Business | <u>12,161,642</u> | <u>11,914,604</u> | <u>247,038</u> | <u>7,512,690</u> |
| Total Support Services | <u>12,161,642</u> | <u>11,914,604</u> | <u>247,038</u> | <u>7,512,690</u> |
| Provision for Contingencies | <u>256,067</u> | <u>-</u> | <u>256,067</u> | <u>-</u> |
| Total Expenditures | <u>12,417,709</u> | <u>11,914,604</u> | <u>503,105</u> | <u>7,512,690</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>1,469,953</u> | <u>2,748,411</u> | <u>1,278,458</u> | <u>4,313,057</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Principal on Bonds Sold | - | 7,597,339 | 7,597,339 | - |
| Other Uses | <u>(1,100,000)</u> | <u>(1,043,000)</u> | <u>57,000</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(1,100,000)</u> | <u>6,554,339</u> | <u>7,654,339</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | <u>\$ 369,953</u> | <u>9,302,750</u> | <u>\$ 8,932,797</u> | <u>4,313,057</u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>10,357,588</u> | | <u>6,044,531</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 19,660,338</u> | | <u>\$ 10,357,588</u> |

SPECIAL REVENUE FUNDS

To account for proceeds from specific revenue sources which are designated to finance expenditures for specific purposes, the District maintains the following Special Revenue Funds:

Transportation Fund - to account for activity relating to student transportation to and from school.

Municipal Retirement Fund - to account for the District's portion of pension contributions to the Illinois Municipal Retirement Fund for noncertified employees.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

**SPECIAL REVENUE FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

| | TRANSPORTATION | MUNICIPAL | TOTAL | |
|---|---------------------|----------------------------|---------------------|---------------------|
| | | RETIREMENT/ SOCIAL SEC. | 2001 | 2000 |
| ASSETS | | | | |
| Cash | \$ 2,635 | \$ 1,183 | \$ 3,818 | \$ 6,387 |
| Investments | 1,383,433 | 804,698 | 2,188,131 | 1,452,365 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Interest | 37,619 | 21,778 | 59,397 | 28,388 |
| Property Taxes | 430,909 | 914,816 | 1,345,725 | 1,138,645 |
| Replacement taxes | - | 45,454 | 45,454 | 22,280 |
| Total assets | \$ 1,854,596 | \$ 1,787,929 | \$ 3,642,525 | \$ 2,648,065 |
| LIABILITIES AND FUND BALANCE | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ - | \$ 37,447 | \$ 37,447 | \$ 2,052 |
| Deferred Revenue | 760,095 | 924,831 | 1,684,926 | 1,130,717 |
| Total liabilities | 760,095 | 962,278 | 1,722,373 | 1,132,769 |
| FUND BALANCE | | | | |
| Unreserved: | | | | |
| Undesignated | 1,094,501 | 825,651 | 1,920,152 | 1,515,296 |
| Total fund balance | 1,094,501 | 825,651 | 1,920,152 | 1,515,296 |
| Total liabilities and fund balance | \$ 1,854,596 | \$ 1,787,929 | \$ 3,642,525 | \$ 2,648,065 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**SPECIAL REVENUE FUNDS**

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | TRANSPORTATION | MUNICIPAL | TOTAL | |
|--|---------------------|----------------------------|---------------------|---------------------|
| | | RETIREMENT/ SOCIAL SEC. | 2001 | 2000 |
| REVENUE | | | | |
| Local Sources: | | | | |
| Property taxes | \$ 736,346 | \$ 1,258,524 | \$ 1,994,870 | \$ 1,902,006 |
| Replacement taxes | - | 273,174 | 273,174 | 103,256 |
| Transportation fees | 398,977 | - | 398,977 | 462,535 |
| Interest on investments | 79,817 | 51,444 | 131,261 | 100,098 |
| Refund of prior years' expenditures | 3,970 | - | 3,970 | - |
| Total Local Sources | 1,219,110 | 1,583,142 | 2,802,252 | 2,567,895 |
| State Sources | 816,712 | - | 816,712 | 678,460 |
| Total Revenues | 2,035,822 | 1,583,142 | 3,618,964 | 3,246,355 |
| EXPENDITURES | | | | |
| Current: | | | | |
| Instruction | - | 421,703 | 421,703 | 381,425 |
| Support Services | 1,692,028 | 1,098,533 | 2,790,561 | 2,847,120 |
| Community Services | - | 1,844 | 1,844 | 1,931 |
| Capital Outlay | - | - | - | 6,878 |
| Total Expenditures | 1,692,028 | 1,522,080 | 3,214,108 | 3,237,354 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | 343,794 | 61,062 | 404,856 | 9,001 |
| FUND BALANCE, BEGINNING OF YEAR | 750,707 | 764,589 | 1,515,296 | 1,506,295 |
| FUND BALANCE, END OF YEAR | \$ 1,094,501 | \$ 825,651 | \$ 1,920,152 | \$ 1,515,296 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**TRANSPORTATION FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|---|------------------|---------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 753,251 | \$ 736,346 | \$ (16,905) | \$ 690,032 |
| Regular Transportation Fees from Pupils or Parents | 395,000 | 398,977 | 3,977 | 462,535 |
| Interest on Investments | 37,000 | 79,817 | 42,817 | 46,458 |
| Refund of Prior Years' Expenditures | - | 3,970 | 3,970 | - |
| Total Local Sources | <u>1,185,251</u> | <u>1,219,110</u> | <u>33,859</u> | <u>1,199,025</u> |
| STATE SOURCES | | | | |
| General State Aid | 300,000 | 376,212 | 76,212 | 300,000 |
| Transportation - Regular | - | 12,218 | 12,218 | - |
| Transportation - Special Education | 360,000 | 428,282 | 68,282 | 378,460 |
| Total State Sources | <u>660,000</u> | <u>816,712</u> | <u>156,712</u> | <u>678,460</u> |
| Total Revenue | <u>1,845,251</u> | <u>2,035,822</u> | <u>190,571</u> | <u>1,877,485</u> |
| EXPENDITURES | | | | |
| Support Services | | | | |
| Business | | | | |
| Pupil Transportation Services | | | | |
| Salaries | 31,200 | 35,803 | (4,603) | 22,334 |
| Employee Benefits | 3,020 | 3,039 | (19) | 2,604 |
| Purchased Services | 1,695,600 | 1,648,917 | 46,683 | 1,617,047 |
| Supplies and Materials | 7,000 | 4,269 | 2,731 | 13,200 |
| Capital Outlay | 2,000 | - | 2,000 | 6,878 |
| Total | <u>1,738,820</u> | <u>1,692,028</u> | <u>46,792</u> | <u>1,662,063</u> |
| Total Support Services | <u>1,738,820</u> | <u>1,692,028</u> | <u>46,792</u> | <u>1,662,063</u> |
| Provision for Contingencies | 50,000 | - | 50,000 | - |
| Total Expenditures | <u>1,788,820</u> | <u>1,692,028</u> | <u>96,792</u> | <u>1,662,063</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ 56,431</u> | <u>343,794</u> | <u>\$ 287,363</u> | <u>215,422</u> |
| FUND BALANCE, BEGINNING OF YEAR | | <u>750,707</u> | | <u>535,285</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 1,094,501</u> | | <u>\$ 750,707</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|-------------------------------------|------------------|------------------|--|------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 686,504 | \$ 629,262 | \$ (57,242) | \$ 606,006 |
| Social Security/Medicare Only Levy | 686,503 | 629,262 | (57,241) | 605,968 |
| Corporate Personal Property | | | | |
| Replacement Taxes | 250,000 | 273,174 | 23,174 | 103,256 |
| Interest on Investments | 45,000 | 51,444 | 6,444 | 53,640 |
| Total Local Sources | <u>1,668,007</u> | <u>1,583,142</u> | <u>(84,865)</u> | <u>1,368,870</u> |
| Total Revenue | <u>1,668,007</u> | <u>1,583,142</u> | <u>(84,865)</u> | <u>1,368,870</u> |
| EXPENDITURES | | | | |
| Instruction | | | | |
| Regular Programs | 177,800 | 179,332 | (1,532) | 144,721 |
| Special Education Programs | 61,300 | 56,896 | 4,404 | 57,432 |
| Vocational Educational Programs | 22,700 | 25,546 | (2,846) | 21,281 |
| Interscholastic Programs | 130,900 | 124,203 | 6,697 | 122,568 |
| Summer School Programs | 20,500 | 18,246 | 2,254 | 19,184 |
| Gifted Programs | 2,900 | 4,209 | (1,309) | 2,782 |
| Bilingual Programs | 14,300 | 13,271 | 1,029 | 13,457 |
| Total Instruction | <u>430,400</u> | <u>421,703</u> | <u>8,697</u> | <u>381,425</u> |
| Support Services | | | | |
| Pupils | | | | |
| Attendance and Social Work Services | 37,300 | 36,270 | 1,030 | 34,901 |
| Guidance Services | 93,800 | 81,550 | 12,250 | 88,002 |
| Health Services | 18,000 | 14,952 | 3,048 | 16,809 |
| Psychological Services | 4,500 | 3,389 | 1,111 | 4,238 |
| Other Support Services - Pupils | 105,400 | 91,338 | 14,062 | 91,122 |
| Total Pupils | <u>259,000</u> | <u>227,499</u> | <u>31,501</u> | <u>235,072</u> |
| Instructional Staff | | | | |
| Improvement of Instruction Services | 16,200 | 14,428 | 1,772 | 15,136 |
| Educational Media Services | 113,500 | 106,755 | 6,745 | 106,179 |
| Total Instructional Staff | <u>129,700</u> | <u>121,183</u> | <u>8,517</u> | <u>121,315</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**MUNICIPAL RETIREMENT / SOCIAL SECURITY FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|--------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| General Administration | | | | |
| Board of Education Services | \$ 1,700 | \$ 1,379 | \$ 321 | \$ 1,563 |
| Executive Administration Services | 24,100 | 20,778 | 3,322 | 22,614 |
| Special Area Administrative Services | 20,500 | 15,619 | 4,881 | 19,211 |
| Total General Administration | <u>46,300</u> | <u>37,776</u> | <u>8,524</u> | <u>43,388</u> |
| School Administration | | | | |
| Office of the Principal Services | 71,900 | 64,813 | 7,087 | 67,352 |
| Other Support Services - School Administration | 104,900 | 89,625 | 15,275 | 98,162 |
| Total School Administration | <u>176,800</u> | <u>154,438</u> | <u>22,362</u> | <u>165,514</u> |
| Business | | | | |
| Direction of Business Support Services | 7,900 | 6,484 | 1,416 | 7,338 |
| Fiscal Services | 41,100 | 34,243 | 6,857 | 38,481 |
| Operation and Maintenance of Plant Services | 476,700 | 399,029 | 77,671 | 445,924 |
| Pupil Transportation Services | 2,000 | 3,553 | (1,553) | 1,941 |
| Internal Services | 33,800 | 31,869 | 1,931 | 31,656 |
| Total Business | <u>561,500</u> | <u>475,178</u> | <u>86,322</u> | <u>525,340</u> |
| Central | | | | |
| Information Services | 9,900 | 8,239 | 1,661 | 9,234 |
| Staff Services | 24,400 | 18,654 | 5,746 | 22,855 |
| Data Processing Services | 74,000 | 55,566 | 18,434 | 69,217 |
| Total Central | <u>108,300</u> | <u>82,459</u> | <u>25,841</u> | <u>101,306</u> |
| Total Support Services | <u>1,281,600</u> | <u>1,098,533</u> | <u>183,067</u> | <u>1,191,935</u> |
| Community Services | <u>2,100</u> | <u>1,844</u> | <u>256</u> | <u>1,931</u> |
| Provision for Contingencies | <u>20,000</u> | <u>-</u> | <u>20,000</u> | <u>-</u> |
| Total Expenditures | <u>1,734,100</u> | <u>1,522,080</u> | <u>212,020</u> | <u>1,575,291</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (66,093)</u> | 61,062 | <u>\$ 127,155</u> | (206,421) |
| FUND BALANCE, BEGINNING OF YEAR | | <u>764,589</u> | | <u>971,010</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 825,651</u> | | <u>\$ 764,589</u> |

DEBT SERVICE FUND

To account for the accumulation of resources for, and the payment of, principal and interest on general long-term debt, and related costs.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225
BOND AND INTEREST FUND
COMPARATIVE BALANCE SHEETS
JUNE 30, 2001 AND 2000

| | 2001 | 2000 |
|---|---------------------|---------------------|
| ASSETS | | |
| Cash | \$ 1,964 | \$ 1,389 |
| Investments | 1,151,237 | 802,672 |
| Receivables (net of allowance for uncollectibles): | | |
| Interest | 216,936 | 21,627 |
| Property taxes | 693,856 | 796,407 |
| Replacement taxes | 70,148 | 136,973 |
| Total Assets | <u>\$ 2,134,141</u> | <u>\$ 1,759,068</u> |
| LIABILITIES AND FUND BALANCES | | |
| LIABILITIES | | |
| Deferred Revenue | <u>\$ 840,892</u> | <u>\$ 790,544</u> |
| Total Liabilities | <u>840,892</u> | <u>790,544</u> |
| FUND BALANCE | | |
| Unreserved: | | |
| Undesignated | <u>1,293,249</u> | <u>968,524</u> |
| Total Fund Balance | <u>1,293,249</u> | <u>968,524</u> |
| Total Liabilities And Fund Balance | <u>\$ 2,134,141</u> | <u>\$ 1,759,068</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**BOND AND INTEREST FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL
FOR THE YEAR ENDED JUNE 30, 2001
WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|--------------|--------------|--|----------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 1,455,189 | \$ 1,501,701 | \$ 46,512 | \$ 657,777 |
| Corporate Personal Property | | | | |
| Replacement Taxes | 300,000 | 318,991 | 18,991 | 242,956 |
| Interest on Investments | 32,000 | 149,835 | 117,835 | 39,411 |
| Total Local Sources | 1,787,189 | 1,970,527 | 183,338 | 940,144 |
| STATE SOURCES | | | | |
| General State Aid | - | - | - | 332,310 |
| General State Aid - Supplemental/Hold Harmless | - | - | - | 227,691 |
| Total State Sources | - | - | - | 560,001 |
| Total Revenue | 1,787,189 | 1,970,527 | 183,338 | 1,500,145 |
| EXPENDITURES | | | | |
| Debt Service | | | | |
| Debt Services - Interest | | | | |
| Bonds - Interest | 1,665,564 | 1,685,349 | (19,785) | 322,878 |
| Total Debt Service - Interest | 1,665,564 | 1,685,349 | (19,785) | 322,878 |
| Bond Principal Retired | 1,140,000 | 1,140,000 | - | 1,080,000 |
| Other Debt Service | | | | |
| Purchased Services | 8,000 | 6,295 | 1,705 | 1,595 |
| Total | 8,000 | 6,295 | 1,705 | 1,595 |
| Total Debt Service | 2,813,564 | 2,831,644 | (18,080) | 1,404,473 |
| Provision for Contingencies | 50,000 | - | 50,000 | - |
| Total Expenditures | 2,863,564 | 2,831,644 | 31,920 | 1,404,473 |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (1,076,375) | (861,117) | 215,258 | 95,672 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

BOND AND INTEREST FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|------------------|---------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| OTHER FINANCING SOURCES (USES) | | | | |
| Accrued Interest on Bonds Sold | \$ - | \$ 142,842 | \$ 142,842 | \$ - |
| Other Sources | <u>1,100,000</u> | <u>1,043,000</u> | <u>(57,000)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>1,100,000</u> | <u>1,185,842</u> | <u>85,842</u> | <u>-</u> |
| | | | | |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | <u>\$ 23,625</u> | 324,725 | <u>\$ 301,100</u> | 95,672 |
| | | | | |
| FUND BALANCE, BEGINNING OF YEAR | | <u>968,524</u> | | <u>872,852</u> |
| | | | | |
| FUND BALANCE, END OF YEAR | | <u>\$ 1,293,249</u> | | <u>\$ 968,524</u> |

CAPITAL PROJECTS FUNDS

To account for financial resources to be used for the acquisition or construction of major capital facilities.

Site and Construction Fund - to account for construction projects and renovations financed through serial bond issues.

Fire Prevention and Life Safety Fund - to account for State-approved life safety projects financed through serial bond issues.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**CAPITAL PROJECT FUNDS
COMBINING BALANCE SHEET**

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

| | SITE AND | FIRE PREVENTION | TOTAL | |
|---|----------------------|-------------------|----------------------|---------------------|
| | CONSTRUCTION | AND SAFETY | 2001 | 2000 |
| | FUND | FUND | | |
| ASSETS | | | | |
| Cash | \$ 333 | \$ 532 | \$ 865 | \$ 233 |
| Investments | 19,324,933 | 180,800 | 19,505,733 | 2,225,323 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Interest | 528,754 | 4,152 | 532,906 | 37,677 |
| Replacement taxes | - | 13,988 | 13,988 | - |
| Total Assets | <u>\$ 19,854,020</u> | <u>\$ 199,472</u> | <u>\$ 20,053,492</u> | <u>\$ 2,263,233</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Accounts Payable | \$ 2,301,236 | \$ 92,254 | \$ 2,393,490 | \$ - |
| Deferred Revenue | 373,743 | 2,935 | 376,678 | - |
| Total Liabilities | <u>2,674,979</u> | <u>95,189</u> | <u>2,770,168</u> | <u>-</u> |
| FUND BALANCE | | | | |
| Unreserved: | | | | |
| Undesignated | 17,179,041 | 104,283 | 17,283,324 | 2,263,233 |
| Total Fund Balance | <u>17,179,041</u> | <u>104,283</u> | <u>17,283,324</u> | <u>2,263,233</u> |
| Total Liabilities and Fund Balance | <u>\$ 19,854,020</u> | <u>\$ 199,472</u> | <u>\$ 20,053,492</u> | <u>\$ 2,263,233</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**CAPITAL PROJECT FUNDS****COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | SITE AND | FIRE PREVENTION | TOTAL | |
|--|----------------------|-------------------|----------------------|---------------------|
| | CONSTRUCTION | AND SAFETY | 2001 | 2000 |
| | FUND | FUND | | |
| REVENUE | | | | |
| Local Sources: | | | | |
| Property taxes | \$ - | \$ (6,153) | \$ (6,153) | \$ 173,584 |
| Replacement taxes | - | 90,921 | 90,921 | - |
| Earnings on investments | 488,354 | 13,034 | 501,388 | 57,495 |
| Contributions and donations | | | | |
| Total Local Sources | <u>488,354</u> | <u>97,802</u> | <u>586,156</u> | <u>231,079</u> |
| Total Revenues | <u>488,354</u> | <u>97,802</u> | <u>586,156</u> | <u>231,079</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Support Services | - | - | - | 600 |
| Debt Services: | | | | |
| Capital Outlay | <u>6,999,096</u> | <u>506,394</u> | <u>7,505,490</u> | <u>138,046</u> |
| Total Expenditures | <u>6,999,096</u> | <u>506,394</u> | <u>7,505,490</u> | <u>138,646</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>(6,510,742)</u> | <u>(408,592)</u> | <u>(6,919,334)</u> | <u>92,433</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Bond Proceeds | 21,939,425 | - | 21,939,425 | - |
| Other | <u>-</u> | <u>-</u> | <u>-</u> | <u>1,714,090</u> |
| Total Other Financing Sources (Uses) | <u>21,939,425</u> | <u>-</u> | <u>21,939,425</u> | <u>1,714,090</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | 15,428,683 | (408,592) | 15,020,091 | 1,806,523 |
| FUND BALANCE, BEGINNING OF YEAR | <u>1,750,358</u> | <u>512,875</u> | <u>2,263,233</u> | <u>456,710</u> |
| FUND BALANCE, END OF YEAR | <u>\$ 17,179,041</u> | <u>\$ 104,283</u> | <u>\$ 17,283,324</u> | <u>\$ 2,263,233</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**SITE & CONSTRUCTION FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|---------------|---------------|--|----------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| Interest on Investments | \$ 1,040,000 | \$ 488,354 | \$ (551,646) | \$ 24,943 |
| Total Local Sources | 1,040,000 | 488,354 | (551,646) | 24,943 |
| Total Revenue | 1,040,000 | 488,354 | (551,646) | 24,943 |
| EXPENDITURES | | | | |
| Support Services | | | | |
| Facilities Acquisition and Construction Services | | | | |
| Capital Outlay | 8,057,883 | 6,999,096 | 1,058,787 | - |
| Other Objects | 608,889 | - | 608,889 | - |
| Total | 8,666,772 | 6,999,096 | 1,667,676 | - |
| Total Support Services | 8,666,772 | 6,999,096 | 1,667,676 | - |
| Total Expenditures | 8,666,772 | 6,999,096 | 1,667,676 | - |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | (7,626,772) | (6,510,742) | 1,116,030 | 24,943 |
| OTHER FINANCING SOURCES (USES) | | | | |
| Principal on Bonds Sold | 29,486,000 | 21,939,425 | (7,546,575) | - |
| Sale or Compensation for Fixed Assets | - | - | - | 1,714,090 |
| Total Other Financing Sources (Uses) | 29,486,000 | 21,939,425 | (7,546,575) | 1,714,090 |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | \$ 21,859,228 | 15,428,683 | \$ (6,430,545) | 1,739,033 |
| FUND BALANCE, BEGINNING OF YEAR | | 1,750,358 | | 11,325 |
| FUND BALANCE, END OF YEAR | | \$ 17,179,041 | | \$ 1,750,358 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**FIRE PREVENTION AND SAFETY FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|---|---------------------|-------------------|--|-------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ - | \$ (6,153) | \$ (6,153) | \$ 173,584 |
| Corporate Personal Property Replacement Taxes | 76,933 | 90,921 | 13,988 | - |
| Interest on Investments | 3,500 | 13,034 | 9,534 | 32,552 |
| Total Local Sources | <u>80,433</u> | <u>97,802</u> | <u>17,369</u> | <u>206,136</u> |
| Total Revenue | <u>80,433</u> | <u>97,802</u> | <u>17,369</u> | <u>206,136</u> |
| EXPENDITURES | | | | |
| Support Services | | | | |
| Facilities Acquisition and Construction Services | | | | |
| Purchased Services | - | - | - | 600 |
| Capital Outlay | 552,188 | 506,394 | 45,794 | 138,046 |
| Total | <u>552,188</u> | <u>506,394</u> | <u>45,794</u> | <u>138,646</u> |
| Total Support Services | <u>552,188</u> | <u>506,394</u> | <u>45,794</u> | <u>138,646</u> |
| Provision for Contingencies | <u>12,000</u> | - | 12,000 | - |
| Total Expenditures | <u>564,188</u> | <u>506,394</u> | <u>57,794</u> | <u>138,646</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>\$ (483,755)</u> | (408,592) | <u>\$ 75,163</u> | 67,490 |
| FUND BALANCE, BEGINNING OF YEAR | | 512,875 | | 445,385 |
| FUND BALANCE, END OF YEAR | | <u>\$ 104,283</u> | | <u>\$ 512,875</u> |

FIDUCIARY FUNDS - TRUST AND AGENCY FUNDS

EXPENDABLE TRUST FUND

Working Cash Fund - to account for financial resources held by the District which may be temporarily loaned to other funds.

Agency Funds - include Student Activity Funds, Convenience Accounts and Other Agency Funds. These funds are custodial in nature and do not involve the measurement of results of operations.

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

TRUST AND AGENCY FUNDS

COMBINING BALANCE SHEET

JUNE 30, 2001

WITH COMPARATIVE TOTALS FOR JUNE 30, 2000

| | EXPENDABLE | AGENCY | TOTAL | |
|---|-----------------------------|--------------------------|-----------------------------|----------------------------|
| | TRUST | STUDENT | | |
| | WORKING CASH | ACTIVITY | 2001 | 2000 |
| ASSETS | | | | |
| Cash | \$ 1,085 | \$ 869,622 | \$ 870,707 | \$ 711,152 |
| Investments | 18,968,572 | - | 18,968,572 | 5,409,010 |
| Receivables (net of allowance for uncollectibles): | | | | |
| Property Taxes | 137,177 | - | 137,177 | 138,501 |
| Interest | 516,507 | - | 516,507 | 92,151 |
| Total Assets | <u>\$ 19,623,341</u> | <u>\$ 869,622</u> | <u>\$ 20,492,963</u> | <u>\$ 6,350,814</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| LIABILITIES | | | | |
| Deferred Revenue | \$ 501,232 | \$ - | \$ 501,232 | \$ 137,543 |
| Due to Activity Fund Organization | - | 869,622 | 869,622 | 710,581 |
| Total Liabilities | <u>501,232</u> | <u>869,622</u> | <u>1,370,854</u> | <u>848,124</u> |
| FUND BALANCE | | | | |
| Unreserved: | | | | |
| Undesignated | 19,122,109 | - | 19,122,109 | 5,502,690 |
| Total Fund Balance | <u>19,122,109</u> | <u>-</u> | <u>19,122,109</u> | <u>5,502,690</u> |
| Total Liabilities and Fund Balance | <u>\$ 19,623,341</u> | <u>\$ 869,622</u> | <u>\$ 20,492,963</u> | <u>\$ 6,350,814</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225**FIDUCIARY (EXPENDABLE TRUST) FUND - WORKING CASH FUND**

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - BUDGET AND ACTUAL

FOR THE YEAR ENDED JUNE 30, 2001

WITH COMPARATIVE ACTUAL AMOUNTS FOR THE YEAR ENDED JUNE 30, 2000

| | 2001 | | VARIANCE FAVORABLE (UNFAVORABLE) | 2000 ACTUAL |
|--|-------------------|----------------------|--|---------------------|
| | BUDGET | ACTUAL | | |
| REVENUE | | | | |
| LOCAL SOURCES | | | | |
| General Levy | \$ 242,423 | \$ 241,052 | \$ (1,371) | \$ 231,793 |
| Interest on Investments | 782,000 | 653,754 | (128,246) | 316,059 |
| Total Local Sources | <u>1,024,423</u> | <u>894,806</u> | <u>(129,617)</u> | <u>547,852</u> |
| Total Revenue | <u>1,024,423</u> | <u>894,806</u> | <u>(129,617)</u> | <u>547,852</u> |
| EXPENDITURES | | | | |
| Total Expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES | <u>1,024,423</u> | <u>894,806</u> | <u>(129,617)</u> | <u>547,852</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Permanent Transfer of Working Cash - Abatement | (15,600,000) | (2,379,063) | 13,220,937 | - |
| Principal on Bonds Sold | <u>15,100,000</u> | <u>15,103,676</u> | <u>3,676</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(500,000)</u> | <u>12,724,613</u> | <u>13,224,613</u> | <u>-</u> |
| EXCESS (DEFICIENCY) OF REVENUES AND OTHER FINANCING SOURCES OVER EXPENDITURES AND OTHER (USES) | <u>\$ 524,423</u> | 13,619,419 | <u>\$ 13,094,996</u> | 547,852 |
| FUND BALANCE, BEGINNING OF YEAR | | <u>5,502,690</u> | | <u>4,954,838</u> |
| FUND BALANCE, END OF YEAR | | <u>\$ 19,122,109</u> | | <u>\$ 5,502,690</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

AGENCY-STUDENT ACTIVITY FUNDS COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|--------------------------------|--------------------------|--------------|--------------|-----------|--------------------------|
| ASSETS | | | | | |
| Cash | \$ 710,579 | \$ 1,757,189 | \$ 1,598,146 | \$ - | \$ 869,622 |
| LIABILITIES | | | | | |
| Due to Student Organizations: | | | | | |
| District | 128,180 | 74,882 | 57,202 | (11,244) | 134,616 |
| Glenbrook North High School | 166,808 | 865,483 | 645,998 | (6,803) | 379,490 |
| Glenbrook South High School | 415,591 | 816,824 | 894,946 | 18,047 | 355,516 |
| Total | \$ 710,579 | \$ 1,757,189 | \$ 1,598,146 | \$ - | \$ 869,622 |

SUPPLEMENTARY SCHEDULES

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

FIVE YEAR SUMMARY OF ASSESSED VALUATIONS, TAX RATES, EXTENSIONS AND COLLECTIONS JUNE 30, 2001

| | 1995 | 1996 | 1997 | 1998 | 1999 |
|--|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed Valuation | <u>\$ 2,656,383,712</u> | <u>\$ 2,723,894,554</u> | <u>\$ 2,748,256,068</u> | <u>\$ 2,979,110,106</u> | <u>\$ 3,127,148,690</u> |
| <u>TAX RATES</u> | | | | | |
| Educational | 1.4994 | 1.4816 | 1.5891 | 1.5091 | 1.4213 |
| Operations and Maintenance | 0.2520 | 0.2532 | 0.2061 | 0.2451 | 0.3294 |
| Bond and interest | 0.0630 | 0.0346 | - | - | 0.0471 |
| Transportation | 0.0216 | 0.0224 | 0.0231 | 0.0235 | 0.0235 |
| IMRF/Social security | 0.0546 | 0.0562 | 0.0573 | 0.0422 | 0.0402 |
| Working Cash | 0.0075 | 0.0075 | 0.0068 | 0.0081 | 0.0077 |
| Fire Prevention and Safety | - | 0.0466 | 0.0488 | 0.0112 | - |
| Total | <u>1.8981</u> | <u>1.9021</u> | <u>1.9312</u> | <u>1.8392</u> | <u>1.8692</u> |
| <u>TAX EXTENSION</u> | | | | | |
| Educational | \$ 39,829,780 | \$ 40,357,008 | \$ 43,671,971 | \$ 44,957,085 | \$ 44,447,006 |
| Operations and Maintenance | 6,695,000 | 6,895,850 | 5,665,000 | 7,302,700 | 10,300,000 |
| Bond and interest | 1,673,264 | 943,042 | - | - | 1,473,392 |
| Transportation | 575,000 | 609,691 | 634,533 | 700,000 | 735,000 |
| IMRF/Social security | 1,449,000 | 1,531,300 | 1,575,254 | 1,260,000 | 1,260,000 |
| Working Cash | 200,000 | 203,231 | 241,727 | 242,000 | 242,000 |
| Fire Prevention and Safety | 1,269,335 | 1,270,190 | 1,287,500 | 334,750 | - |
| Total | <u>\$ 51,691,379</u> | <u>\$ 51,810,312</u> | <u>\$ 53,075,985</u> | <u>\$ 54,796,535</u> | <u>\$ 58,457,398</u> |
| Amounts Collected as of June 30, 2001 | <u>\$ 50,221,957</u> | <u>\$ 51,672,033</u> | <u>\$ 52,448,882</u> | <u>\$ 53,856,727</u> | <u>\$ 54,865,548</u> |
| Percentage Collected | <u>97.16%</u> | <u>99.73%</u> | <u>98.82%</u> | <u>98.28%</u> | <u>93.86%</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

OPERATING COST AND TUITION CHARGE

JUNE 30, 2001

| | 2001 | 2000 |
|--|----------------------|----------------------|
| <u>OPERATING COST PER PUPIL</u> | | |
| Average Daily Attendance (ADA): | <u>4,309</u> | <u>3,965</u> |
| Operating Costs: | | |
| Education | \$ 55,245,925 | \$ 52,184,894 |
| Operations and Maintenance | 11,914,604 | 7,512,690 |
| Bond and Interest | 2,831,644 | 1,404,473 |
| Transportation | 1,692,028 | 1,662,063 |
| Municipal Retirement/Social Security | <u>1,522,080</u> | <u>1,575,291</u> |
| Subtotal | <u>73,206,281</u> | <u>64,339,411</u> |
| Less Revenues/Expenditures of Nonregular Programs: | | |
| Tuition | 1,789,999 | 1,852,538 |
| Summer school | 320,073 | 296,375 |
| Capital outlay | 9,615,885 | 6,219,500 |
| Debt principal retired | 1,140,000 | 1,080,000 |
| Community services | <u>31,524</u> | <u>29,037</u> |
| Subtotal | <u>12,897,481</u> | <u>9,477,450</u> |
| Operating costs | <u>\$ 60,308,800</u> | <u>\$ 54,861,961</u> |
| Operating Cost Per Pupil - Based on ADA | <u>\$ 13,996</u> | <u>\$ 13,838</u> |
| <u>TUITION CHARGE</u> | | |
| Operating Costs | \$ 60,308,800 | \$ 54,861,961 |
| Less - revenues from specific programs, such as special education or lunch programs | <u>6,596,989</u> | <u>5,750,741</u> |
| Net operating costs | 53,711,811 | 49,111,220 |
| Depreciation allowance | <u>4,505,684</u> | <u>4,018,487</u> |
| Allowable Tuition Costs | <u>\$ 58,217,495</u> | <u>\$ 53,129,707</u> |
| Tuition Charge Per Pupil - based on ADA | <u>\$ 13,510</u> | <u>\$ 13,401</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

DEBT SERVICE TO MATURITY

JUNE 30, 2001

\$4,100,000 SCHOOL BONDS, SERIES 1994

| FISCAL YEAR ENDED JUNE 30, | PRINCIPAL | INTEREST | TOTAL |
|-------------------------------|---------------------|-------------------|---------------------|
| 2002 | \$ 1,205,000 | \$ 185,731 | \$ 1,390,731 |
| 2003 | 1,275,000 | 111,737 | 1,386,737 |
| 2004 | <u>1,300,000</u> | <u>37,700</u> | <u>1,337,700</u> |
| Total | <u>\$ 3,780,000</u> | <u>\$ 335,168</u> | <u>\$ 4,115,168</u> |

| | |
|--------------------------|-----------------------|
| Purpose: | Working Cash |
| Dated: | December 1, 1994 |
| Interest Payment Dates: | June 1 and December 1 |
| Principal Payment Dates: | December 1 |
| Paying Agent: | LaSalle National Bank |
| Interest Rates: | 5.70% - 7.00% |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

DEBT SERVICE TO MATURITY

JUNE 30, 2001

\$11,300,000 SCHOOL BONDS, SERIES 2000A

| FISCAL YEAR ENDED JUNE 30, | PRINCIPAL | INTEREST | TOTAL |
|-------------------------------|---------------|--------------|---------------|
| 2002 | \$ - | \$ 578,425 | \$ 578,425 |
| 2003 | - | 578,425 | 578,425 |
| 2004 | - | 578,425 | 578,425 |
| 2005 | - | 578,425 | 578,425 |
| 2006 | - | 578,425 | 578,425 |
| 2007 | - | 578,425 | 578,425 |
| 2008 | 1,095,000 | 552,419 | 1,647,419 |
| 2009 | 1,505,000 | 490,669 | 1,995,669 |
| 2010 | 1,580,000 | 417,400 | 1,997,400 |
| 2011 | 1,655,000 | 340,569 | 1,995,569 |
| 2012 | 1,730,000 | 258,012 | 1,988,012 |
| 2013 | 1,820,000 | 162,437 | 1,982,437 |
| 2014 | 1,915,000 | 55,056 | 1,970,056 |
| Total | \$ 11,300,000 | \$ 5,747,112 | \$ 17,047,112 |

Purpose: Working Cash
 Dated: October 1, 2000
 Interest Payment Dates: June 1 and December 1
 Principal Payment Dates: December 1
 Paying Agent: Cole Taylor Bank
 Interest Rates: 4.75% - 5.75%

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

DEBT SERVICE TO MATURITY

JUNE 30, 2001

Capital Appreciation Series 2000B

| FISCAL YEAR ENDED JUNE 30, | PAYMENT |
|-------------------------------|---------------------|
| 2002 | \$ - |
| 2003 | 30,000 |
| 2004 | 80,000 |
| 2005 | 1,455,000 |
| 2006 | 1,455,000 |
| 2007 | 1,455,000 |
| 2020 | 355,000 |
| Total | <u>\$ 4,830,000</u> |

| | |
|--------------------------|-----------------------|
| Purpose: | Working Cash |
| Dated: | October 1, 2000 |
| Interest Payment Dates: | June 1 and December 1 |
| Principal Payment Dates: | December 1 |
| Paying Agent: | Cole Taylor Bank |
| Interest Rates: | 5.05% - 5.30% |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

DEBT SERVICE TO MATURITY

JUNE 30, 2001

\$29,485,000 SCHOOL BONDS, SERIES 2000C

| FISCAL YEAR ENDED JUNE 30, | PRINCIPAL | INTEREST | TOTAL |
|-------------------------------|----------------------|----------------------|----------------------|
| 2002 | \$ 745,000 | \$ 1,545,575 | \$ 2,290,575 |
| 2003 | 1,025,000 | 1,501,325 | 2,526,325 |
| 2004 | 1,070,000 | 1,448,950 | 2,518,950 |
| 2005 | 1,120,000 | 1,394,200 | 2,514,200 |
| 2006 | 1,200,000 | 1,336,200 | 2,536,200 |
| 2007 | 1,255,000 | 1,274,825 | 2,529,825 |
| 2008 | 1,310,000 | 1,210,700 | 2,520,700 |
| 2009 | 1,370,000 | 1,143,700 | 2,513,700 |
| 2010 | 1,435,000 | 1,069,988 | 2,504,988 |
| 2011 | 1,505,000 | 989,138 | 2,494,138 |
| 2012 | 1,575,000 | 908,375 | 2,483,375 |
| 2013 | 1,650,000 | 825,688 | 2,475,688 |
| 2014 | 1,735,000 | 734,663 | 2,469,663 |
| 2015 | 1,825,000 | 636,763 | 2,461,763 |
| 2016 | 1,920,000 | 533,775 | 2,453,775 |
| 2017 | 2,020,000 | 425,425 | 2,445,425 |
| 2018 | 2,125,000 | 311,438 | 2,436,438 |
| 2019 | 2,240,000 | 191,400 | 2,431,400 |
| 2020 | 2,360,000 | 64,900 | 2,424,900 |
| Total | <u>\$ 29,485,000</u> | <u>\$ 17,547,025</u> | <u>\$ 47,032,025</u> |

Purpose: General Obligation

Dated: October 1, 2000

Interest Payment Dates: June 1 and December 1

Principal Payment Dates: December 1

Paying Agent: Cole Taylor Bank

Interest Rates: 5.00% - 5.50%

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

STUDENT ACTIVITY FUNDS DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|-----------------------------|--------------------------|------------|-----------|-----------|--------------------------|
| District Activity | | | | | |
| Accommodations | \$ (5,844) | \$ (3,900) | \$ - | \$ - | \$ (9,744) |
| Administration | - | - | - | - | - |
| Community Chorus | (158) | 9,900 | 7,641 | - | 2,101 |
| Glenbrook Symphony | 200 | - | - | - | 200 |
| Glenbrook Musical | 10,708 | 35,672 | 26,015 | 2,385 | 22,750 |
| Retirement | 1,672 | - | - | - | 1,672 |
| Scholarship and Trust | 53,434 | 2,363 | 6,000 | - | 49,797 |
| Johnson Scholarship | 50,665 | 2,693 | 6,000 | - | 47,358 |
| Biology | - | - | - | - | - |
| Student Aid | - | - | - | - | - |
| Student Activities | (7,247) | 62 | 7,243 | 6,815 | (7,613) |
| Student Teachers | - | - | - | - | - |
| Interest earned | 24,750 | 28,092 | 4,303 | (20,444) | 28,095 |
| Total District Activity | 128,180 | 74,882 | 57,202 | (11,244) | 134,616 |
| North Activity | | | | | |
| Activity Tickets | 2,014 | 29,288 | - | (31,295) | 7 |
| Advanced Placement | 12,039 | 48,804 | 52,048 | - | 8,795 |
| International Club | 51 | 781 | 222 | - | 610 |
| Aquiana Swim Club | 3,064 | 14,361 | 13,656 | - | 3,769 |
| Art Supplies | 1,791 | 1,924 | 2,242 | (425) | 1,048 |
| Practical Horticulture Club | 11,557 | 12,753 | 12,177 | - | 12,133 |
| Basics | 521 | 527 | 280 | - | 768 |
| Bookstore | (59,377) | 82,901 | 23,548 | - | (24) |
| Boy's P.E. Rental | 4,394 | 3,348 | 6,448 | - | 1,294 |
| Business Club | 2,080 | 6,498 | 5,064 | - | 3,514 |
| Cap and Gown | 605 | 5,244 | 5,458 | - | 391 |
| Central Suburban | - | - | - | - | - |
| Cheerleaders | 3,770 | 18,743 | 17,693 | - | 4,820 |
| Custodial Vending | 213 | - | - | - | 213 |
| Dispenser Fund | 187 | - | - | - | 187 |
| Diversity Club | - | 483 | 198 | - | 285 |
| Drama Productions | 2,884 | 5,344 | 6,695 | 4,837 | 6,370 |
| English Department | - | 1,072 | 1,031 | - | 41 |
| Environmental Award | 1,648 | - | - | - | 1,648 |
| Field Trips | 2,677 | 31,010 | 32,204 | - | 1,483 |
| French Club | 377 | 120 | 67 | - | 430 |
| F.R.E.S.H. | 1,468 | 2,474 | 1,091 | - | 2,851 |
| Friends & Comp | 2,781 | 1,560 | 1,900 | - | 2,441 |
| Future Educators | 1,554 | 916 | 786 | - | 1,684 |
| Gadget Club | 149 | - | - | - | 149 |
| GBN Sports Tournaments | 9,082 | 75,508 | 78,135 | 65 | 6,520 |
| German Club | 219 | - | - | - | 219 |
| Helicon | 558 | 419 | 3,142 | 5,235 | 3,070 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

STUDENT ACTIVITY FUNDS DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|---------------------------------------|--------------------------|-----------|-----------|-----------|--------------------------|
| Home Economics (HERO) | \$ 1,267 | \$ 6,439 | \$ 6,622 | \$ - | \$ 1,084 |
| Illinois Science | 865 | - | - | - | 865 |
| In-HSE Grad | 6,035 | 1,440 | 320 | - | 7,155 |
| Industrial Education | 1,123 | - | - | - | 1,123 |
| Interact Club | 7,160 | 821 | 3,475 | 500 | 5,006 |
| Key Club | 1,571 | 2,729 | 3,124 | - | 1,176 |
| Laconian | 10,813 | 104,122 | 29,128 | - | 85,807 |
| Varsity Club | 24 | 184 | - | - | 208 |
| Lost Illinois Loaned Texts | 515 | - | - | - | 515 |
| Model U N Club | 713 | 2,100 | 2,241 | - | 572 |
| Music General | 9,351 | 7,539 | 6,704 | - | 10,186 |
| National Forensic League-DEB | 15,675 | 72,215 | 61,794 | (15,000) | 11,096 |
| National Forensic League | 713 | 1,876 | 1,988 | - | 601 |
| National Honor Society | 749 | 1,830 | 1,015 | - | 1,564 |
| Newcomers Welcoming Committee | 715 | 1,110 | 733 | - | 1,092 |
| North End Restaurant | 266 | 3,960 | 3,564 | - | 662 |
| North Suburban Science Supervisors | 1,265 | - | 276 | - | 989 |
| North Winds | (59) | 350 | 232 | - | 59 |
| Orchesis | 6,255 | 26,937 | 20,921 | - | 12,271 |
| Parents' Association | 6 | 9,795 | 9,801 | - | - |
| Performing Arts | 3,128 | - | 2,500 | (500) | 128 |
| Pom Pom Squad | 7,546 | 9,521 | 6,106 | - | 10,961 |
| PAEMST-L Zielinski | 2,414 | 7,500 | - | - | 9,914 |
| PSAT/PACT Registration | - | 140 | 2,393 | 2,455 | 202 |
| Radio & Television | 1,676 | 1,302 | 1,217 | - | 1,761 |
| Reach America | 83 | 3,098 | 2,951 | - | 230 |
| Retirement Events | (337) | 2,708 | 2,619 | 337 | 89 |
| S.A.D.D. | 269 | 443 | - | - | 712 |
| Science Club | 2,364 | 5,522 | 5,953 | - | 1,933 |
| Schlrshp-Catherine Green | 620 | - | 250 | - | 370 |
| Scholarship GBN-A | 704 | - | - | - | 704 |
| Scholarship North | 500 | 3,552 | - | - | 4,052 |
| Scholarship Marian Rugless | - | 50,348 | - | - | 50,348 |
| Snowball | 117 | 11,175 | 5,251 | - | 6,041 |
| Spanish Honor Society | 825 | 573 | 328 | - | 1,070 |
| Spartan Marching Band | 7,170 | 26,066 | 25,854 | - | 7,382 |
| Sports Banquets | 301 | - | 8 | - | 293 |
| Spring Festival | (1,890) | - | - | 1,890 | - |
| Student Association | 1,343 | 13,478 | 23,491 | 12,146 | 3,476 |
| Student to Student | - | 144 | - | - | 144 |
| S.O.A.R. | 428 | - | - | - | 428 |
| Student Teachers | 290 | - | - | - | 290 |
| Student Teachers-South | 125 | - | - | - | 125 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

STUDENT ACTIVITY FUNDS DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|-----------------------------------|--------------------------|-----------|-----------|-----------|--------------------------|
| Test Prep Program | \$ 56 | \$ 21,700 | \$ 21,700 | \$ - | \$ 56 |
| Torch North | 8,725 | 4,589 | 14,813 | 7,397 | 5,898 |
| Towel Fees | 14,502 | 7,956 | 7,144 | - | 15,314 |
| Variety Show | 10,003 | 15,921 | 16,110 | - | 9,814 |
| Vending Machine | 20,515 | 40,468 | 30,495 | (2,227) | 28,261 |
| Welfare Memorial | 1,447 | 1,728 | 1,389 | - | 1,786 |
| WGKB Radio | 108 | 3,311 | 3,320 | - | 99 |
| Interest Account | 1,889 | 4,090 | 10,782 | 6,815 | 2,012 |
| Class of 1998 | (6) | - | - | - | (6) |
| Class of 1999 | - | - | - | - | - |
| Class of 2000 | 4,292 | 8,081 | 4,346 | (8,081) | (54) |
| Class of 2001 | 2,945 | 5,631 | 3,847 | - | 4,729 |
| Class of 2002 | 3,149 | 22,165 | 25,043 | - | 271 |
| Class of 2003 | 179 | 675 | 7,359 | 8,650 | 2,145 |
| Class of 2004 | - | 6,073 | 4,706 | 398 | 1,765 |
| Total North Activity | 166,808 | 865,483 | 645,998 | (6,803) | 379,490 |
| South Activity | | | | | |
| Activity Tickets | 9,864 | - | - | - | 9,864 |
| Advanced Placement Testing | 11,772 | 58,212 | 58,061 | - | 11,923 |
| Aid | (6,420) | - | - | - | (6,420) |
| American Field Service Club | 179 | - | - | - | 179 |
| Art Supplies | 1,952 | (815) | - | - | 1,137 |
| Auto Shop Repairs | - | - | - | - | - |
| Bel Canto | 1,978 | 3,845 | 3,731 | (100) | 1,992 |
| Bookstore | - | 31,570 | 28 | (31,542) | - |
| Titan Booster | 55,749 | 71,961 | 62,191 | (806) | 64,713 |
| Pep Club | 16,226 | 30,402 | 29,640 | (5,012) | 11,976 |
| Business Education | 750 | - | - | - | 750 |
| Calliope | (1,495) | 1,197 | 2,155 | 3,441 | 988 |
| Cap and Gown | 3,546 | 6,384 | 6,576 | - | 3,354 |
| Chamber Singers | (1,097) | 1,695 | 1,119 | - | (521) |
| Cheerleaders | 478 | 11,234 | 14,258 | 5,000 | 2,454 |
| Concessions | 8,903 | 80,835 | 78,523 | (1,210) | 10,005 |
| PSAT/PLAN Test | - | 6,495 | 17,036 | 3,230 | (7,311) |
| Counselors Accounts | 2,725 | - | - | - | 2,725 |
| Cum Laude Society | (151) | - | 953 | 1,000 | (104) |
| Debate Club | 1,581 | 2,975 | 5,617 | 15,000 | 13,939 |
| Dispenser Fund | 904 | 173 | - | - | 1,077 |
| Diversified Cooperative Education | 2,897 | - | - | - | 2,897 |
| Drama Club | 1,538 | 2,187 | 1,885 | - | 1,840 |
| Drama Productions | (617) | 5,466 | 12,029 | 8,316 | 1,136 |
| High Adventure | (1,269) | - | - | - | (1,269) |
| English Dept. Activities | 76 | - | - | - | 76 |
| English Junior | 75 | 1,275 | 1,268 | - | 82 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

STUDENT ACTIVITY FUNDS DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|-----------------------------|--------------------------|-----------|------------|-----------|--------------------------|
| Etruscan | \$ 80,135 | \$ 93,017 | \$ 177,737 | \$ 15,980 | \$ 11,395 |
| Etruscan-Yrbk Aid Fund | 10,630 | 6,955 | 1,905 | (15,650) | 30 |
| Field Trips | 1,665 | 420 | 200 | - | 1,885 |
| Fine Arts Community | 14 | - | - | - | 14 |
| International Club | (2) | - | - | - | (2) |
| Forensics | 142 | - | - | - | 142 |
| French Club | 659 | 3,526 | 3,061 | - | 1,124 |
| Girls' Letter Club | 6,855 | 5,266 | 5,442 | (1,718) | 4,961 |
| GBS Sports Tournament | 6,547 | 33,196 | 32,779 | (289) | 6,675 |
| Grad Night | 8,473 | 42,812 | 43,079 | 1,000 | 9,206 |
| In-House Grad Program | 9,538 | 1,840 | 400 | - | 10,978 |
| Industrial Education | 43 | - | - | - | 43 |
| Interact Club | 182 | 6,112 | 4,999 | (550) | 745 |
| Jazz Choir | (70) | 1,355 | - | 693 | 1,978 |
| Key Club | 6,887 | 14,404 | 10,744 | - | 10,547 |
| Late Exam Fees | 330 | 55 | - | - | 385 |
| Library Account | 24,562 | 3,266 | 1,250 | - | 26,578 |
| Living in Space | 93 | - | - | - | 93 |
| Lost Illinois Loaned Texts | (389) | - | - | - | (389) |
| Master Singers | 397 | 5,324 | 5,412 | 1,618 | 1,927 |
| Master Singers | (59) | - | - | - | (59) |
| Music & Folder | (135) | 260 | - | - | 125 |
| Premier Chorus | - | 4,172 | 3,333 | 290 | 1,129 |
| National Forensics League | 3,380 | - | - | - | 3,380 |
| National Honor Society | (356) | - | 170 | - | (526) |
| National Science Foundation | 28 | - | - | - | 28 |
| NINE | 831 | 450 | 364 | (693) | 224 |
| NSTA Toyota | 152 | - | 173 | - | (21) |
| North Suburban Science | 5,053 | 5,000 | 5,862 | - | 4,191 |
| Northfield Township Coop | 302 | - | - | - | 302 |
| Oracle | 3,496 | 6,760 | 14,106 | 6,901 | 3,051 |
| Parents Association | 4,221 | 12,370 | 3,499 | (10,560) | 2,532 |
| Photography Club | 30 | - | - | - | 30 |
| Quit Smoking Plan | - | 2,133 | 426 | - | 1,707 |
| Retirement Events | 1,699 | 4,009 | 3,735 | - | 1,973 |
| Schlrshp-Randy Kolach | 100 | 200 | - | - | 300 |
| Scholarship - South | 16,645 | 11,500 | 31,500 | 6,450 | 3,095 |
| Craig Stifler | - | 20,761 | - | (2,000) | 18,761 |
| Science Club | 6,891 | 17,174 | 16,330 | 1,085 | 8,820 |
| Senior Pictures | 245 | - | - | - | 245 |
| Social Studies Field Trips | (2,485) | 8,972 | 8,451 | - | (1,964) |
| Special Events | 633 | - | 169 | 250 | 714 |
| Sports Banquet | 2,901 | 15,678 | 18,779 | - | (200) |
| Stadium Lights | 1,044 | - | - | - | 1,044 |
| Student Council | 2,142 | 27,648 | 42,073 | 13,351 | 1,068 |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

STUDENT ACTIVITY FUNDS DETAILED SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES FOR THE YEAR ENDED JUNE 30, 2001

| | BALANCE JUNE 30, 2000 | ADDITIONS | DELETIONS | TRANSFERS | BALANCE JUNE 30, 2001 |
|---------------------------------|--------------------------|---------------------|---------------------|---------------|--------------------------|
| Student Special | \$ (4,980) | \$ - | \$ 50 | \$ - | \$ (5,030) |
| Student-to-Student | 7,683 | 14,551 | 16,759 | (400) | 5,075 |
| Student Teachers-General | 55 | - | - | - | 55 |
| Student Teachers-English | (736) | 50 | - | - | (686) |
| Student Teachers | 521 | - | - | - | 521 |
| Student Teachers-Language | (54) | 334 | 334 | - | (54) |
| Student Teachers-IMC | (120) | - | - | - | (120) |
| Student Teachers-Math | 100 | - | - | - | 100 |
| Student Teachers-Music | 445 | 550 | 627 | - | 368 |
| Student Teachers-P.E. | 960 | 3,601 | 4,584 | - | (23) |
| Student Teachers-Social Studies | 1,357 | 425 | 3 | - | 1,779 |
| Student Teachers-Special Ed | 152 | - | - | - | 152 |
| Test Prep Programs | 37,023 | 27,080 | 18,361 | (5,685) | 40,057 |
| Titan Poms | 5,400 | 2,722 | 4,301 | (100) | 3,721 |
| Towel Fees | 23,802 | 8,729 | 21,451 | - | 11,080 |
| Tutoring Project | (228) | - | - | 250 | 22 |
| Variety Show | 2,200 | 38,207 | 41,850 | 1,583 | 140 |
| Video Yearbook | 8,811 | 6,773 | 4,927 | - | 10,657 |
| Teachers' Welfare | 3,225 | 735 | 2,178 | - | 1,782 |
| Student Council-Interest Fund | 410 | 295 | 9,090 | 9,145 | 760 |
| Class of 1975 | - | 1,200 | - | (1,200) | - |
| Class of 1997 | 37 | - | - | - | 37 |
| Class of 1998 | 2,890 | - | - | - | 2,890 |
| Class of 1999 | 369 | - | - | - | 369 |
| Class of 2000 | 9,130 | - | 3,606 | - | 5,524 |
| Class of 2001 | 1,648 | 5,998 | 2,132 | 136 | 5,650 |
| Class of 2002 | 1,241 | 28,732 | 28,063 | 573 | 2,483 |
| Class of 2003 | 657 | 5,373 | 4,115 | 135 | 2,050 |
| Class of 2004 | - | 1,743 | 1,467 | 135 | 411 |
| Total South Activity | <u>415,591</u> | <u>816,824</u> | <u>894,946</u> | <u>18,047</u> | <u>355,516</u> |
| Grand Total | <u>\$ 710,579</u> | <u>\$ 1,757,189</u> | <u>\$ 1,598,146</u> | <u>\$ -</u> | <u>\$ 869,622</u> |

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STATISTICAL TABLES (UNAUDITED)

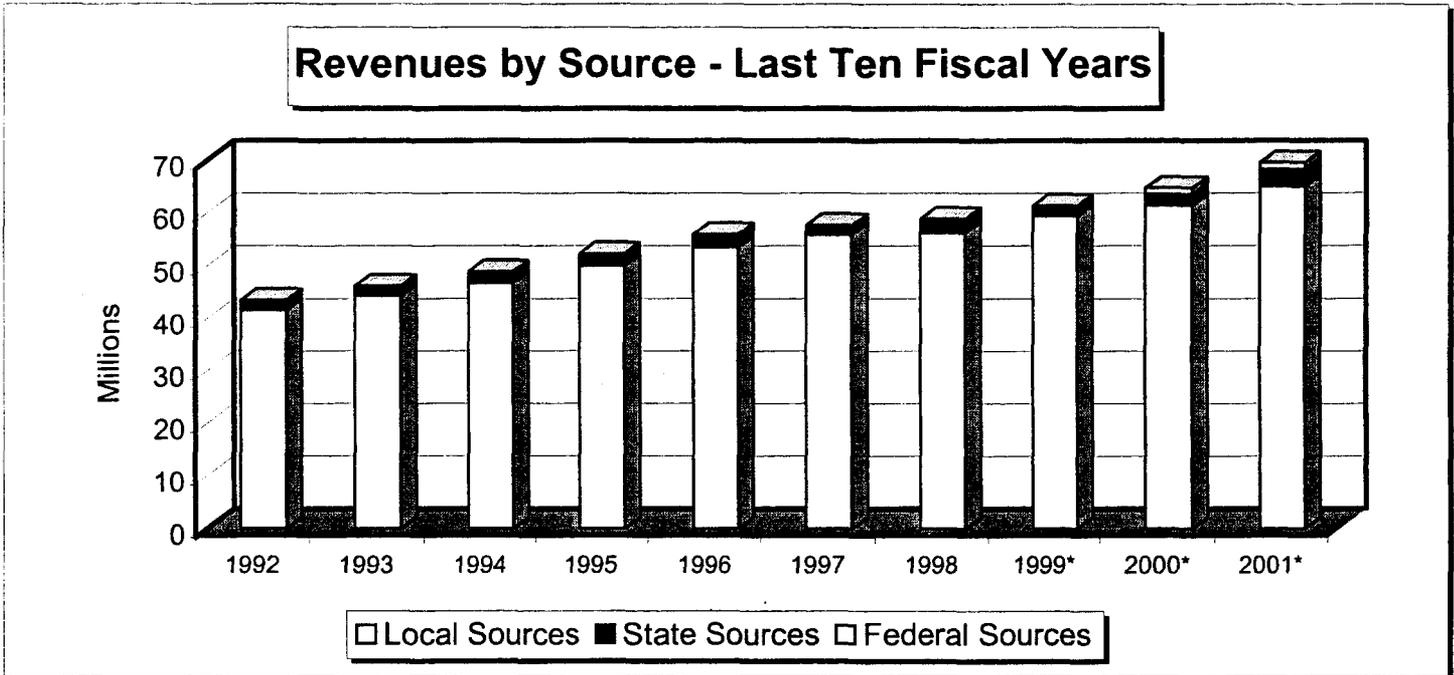
NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

GENERAL AND SPECIAL REVENUE FUNDS REVENUES BY SOURCE

LAST TEN FISCAL YEARS

| | 1992 | 1993 | 1994 | 1995 |
|------------------------------|----------------------|----------------------|----------------------|----------------------|
| LOCAL SOURCES: | | | | |
| Property Taxes | \$ 36,736,187 | \$ 38,809,204 | \$ 42,141,049 | \$ 44,828,370 |
| Replacement Taxes | 985,555 | 1,161,135 | 1,304,275 | 1,407,014 |
| Tuition | 239,609 | 241,552 | 278,654 | 299,503 |
| Interest on Investments | 1,207,579 | 876,444 | 530,654 | 870,954 |
| Other Local Revenue | 2,368,251 | 3,236,530 | 2,474,928 | 2,602,894 |
| Total Local Sources | <u>41,537,181</u> | <u>44,324,865</u> | <u>46,729,560</u> | <u>50,008,735</u> |
| STATE SOURCES: | | | | |
| General State Aid | 729,137 | 824,242 | 872,286 | 933,503 |
| Other State Aid | 897,553 | 775,195 | 905,189 | 1,035,692 |
| Flow Through | 20,356 | - | 5,618 | - |
| Total State Sources | <u>1,647,046</u> | <u>1,599,437</u> | <u>1,783,093</u> | <u>1,969,195</u> |
| FEDERAL SOURCES: | | | | |
| Restricted Grants | 315,794 | 317,785 | 439,340 | 313,065 |
| Flow Through | 48,182 | 21,923 | 60,050 | - |
| Total Federal Sources | <u>363,976</u> | <u>339,708</u> | <u>499,390</u> | <u>313,065</u> |
| Total Revenues | <u>\$ 43,548,203</u> | <u>\$ 46,264,010</u> | <u>\$ 49,012,043</u> | <u>\$ 52,290,995</u> |

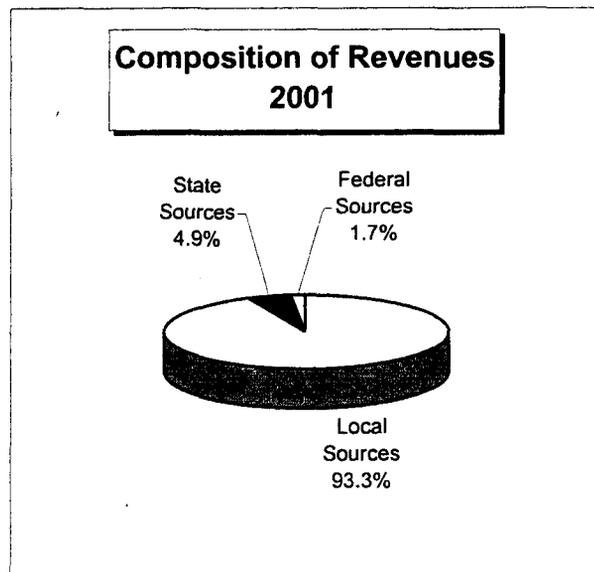
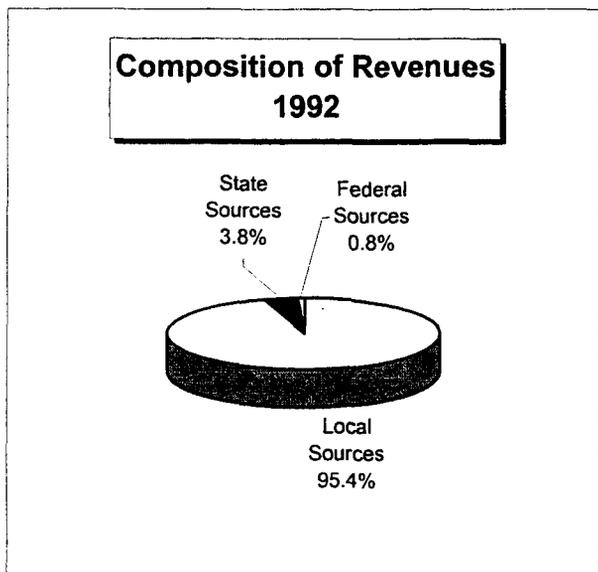
* Amounts for these years are presented on the modified accrual basis of accounting.
The remaining years are presented on cash basis of accounting.



SOURCE OF INFORMATION: 1992-2001 financial statements

Table 1

| | 1996 | 1997 | 1998 | 1999* | 2000* | 2001* |
|----|-------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ | 47,698,969 | \$ 49,322,575 | \$ 49,566,316 | \$ 52,580,254 | \$ 53,369,898 | \$ 56,849,177 |
| | 1,401,355 | 1,494,570 | 1,070,480 | 1,318,796 | 1,721,209 | 1,422,383 |
| | 291,591 | 290,805 | 299,581 | 329,331 | 305,609 | 139,102 |
| | 1,038,087 | 1,501,369 | 1,911,248 | 1,544,466 | 2,015,225 | 2,377,497 |
| | 3,021,438 | 3,246,109 | 3,392,565 | 3,620,618 | 4,033,577 | 4,187,317 |
| | <u>53,451,440</u> | <u>55,855,428</u> | <u>56,240,190</u> | <u>59,393,465</u> | <u>61,445,518</u> | <u>64,975,476</u> |
| | 993,242 | 91,977 | 658,105 | 103,604 | 518,076 | 1,095,023 |
| | 1,096,810 | 1,424,445 | 1,711,212 | 1,665,343 | 1,722,811 | 2,326,185 |
| | - | - | - | - | - | - |
| | <u>2,090,052</u> | <u>1,516,422</u> | <u>2,369,317</u> | <u>1,768,947</u> | <u>2,240,887</u> | <u>3,421,208</u> |
| | 440,686 | 342,348 | 320,848 | 306,937 | 1,108,943 | 1,216,139 |
| | - | - | - | - | - | - |
| | <u>440,686</u> | <u>342,348</u> | <u>320,848</u> | <u>306,937</u> | <u>1,108,943</u> | <u>1,216,139</u> |
| \$ | <u>55,982,178</u> | \$ <u>57,714,198</u> | \$ <u>58,930,355</u> | \$ <u>61,469,349</u> | \$ <u>64,795,348</u> | \$ <u>69,612,823</u> |



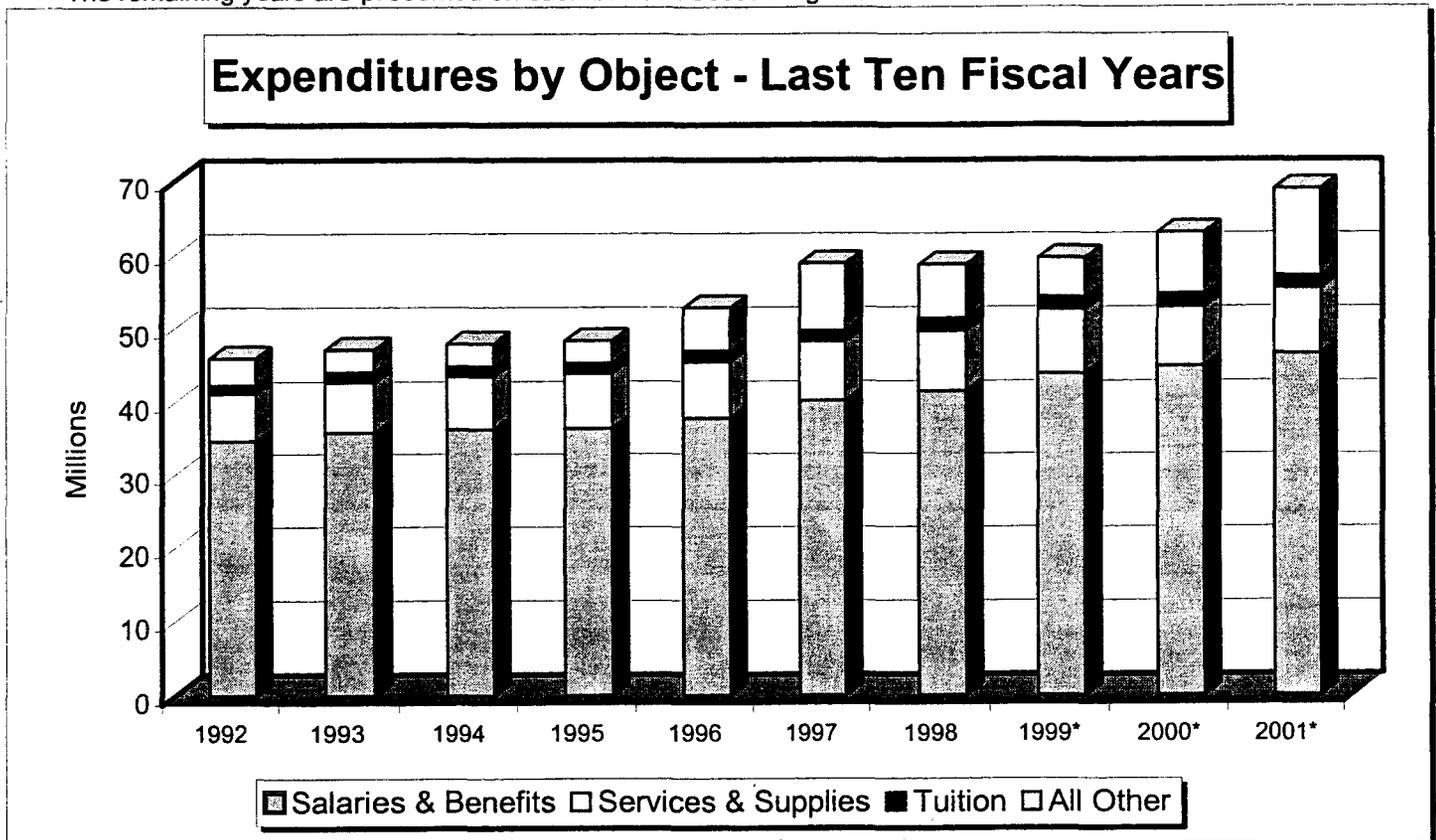
NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NO. 225

GENERAL AND SPECIAL REVENUE FUNDS EXPENDITURES BY OBJECT

LAST TEN FISCAL YEARS

| | 1992 | 1993 | 1994 | 1995 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|
| GENERAL FUND | | | | |
| Salaries and Employee Benefits | \$ 33,291,859 | \$ 34,418,825 | \$ 34,871,892 | \$ 34,982,486 |
| Purchased Services and Supplies | 5,845,316 | 6,173,145 | 6,507,333 | 6,736,320 |
| Tuition | 1,207,800 | 1,460,507 | 1,392,656 | 1,435,406 |
| All other Expenditures | <u>3,622,668</u> | <u>2,950,736</u> | <u>3,033,270</u> | <u>2,973,484</u> |
| Total General Fund | <u>43,967,643</u> | <u>45,003,213</u> | <u>45,805,151</u> | <u>46,127,696</u> |
| SPECIAL REVENUE FUNDS | | | | |
| Salaries and Employee Benefits | 1,415,954 | 1,429,972 | 1,429,690 | 1,448,363 |
| Purchased Services and Supplies | 607,535 | 695,421 | 693,565 | 735,031 |
| All other Expenditures | - | - | - | - |
| Total Special Revenue Funds | <u>2,023,489</u> | <u>2,125,393</u> | <u>2,123,255</u> | <u>2,183,394</u> |
| Total Expenditures | <u>\$ 45,991,132</u> | <u>\$ 47,128,606</u> | <u>\$ 47,928,406</u> | <u>\$ 48,311,090</u> |

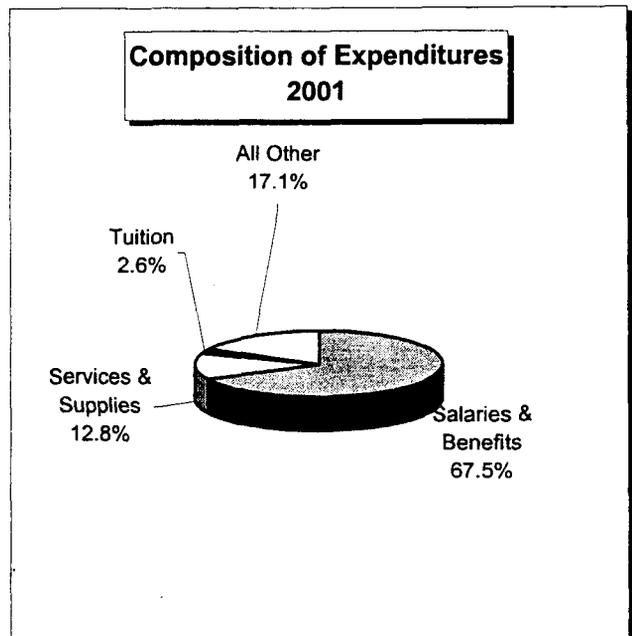
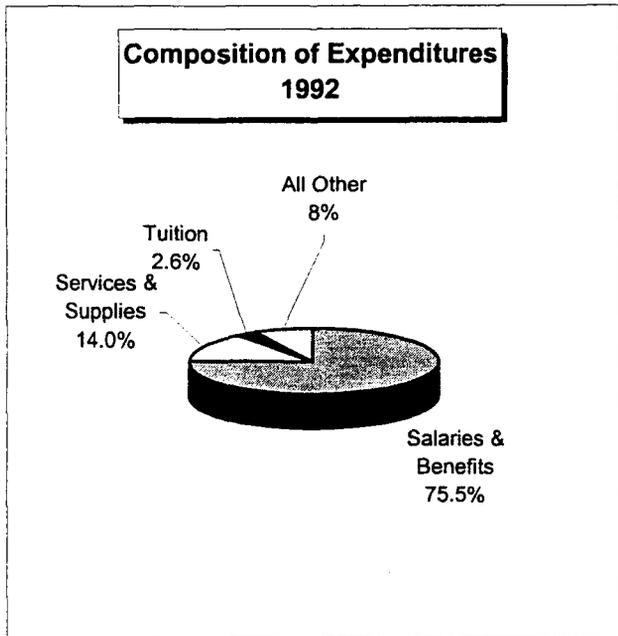
* Amounts for these years are presented on modified accrual basis of accounting.
The remaining years are presented on cash basis of accounting



SOURCE OF INFORMATION: 1992-2001 financial statements

Table 2

| 1996 | 1997 | 1998 | 1999* | 2000* | 2001* |
|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ 36,362,693 | \$ 38,633,138 | \$ 39,957,557 | \$ 42,288,084 | \$ 43,275,241 | \$ 46,416,815 |
| 6,757,618 | 6,970,949 | 7,019,898 | 7,630,972 | 7,883,347 | 8,826,390 |
| 1,529,987 | 1,534,495 | 1,803,302 | 1,759,081 | 1,852,538 | 1,789,999 |
| 5,821,503 | 9,151,493 | 7,334,809 | 5,316,809 | 6,686,458 | 10,127,325 |
| <u>50,471,801</u> | <u>56,290,075</u> | <u>56,115,566</u> | <u>56,994,946</u> | <u>59,697,584</u> | <u>67,160,529</u> |
| 1,462,219 | 1,542,747 | 1,531,357 | 1,573,485 | 1,600,229 | 1,560,922 |
| 843,007 | 963,049 | 1,012,409 | 949,920 | - | - |
| - | - | - | - | 1,637,125 | 1,653,186 |
| <u>2,305,226</u> | <u>2,505,796</u> | <u>2,543,766</u> | <u>2,523,405</u> | <u>3,237,354</u> | <u>3,214,108</u> |
| <u>\$ 52,777,027</u> | <u>\$ 58,795,871</u> | <u>\$ 58,659,332</u> | <u>\$ 59,518,351</u> | <u>\$ 62,934,938</u> | <u>\$ 70,374,637</u> |



FEDERAL COMPLIANCE REPORT

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

August 31, 2001

To the Board of Education
Northfield Township High School District No. 225
1835 Landwehr Road
Glenview, IL 60025

We have audited the combined, combining and individual fund financial statements of Northfield Township High School District No. 225 as of and for the year ended June 30, 2001, and have issued our report thereon dated August 31, 2001. 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.

Compliance

As part of obtaining reasonable assurance about whether Northfield Township High School District No. 225's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Northfield Township High School District No. 225's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the Northfield Township High School District No. 225 Board of Education, management, the Illinois State Board of Education, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.

William F. Gurrie & Co., Ltd.

WILLIAM F. GURRIE & CO., LTD.

MINUTES of a speical public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 29th day of April, 2002.

* * *

The meeting was called to order by the President, and upon the roll being called, Carol Rogal, the President, and the following members at said location answered present: _____

Karen Long, Sarah Beyne, A. Andrew Olson III, Tom Shaer
Elias Matsakis, Donna Torf

The following members were absent: _____

The President announced that a proposal had been received from William Blair & Company, Chicago, Illinois, for the purchase of the District's general obligation limited tax funding and refunding bonds to be issued by the District pursuant to Article 19 of the School Code and that the Board of Education would consider the adoption of a resolution providing for the issue of said bonds and the levy of a direct annual tax to pay the principal and interest thereon.

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

RESOLUTION providing for the issue of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

* * *

WHEREAS, the Board of Education (the "*Board*") of Township High School District Number 225, Cook County, Illinois (the "*District*"), has by resolution (the "*Intent Resolution*") declared its intention to avail of Sections 19-8 to 19-14, inclusive, of the School Code of the State of Illinois, as amended (the "*Act*"), and issue funding bonds of the District in the aggregate principal amount of \$7,400,000 as therein provided for the purpose of paying outstanding and unpaid claims against the District (the "*Claims*"); and

WHEREAS, notice of intention to issue said bonds pursuant to the provisions of said Sections of the Act was published in the *Northbrook Star* and the *Glenview Announcements*, the same being newspapers of general circulation in the District, an affidavit evidencing the publication of such notice of intention, together with a newspaper clipping of such notice as published attached thereto, having heretofore been presented to the Board and made a part of the permanent records of the Board; and

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

WHEREAS, the Claims are in not less than the aggregate amount of \$7,400,000, all as identified and set forth in detail in the Intent Resolution heretofore duly adopted by the Board; and

WHEREAS, there are no funds on hand and available to apply toward the payment of any part of the Claims in the aggregate amount of \$7,400,000; and

WHEREAS, the Board hereby finds that it is authorized at this time to issue said bonds in the aggregate amount of \$7,400,000 for the purpose of paying the Claims; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that \$7,400,000 of said bonds 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 Board, on the 11th day of March, 2002, adopted a resolution calling a public hearing (the "*Hearing*") for the 8th day of April, 2002, 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 *Northbrook Star* and the *Glenview Announcements*, the same being newspapers 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 8th day of April, 2002, 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 8th day of April, 2002; and

WHEREAS, the District has outstanding General Obligation Limited Tax School Bonds, Series 2000A and General Obligation School Bonds (Alternate Revenue Source), Series 2000C (collectively, 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*") in order to restructure the debt burden of the District; and

WHEREAS, the Refunded Bonds shall be fully described in the Escrow Agreement referred to in Section 13 hereof and are presently outstanding and unpaid and are binding and subsisting legal obligations of the District; and

WHEREAS, it is in the judgment of the Board necessary for the refunding of the Refunded Bonds to borrow an amount not to exceed \$5,627,769.20 at this time and issue bonds of the District therefor; and

WHEREAS, it is in the best interest of the District to issue bonds in the amount of \$7,400,000 for paying the Claims and bonds in the amount of \$5,627,769.20 for refunding purposes together as one issue of bonds in an aggregate principal amount of \$13,027,769.20; and

WHEREAS, said bonds shall be issued as limited bonds under the provisions of Section 15.01 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*"), and as such it is not necessary to submit the proposition of the issuance of said 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 225, 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 \$7,400,000 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 paying the Claims, and that the Board has been authorized by law to borrow the sum of \$5,627,769.20 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 \$13,027,769.20 of the bonds so authorized for paying the Claims and for refunding the Refunded Bonds together as one series of bonds.

Section 3. Bond Details. (a) General. There shall be borrowed on the credit of and for and on behalf of the District the sum of \$13,027,769.20 for the purposes aforesaid. The Bonds of the District shall be issued in said amount and shall each be designated “General Obligation Limited Tax Refunding School Bonds, Series 2002.” The Bonds shall be issued in two series, designated as the “General Obligation Limited Tax Refunding School Bonds, Series 2002A” (the “CIBs”), and the “General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B” (the “CABs”).

(b) *CIBs.* The CIBs shall be issued in the amount of \$6,845,000, shall be dated May 1, 2002, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each or authorized integral multiples thereof (but no single CIB shall represent installments of principal maturing on more than one date), and shall be numbered 1 and upward. The CIBs shall become due and payable serially (subject to prior redemption as hereinafter set forth) on December 1 of each of the years, in the amounts and bearing interest per annum as follows:

| YEAR OF MATURITY | PRINCIPAL AMOUNT | RATE OF INTEREST |
|---------------------|---------------------|---------------------|
| 2011 | \$1,605,000 | 4.25% |
| 2012 | 1,665,000 | 4.40% |
| 2013 | 1,740,000 | 4.40% |
| 2014 | 1,695,000 | 4.50% |
| 2015 | 140,000 | 4.60% |

The CIBs 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 CIBs is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being

payable on June 1 and December 1 of each year, commencing on December 1, 2002. Interest on each CIB shall be paid by check or draft of Cole Taylor Bank, Chicago, Illinois, 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 CIB is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the CIBs shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

(c) *CABs*. The CABs shall be issued in the amount of \$6,182,769.20, shall be dated the date of issuance thereof, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of Original Principal Amounts (as defined in the following table) or any integral multiple thereof, each representing Compound Accreted Value (as hereinafter defined) at maturity (the “*Maturity Amount*”) of \$5,000 or any integral multiple thereof (but no single CAB shall represent Compound Accreted Value maturing on more than one date) and shall be numbered 1 and upward. As used herein, the “*Compound Accreted Value*” of a CAB on any date of determination shall be an amount equal to the Original Principal Amount (or integral multiple thereof) plus an investment return accrued to the date of such determination at a semi-annual compounding rate which is necessary to produce the original yield to maturity for such CAB from the date of such CAB. The Compound Accreted Value of a CAB on any June 1 and December 1, commencing on June 1, 2002, is as specifically set forth in *Exhibit A* attached hereto. The Compound Accreted Value of any CAB on a date other than a June 1 or December 1 shall be determined conclusively by the Bond Registrar or a certified public accountant selected by the Bond Registrar by interpolating such Compound Accreted Value, using the straight line method, by reference to the Compound Accreted Values on the respective June 1 or December 1 immediately prior to and immediately subsequent to the date for which such determination is

being made and the number of days elapsed since the respective June 1 or December 1 immediately prior to the date for which such determination is being made, calculated on the basis of a 360 day year consisting of twelve 30-day months. The CABs shall become due (without option of prior redemption) on December 1 of the years, shall bear interest from their date at the rates per annum in each case compounded semi-annually on each June 1 and December 1, commencing on June 1, 2002, which will provide the original yields to maturity until the respective maturity dates thereof, and shall be issued in the Original Principal Amount or any integral multiple thereof each representing \$5,000 Compound Accreted Value at maturity and in total aggregate Original Principal Amounts in each year as follows:

| YEAR OF MATURITY | TOTAL AGGREGATE ORIGINAL PRINCIPAL AMOUNT | PER \$5,000 COMPOUND ACCRETED VALUE AT MATURITY ("ORIGINAL PRINCIPAL AMOUNT") | ORIGINAL YIELD TO MATURITY |
|------------------------|---|---|----------------------------------|
| 2011 | \$ 80,058.75 | \$3,202.35 | 4.73% |
| 2012 | 81,669.60 | 3,024.80 | 4.83% |
| 2013 | 73,973.90 | 2,845.15 | 4.95% |
| 2014 | 136,164.90 | 2,669.90 | 5.07% |
| 2015 | 942,368.05 | 2,499.65 | 5.19% |
| 2016 | 948,920.50 | 2,331.50 | 5.32% |
| 2017 | 889,539.20 | 2,185.60 | 5.40% |
| 2018 | 833,943.00 | 2,049.00 | 5.47% |
| 2019 | 779,425.35 | 1,915.05 | 5.55% |
| 2020 | 731,277.25 | 1,796.75 | 5.60% |
| 2021 | 685,428.70 | 1,684.10 | 5.65% |

Interest on the CABs shall be payable only at the respective maturity dates thereof.

The Compound Accreted Value of the CABs at maturity shall be payable in lawful money of the United States of America upon presentation and surrender of the Bonds at the principal corporate trust office of the Bond Registrar.

(d) *Execution of Bonds.* 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 or such other authorized person as the officers of the District may designate 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 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 series and maturity of authorized denominations, for a like aggregate principal amount with respect to the CIBs and for a like aggregate Original Principal Amount with respect to the CABs. Any fully registered CIB or CIBs may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of CIB or CIBs of the same maturity of other authorized denominations. Any fully registered CAB or CABs may be exchanged at said office of the Bond Registrar for a like aggregate Original Principal Amount of CAB or CABs 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 original principal amount of outstanding Bonds of each series and maturity authenticated by the Bond Registrar shall not exceed the authorized original principal amount of Bonds for such series and 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 calendar month next preceding any payment date on such Bond and ending on such payment date, nor to transfer or exchange any CIB after notice calling such CIB for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any CIBs.

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, interest on, Compound Accreted Value of or redemption price of any Bond (the "*Payment Amount*") shall be made only to or upon the order of the registered owner thereof or his 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 CIB or CIBs for the unredeemed portion of a CIB 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 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 the Payment Amount 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 Payment Amount 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 the Payment Amount 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 the Payment Amount 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 Payment Amount 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 the Payment Amount 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 to the registered owners of the CIBs at the close of business on the 15th day of the month next preceding the applicable 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 the Payment Amount on such Bond and all notices with respect to such Bond shall be made and given, respectively, in the name provided in the Representation Letter.

Section 5. Redemption. The CIBs maturing on and after December 1, 2013, shall be subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the CIBs of a single maturity to be selected by the Bond Registrar), on December 1, 2012, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The CIBs 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 CIBs to be redeemed. For purposes of any redemption of less than all of the outstanding CIBs of a single maturity, the particular CIBs or portions of CIBs to be redeemed shall be selected by lot not more than sixty (60) days prior to the redemption date by the Bond Registrar, 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 CIBs or portions of CIBs in principal amounts of \$5,000 and integral multiples thereof.

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

Section 6. Redemption Procedure. Unless waived by any holder of CIBs 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 CIB or CIBs 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 CIBs are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the CIBs to be redeemed,

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

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

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

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

Notice of redemption having been given as aforesaid, the CIBs or portions of CIBs 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 CIBs or portions of CIBs shall cease to bear interest. Upon surrender of such CIBs for redemption in accordance with said notice, such CIBs 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 CIB, there shall be prepared for the registered holder a new CIB or CIBs of the same maturity in the amount of the unpaid principal.

If any CIB or portion of CIB 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 CIB or portion of CIB so called for redemption. All CIBs which have been redeemed shall be cancelled and destroyed by the Bond Registrar and shall not be reissued.

Section 7. Form of Bond. (a) *Form of CIBs.* The CIBs shall be in substantially the following form; *provided, however,* that if the text of the CIB is to be printed in its entirety on the front side of the CIB, 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 225

GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BOND, SERIES 2002A

See Reverse Side for
Additional Provisions

Interest _____ Maturity _____ Dated _____
Rate: _____% Date: December 1, 20__ Date: May 1, 2002 CUSIP _____

Registered Owner: CEDE & Co.

Principal Amount:

[1] KNOW ALL MEN BY THESE PRESENTS, that Township High School District Number 225, 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 December 1, 2002, 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 Cole Taylor Bank, Chicago, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered Owner hereof as shown on the registration books of the District maintained by the Bond Registrar at the close of business on the

15th day of the month next preceding each interest payment date and shall be paid by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar.

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

[3] It is hereby certified and recited that all conditions, acts and things required by law to exist or to be done precedent to and in the issuance of this Bond did exist, have happened, been done and performed in regular and due form and time as required by law; that the indebtedness of the District, including the issue of bonds of which this is one, does not exceed any limitation imposed by law; and that provision has been made for the collection of a direct annual tax to pay the interest hereon as it falls due and also to pay and discharge the principal hereof at maturity. Although this Bond constitutes a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Law*"). The Law provides that the annual amount of the taxes to be extended to pay the issue of bonds of which this Bond is one and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) 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 225, Cook County, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signature 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

Registered, Numbered and Countersigned:

Secretary, Board of Education

School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
Cole Taylor Bank
Chicago, Illinois

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation Limited Tax Refunding School Bonds, Series 2002A, of Township High School District Number 225, Cook County, Illinois.

COLE TAYLOR BANK
as Bond Registrar

By _____
Authorized Signer

[Form of Bond - Reverse Side]

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225

COOK COUNTY, ILLINOIS

GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BOND, SERIES 2002A

[6] This Bond is one of a series of bonds issued by the District to pay claims against the District and refund certain currently 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] Bonds of the issue of which this Bond is one maturing on and after December 1, 2013, are subject to redemption prior to maturity at the option of the District as a whole, or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all the Bonds of a single maturity to be selected by lot by the Bond Registrar), on December 1, 2012, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

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

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

[10] The Bonds are issued in fully registered form in the denomination of \$5,000 each or authorized integral multiples thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate principal amount of Bonds of the same maturity of other authorized denominations, upon the terms set forth in the authorizing resolution. The Bond Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the 15th day of the month next preceding any interest payment date on such Bond and ending on such interest payment date nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

(b) *Form of CABs.* The CABs shall be in substantially the same form as the CIBs hereinabove set forth, except that the heading of the front side of the CABs and paragraphs [1], [3], [7], [8] and [9] shall be substantially the following form, and paragraphs [10] and [11] shall be deleted and such other changes shall be made in the form of the Bond for the CABs in order to conform the same to the provisions of this Resolution:

(Form of CAB - Front Side)

REGISTERED
No. _____

REGISTERED
\$ _____
COMPOUND ACCRETED
VALUE AT MATURITY
("MATURITY AMOUNT")

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTY OF COOK

TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225

**GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION REFUNDING SCHOOL
BOND, SERIES 2002B**

| |
|---|
| See Reverse Side for Additional Provisions |
|---|

ORIGINAL
YIELD TO
MATURITY

MATURITY
DATE

DATED
DATE

ORIGINAL
PRINCIPAL
AMOUNT

CUSIP

_____%

December 1, 20__

\$ _____

Registered Owner: CEDE & CO.

[1] KNOW ALL MEN BY THESE PRESENTS, that Township High School District Number 225, 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 Maturity Amount identified above. The amount of interest payable on this Bond on the Maturity Date hereof is the amount of interest accrued from the Dated Date hereof at a semi-annual compounding rate necessary to produce the Original Yield to Maturity set forth above, compounded semi-annually on each June 1 and December 1, commencing June 1, 2002. The Maturity Amount 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 Cole Taylor Bank, Chicago, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). The Compound Accreted Value of this Bond on June 1 and December 1 of each year, commencing June 1, 2002, determined by the semi-annual compounding described in this paragraph, shall be as set forth in the table of Compound Accreted Values attached of the resolution of the Board of Education of the District providing for the issuance hereof.

[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 Maturity Amount when due. 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*") less the amount extended to pay certain other non-referendum bonds heretofore and hereafter issued by the District, 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 and additional non-referendum bonds payable from property taxes unlimited as to rate or amount, 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.

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

[8] The Bonds are issued in fully registered form in an Original Principal Amount representing \$5,000 Maturity Amount or any integral multiple thereof. This Bond may be exchanged at the principal corporate trust office of the Bond Registrar for a like aggregate Original 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 fifteenth day of the calendar month next preceding any payment date on such Bond and ending on such payment date.

[9] 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 the Maturity Amount hereof and for all other purposes, and neither the District nor the Bond Registrar shall be affected by any notice to the contrary.

Section 8. Sale of Bonds. The Bonds hereby authorized shall be executed as in this Resolution provided as soon after the passage hereof as may be, and thereupon be deposited with the School Treasurer who receives the taxes of the District, and be by said Treasurer delivered to William Blair & Company, a limited liability company, Chicago, Illinois (the "*Purchaser*"), upon receipt of the purchase price therefor, the same being \$6,796,801.30, plus accrued interest to date of delivery for the CIBs, and \$6,090,027.66 for the CABs; the contract for the sale of the Bonds heretofore entered into (the "*Purchase Contract*") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract; and the Bonds before being issued shall be registered, numbered and countersigned by said Treasurer, such registration being made in a book provided for that purpose, in which shall be entered the record of the 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: |
|--------------|---|
| 2002 | \$ 300,747.50 for interest and principal up to and including December 1, 2003 |
| 2003 | \$ 300,747.50 for interest and principal |
| 2004 | \$ 300,747.50 for interest and principal |
| 2005 | \$ 300,747.50 for interest and principal |
| 2006 | \$ 300,747.50 for interest and principal |
| 2007 | \$ 300,747.50 for interest and principal |
| 2008 | \$ 300,747.50 for interest and principal |
| 2009 | \$ 300,747.50 for interest and principal |
| 2010 | \$2,030,747.50 for interest and principal |
| 2011 | \$2,032,535.00 for interest and principal |
| 2012 | \$2,029,275.00 for interest and principal |
| 2013 | \$2,032,715.00 for interest and principal |
| 2014 | \$2,031,440.00 for interest and principal |
| 2015 | \$2,035,000.00 for interest and principal |
| 2016 | \$2,035,000.00 for interest and principal |
| 2017 | \$2,035,000.00 for interest and principal |
| 2018 | \$2,035,000.00 for interest and principal |
| 2019 | \$2,035,000.00 for interest and principal |
| 2020 | \$2,035,000.00 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 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 2002 to 2020, inclusive, ascertain the rate necessary to produce the tax herein levied, and extend the same for collection on the tax books against all of the taxable property within the District in connection with other taxes levied in each of said years for school purposes, in order to raise the respective amounts aforesaid and in each of said years such annual tax shall be computed, extended and collected in the same manner as now or hereafter provided by law for the computation, extension and collection of taxes for general school purposes of the District, and when collected, the taxes hereby levied shall be placed to the credit of a special fund to be designated "School Bond and Interest Fund of 2002" (the "*Bond Fund*" or the "*Escrow Account*"), 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 2002 to 2012, inclusive, to pay the Refunded Bonds, all as provided by Section 19-23 of the Act.

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*”) less the amount extended to pay (a) the District’s outstanding School Bonds, Series 1994 and (b) unlimited tax bonds issued to refund such bonds described in (a).

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 General Obligation Limited Tax School Bonds, Series 2000, not being refunded by the Bonds. 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 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 years 2000 and 2001 for

such purposes, 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 13 hereof, the same shall be deposited into the Escrow Account and used to pay principal and interest on the Bonds in accordance with all of the provisions of this Resolution.

Section 13. Use of Bond Proceeds. Accrued interest received on the delivery of the Bonds shall be and is hereby appropriated for the purpose of paying first interest due on the Bonds and, to that end, is hereby ordered deposited into the Bond Fund, which fund shall be the fund for the payment of principal of and interest on the Bonds. The principal proceeds of the sale of the Bonds shall be devoted to and used with due diligence for the purposes for which the Bonds are hereby authorized to be issued.

Simultaneously with the delivery of the Bonds, the principal proceeds of the Bonds and the premium received on the delivery of the Bonds, together with such additional amounts as may be necessary from the general funds of the District, are hereby appropriated for and shall be used for payment of expenses of issuing the Bonds and shall be deposited in escrow as hereafter authorized by the Board for the purpose of paying the principal of and interest on the Refunded Bonds as such become due at and prior to maturity.

The District and the Board hereby covenant that all of the proceeds of the Bonds shall be used in strict compliance with all the requirements of the Act.

Section 14. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to

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

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

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

“*Closing*” means the first date on which the District is receiving the purchase price for the Bonds.

“*Code*” means the Internal Revenue Code of 1986, as amended.

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

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

- (a) to approve and to remove without cause a controlling portion of the governing body of a Controlled Entity; or
- (b) to require the use of funds or assets of a Controlled Entity for any purpose.

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

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

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

“Costs of Issuance” means the costs of issuing the Bonds, including underwriters’ discount and legal fees.

“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 Cole Taylor Bank, Chicago, Illinois, 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 and the Escrow Account.

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

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

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

“Private Business Use” means any use of the 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 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 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 Prior Project that is not available for use by the general public.

“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, 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, including the Claims, as more particularly described in the preambles hereof.

“Prior Project” means the facilities financed, directly or indirectly with the proceeds of the Prior Bonds.

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

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

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

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

“Refunded Bonds” means those certain Prior Bonds being refunded by the 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.

“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 Prior Bond Proceeds, plus investment earnings thereon, which have not been spent prior to the date principal on the Refunded Bonds is discharged by the Bonds.

“Verification Report” means the verification report and opinion of the Verifier concerning the Yield on the Bonds and the Government Securities.

“Verifier” means Causey, Demgen & Moore, Inc., Certified Public Accountants, Denver, Colorado.

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

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

2.1. Purpose of the Bonds. The Bonds are being issued solely and exclusively to refund in advance of maturity the Refunded Bonds in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Resolution. 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.

2.2. Bond Fund Investment. 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 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 Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

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

2.4. *Working Capital.* All Sale Proceeds and investment earnings thereon will be used, directly or indirectly, to pay principal of, interest on and redemption premium on (if any) of the Refunded Bonds, other than the following:

- (a) payments of interest on 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;
- (b) Costs of Issuance and Qualified Administrative Costs of Investments;
- (c) payments of rebate or Yield Reduction Payments made to the United States under the Regulations;
- (d) principal of or interest on the Bonds paid from unexpected excess Sale Proceeds and investment earnings thereon; and
- (e) fees for a qualified guarantee within the meaning of Treas. Reg. Section 1.148-4(f).

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

2.6. *Investment of Bond Proceeds.* No portion of the Bonds is being issued solely for the purpose of investing a portion of Sale Proceeds or investment earnings thereon at a Yield higher than the Yield on the Bonds.

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

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

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

2.10. *Abusive Transactions.* Neither the District nor any member of the same Controlled Group as the District has employed a device or entered into any arrangements or understandings in connection with the issuance of the Bonds, the advance refunding of

the Refunded Bonds, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the advance refunding of the Refunded Bonds, to obtain a material financial advantage based on arbitrage. Neither the District nor any member of the same Controlled Group as the District will realize any material financial advantage based on arbitrage in connection with the issuance of the Bonds or the advance refunding of the Refunded Bonds, or in connection with any transaction or series of transactions related to the issuance of the Bonds or the advance refunding of the Refunded Bonds. In particular, 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.

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

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

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

(d) Any Costs of Issuance incurred in connection with the issuance of the Bonds to be paid by the District will be paid at the time of Closing.

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

3.3. *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, not all of the Prior Bond Proceeds, including investment earnings thereon, were completely spent.

(b) As of the date hereof, no Prior Bond Proceeds (except for amounts in the project fund yet to be expended on the Prior Project) 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.

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 based on the Verification Report.

(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.

3.5. *No Other Gross Proceeds.* (a) Except for the Bond Fund and except for investment earnings that have been commingled as described in paragraph 2.2 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the

Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

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

(iii) 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 remaining economic life of the Prior Project is at least 20 years. The weighted average maturity of the Bonds does not exceed 14 years and does not exceed 120 percent of the average reasonably expected economic life of 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 paragraph 2.1 hereof.

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

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

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

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

4.4. *Fair Market Value; Certificates of Deposit and Investment Agreements.* The District will continuously invest all amounts on deposit in the Rebate Fund, together with the amounts, if any, to be transferred to the Rebate Fund, in any investment permitted under this Resolution. The District shall take into account prudent investment standards and the date on which such moneys may be needed. Except as provided in the next sentence, all amounts that constitute Gross Proceeds and all amounts in the Rebate Fund shall be invested at all times to the greatest extent practicable, and no amounts may be held as cash or be invested in zero yield investments other than obligations of the

United States purchased directly from the United States. In the event moneys cannot be invested, other than as provided in this sentence due to the denomination, price or availability of investments, the amounts shall be invested in an interest bearing deposit of a bank with a yield not less than that paid to the general public or held uninvested to the minimum extent necessary.

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

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

(b) Investments in GICs shall be made only if

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

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

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

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

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

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

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

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

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

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

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

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

(i) a copy of the GIC;

(ii) the receipt or other record of the amount actually paid for the GIC, including a record of any administrative costs paid, and the certification under paragraph (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 Section and United States Treasury obligations that are purchased directly from the United States Treasury, only investments that are traded on an established securities market, within the meaning of regulations promulgated under Section 1273 of the Code, will be purchased with Gross Proceeds. In general, an “established securities market” includes: (i) property that is listed on a national securities exchange, an interdealer quotation system or certain foreign exchanges; (ii) property that is traded on a Commodities Futures Trading Commission designated board of trade or an interbank market; (iii) property that appears on a quotation medium; and (iv) property for which price quotations are readily available from dealers and brokers. A debt instrument is not treated as traded on an established market solely because it is convertible into property which is so traded.

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

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

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

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

5.1. Issue Price. For purposes of determining the Yield on the Bonds, the purchase price of the Bonds is equal to the first offering price (including accrued interest) at which the Purchaser sold at least ten percent of the principal amount of each maturity of the Bonds to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). All of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) at prices equal to those set

forth in the Official Statement. Based upon prevailing market conditions, such prices are not less than the fair market value of each Bond as of the sale date for the Bonds.

5.2. *Yield Limits.* (a) Except as provided in paragraph (b) or (c), all Gross Proceeds shall be invested at market prices and at a Yield (after taking into account any Yield Reduction Payments) not in excess of the Yield on the Bonds.

The following may be invested without Yield restriction:

- (b) (i) amounts on deposit in the Bond Fund (except for capitalized interest) that have not been on deposit under the Resolution for more than 13 months, so long as the Bond Fund continues to qualify as a bona fide debt service fund as described in paragraph 3.2 hereof;
- (ii) An amount not to exceed the lesser of \$100,000 or five percent of the Sale Proceeds;
- (iii) amounts invested in Qualified Tax Exempt Obligations (to the extent permitted by law and this Resolution);
- (iv) amounts in the Rebate Fund;
- (v) all amounts other than Sale Proceeds for the first 30 days after they become Gross Proceeds; and
- (vi) all amounts derived from the investment of Sale Proceeds or investment earnings thereon for a period of one year from the date received.

5.3. *Yield Limits on Prior Bonds 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.

5.4. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.7 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

5.5. *Federal Guarantees.* Except for investments meeting the requirements of paragraph 5.2(b) hereof, investments of Gross Proceeds shall not be made in (a) investments constituting obligations of or guaranteed, directly or indirectly, by the United States (except obligations of the United States Treasury or investments in obligations issued pursuant to Section 21B(d)(3) of the Federal Home Loan Bank, as amended (*e.g.*, Refcorp Strips)); or (b) federally insured deposits or accounts (as defined in Section 149(b)(4)(B) of the Code). Except as otherwise permitted in the immediately prior sentence and in the Regulations, no portion of the payment of principal or interest on the Bonds or any credit enhancement or liquidity device relating to the foregoing is or

will be guaranteed, directly or indirectly (in whole or in part), by the United States (or any agency or instrumentality thereof), including a lease, incentive payment, research or output contract or any similar arrangement, agreement or understanding with the United States or any agency or instrumentality thereof. No portion of the Gross Proceeds has been or will be used to make loans the payment of principal or interest with respect to which is or will be guaranteed (in whole or in part) by the United States (or any agency or instrumentality thereof). Neither this paragraph nor paragraph 5.5 hereof applies to any guarantee by the Federal Housing Administration, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Government National Mortgage Association, the Student Loan Marketing Association or the Bonneville Power Administration pursuant to the Northwest Power Act (16 U.S.C. 839d) as in effect on the date of enactment of the Tax Reform Act of 1984.

5.6. *Escrow Yield.* The Yield on the Government Securities purchased with Sale Proceeds of the Bonds, taking into account any Transferred Proceeds, has been computed by the Purchaser and verified by the Verifier to be not greater than the Yield on the Bonds computed by the Purchaser and verified by the Verifier.

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, 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 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 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.

(e) No more than the lesser of five percent of each issue of the Prior Bonds or \$5,000,000 of the proceeds of each issue of the Prior Bonds were used or will be used to provide professional sports facilities. For purposes of this paragraph, the term “professional sports facilities” (i) means real property or related improvements used for professional sports exhibitions, games or training, regardless of whether the admission of the public or press is allowed or paid and (ii) includes any use of a facility that generates a direct or indirect monetary benefit (other than reimbursement for out-of-pocket expenses) for a person who uses such facilities for professional sport exhibitions, games or training.

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

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

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

7.3. *No Sale of the Prior Project.* (a) Other than as provided in the next sentence, neither 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 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.

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

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

7.6. First Amendment. The District acknowledges and agrees that it will not use, or allow 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.

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

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

7.9. *Excess Proceeds.* Gross Proceeds 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 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 Bonds and interest on 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 Bonds;
- (iv) payment of administrative costs allocable to repaying the Refunded Bonds, carrying and repaying the Bonds or investments of the Bonds;
- (v) Prior Bond Proceeds that will be used or maintained for the governmental purpose of the Refunded Bonds;
- (vi) interest on purpose investments;
- (vii) amounts that will be used or maintained for the governmental purpose of the Bonds; and
- (viii) costs of the Credit Facility allocable to the Bonds.

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

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

The District also agrees and covenants with the purchasers and holders of the Bonds from time to time outstanding that, to the extent possible under Illinois law, it will comply with

whatever federal tax law is adopted in the future which applies to the Bonds and affects the tax-exempt status of the Bonds.

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest 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. 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 16. 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 CIBs as provided herein;

(d) to cancel and/or destroy Bonds which have been paid at maturity (or upon earlier redemption for the CIBs) 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.

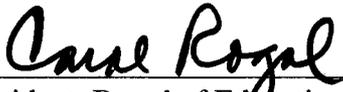
Section 17. Continuing Disclosure Undertaking. The President of the Board is hereby authorized, empowered and directed to execute and deliver a Continuing Disclosure Undertaking under Section (b)(5) of Rule 15c2-12 adopted by the Securities and Exchange Commission pursuant to the Securities Exchange 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 18. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or

unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 19. Repeal. All resolutions or parts thereof in conflict herewith be and the same are hereby repealed, and this Resolution shall be in full force and effect forthwith upon its adoption.

Adopted April 29, 2002.



President, Board of Education



Secretary, Board of Education

Member Olson moved and Member Torf

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

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

Upon the roll being called, the following members voted

AYE: Rogal, Long, Beyne, Olson, Shaer, Matsakis, Torf

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 225, 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

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 225, Cook County, Illinois (the "Board"), and as such official I am the keeper of the records and files of the Board.

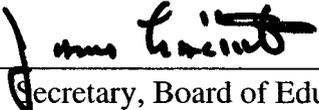
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 29th day of April, 2002, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

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

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that said agenda contained a separate specific item concerning the proposed adoption of said resolution, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the Act 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 29th day of April, 2002.


Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

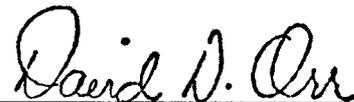
FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Cook, Illinois, and as such official I do further certify that on the 20th day of May, 2002, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Education of Township High School District Number 225, Cook County, Illinois, on the 29th day of April, 2002, 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 20th day of May, 2002.



County Clerk of The County of Cook,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

FILING CERTIFICATE

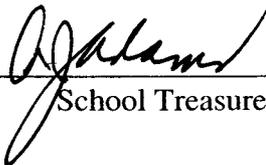
I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 225, Cook County, Illinois, and as such official I do further certify that on the 29th day of April, 2002, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal and interest on said bonds.

duly adopted by the Board of Education of said School District on the 29th day of April, 2002, 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 General Obligation Limited Tax School Bonds, Series 2000A and General Obligation School Bonds (Alternate Revenue Source), Series 2000C, of the District set forth in the Escrow Agreement referred to in Section 13 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 29th day of April, 2002.



School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

SPECIAL MEETING CERTIFICATE

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 225, Cook County, Illinois (the "Board"), and as such official I do further certify as follows:

1. That on the 25th day of April, 2002, a special meeting of the Board was called for the 29th day of April, 2002 (the "Meeting"), by the President or by three (3) members of the Board by giving notice thereof in writing, stating the time, place and purpose of the Meeting, and including the agenda for the Meeting (the "Board Notice").

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

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

4. That attached hereto as *Exhibit 1* is a true, correct and complete copy of the Board Notice.

5. That on the 25th day of April, 2002, public notice of the Meeting, including the agenda for the Meeting, was posted at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, the same being the principal office of the Board (the "Public Notice").

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

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

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

IN WITNESS WHEREOF, I hereunto affix my official signature, this 20th day of May, 2002.



Secretary, Board of Education

PUBLIC NOTICE

The Board of Education, Northfield Township High School District #225 has scheduled a special Board meeting for Monday, April 29, 2002 at 7:30 p.m. The agenda for the special meeting is attached to this notice.

A summary of the announced meetings of the Board of Education for the months of April and May is:

| | | |
|------------------------|-----------|-----------------------|
| Monday, April 29, 2002 | 7:30 p.m. | Special Board Meeting |
| Monday, May 13, 2002 | 7:30 p.m. | Regular Board Meeting |
| Tuesday, May 28, 2002 | 7:30 p.m. | Regular Board Meeting |

All of the above referenced meetings will be held in the Board Room in the Glenbrook Administration Building, 1835 Landwehr Road, Glenview. The meetings will be open to the public, with the exception of the closed sessions.

**CAROL ROGAL
BOARD PRESIDENT**

**JAMES LACIVITA
BOARD SECRETARY**

Dated this 25th day of April, 2002.

BOARD OF EDUCATION

GLENBROOK HIGH SCHOOLS
1835 Landwehr Road
Glenview, IL 60025

April 29, 2002 – 7:30 p.m.

SPECIAL MEETING

AGENDA

1. Call to Order
2. Approval of Agenda for This Meeting
3. Recognition of Community Visitors for Comments Limited to Topics on this Agenda
4. Introduction of Students and Staff Who Excel
5. Approval of Price Series 2002 Funding and Refunding Bonds
6. Discussion/Approval of Resignations and Appointments
7. Focus on Education: Mathematics Curriculum:
 - Current course offerings
 - Areas of curriculum revision
 - Method for ongoing curriculum
 - Collaboration efforts
 - Student achievement
 - Routine articulation efforts
 - Major township articulation initiative
8. Adjournment (10 p.m.)

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 225, 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, Carol Royal, do hereby certify under oath, that the following is my manual signature:

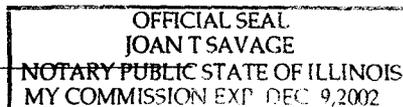
Carol Royal
President, Board of Education

Subscribed and sworn to before me
this 9th day of October, 2000.

Joan T. Savage
Notary Public

My commission expires: _____

(NOTARY SEAL)



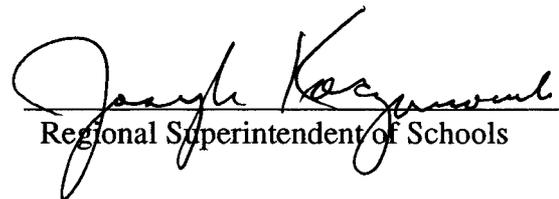
FILED
INDEX DEPARTMENT
OCT 23 2000
IN THE OFFICE OF
SECRETARY OF STATE

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Regional Superintendent of Schools for the Regional Office of Education serving the Educational Service Region consisting of that portion of Cook County, Illinois, outside a city of 500,000 or more population, and as such official I do further certify that the records of my office do evidence that Township High School District Number 225, Cook County, Illinois, or any part thereof, is not involved in any manner whatsoever in any proceedings to organize a new School District, a Community Consolidated School District, a Community Unit School District or a Combined School District pursuant to the provisions of Articles 7A, 11A, 11B or 11D of the School Code of the State of Illinois, as amended, or of any other provision of said Code.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 5th day of May, 2002.


Regional Superintendent of Schools

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

NO PETITION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer of Township Number 42, Range Number 12, 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 225, 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 13th day of May, 2002.



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

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

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

We, the undersigned, being authorized and directed to sign the bonds hereinafter described, do hereby certify that we are now and were at the time of signing said bonds the duly qualified and acting officials of Township High School District Number 225, Cook County, Illinois (the "*District*"), as indicated by the titles appended to our respective signatures, and that as such officials we have executed \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of the District (the "*Bonds*"), in two series as follows:

(a) \$6,845,000 General Obligation Limited Tax Refunding School Bonds, Series 2002A (the "*Series A Bonds*") dated May 1, 2002, 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 |
|------------------|------------------|------------------|
| 2011 | \$1,605,000 | 4.25% |
| 2012 | 1,665,000 | 4.40% |
| 2013 | 1,740,000 | 4.40% |
| 2014 | 1,695,000 | 4.50% |
| 2015 | 140,000 | 4.60% |

; and

(b) \$6,182,769.20 General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B, dated the date hereof, fully registered and without coupons, due serially on December 1 of the years and as further described as follows:

ORIGINAL PRINCIPAL AMOUNT

| YEAR OF MATURITY | TOTAL | PER \$5,000 COMPOUND ACCRETED VALUE AT MATURITY | ORIGINAL YIELD TO MATURITY |
|------------------------|--------------|--|----------------------------------|
| 2011 | \$ 80,058.75 | \$3,202.35 | 4.73% |
| 2012 | 81,669.60 | 3,024.80 | 4.83% |
| 2013 | 73,973.90 | 2,845.15 | 4.95% |
| 2014 | 136,164.90 | 2,669.90 | 5.07% |
| 2015 | 942,368.05 | 2,499.65 | 5.19% |
| 2016 | 948,920.50 | 2,331.50 | 5.32% |
| 2017 | 889,539.20 | 2,185.60 | 5.40% |
| 2018 | 833,943.00 | 2,049.00 | 5.47% |
| 2019 | 779,425.35 | 1,915.05 | 5.55% |
| 2020 | 731,277.25 | 1,796.75 | 5.60% |
| 2021 | 685,428.70 | 1,684.10 | 5.65% |

the Series A Bonds due on or after December 1, 2013, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Series A Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2012, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

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

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

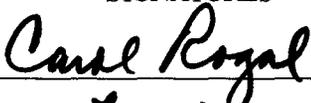
We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the Board of Education of the District in Section 14 of the resolution adopted on the 29th day of April, 2002, authorizing the Bonds (the "*Resolution*") are still reasonable and true; that the foregoing certification is based in part upon the amounts set forth in said section of the Resolution having actually been received and paid into the various funds and accounts of the District as set forth in said section; that the undersigned have reviewed the facts, estimates and circumstances in existence on the date hereof and such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in said section; that said facts and estimates are true and are not incomplete in any material respect; and that such expectations are reasonable and

there are no other facts, estimates or circumstances that would materially change such expectations.

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

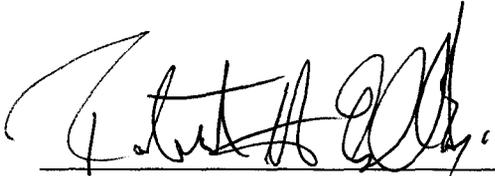
We do further certify that the District is in compliance with each and every undertaking previously entered into by it pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 20th day of May, 2002.

| SIGNATURES | OFFICIAL TITLES |
|--|-------------------------------|
|  _____ | President, Board of Education |
|  _____ | Secretary, Board of Education |
|  _____ | School Treasurer |

I do hereby certify that I am general counsel of Township High School District Number 225, Cook County, Illinois, and that I am personally acquainted with the officials whose signatures appear above and that I know that they are now and were at the time of signing the Bonds the duly qualified and acting officials of the District, as indicated by the titles appended to their respective signatures, and I do hereby identify said signatures, together with those on the Bonds, as being in all respects true and genuine.

DATED as of the date shown hereinabove.



TREASURER'S RECEIPT

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Township High School District Number 225, Cook County, Illinois (the "*District*"), and as such official I do further certify as follows:

1. That \$13,027,769.20 General Obligation Limited Tax Refunding School Refunding Bonds, Series 2002, of the District (the "*Bonds*"), fully registered and without coupons, have been delivered to the purchaser thereof, namely, William Blair & Company, a limited liability company, 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 \$12,886,828.96, plus accrued interest to date of delivery.

2. That the total aggregate indebtedness of the District, howsoever evidenced and howsoever incurred, including the Bonds but not including (i) the hereinafter defined Refunded Bonds or (ii) (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Act*"), does not exceed the sum of \$25,139,763.

3. That no taxes, other than a designated revenue source, have ever been extended to pay (alternate or double-barrelled) bonds issued by the District pursuant to Section 15 of the Act.

4. 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.

5. 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 (net of underwriter's discount), along with \$124,000 of lawfully available moneys, as follows:

- (a) In escrow with Cole Taylor Bank, Chicago, Illinois (the "*Escrow Agent*"), pursuant to an Escrow Agreement, dated as of May 1, 2002, by and between the District and the Escrow Agent (the "*Agreement*")..... \$12,934,444.77
- (b) To paying the expenses of issuing the Bonds \$76,384.19
- (c) In the School Bond and Interest Sinking Fund Account of 2002 of the District (the "*Bond Fund*")..... \$15,872.78

6. 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*").

7. 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.

8. That in addition to the Bonds, the only outstanding bond issue of the District that includes bonds issued by the District without referendum, but not including (alternate or double-barrelled) bonds issued under Section 15 of the Act or refunding obligations issued to refund or continue to refund obligations initially issued pursuant to referendum, is as follows:

| DESCRIPTION OF BONDS | ORIGINAL PRINCIPAL AMOUNT | PRINCIPAL AMOUNT OUTSTANDING |
|--|---------------------------|------------------------------|
| School Bonds, Series 1994 | \$ 4,100,000 | \$2,575,000 |
| General Obligation Limited Tax School Bonds, Series 2000A | \$11,300,000 | \$5,835,000 |
| General Obligation Limited Tax Capital Appreciation School Bonds, Series 2000B | \$3,701,993.25 | \$3,701,993.25 |

IN WITNESS WHEREOF, I hereunto affix my official signature, this 20th day of May, 2002.



 School Treasurer

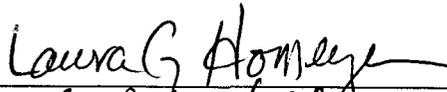
6. That the Bond Registrar acknowledges receipt of a certified copy of the Bond Resolution.

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this 20th day of May, 2002.

COLE TAYLOR BANK
Chicago, Illinois

By 
Its VICE PRESIDENT

Attest:


Its Corp. Trust Officer

(SEAL OF BOND REGISTRAR)

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

This Continuing Disclosure Undertaking (this "*Agreement*") is executed and delivered by Township High School District Number 225, Cook County, Illinois (the "*District*"), in connection with the issuance of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002. The Bonds are being issued in two series, designated as the "General Obligation Limited Tax Refunding School Bonds, Series 2002A" (the "*Series A Bonds*"), and the "General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B" (the "*Series B Bonds*") (collectively, the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 29th day of April, 2002 (the "*Resolution*").

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

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

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

Annual Financial Information is defined in the Official Statement.

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

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

Commission means the Securities and Exchange Commission.

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

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

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

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

MSRB means the Municipal Securities Rulemaking Board.

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

Bloomberg Municipal Repositories
100 Business Park Drive
Skillman, NJ 08558
Phone: (609) 279-3225
Fax: (609) 279-5962
E-Mail: Munis@Bloomberg.com

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

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

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

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

Official Statement means the Final Official Statement, dated April 29, 2002, and relating to the Bonds.

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

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

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

State means the State of Illinois.

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

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*.

4. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to each NRMSIR and to the SID, if any. The District is required to deliver such information in such manner and by such time so that such entities receive the information by the dates specified.

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

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

5. MATERIAL EVENTS DISCLOSURE. Subject to Section 9 of this Agreement, the District hereby covenants that it will disseminate in a timely manner Material Events Disclosure to each NRMSIR or to the MSRB and to the SID, if any. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

6. DUTY TO UPDATE NRMSIRs/SID. The District shall determine, in the manner it deems appropriate, the names and addresses of the then existing NRMSIRs and SID each time it is required to file information with such entities.

7. CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION. The District shall give notice in a timely manner to each NRMSIR or to the MSRB and to the SID, if any, of any failure to provide Annual Financial Information Disclosure when the same is due hereunder.

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

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

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

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

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

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

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

11. ADDITIONAL INFORMATION. Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a Material Event, in addition to that which is required by this Agreement. If the District chooses to include any information from any document or notice of occurrence of a Material Event in addition to that

which is specifically required by this Agreement, the District shall have no obligation under this Agreement to update such information or include it in any future disclosure or notice of occurrence of a Material Event.

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

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

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

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

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 225, COOK COUNTY,
ILLINOIS

By 
President, Board of Education

Date: May 20, 2002

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

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

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

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

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

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

1. Principal and interest payment delinquencies
2. Non-payment related defaults
3. Unscheduled draws on debt service reserves reflecting financial difficulties
4. Unscheduled draws on credit enhancements reflecting financial difficulties
5. Substitution of credit or liquidity providers, or their failure to perform
6. Adverse tax opinions or events affecting the tax-exempt status of the security
7. Modifications to the rights of security holders
8. Bond calls
9. Defeasances
10. Release, substitution or sale of property securing repayment of the securities
11. Rating changes

**EXHIBIT III
CUSIP NUMBERS**

| YEAR OF MATURITY | CUSIP NUMBER (SERIES A BONDS) | CUSIP NUMBER (SERIES B BONDS) |
|-----------------------------|--|--|
| 2011 | 215777 GE7 | 215777 GK3 |
| 2012 | 215777 GF4 | 215777 GL1 |
| 2013 | 215777 GG2 | 215777 GM9 |
| 2014 | 215777 GH0 | 215777 GN7 |
| 2015 | 215777 GJ6 | 215777 GP2 |
| 2016 | | 215777 GQ0 |
| 2017 | | 215777 GR8 |
| 2018 | | 215777 GS6 |
| 2019 | | 215777 GT4 |
| 2020 | | 215777 GU1 |
| 2021 | | 215777 GV9 |

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 225,
Cook County, Illinois

[Name of Issuer]

May 20, 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").

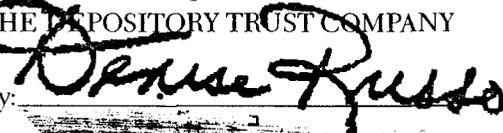
To induce DTC to accept the Securities as eligible for deposit at DTC, and to act in accordance with DTC's Rules with respect to the Securities, Issuer represents to DTC that Issuer will comply with the requirements stated in DTC's Operational Arrangements, as they may be amended from time to time.

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

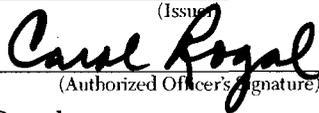
By: 



**The Depository Trust &
Clearing Corporation**

Very truly yours,

Township High School District
Number 225, Cook County, Illinois

By: 
(Authorized Officer's Signature)

Carol Rogal
(Print Name)

1835 Landwehr Road
(Street Address)

Glenview, Illinois 60025-1289
(City) (State) (Country) (Zip Code)

(847) 486-4725
(Phone Number)

(E-mail Address)

(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.

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.

MINUTES of a special public meeting of the Board of Education of Township High School District Number 225, Cook County, Illinois, held at the Board Room, Administration Building, 1835 Landwehr Road, Glenview, Illinois, in said School District at 7:30 o'clock P.M., on the 29th day of April, 2002.

* * *

The meeting was called to order by the President, and upon the roll being called, Carol Rogal, the President, and the following members at said location answered present: _____

Karen Long, Sarah Beyne, A. Andrew Olson III, Tom Shaer,
Elias Matsakis, Donna Torf

The following members were absent: _____

The President announced that proceeds of the District's General Obligation Limited Tax Refunding School Bonds, Series 2002, would be used to refund outstanding bonds of the District and in connection therewith, it would be necessary for the District to enter into an escrow agreement with Cole Taylor Bank, Chicago, Illinois, and that the Board of Education would consider the adoption of a resolution authorizing and directing the execution of such escrow agreement.

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

RESOLUTION authorizing and directing the execution of an Escrow Agreement in connection with the issue of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois.

* * *

WHEREAS, Township High School District Number 225, Cook County, Illinois (the "*District*"), has provided by resolution adopted by the Board of Education of the District (the "*Board*") on the 29th day of April, 2002, for the issuance of \$13,027,769.20 General Obligation Limited Tax School Bonds, Series 2002, (the "*Bonds*"); and

WHEREAS, proceeds of the Bonds will be used to refund in advance of maturity certain bonds of the District described more particularly in the form of escrow agreement set forth herein (the "*Refunded Bonds*"); and

WHEREAS, in order to properly provide for the refunding of the Refunded Bonds, it will be necessary to place proceeds of the Bonds, together with certain funds of the District on hand and legally available for such purpose, in trust with an escrow agent to be invested by such escrow agent, on behalf of the District, in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America, the principal of and interest on which will be sufficient, when added to such beginning demand deposit with the escrow agent as may be necessary, to pay on and prior to maturity and the redemption thereof, the principal of and interest on the Refunded Bonds; and

WHEREAS, in accordance with the terms of the Refunded Bonds, certain of 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 such Refunded Bonds on their earliest possible call date, and provide for the giving of proper notice to the registered owners of such Refunded Bonds; and

WHEREAS, it is necessary that the Board authorize the form of escrow agreement with an escrow agent and direct the execution of such escrow agreement by officers of the District:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Township High School District Number 225, 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. Definitions. The words and terms used in this Resolution shall have the definitions set forth for them in the form of escrow agreement provided herein, unless the context or use of same shall clearly indicate that another meaning is intended.

Section 3. The Funding of the Escrow. As provided in the Bond Resolution, so much of the proceeds of the Bonds as therein appropriated, together with such further amounts as may be necessary from the general funds of the District, shall be used to acquire the Government Securities and to provide a beginning cash deposit and so provide for the payment of all interest due or becoming due on the Refunded Bonds and all principal of the Refunded Bonds to and including maturity or the redemption thereof. Such proceeds and general funds of the District will be deposited in trust in the Escrow Account with the Escrow Agent, as provided in this Resolution. The amount of the proceeds of the Bonds (within the amount appropriated in the Bond Resolution) and the amount of funds of the District on hand and legally available which are necessary to be deposited in the Escrow Account shall be conclusively established under the terms of the Agreement, which will be executed by designated officers of the District, and such officers are hereby authorized to make such determination.

Section 4. 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 provision for the payment of and does hereby call (subject only to the delivery of the Bonds) the Refunded Bonds maturing on and after December 1, 2011, for redemption on December 1, 2010, all as provided by the terms of the Escrow Agreement.

Section 5. Form and Authorization of Agreement. The Agreement and all the terms thereof, in the form provided hereby, are hereby approved, and the President and Secretary of the Board are hereby authorized and directed to execute the Agreement in the name of the District. The Agreement shall be in substantially the following form:

ESCROW AGREEMENT

This Escrow Agreement, dated as of May 1, 2002, but actually executed on the date witnessed hereinbelow, by and between Township High School District Number 225, Cook County, Illinois (the "*District*"), and the Cole Taylor Bank, a banking corporation, located in Chicago, Illinois (the "*Escrow Agent*"), in consideration of the mutual promises and agreements herein set forth:

WITNESSETH:

ARTICLE I

DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use clearly indicates another or different meaning:

Section 1.01. "*Agreement*" means this Agreement between the District and the Escrow Agent.

Section 1.02. "*Board*" means the Board of Education of the District.

Section 1.03. "*Bonds*" means the \$13,027,769.20 Limited Tax Refunding School Bonds, Series 2002, dated May 1, 2002, authorized to be issued by the Bond Resolution.

Section 1.04. "*Bond Resolution*" means the resolution adopted on the 29th day of April, 2002, by the Board entitled:

RESOLUTION providing for the issue of \$13,027,769.20 Limited Tax Refunding School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois, and for the levy of a direct annual tax to pay the principal of and interest on said bonds, and authorizing and directing that the proceeds of such tax shall be deposited directly into a designated escrow account.

authorizing the issuance of the Bonds.

Section 1.05. "Code" means Section 148 of the Internal Revenue Code of 1986, and all lawful regulations promulgated thereunder.

Section 1.06. "District" means Township High School District Number 225, Cook County, Illinois.

Section 1.07. "Escrow Account" means the trust account established under this Agreement by the deposit of the Government Securities and the beginning cash.

Section 1.08. "Escrow Agent" means the Cole Taylor Bank, a banking corporation, located in Chicago, Illinois, not individually but in the capacity for the uses and purposes hereinafter mentioned, or any successor thereto.

Section 1.09. "Government Securities" means the direct obligations of or obligations guaranteed by the full faith and credit of the United States of America as to principal and interest deposited hereunder as more particularly described in *Exhibit A* to this Agreement.

Section 1.10. "Paying Agent" means Cole Taylor Bank, Chicago, Illinois, as bond registrar and paying agent for the Refunded Bonds.

Section 1.11. "Refunded Bonds" means the outstanding \$5,465,000 General Obligation Limited Tax School Bonds, Series 2000A, dated October 1, 2000, of the District, being a portion of the bonds outstanding from an issue in the original principal amount of \$11,300,000, fully registered and without coupons, due serially on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

| YEAR | PRINCIPAL AMOUNT | INTEREST RATE |
|------|------------------|---------------|
| 2011 | \$1,730,000 | 5.00% |
| 2012 | 1,820,000 | 5.75% |
| 2013 | 1,915,000 | 5.75% |

and the outstanding \$6,750,000 General Obligation School Bonds (Alternate Revenue Source), Series 2000C, dated October 1, 2000, of the District, being a portion of the bonds outstanding

from an issue in the original principal amount of \$29,485,000, fully registered and without coupons, due serially on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

| YEAR | PRINCIPAL AMOUNT | INTEREST RATE |
|------|------------------|---------------|
| 2002 | \$985,000 | 5.00% |
| 2003 | 930,000 | 5.00% |
| 2004 | 870,000 | 5.00% |
| 2005 | 840,000 | 5.00% |
| 2006 | 775,000 | 5.00% |
| 2007 | 805,000 | 5.00% |
| 2008 | 740,000 | 5.00% |
| 2009 | 675,000 | 5.50% |
| 2010 | 130,000 | 5.50% |

the Refunded Bonds due on and after December 1, 2011 being subject to redemption on December 1, 2010.

Section 1.12. “*Treasurer*” means the School Treasurer who receives the taxes of the District.

ARTICLE II

CREATION OF ESCROW

Section 2.01. The District by the Bond Resolution has authorized the issue and delivery of the Bonds, proceeds of which, together with certain funds of the District on hand and legally available for such purpose, are to be used to refund the Refunded Bonds by the deposit on demand and to purchase on behalf of the District the Government Securities. Such deposit and securities will provide all moneys necessary to pay the principal of and interest on the Refunded Bonds to and including the maturity or redemption thereof.

Section 2.02. The District deposits \$12,810,444.77 from the proceeds of the Bonds and \$124,000 from funds on hand and legally available for the purchase of the Government Securities and the funding a beginning cash escrow deposit on demand in the amount of \$321,419.77. The beginning

deposit and the Government Securities are held in an irrevocable trust fund account for the District to the benefit of the holders of the Refunded Bonds to pay the principal of and interest on the Refunded Bonds to and including maturity or the redemption thereof.

Section 2.03. The Escrow Agent and the District have each received the report of Causey, Demgen & Moore, Inc., Certified Public Accountants, Denver, Colorado, attached hereto as *Exhibit B*, that the principal of and income and profit to be received from the Government Securities, when paid at maturity, and the cash held in accordance with Section 2.02 hereof, will be sufficient, at all times pending the final payment of the Refunded Bonds, to pay all interest on and all principal of the Refunded Bonds to and including the maturity or redemption thereof as evidenced by said report.

ARTICLE III

COVENANTS OF ESCROW AGENT

The Escrow Agent covenants and agrees with the District as follows:

Section 3.01. The Escrow Agent will hold the Government Securities and all interest income or profit derived therefrom and all uninvested cash in an irrevocable segregated and separate trust fund account for the sole and exclusive benefit of the holders of the Refunded Bonds until final payment thereof.

Section 3.02. The Escrow Agent will reinvest all available uninvested balances (rounded to an even \$100) in the Escrow Account on deposit from time to time, whenever said balances exceed \$1,000. Investments so made shall be in direct obligations of or obligations guaranteed by the full faith and credit of the United States of America and shall be scheduled to mature on or prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay the principal of or interest on the Refunded Bonds. Such investments shall, to the extent possible, be in zero-yield obligations issued directly by the

Bureau of Public Debt of the United States Treasury (currently designated “*U. S. Treasury Securities—State and Local Government Series Certificates of Indebtedness, Notes or Bonds*”) (“*SLGS*”). Such investments shall be made only to the extent permitted by, and shall be made in accordance with, the applicable statutes, rules and regulations governing such investments issued by the Bureau of Public Debt. If the Department of the Treasury (or the Bureau of Public Debt) of the United States suspends the sale of *SLGS* causing the Escrow Agent to be unable to purchase *SLGS*, then the Escrow Agent will take the following actions. On the date it would have purchased *SLGS* had it been able to do so, the Escrow Agent will purchase direct obligations of or obligations guaranteed by the full faith and credit of the United States maturing no more than 90 days after the date of purchase (the “*Alternate Investment*”). The purchase price of the *Alternate Investment* shall be as close as possible to the principal amount of the *SLGS* that would have been purchased on such date if they had been available for purchase. The Escrow Agent will purchase each *Alternate Investment* at a price no higher than the fair market value of the *Alternate Investment* and will maintain records demonstrating compliance with this requirement. On the maturity of each *Alternate Investment*, the Escrow Agent shall pay the difference between the total of the receipts on the *Alternate Investment* and the purchase price of the *Alternate Investment* to the District with a notice to the District that such amount must be paid to the Internal Revenue Service pursuant to Rev. Proc. 95-47. If the *Alternate Investment* matures more than 29 days prior to the next succeeding interest payment date on the Refunded Bonds on which such proceeds will be needed to pay principal of or interest on the Refunded Bonds, the Escrow Agent shall treat such amounts as an uninvested balance available for reinvestment and shall take all reasonable steps to invest such amounts in *SLGS* (or additional *Alternate Investments* as provided in this Section). The Escrow Agent shall hold balances not so

invested in the Escrow Account on demand and in trust for the purposes hereof and shall secure same in accordance with applicable Illinois law for the securing of public funds.

Section 3.03. The Escrow Agent will take no action in the investment or securing of the proceeds of the Government Securities which would cause the Bonds to be classified as “arbitrage bonds” under the Code, *provided*, it shall be under no duty to affirmatively inquire whether the Government Securities as deposited are properly invested under said section; and, *provided, further*, it may rely on all specific directions in this Agreement in the investment or reinvestment of balances held hereunder.

Section 3.04. The Escrow Agent will promptly collect the principal, interest or profit from the Government Securities and promptly apply the same as necessary to the payment of principal and interest on the Refunded Bonds to and including the maturity thereof as herein provided.

Section 3.05. The Escrow Agent will remit to the Paying Agent, in good funds on or before each principal or interest payment date on the Refunded Bonds, moneys sufficient to pay such principal and interest as will meet the requirements for the retirement of the Refunded Bonds, and such remittances shall fully release and discharge the Escrow Agent from any further duty or obligation thereto under this Agreement.

Section 3.06. The Escrow Agent will make no payment of fees, due or to become due, of the Paying Agent or the bond registrar and paying agent on the Bonds, and the District either paid such fees in advance as set forth in Section 3.07 hereof or covenants to pay the same as they become due.

Section 3.07. The charges, fees and expenses of the Escrow Agent have been paid in advance, and all charges, fees or expenses of the Escrow Agent in carrying out any of the duties, terms or provisions of this Agreement shall be paid solely therefrom. The Escrow Agent is also providing bond registrar and paying agent services for the Bonds, and the acceptance and first

annual fee of the Escrow Agent for such bond registrar and paying agent services has been paid in advance, and all remaining charges, fees or expenses of the Escrow Agent for such services shall be paid by the District upon receipt of invoices therefor.

Section 3.08. The District has called the Refunded Bonds maturing on and after December 1, 2011, for redemption and payment prior to maturity on December 1, 2010. The Escrow Agent will cause the Paying Agent to provide for and give timely notice of the call for redemption of such Refunded Bonds. In the event the Escrow Agent determines that the Paying Agent will not give such timely notice, the Escrow Agent will give such notice. The form and time of the giving of such notice regarding such Refunded Bonds shall be as specified in the resolution authorizing the issuance of the Refunded Bonds. The District shall reimburse the Escrow Agent for any actual out of pocket expenses incurred in the giving of such notice, but the failure of the District to make such payment shall not in any respect whatsoever relieve the Escrow Agent from carrying out any of the duties, terms or provisions of this Agreement.

Section 3.09. The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful breach of trust, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall be deemed to have failed to take any such action, unless and until it shall have been indemnified by the District to its satisfaction against any and all costs and expenses, outlays, counsel fees and other disbursements, including its own reasonable fees, and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

Section 3.10. The Escrow Agent may in good faith buy, sell or hold and deal in any of the Bonds or the Refunded Bonds.

Section 3.11. The Escrow Agent will submit to the Treasurer a statement within forty-five (45) days after June 2 and December 2 of each calendar year, commencing June 2, 2002, itemizing all moneys received by it and all payments made by it under the provisions of this Agreement during the preceding six (6) month period (or, for the first period, from the date of delivery of the Bonds to June 2, 2002), and also listing the Government Securities on deposit therewith on the date of said report, including all moneys held by it received as interest on or profit from the collection of the Government Securities.

Section 3.12. If at any time it shall appear to the Escrow Agent that the available proceeds of the Government Securities and deposits on demand in the Escrow Account will not be sufficient to make any payment due to the holders of any of the Refunded Bonds, the Escrow Agent shall notify the Treasurer and the Board, not less than five (5) days prior to such date, and the District agrees that it will from any funds legally available for such purpose make up the anticipated deficit so that no default in the making of any such payment will occur.

ARTICLE IV

COVENANTS OF DISTRICT

The District covenants and agrees with the Escrow Agent as follows:

Section 4.01. The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals of the District herein, (b) the performance of or compliance with any covenant, condition, term or provision of the Bond Resolution, and (c) any undertaking or statement of the District hereunder or under the Bond Resolution.

Section 4.02. All payments to be made by, and all acts and duties required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the District or the Treasurer.

Section 4.03. The District will take no action regarding the proceeds of the Bonds which would cause the Bonds to be classified as “arbitrage bonds” under the Code, and the District will take any and all further action necessary to ensure that adequate provision is made for the payment of the Refunded Bonds and that neither the Refunded Bonds nor the Bonds are classified as “arbitrage bonds” under the Code.

ARTICLE V

IRREVOCABILITY OF AGREEMENT

Section 5.01. All of the rights, powers, duties and obligations of the Escrow Agent hereunder shall be irrevocable and shall not be subject to amendment by the Escrow Agent and shall be binding on any successor to the Escrow Agent during the term of this Agreement.

Section 5.02. All of the rights, powers, duties and obligations of the District hereunder shall be irrevocable and shall not be subject to amendment by the District and shall be binding on any successor to the officials now comprising the Board during the term of this Agreement.

Section 5.03. All of the rights, powers, duties and obligations of the Treasurer hereunder shall be irrevocable and shall not be subject to amendment by the Treasurer and shall be binding on any successor to said official now in office during the term of this Agreement.

ARTICLE VI

NOTICES TO THE DISTRICT, THE TREASURER AND THE ESCROW AGENT

Section 6.01. All notices and communications to the District and the Board shall be addressed in writing to: Board of Education, Township High School District Number 225, 1835 Landwehr Road, Glenview, Illinois 60025-1289.

Section 6.02. All notices and communications to the Treasurer shall be addressed in writing to: Northfield Township School Treasurer, 1835 Landwehr Road, Glenview, Illinois 60025.

Section 6.03. All notices and communications to the Escrow Agent shall be addressed in writing to: Corporate Trust Department, Cole Taylor Bank, 111 W. Washington Street, 6th Floor, Chicago, Illinois 60602.

ARTICLE VII

TERMINATION OF AGREEMENT

Section 7.01. That, upon final disbursement of funds sufficient to pay the principal and interest of the Refunded Bonds as hereinabove provided for, the Escrow Agent will transfer any balance remaining in the Escrow Account to the Treasurer with due notice thereof mailed to the Board, and thereupon this Agreement shall terminate.

IN WITNESS WHEREOF, Township High School District Number 225, Cook County, Illinois, has caused this Agreement to be signed in its name by the President of the Board and to be attested by the Secretary of the Board; and the Cole Taylor Bank, Chicago, Illinois, not individually, but in the capacity as hereinabove described, has caused this Agreement to be signed in its corporate name by one of its officers and attested by one of its officers under its corporate seal hereunto affixed, all as of the 20th day of May, 2002.

TOWNSHIP HIGH SCHOOL DISTRICT
NUMBER 225, COOK COUNTY,
ILLINOIS

By Carl Royal
President, Board of Education

Attest:

James L. Hunt
Secretary, Board of Education

COLE TAYLOR BANK, Chicago, Illinois

By Robert S. K.
Its Via President

Attest:

Laura G. Gomez
Its Corporate Trust Officer

[BANK SEAL]

This Escrow Agreement received and acknowledged by me this 20th day of May, 2002.

J. Adams
School Treasurer

EXHIBIT A

GOVERNMENT SECURITIES

DESCRIPTION OF THE ESCROWED SECURITIES AS OF MAY 20, 2002

| Type | Settlement Date | Maturity Date | Par Amount | Coupon Rate | Price | Total Cost |
|------|-----------------|---------------|------------------------|-------------|-------------|------------------------|
| SLGS | 20-May-02 | 01-Dec-02 | \$1,021,006.00 | 1.850% | 100.000000% | \$1,021,006.00 |
| SLGS | 20-May-02 | 01-Jun-03 | 38,500.00 | 2.260% | 100.000000% | 38,500.00 |
| SLGS | 20-May-02 | 01-Dec-03 | 968,935.00 | 2.750% | 100.000000% | 968,935.00 |
| SLGS | 20-May-02 | 01-Jun-04 | 29,009.00 | 3.170% | 100.000000% | 29,009.00 |
| SLGS | 20-May-02 | 01-Dec-04 | 899,468.00 | 3.480% | 100.000000% | 899,468.00 |
| SLGS | 20-May-02 | 01-Jun-05 | 23,368.00 | 3.750% | 100.000000% | 23,368.00 |
| SLGS | 20-May-02 | 01-Dec-05 | 863,807.00 | 3.980% | 100.000000% | 863,807.00 |
| SLGS | 20-May-02 | 01-Jun-06 | 19,997.00 | 4.170% | 100.000000% | 19,997.00 |
| SLGS | 20-May-02 | 01-Dec-06 | 795,413.00 | 4.320% | 100.000000% | 795,413.00 |
| SLGS | 20-May-02 | 01-Jun-07 | 18,220.00 | 4.440% | 100.000000% | 18,220.00 |
| SLGS | 20-May-02 | 01-Dec-07 | 823,624.00 | 4.560% | 100.000000% | 823,624.00 |
| SLGS | 20-May-02 | 01-Jun-08 | 17,277.00 | 4.660% | 100.000000% | 17,277.00 |
| SLGS | 20-May-02 | 01-Dec-08 | 757,681.00 | 4.750% | 100.000000% | 757,681.00 |
| SLGS | 20-May-02 | 01-Jun-09 | 17,175.00 | 4.810% | 100.000000% | 17,175.00 |
| SLGS | 20-May-02 | 01-Dec-09 | 692,588.00 | 4.840% | 100.000000% | 692,588.00 |
| SLGS | 20-May-02 | 01-Jun-10 | 15,786.00 | 4.880% | 100.000000% | 15,786.00 |
| SLGS | 20-May-02 | 01-Dec-10 | 5,611,171.00 | 4.920% | 100.000000% | 5,611,171.00 |
| | | | <u>\$12,613,025.00</u> | | | <u>\$12,613,025.00</u> |

Section 6. Purchase of the Government Securities. William Blair & Company, a limited liability company, Chicago, Illinois, the Escrow Agent or Chapman and Cutler, Chicago, Illinois, be and the same are hereby authorized to act as agent for the District in the purchase of the Government Securities described and set forth in the Agreement.

Section 7. Severability. If any section, paragraph, clause or provision of this Resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this Resolution.

Section 8. Repealer. All resolutions or orders or parts thereof in conflict with the provisions of this Resolution are to the extent of such conflict hereby repealed.

Section 9. Effective Date. This resolution shall be in effect immediately upon its passage by the Board.

Adopted April 29, 2002.



President, Board of Education



Secretary, Board of Education

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

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

Upon the roll being called, the following members voted AYE: Rogal, Long,
Beyne, Olson, Shaer, Matsakis, Torf

The following members voted NAY: None

Whereupon the President declared the motion carried and the resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in full in the records of the Board of Education of Township High School District Number 225, 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 RESOLUTION AND 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 225, Cook County, Illinois (the "Board"), and as such official I am the keeper of the records and files of the Board.

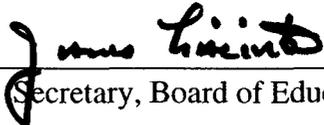
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 29th day of April, 2002, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION authorizing and directing the execution of an Escrow Agreement in connection with the issue of \$13,027,769.20 Limited Tax School Bonds, Series 2002, of Township High School District Number 225, Cook County, Illinois.

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

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 48 hours in advance of the holding of said meeting, that said 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 29th day of April, 2002.


Secretary, Board of Education

Update a Subscription Before Issue Date Change a Subscription : Confirmation

SLG Safe™

Public Debt

SLG Safe
Main Menu

SLG Safe
Rate Table

SLG Safe
E-Mail

To Exit SLG Safe:

- Please select one -

Issue Amount:
\$12,613,025.00
Issue Date:
05/20/2002
TIN:
38-6004414

Owner Name:
GLENBROOK HIGH SCHOOL DISTRICT #225

Thank you for subscribing to SLG Safe. The Bureau of the Public Debt has received a change the following subscription:

Case Number: 2002-03955
Confirmation Date: April 30, 2002
Confirmation Time: 08:48 AM ET
Rate Table Date: April 25, 2002

Please record this information for your case file.

Please use these buttons for other options within SLG Safe:



*These links will take you out of SLG Safe to the:
|| SLG Safe Online Home Page || Public Debt Home Page ||*

Updated April 30, 2002



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[|| ACH ||](#) [Fl In](#) [|| Subscriber ||](#) [Viewer](#) [|| SLGS Schedule ||](#)

Issue Information

Issue Date:
05/20/2002
Issue Amount:
\$12,613,025.00

Rate Table Date:
04/29/2002

[Return to top of page](#)

State or Local Government Body

Taxpayer Identification Number: 36-6004414
GLENBROOK HIGH SCHOOL DISTRICT #225
1835 LANDWEHR
GLENVIEW, IL 60025
Contact:
Telephone:
Fax:
E-Mail:

[Return to top of page](#)

Trustee Bank

(as appointed by state or local government body)

ABA Routing Number: 071000345
Cole Taylor Bank
Corporate Trust
111 West Washington Street Suite 650
Chicago, IL 60602
Contact:
Telephone:
Fax:
E-Mail:

[Return to top of page](#)

Financial Institution Managing ACH Payment

ABA Routing Number: 071000345
Cole Taylor Bank
Corporate Trust
111 West Washington Street Suite 650
Chicago, IL 60602
Contact:
Telephone:
Fax:
E-Mail:

ACH Payment Instructions
ABA Routing Number: 071000345
Account Name: COLE TAYLOR TRUST SLGS
Account Number: 065039151
Account Type: Checking

[Return to top of page](#)

Financial Institution Transmitting Funds for Purchase

Apr-30-02 08:09am From-REAL ESTATE TR SVCS
200205033 REVISEW

ABA Routing Number: 071000343
COLE TAYLOR BANK

Contact:
Telephone:
Fax:
E-Mail:

Return to top of page

Subscriber

ABA Routing Number or TIN: 071000343
Cole Taylor Bank
Corporate Trust
111 West Washington Street Suite 650
Chicago, IL 60602
Contact: ROBERT F KUZMA
Telephone: 312-960-5372
Fax: 312-960-5396
E-Mail: rkuzms@coletaylor.com

Return to top of page

Viewers
(as assigned by subscriber)

Return to top of page

Schedule of SLGS Securities

| Security Number | Principal Amount | Interest Rate | Maturity Date (mmddyyyy) | First Interest Payment (mmddyyyy) |
|-----------------|------------------|---------------|--------------------------|-----------------------------------|
| 1 | \$1,021,006 | 1.85 | 12-01-2002 | - |
| 2 | \$38,500 | 2.26 | 06-01-2003 | 12-01-2002 |
| 3 | \$968,935 | 2.75 | 12-01-2003 | 12-01-2002 |
| 4 | \$29,009 | 3.17 | 06-01-2004 | 12-01-2002 |
| 5 | \$899,468 | 3.48 | 12-01-2004 | 12-01-2002 |
| 6 | \$23,368 | 3.75 | 06-01-2005 | 12-01-2002 |
| 7 | \$863,807 | 3.98 | 12-01-2005 | 12-01-2002 |
| 8 | \$19,997 | 4.17 | 06-01-2006 | 12-01-2002 |
| 9 | \$795,413 | 4.32 | 12-01-2006 | 12-01-2002 |
| 10 | \$18,220 | 4.44 | 06-01-2007 | 12-01-2002 |
| 11 | \$823,624 | 4.56 | 12-01-2007 | 12-01-2002 |
| 12 | \$17,277 | 4.66 | 06-01-2008 | 12-01-2002 |
| 13 | \$757,681 | 4.75 | 12-01-2008 | 12-01-2002 |
| 14 | \$17,175 | 4.81 | 06-01-2009 | 12-01-2002 |
| 15 | \$692,588 | 4.84 | 12-01-2009 | 12-01-2002 |
| 16 | \$15,786 | 4.88 | 06-01-2010 | 12-01-2002 |
| 17 | \$5,611,171 | 4.92 | 12-01-2010 | 12-01-2002 |

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION AND RECEIPT OF ESCROW AGENT

I, the undersigned, do hereby certify that I am an officer of Cole Taylor Bank, Chicago, Illinois (the "*Escrow Agent*"), and as such officer I do further certify as follows:

1. That the Escrow Agent and Township High School District Number 225, Cook County, Illinois (the "*District*"), have entered into an Escrow Agreement, dated as of May 1, 2002 (the "*Agreement*"), concerning certain outstanding bonds of the District described in the Agreement (the "*Refunded Bonds*").

2. That the Agreement is in full force and effect and has not been modified, repealed, rescinded or amended.

3. That pursuant to the Agreement, the District has irrevocably deposited the sum of \$12,934,444.77 with the Escrow Agent (the "*Deposit*").

4. That the Deposit has been used (a) to purchase the obligations guaranteed by the full faith and credit of the United States of America as to principal and interest described in the schedule attached to the Agreement as Exhibit A, and (b) to establish a beginning cash escrow deposit of \$321,419.77 for the Escrow Account created pursuant to the Agreement.

5. That the Escrow Agent will strictly comply with all of the terms and provisions of the Agreement, including, but not limited to, the terms and provisions thereof related to the giving of notice of the redemption of certain of the Refunded Bonds.

6. That the Escrow Agent has all powers necessary under the applicable statutes, regulations and rulings and the governing body of the Escrow Agent has taken

all action necessary to authorize the Escrow Agent to enter into the Agreement, and that the signatories to the Agreement on behalf of the Escrow Agent have been duly authorized to sign the Agreement on behalf of the Escrow Agent.

IN WITNESS WHEREOF, I hereunto affix my signature and the seal of the Escrow Agent, this 20th day of May, 2002.

COLE TAYLOR BANK
Chicago, Illinois

By Robert E. Kyma
Title: Asst. Vice President

[SEAL]

**NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
COOK COUNTY, ILLINOIS (GLENBROOK)**

**GENERAL OBLIGATION LIMITED TAX
REFUNDING SCHOOL BONDS, SERIES 2002A
GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
REFUNDING SCHOOL BONDS, SERIES 2002B**

CAUSEY DEMGEN & MOORE INC.

Certified Public Accountants and Consultants

Suite 4650
1801 California Street
Denver, Colorado 80202-2681
Telephone: (303) 296-2229
Facsimile: (303) 296-3731
www.cdmcpa.com

May 20, 2002

Northfield Township High School District Number 225
1835 Landwehr Road
Glenview, Illinois 60025

William Blair & Company, L.L.C.
222 West Adams Street
Chicago, Illinois 60606

Chapman and Cutler
111 West Monroe Street
Chicago, Illinois 60603

We have completed our engagement to verify the mathematical accuracy of (a) the computations relating to the adequacy of cash plus U.S. Treasury Securities to be held in escrow to pay the debt service requirements of the following bonds (herein collectively referred to as the "Refunded Bonds") issued by the Northfield Township High School District Number 225, Cook County, Illinois (Glenbrook) (herein referred to as the "District"):

- General Obligation Limited Tax School Bonds, Series 2000A (only those bonds maturing on and after December 1, 2011 as described in Exhibit B-3) (herein referred to as the "Refunded 2000A Bonds"),
- General Obligation School Bonds (Alternate Revenue Source), Series 2000C (only a portion of those bonds maturing on December 1, 2002 through and including December 1, 2010 as described in Exhibit B-2) (herein referred to as the "Refunded 2000C Bonds"),

and (b) the computations supporting the conclusion of Bond Counsel that the following bonds (herein collectively referred to as the "Refunding Bonds") to be issued by the District are not "arbitrage bonds" under Section 148 of the Internal Revenue Code of 1986, as amended:

- General Obligation Limited Tax Refunding School Bonds, Series 2002A (herein referred to as the "2002A Bonds"),
- General Obligation Limited Tax Capital Appreciation Refunding School Bonds, Series 2002B (herein referred to as the "2002B Bonds").

We express no opinion on the attainability of the assumptions or the tax-exempt status of the Refunding Bonds. Our verification was performed solely on the schedules of proposed

transactions, provided by William Blair & Company, L.L.C. (herein referred to as the "Underwriter"), and which are reflected in Exhibits A through D, which were prepared by us in performing the verification of the mathematical accuracy of the computations in the schedules provided.

The accompanying exhibits of proposed transactions were prepared on the basis of assumptions and in accordance with the procedures described herein. We did not independently confirm the information used with outside parties.

OUR UNDERSTANDING OF THE TRANSACTION

The Refunding Bonds are to be issued on May 20, 2002 to advance refund the Refunded Bonds. A portion of the proceeds of the Refunding Bonds will be used to purchase U.S. Treasury Securities and to provide cash which will be placed into an escrow account, together with cash to be contributed from the Debt Service Funds for the Refunded Bonds, to advance refund the Refunded Bonds.

The Escrow Agent will pay the debt service requirements of the Refunded 2000A Bonds on each scheduled payment date through and including December 1, 2010 and will redeem the Refunded 2000A Bonds, at a redemption price equal to par, on December 1, 2010, which is the first optional redemption date for these bonds.

The Escrow Agent will pay the debt service requirements of the Refunded 2000C Bonds on each scheduled payment date through and including December 1, 2010 without optional redemption prior to maturity.

ESCROW ACCOUNT TRANSACTIONS

We verified the mathematical accuracy of the accompanying calculations of the escrow account transactions proposed to advance refund the Refunded Bonds.

The presently outstanding debt service requirements of the Refunded Bonds, as described above, will be satisfied by the purchase of U.S. Treasury Securities (as described in Exhibit A-2) plus \$321,419.77 in cash. The securities and cash will be placed in an irrevocable escrow account and held therein until the Refunded Bonds are redeemed as previously described.

We read a copy of the Official Statement for the Refunded Bonds insofar as both such obligations are described with respect to principal outstanding, interest rates, and maturity dates. We read a copy of the Resolution for the Refunded Bonds insofar as the Refunded 2000A Bonds are described with respect to redemption provisions. We assumed these documents to be accurate, the discrepancy concerning the redemption provisions of the Refunded 2000A Bonds as set forth in the Official Statement and the Resolution to have been resolved by Bond Counsel in favor of the Resolution, and all debt service payments on the Refunded Bonds to be current as of May 20,

2002. We compared the above information set forth in such documents with the related information contained in the schedules provided to us and found the information to be consistent.

We compared the subscribed interest rates of the U.S. Treasury Securities (State and Local Government Series) to be purchased and placed in escrow with the maximum allowable interest rates as published in the Department of the Treasury, Bureau of the Public Debt Form PD 4262 for April 29, 2002 and found the subscribed rates to be less than or equal to the maximum allowable rates for each respective maturity date.

Based on the procedures and information set forth above, the computations provided to us and represented in Exhibits A through B-2, which indicate that the cash and securities proposed to be placed in escrow by the District will produce the amounts necessary to provide for the timely payment of the proposed debt payment schedule on the Refunded Bonds, are mathematically correct.

BLENDED YIELD ON THE REFUNDING BONDS

We verified the mathematical accuracy of the accompanying computations of the blended yield on the Refunding Bonds as of May 20, 2002. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the combined payments to be made on the Refunding Bonds to an amount equal to the aggregate target purchase price of the Refunding Bonds. The computations were made using a 360-day year with interest compounded semi-annually and treated \$15,872.78 as accrued interest and \$3,138.80 as the net original issue premium (which results in an aggregate target purchase price of \$13,046,780.78).

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibits C through C-2, which indicate that the blended yield on the Refunding Bonds is 5.05512%, are mathematically correct.

YIELD ON THE INVESTMENT IN ESCROWED OBLIGATIONS PURCHASED WITH REFUNDING BOND PROCEEDS

We verified the mathematical accuracy of the accompanying computation of the yield on the investment in escrowed U.S. Treasury Securities purchased with Refunding Bond proceeds based on an assumed settlement date of May 20, 2002 and a purchase price of \$12,613,025.00. For purposes of this calculation, yield is defined as the rate of interest which, using the assumptions and procedures set forth herein, discounts the cash receipts from the escrowed securities to an amount equal to the purchase price of the escrowed securities. The computations were made using a 360-day year with interest compounded semi-annually and were based on the dates the funds are to be received in the escrow account, and assume that all cash balances are not reinvested.

Based upon the procedures and information set forth above, the computations provided to us and represented in Exhibit D, which indicate that the yield on the escrowed securities purchased with Refunding Bond proceeds is 4.67785% (which is less than the yield on the Refunding Bonds), are mathematically correct.

USE OF THIS REPORT

It is understood that this report is solely for the information of and assistance to the addressees hereof in connection with the offering of the Refunding Bonds and is not to be used, relied upon, circulated, quoted or otherwise referred to for any other purpose without our written consent, except that (i) reference may be made in the Official Statement for the Refunding Bonds in the section captioned "Verification of Mathematical Computations," (ii) reference may be made to the report in the purchase contract or in any closing documents pertaining to the offering of the Refunding Bonds covered by the Official Statement, including the opinion of Bond Counsel regarding the Refunding Bonds, (iii) the report may be used in its entirety as an exhibit to the escrow agreement for the Refunded Bonds, (iv) the report may be included in the transcripts pertaining to the issuance of the Refunding Bonds, (v) the report may be relied upon by Bond Counsel in connection with its opinions concerning the Refunded Bonds and the Refunding Bonds, (vi) the report may be relied upon by any rating agency or bond insurer that shall have rated or insured or that will rate or insure the Refunded Bonds or the Refunding Bonds, and (vii) the report may be relied upon by the Escrow Agent for the Refunded Bonds.

* * * * *

The procedures performed represent those procedures deemed by the addressees hereto to be sufficient to assist such parties in evaluating the mathematical accuracy of the various computations cited above. The sufficiency of these procedures is solely the responsibility of the specified users of this report and should not be taken to supplant any additional inquiries or procedures that the users would undertake in their consideration of the issuance of the bonds related to the transaction described herein. We make no representation regarding the sufficiency of the procedures summarized herein, either for the purpose for which this report has been requested or for any other purpose. This report should not be used by any party who does not agree to the procedures set forth herein and who does not take responsibility for the sufficiency and appropriateness of such procedures for their purposes.

We have no obligation to update this report because of events, circumstances, or transactions occurring subsequent to the date of this report.

Very truly yours,
Causesy Deminger & Moore Inc.

EXHIBIT A

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

ESCROW ACCOUNT CASH FLOW
 AS OF MAY 20, 2002

| Date | Total Cash Receipts From U.S. Treasury Securities (Exhibit A-1) | Cash Disbursements From Escrow (Exhibit B) | Cash Balance |
|-----------------------|---|---|-----------------|
| Beginning Balance: | | | \$321,419.77 |
| 01-Jun-02 | | \$321,393.75 | 26.02 |
| 01-Dec-02 | \$1,306,394.34 | 1,306,393.75 | 26.61 |
| 01-Jun-03 | 296,768.47 | 296,768.75 | 26.33 |
| 01-Dec-03 | 1,226,768.42 | 1,226,768.75 | 26.00 |
| 01-Jun-04 | 273,519.56 | 273,518.75 | 26.81 |
| 01-Dec-04 | 1,143,518.77 | 1,143,518.75 | 26.83 |
| 01-Jun-05 | 251,768.03 | 251,768.75 | 26.11 |
| 01-Dec-05 | 1,091,768.88 | 1,091,768.75 | 26.24 |
| 01-Jun-06 | 230,769.12 | 230,768.75 | 26.61 |
| 01-Dec-06 | 1,005,768.18 | 1,005,768.75 | 26.04 |
| 01-Jun-07 | 211,394.26 | 211,393.75 | 26.55 |
| 01-Dec-07 | 1,016,393.78 | 1,016,393.75 | 26.58 |
| 01-Jun-08 | 191,268.15 | 191,268.75 | 25.98 |
| 01-Dec-08 | 931,269.60 | 931,268.75 | 26.83 |
| 01-Jun-09 | 172,768.68 | 172,768.75 | 26.76 |
| 01-Dec-09 | 847,768.62 | 847,768.75 | 26.63 |
| 01-Jun-10 | 154,205.99 | 154,206.25 | 26.37 |
| 01-Dec-10 | 5,749,205.81 | 5,749,206.25 | 25.93 |
| | <u>\$16,101,318.66</u> | <u>\$16,422,712.50</u> | |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

CASH RECEIPTS FROM THE ESCROWED SECURITIES
 AS OF MAY 20, 2002

| | \$1,021,006.00 | \$38,500.00 | \$968,935.00 | \$29,009.00 | \$899,468.00 | \$23,368.00 | \$863,807.00 | \$19,997.00 | \$795,413.00 | \$18,220.00 |
|-----------|----------------|-------------|----------------|-------------|--------------|-------------|--------------|-------------|--------------|-------------|
| | 1.850000% | 2.260000% | 2.750000% | 3.170000% | 3.480000% | 3.750000% | 3.980000% | 4.170000% | 4.320000% | 4.440000% |
| Payment | SLGS (1) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) |
| Date | 01-Dec-02 | 01-Jun-03 | 01-Dec-03 | 01-Jun-04 | 01-Dec-04 | 01-Jun-05 | 01-Dec-05 | 01-Jun-06 | 01-Dec-06 | 01-Jun-07 |
| 01-Dec-02 | \$1,031,097.18 | \$463.73 | \$14,201.29 | \$490.11 | \$16,682.66 | \$467.04 | \$18,323.15 | \$444.43 | \$18,313.73 | \$431.15 |
| 01-Jun-03 | | 38,935.05 | 13,322.86 | 459.79 | 15,650.74 | 438.15 | 17,189.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Dec-03 | | | 982,257.86 | 459.79 | 15,650.74 | 438.15 | 17,189.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Jun-04 | | | | 29,468.79 | 15,650.74 | 438.15 | 17,189.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Dec-04 | | | | | 915,118.74 | 438.15 | 17,189.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Jun-05 | | | | | | 23,806.15 | 17,189.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Dec-05 | | | | | | | 880,996.76 | 416.94 | 17,180.92 | 404.48 |
| 01-Jun-06 | | | | | | | | 20,413.94 | 17,180.92 | 404.48 |
| 01-Dec-06 | | | | | | | | | 812,593.92 | 404.48 |
| 01-Jun-07 | | | | | | | | | | 18,624.48 |
| 01-Dec-07 | | | | | | | | | | |
| 01-Jun-08 | | | | | | | | | | |
| 01-Dec-08 | | | | | | | | | | |
| 01-Jun-09 | | | | | | | | | | |
| 01-Dec-09 | | | | | | | | | | |
| 01-Jun-10 | | | | | | | | | | |
| 01-Dec-10 | | | | | | | | | | |
| | \$1,031,097.18 | \$39,398.78 | \$1,009,782.01 | \$30,878.48 | \$978,753.62 | \$26,025.79 | \$985,268.71 | \$23,360.01 | \$951,174.09 | \$22,291.47 |

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).
 (2) U.S. Treasury Note or Bond (State and Local Government Series).

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 00-Jan-00

CASH RECEIPTS FROM THE ESCROWED SECURITIES
 AS OF MAY 20, 2002

| | \$823,624.00 | \$17,277.00 | \$757,681.00 | \$17,175.00 | \$692,588.00 | \$15,786.00 | \$5,611,171.00 | |
|-----------|-----------------------|--------------------|---------------------|--------------------|---------------------|--------------------|-----------------------|------------------------|
| | 4.560000% | 4.660000% | 4.750000% | 4.810000% | 4.840000% | 4.880000% | 4.920000% | Total |
| Payment | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | SLGS (2) | Cash |
| Date | 01-Dec-07 | 01-Jun-08 | 01-Dec-08 | 01-Jun-09 | 01-Dec-09 | 01-Jun-10 | 01-Dec-10 | Receipts |
| 01-Dec-02 | \$20,016.78 | \$429.10 | \$19,181.40 | \$440.29 | \$17,865.73 | \$410.57 | \$147,136.00 | \$1,306,394.34 |
| 01-Jun-03 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 296,768.47 |
| 01-Dec-03 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 1,226,768.42 |
| 01-Jun-04 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 273,519.56 |
| 01-Dec-04 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 1,143,518.77 |
| 01-Jun-05 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 251,768.03 |
| 01-Dec-05 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 1,091,768.88 |
| 01-Jun-06 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 230,769.12 |
| 01-Dec-06 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 1,005,768.18 |
| 01-Jun-07 | 18,778.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 211,394.26 |
| 01-Dec-07 | 842,402.63 | 402.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 1,016,393.78 |
| 01-Jun-08 | | 17,679.55 | 17,994.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 191,268.15 |
| 01-Dec-08 | | | 775,675.92 | 413.06 | 16,760.63 | 385.18 | 138,034.81 | 931,269.60 |
| 01-Jun-09 | | | | 17,588.06 | 16,760.63 | 385.18 | 138,034.81 | 172,768.68 |
| 01-Dec-09 | | | | | 709,348.63 | 385.18 | 138,034.81 | 847,768.62 |
| 01-Jun-10 | | | | | | 16,171.18 | 138,034.81 | 154,205.99 |
| 01-Dec-10 | | | | | | | 5,749,205.81 | 5,749,205.81 |
| | <u>\$1,031,427.08</u> | <u>\$22,134.15</u> | <u>\$992,801.44</u> | <u>\$22,985.07</u> | <u>\$945,102.55</u> | <u>\$21,974.27</u> | <u>\$7,966,863.96</u> | <u>\$16,101,318.66</u> |

(1) U.S. Treasury Certificate of Indebtedness (State and Local Government Series).
 (2) U.S. Treasury Note or Bond (State and Local Government Series).

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

DESCRIPTION OF THE ESCROWED SECURITIES
 AS OF MAY 20, 2002

| Type | Settlement Date | Maturity Date | Par Amount | Coupon Rate | Price | Total Cost |
|------|-----------------|---------------|------------------------|-------------|-------------|------------------------|
| SLGS | 20-May-02 | 01-Dec-02 | \$1,021,006.00 | 1.850% | 100.000000% | \$1,021,006.00 |
| SLGS | 20-May-02 | 01-Jun-03 | 38,500.00 | 2.260% | 100.000000% | 38,500.00 |
| SLGS | 20-May-02 | 01-Dec-03 | 968,935.00 | 2.750% | 100.000000% | 968,935.00 |
| SLGS | 20-May-02 | 01-Jun-04 | 29,009.00 | 3.170% | 100.000000% | 29,009.00 |
| SLGS | 20-May-02 | 01-Dec-04 | 899,468.00 | 3.480% | 100.000000% | 899,468.00 |
| SLGS | 20-May-02 | 01-Jun-05 | 23,368.00 | 3.750% | 100.000000% | 23,368.00 |
| SLGS | 20-May-02 | 01-Dec-05 | 863,807.00 | 3.980% | 100.000000% | 863,807.00 |
| SLGS | 20-May-02 | 01-Jun-06 | 19,997.00 | 4.170% | 100.000000% | 19,997.00 |
| SLGS | 20-May-02 | 01-Dec-06 | 795,413.00 | 4.320% | 100.000000% | 795,413.00 |
| SLGS | 20-May-02 | 01-Jun-07 | 18,220.00 | 4.440% | 100.000000% | 18,220.00 |
| SLGS | 20-May-02 | 01-Dec-07 | 823,624.00 | 4.560% | 100.000000% | 823,624.00 |
| SLGS | 20-May-02 | 01-Jun-08 | 17,277.00 | 4.660% | 100.000000% | 17,277.00 |
| SLGS | 20-May-02 | 01-Dec-08 | 757,681.00 | 4.750% | 100.000000% | 757,681.00 |
| SLGS | 20-May-02 | 01-Jun-09 | 17,175.00 | 4.810% | 100.000000% | 17,175.00 |
| SLGS | 20-May-02 | 01-Dec-09 | 692,588.00 | 4.840% | 100.000000% | 692,588.00 |
| SLGS | 20-May-02 | 01-Jun-10 | 15,786.00 | 4.880% | 100.000000% | 15,786.00 |
| SLGS | 20-May-02 | 01-Dec-10 | 5,611,171.00 | 4.920% | 100.000000% | 5,611,171.00 |
| | | | <u>\$12,613,025.00</u> | | | <u>\$12,613,025.00</u> |

EXHIBIT B

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

COMBINED ESCROW ACCOUNT DISBURSEMENT
 REQUIREMENTS FOR THE REFUNDED BONDS
 AS OF MAY 20, 2002

| Payment Date | Debt Payment For | | Total Debt Payment |
|--------------|------------------------------------|------------------------------------|------------------------|
| | Refunded 2000A Bonds (Exhibit B-1) | Refunded 2000C Bonds (Exhibit B-2) | |
| 01-Jun-02 | \$150,631.25 | \$170,762.50 | \$321,393.75 |
| 01-Dec-02 | 150,631.25 | 1,155,762.50 | 1,306,393.75 |
| 01-Jun-03 | 150,631.25 | 146,137.50 | 296,768.75 |
| 01-Dec-03 | 150,631.25 | 1,076,137.50 | 1,226,768.75 |
| 01-Jun-04 | 150,631.25 | 122,887.50 | 273,518.75 |
| 01-Dec-04 | 150,631.25 | 992,887.50 | 1,143,518.75 |
| 01-Jun-05 | 150,631.25 | 101,137.50 | 251,768.75 |
| 01-Dec-05 | 150,631.25 | 941,137.50 | 1,091,768.75 |
| 01-Jun-06 | 150,631.25 | 80,137.50 | 230,768.75 |
| 01-Dec-06 | 150,631.25 | 855,137.50 | 1,005,768.75 |
| 01-Jun-07 | 150,631.25 | 60,762.50 | 211,393.75 |
| 01-Dec-07 | 150,631.25 | 865,762.50 | 1,016,393.75 |
| 01-Jun-08 | 150,631.25 | 40,637.50 | 191,268.75 |
| 01-Dec-08 | 150,631.25 | 780,637.50 | 931,268.75 |
| 01-Jun-09 | 150,631.25 | 22,137.50 | 172,768.75 |
| 01-Dec-09 | 150,631.25 | 697,137.50 | 847,768.75 |
| 01-Jun-10 | 150,631.25 | 3,575.00 | 154,206.25 |
| 01-Dec-10 | 5,615,631.25 | 133,575.00 | 5,749,206.25 |
| | <u>\$8,176,362.50</u> | <u>\$8,246,350.00</u> | <u>\$16,422,712.50</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS
 FOR THE REFUNDED 2000A BONDS
 AS OF MAY 20, 2002

| Payment Date | Rate | Payment For | | Total |
|-----------------|---------|-----------------------|-----------------------|-----------------------|
| | | Principal Redeemed | Interest | |
| 01-Jun-02 | | | \$150,631.25 | \$150,631.25 |
| 01-Dec-02 | | | 150,631.25 | 150,631.25 |
| 01-Jun-03 | | | 150,631.25 | 150,631.25 |
| 01-Dec-03 | | | 150,631.25 | 150,631.25 |
| 01-Jun-04 | | | 150,631.25 | 150,631.25 |
| 01-Dec-04 | | | 150,631.25 | 150,631.25 |
| 01-Jun-05 | | | 150,631.25 | 150,631.25 |
| 01-Dec-05 | | | 150,631.25 | 150,631.25 |
| 01-Jun-06 | | | 150,631.25 | 150,631.25 |
| 01-Dec-06 | | | 150,631.25 | 150,631.25 |
| 01-Jun-07 | | | 150,631.25 | 150,631.25 |
| 01-Dec-07 | | | 150,631.25 | 150,631.25 |
| 01-Jun-08 | | | 150,631.25 | 150,631.25 |
| 01-Dec-08 | | | 150,631.25 | 150,631.25 |
| 01-Jun-09 | | | 150,631.25 | 150,631.25 |
| 01-Dec-09 | | | 150,631.25 | 150,631.25 |
| 01-Jun-10 | | | 150,631.25 | 150,631.25 |
| 01-Dec-10 | Various | \$5,465,000.00 | 150,631.25 | 5,615,631.25 |
| | | <u>\$5,465,000.00</u> | <u>\$2,711,362.50</u> | <u>\$8,176,362.50</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

ESCROW ACCOUNT DISBURSEMENT REQUIREMENTS
 FOR THE REFUNDED 2000C BONDS
 AS OF MAY 20, 2002

| Payment Date | Rate | Payment For | | |
|-----------------|--------|-----------------------|-----------------------|-----------------------|
| | | Maturing Principal | Interest | Total |
| 01-Jun-02 | | | \$170,762.50 | \$170,762.50 |
| 01-Dec-02 | 5.000% | \$985,000.00 | 170,762.50 | 1,155,762.50 |
| 01-Jun-03 | | | 146,137.50 | 146,137.50 |
| 01-Dec-03 | 5.000% | 930,000.00 | 146,137.50 | 1,076,137.50 |
| 01-Jun-04 | | | 122,887.50 | 122,887.50 |
| 01-Dec-04 | 5.000% | 870,000.00 | 122,887.50 | 992,887.50 |
| 01-Jun-05 | | | 101,137.50 | 101,137.50 |
| 01-Dec-05 | 5.000% | 840,000.00 | 101,137.50 | 941,137.50 |
| 01-Jun-06 | | | 80,137.50 | 80,137.50 |
| 01-Dec-06 | 5.000% | 775,000.00 | 80,137.50 | 855,137.50 |
| 01-Jun-07 | | | 60,762.50 | 60,762.50 |
| 01-Dec-07 | 5.000% | 805,000.00 | 60,762.50 | 865,762.50 |
| 01-Jun-08 | | | 40,637.50 | 40,637.50 |
| 01-Dec-08 | 5.000% | 740,000.00 | 40,637.50 | 780,637.50 |
| 01-Jun-09 | | | 22,137.50 | 22,137.50 |
| 01-Dec-09 | 5.500% | 675,000.00 | 22,137.50 | 697,137.50 |
| 01-Jun-10 | | | 3,575.00 | 3,575.00 |
| 01-Dec-10 | 5.500% | 130,000.00 | 3,575.00 | 133,575.00 |
| | | <u>\$6,750,000.00</u> | <u>\$1,496,350.00</u> | <u>\$8,246,350.00</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

DEBT SERVICE REQUIREMENTS FOR THE REFUNDED 2000A BONDS
 ASSUMING NO OPTIONAL REDEMPTIONS PRIOR TO MATURITY
 AS OF MAY 20, 2002

(FOR INFORMATIONAL PURPOSES ONLY)

| Payment Date | Rate | Payment For | | Total Debt Payment |
|-----------------|--------|-----------------------|-----------------------|-----------------------|
| | | Principal | Interest | |
| 01-Jun-02 | | | \$150,631.25 | \$150,631.25 |
| 01-Dec-02 | | | 150,631.25 | 150,631.25 |
| 01-Jun-03 | | | 150,631.25 | 150,631.25 |
| 01-Dec-03 | | | 150,631.25 | 150,631.25 |
| 01-Jun-04 | | | 150,631.25 | 150,631.25 |
| 01-Dec-04 | | | 150,631.25 | 150,631.25 |
| 01-Jun-05 | | | 150,631.25 | 150,631.25 |
| 01-Dec-05 | | | 150,631.25 | 150,631.25 |
| 01-Jun-06 | | | 150,631.25 | 150,631.25 |
| 01-Dec-06 | | | 150,631.25 | 150,631.25 |
| 01-Jun-07 | | | 150,631.25 | 150,631.25 |
| 01-Dec-07 | | | 150,631.25 | 150,631.25 |
| 01-Jun-08 | | | 150,631.25 | 150,631.25 |
| 01-Dec-08 | | | 150,631.25 | 150,631.25 |
| 01-Jun-09 | | | 150,631.25 | 150,631.25 |
| 01-Dec-09 | | | 150,631.25 | 150,631.25 |
| 01-Jun-10 | | | 150,631.25 | 150,631.25 |
| 01-Dec-10 | | | 150,631.25 | 150,631.25 |
| 01-Jun-11 | | | 150,631.25 | 150,631.25 |
| 01-Dec-11 | 5.000% | \$1,730,000.00 | 150,631.25 | 1,880,631.25 |
| 01-Jun-12 | | | 107,381.25 | 107,381.25 |
| 01-Dec-12 | 5.750% | 1,820,000.00 | 107,381.25 | 1,927,381.25 |
| 01-Jun-13 | | | 55,056.25 | 55,056.25 |
| 01-Dec-13 | 5.750% | 1,915,000.00 | 55,056.25 | 1,970,056.25 |
| | | <u>\$5,465,000.00</u> | <u>\$3,337,500.00</u> | <u>\$8,802,500.00</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

BLENDED YIELD ON THE REFUNDING BONDS
 AS OF MAY 20, 2002

| Payment Date | Payment For | | Total Debt Payment | Present Value at May 20, 2002 Using a Semi-Annually Compounded Yield of 5.05512% |
|--------------|---------------------------|---------------------------|------------------------|--|
| | 2002A Bonds (Exhibit C-1) | 2002B Bonds (Exhibit C-2) | | |
| 01-Dec-02 | \$175,436.04 | | \$175,436.04 | \$170,850.29 |
| 01-Jun-03 | 150,373.75 | | 150,373.75 | 142,832.91 |
| 01-Dec-03 | 150,373.75 | | 150,373.75 | 139,311.72 |
| 01-Jun-04 | 150,373.75 | | 150,373.75 | 135,877.34 |
| 01-Dec-04 | 150,373.75 | | 150,373.75 | 132,527.62 |
| 01-Jun-05 | 150,373.75 | | 150,373.75 | 129,260.49 |
| 01-Dec-05 | 150,373.75 | | 150,373.75 | 126,073.89 |
| 01-Jun-06 | 150,373.75 | | 150,373.75 | 122,965.85 |
| 01-Dec-06 | 150,373.75 | | 150,373.75 | 119,934.44 |
| 01-Jun-07 | 150,373.75 | | 150,373.75 | 116,977.75 |
| 01-Dec-07 | 150,373.75 | | 150,373.75 | 114,093.96 |
| 01-Jun-08 | 150,373.75 | | 150,373.75 | 111,281.26 |
| 01-Dec-08 | 150,373.75 | | 150,373.75 | 108,537.89 |
| 01-Jun-09 | 150,373.75 | | 150,373.75 | 105,862.16 |
| 01-Dec-09 | 150,373.75 | | 150,373.75 | 103,252.40 |
| 01-Jun-10 | 150,373.75 | | 150,373.75 | 100,706.97 |
| 01-Dec-10 | 150,373.75 | | 150,373.75 | 98,224.29 |
| 01-Jun-11 | 150,373.75 | | 150,373.75 | 95,802.81 |
| 01-Dec-11 | 1,755,373.75 | \$125,000.00 | 1,880,373.75 | 1,168,449.05 |
| 01-Jun-12 | 116,267.50 | | 116,267.50 | 70,466.60 |
| 01-Dec-12 | 1,781,267.50 | 135,000.00 | 1,916,267.50 | 1,132,766.72 |
| 01-Jun-13 | 79,637.50 | | 79,637.50 | 45,915.71 |
| 01-Dec-13 | 1,819,637.50 | 130,000.00 | 1,949,637.50 | 1,096,369.54 |
| 01-Jun-14 | 41,357.50 | | 41,357.50 | 22,683.85 |
| 01-Dec-14 | 1,736,357.50 | 255,000.00 | 1,991,357.50 | 1,065,297.90 |
| 01-Jun-15 | 3,220.00 | | 3,220.00 | 1,680.11 |
| 01-Dec-15 | 143,220.00 | 1,885,000.00 | 2,028,220.00 | 1,032,180.49 |
| 01-Dec-16 | | 2,035,000.00 | 2,035,000.00 | 985,198.50 |
| 01-Dec-17 | | 2,035,000.00 | 2,035,000.00 | 937,222.03 |
| 01-Dec-18 | | 2,035,000.00 | 2,035,000.00 | 891,581.88 |
| 01-Dec-19 | | 2,035,000.00 | 2,035,000.00 | 848,164.28 |
| 01-Dec-20 | | 2,035,000.00 | 2,035,000.00 | 806,861.00 |
| 01-Dec-21 | | 2,035,000.00 | 2,035,000.00 | 767,569.08 |
| | <u>\$10,208,128.54</u> | <u>\$14,740,000.00</u> | <u>\$24,948,128.54</u> | <u>\$13,046,780.78</u> |

Dated Date: 01-May-02
 Delivery Date: 20-May-02

The above aggregate present value of the future payments equals the following:

| | 2002A Bonds | 2002B Bonds | Total |
|----------------------------|-----------------------|-----------------------|------------------------|
| Par Value of the Issue | \$6,845,000.00 | \$6,182,769.20 | \$13,027,769.20 |
| Accrued Interest | 15,872.78 | | 15,872.78 |
| Net Original Issue Premium | 3,138.80 | | 3,138.80 |
| Proceeds on Delivery Date | <u>\$6,864,011.58</u> | <u>\$6,182,769.20</u> | <u>\$13,046,780.78</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

2002A BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
 AS OF MAY 20, 2002

| Payment Date | Rate | Payment For | | Total Debt Payment | Reoffering Price | Original Issue Premium/ (Discount) | Total Production |
|-----------------|--------|-----------------------|-----------------------|------------------------|---------------------|--|-----------------------|
| | | Principal | Interest | | | | |
| 01-Dec-02 | | | \$175,436.04 | \$175,436.04 | | | |
| 01-Jun-03 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-03 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-04 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-04 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-05 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-05 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-06 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-06 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-07 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-07 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-08 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-08 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-09 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-09 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-10 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-10 | | | 150,373.75 | 150,373.75 | | | |
| 01-Jun-11 | | | 150,373.75 | 150,373.75 | | | |
| 01-Dec-11 | 4.250% | \$1,605,000.00 | 150,373.75 | 1,755,373.75 | 100.388% | \$6,227.40 | \$1,611,227.40 |
| 01-Jun-12 | | | 116,267.50 | 116,267.50 | | | |
| 01-Dec-12 | 4.400% | 1,665,000.00 | 116,267.50 | 1,781,267.50 | 100.838% | 13,952.70 | 1,678,952.70 |
| 01-Jun-13 | | | 79,637.50 | 79,637.50 | | | |
| 01-Dec-13 | 4.400% | 1,740,000.00 | 79,637.50 | 1,819,637.50 | 99.640% | (6,264.00) | 1,733,736.00 |
| 01-Jun-14 | | | 41,357.50 | 41,357.50 | | | |
| 01-Dec-14 | 4.500% | 1,695,000.00 | 41,357.50 | 1,736,357.50 | 99.430% | (9,661.50) | 1,685,338.50 |
| 01-Jun-15 | | | 3,220.00 | 3,220.00 | | | |
| 01-Dec-15 | 4.600% | 140,000.00 | 3,220.00 | 143,220.00 | 99.203% | (1,115.80) | 138,884.20 |
| | | <u>\$6,845,000.00</u> | <u>\$3,363,128.54</u> | <u>\$10,208,128.54</u> | | <u>\$3,138.80</u> | <u>\$6,848,138.80</u> |

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
 COOK COUNTY, ILLINOIS (GLENBROOK)
 GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
 GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
 REFUNDING SCHOOL BONDS, SERIES 2002B

2002B BOND DEBT SERVICE REQUIREMENTS AND PRODUCTION
 AS OF MAY 20, 2002

| Payment Date | Payment For | | Total Debt Payment | Reoffering Price | Original Issue Premium/ (Discount) | Total Production |
|-----------------|-----------------------|-----------------------|------------------------|---------------------|--|-----------------------|
| | Principal | Interest | | | | |
| 01-Dec-11 | \$80,058.75 | \$44,941.25 | \$125,000.00 | 100.000% | \$0.00 | \$80,058.75 |
| 01-Dec-12 | 81,669.60 | 53,330.40 | 135,000.00 | 100.000% | 0.00 | 81,669.60 |
| 01-Dec-13 | 73,973.90 | 56,026.10 | 130,000.00 | 100.000% | 0.00 | 73,973.90 |
| 01-Dec-14 | 136,164.90 | 118,835.10 | 255,000.00 | 100.000% | 0.00 | 136,164.90 |
| 01-Dec-15 | 942,368.05 | 942,631.95 | 1,885,000.00 | 100.000% | 0.00 | 942,368.05 |
| 01-Dec-16 | 948,920.50 | 1,086,079.50 | 2,035,000.00 | 100.000% | 0.00 | 948,920.50 |
| 01-Dec-17 | 889,539.20 | 1,145,460.80 | 2,035,000.00 | 100.000% | 0.00 | 889,539.20 |
| 01-Dec-18 | 833,943.00 | 1,201,057.00 | 2,035,000.00 | 100.000% | 0.00 | 833,943.00 |
| 01-Dec-19 | 779,425.35 | 1,255,574.65 | 2,035,000.00 | 100.000% | 0.00 | 779,425.35 |
| 01-Dec-20 | 731,277.25 | 1,303,722.75 | 2,035,000.00 | 100.000% | 0.00 | 731,277.25 |
| 01-Dec-21 | 685,428.70 | 1,349,571.30 | 2,035,000.00 | 100.000% | 0.00 | 685,428.70 |
| | <u>\$6,182,769.20</u> | <u>\$8,557,230.80</u> | <u>\$14,740,000.00</u> | | <u>\$0.00</u> | <u>\$6,182,769.20</u> |

EXHIBIT D

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
COOK COUNTY, ILLINOIS (GLENBROOK)
GENERAL OBLIGATION LIMITED TAX
REFUNDING SCHOOL BONDS, SERIES 2002A
GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
REFUNDING SCHOOL BONDS, SERIES 2002B

ESCROW YIELD CALCULATION
AS OF MAY 20, 2002

| Date | Total Cash Receipts From U.S. Treasury Securities (Exhibit A) | Present Value at May 20, 2002 Using a Semi-Annually Compounded Yield of 4.67785% |
|-----------|---|--|
| 01-Dec-02 | \$1,306,394.34 | \$1,274,734.78 |
| 01-Jun-03 | 296,768.47 | 282,958.31 |
| 01-Dec-03 | 1,226,768.42 | 1,142,947.91 |
| 01-Jun-04 | 273,519.56 | 249,006.91 |
| 01-Dec-04 | 1,143,518.77 | 1,017,244.74 |
| 01-Jun-05 | 251,768.03 | 218,847.65 |
| 01-Dec-05 | 1,091,768.88 | 927,323.30 |
| 01-Jun-06 | 230,769.12 | 191,530.22 |
| 01-Dec-06 | 1,005,768.18 | 815,674.07 |
| 01-Jun-07 | 211,394.26 | 167,521.71 |
| 01-Dec-07 | 1,016,393.78 | 787,044.10 |
| 01-Jun-08 | 191,268.15 | 144,723.44 |
| 01-Dec-08 | 931,269.60 | 688,542.58 |
| 01-Jun-09 | 172,768.68 | 124,818.67 |
| 01-Dec-09 | 847,768.62 | 598,481.90 |
| 01-Jun-10 | 154,205.99 | 106,373.65 |
| 01-Dec-10 | 5,749,205.81 | 3,875,251.06 |
| | <u>\$16,101,318.66</u> | <u>\$12,613,025.00</u> |
| | | <u>\$12,613,025.00</u> |

Total Cost of Securities

\$12,613,025.00

EXHIBIT E

NORTHFIELD TOWNSHIP HIGH SCHOOL DISTRICT NUMBER 225
COOK COUNTY, ILLINOIS (GLENBROOK)
GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2002A
GENERAL OBLIGATION LIMITED TAX CAPITAL APPRECIATION
REFUNDING SCHOOL BONDS, SERIES 2002B

SOURCES AND USES OF FUNDS
AS OF MAY 20, 2002

Sources of Funds:

| | |
|--------------------------------|------------------------|
| Par Value of Bonds | \$13,027,769.20 |
| Accrued Interest | 15,872.78 |
| Net Original Issue Premium | 3,138.80 |
| Debt Service Fund Contribution | 124,000.00 |
| Total Sources of Funds | <u>\$13,170,780.78</u> |

Uses of Funds:

| | |
|---------------------------------------|------------------------|
| Beginning Escrow Account Cash Balance | \$321,419.77 |
| Cost of the Escrowed Securities | 12,613,025.00 |
| Accrued Interest | 15,872.78 |
| Underwriter's Discount | 144,079.04 |
| Issuance Costs | 74,850.00 |
| Contingency | 1,534.19 |
| Total Uses of Funds | <u>\$13,170,780.78</u> |

STATE OF ILLINOIS)
) SS
 COUNTY OF COOK)

**CERTIFICATE OF REDUCTION OF TAXES
 HERETOFORE LEVIED FOR THE PAYMENT OF SERIES 2000A 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 225, 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 |
|---|---------------------------------|------------------------------------|----------------------------------|--|
| General Obligation Limited Tax School Bonds, Series 2000A, dated October 1, 2002 | \$11,300,000 | \$11,300,000 | September 25, 2000 | October 6, 2000 |

4. That the amounts levied to pay the Prior Bonds in and for each of the years prior to 2002 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 \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, 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:

\$5,465,000 General Obligation Limited Tax School Bonds, Series 2000A, dated October 1, 2000, of the District, being a portion of the bonds outstanding from an issue in the original principal amount of \$11,300,000, fully registered and without coupons, due serially on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

| YEAR OF MATURITY | PRINCIPAL AMOUNT | RATE OF INTEREST |
|------------------|------------------|------------------|
| 2011 | \$1,730,000 | 5.00% |
| 2012 | 1,820,000 | 5.75% |
| 2013 | 1,915,000 | 5.75% |

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 2002 (collectible in 2003) to 2012, inclusive, for the payment of the Prior Bonds described in paragraph 3 hereof by abating a portion of said taxes levied for said years for such purpose as follows:

FOR THE SERIES 2000A BONDS

| LEVY YEAR | AMOUNT LEVIED IN 2000 | AMOUNT TO BE ABATED | REMINDER OF TAX TO BE EXTENDED TO PRODUCE |
|--------------|--------------------------|------------------------|---|
| 2002 | \$ 578,425.00 | \$301,262.50 | \$277,162.50 |
| 2003 | 578,425.00 | 301,262.50 | 277,162.50 |
| 2004 | 578,425.00 | 301,262.50 | 277,162.50 |
| 2005 | 578,425.00 | 301,262.50 | 277,162.50 |
| 2006 | 1,673,425.00 | 301,262.50 | 1,372,162.50 |
| 2007 | 2,031,412.50 | 301,262.50 | 1,730,150.00 |
| 2008 | 2,034,925.00 | 301,262.50 | 1,733,662.50 |
| 2009 | 2,034,875.00 | 301,262.50 | 1,733,612.50 |
| 2010 | 2,031,262.50 | 2,031,262.50 | 0 |
| 2011 | 2,034,762.50 | 2,034,762.50 | 0 |
| 2012 | 2,025,112.50 | 2,025,112.50 | 0 |

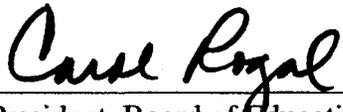
8. That the resolution adopted by the Board on the 29th day of April, 2002, authorizing the Refunding Bonds (the "*Bond Resolution*") prescribes all details thereof and provides for the levy and collection of a direct annual tax upon all the taxable property within the District to pay the principal thereof 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.

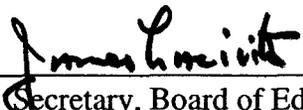
10. That you are notified and directed that such refunding bond and interest taxes shall be levied and collected as set forth in the Bond Resolution in like manner as the general taxes for the District and shall not be included within any limitation of rate for general purposes now or hereafter provided 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.

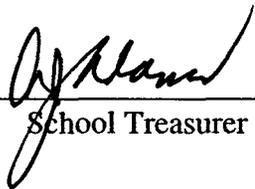
IN WITNESS WHEREOF, we hereunto affix our official signatures, this 29th day of April, 2002.



President, Board of Education



Secretary, Board of Education



School Treasurer

RECEIPT IS HEREBY ACKNOWLEDGED this 20th day of May, 2002, of a duplicate original of this CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF SERIES 2000A BONDS, manually executed by the President and Secretary of the Board of Education of Township High School District Number 225, 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, that the taxes heretofore levied for the years 2002 to 2012, 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 20th day of May, 2002.



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 SERIES 2000C 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 225, 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 supplemented by the Local Government Debt Reform Act, 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 |
|---|---------------------------------|------------------------------------|----------------------------------|--|
| General Obligation School Bonds (Alternate Revenue Source), Series 2000C, dated October 1, 2000 | \$29,485,000 | \$28,740,000 | September 25, 2000 | October 24, 2000 |

4. That the amounts levied to pay the Prior Bonds in and for each of the years prior to 2002 have been abated by the District.

5. That the Board has authorized the issuance of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, 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:

\$6,750,000 General Obligation School Bonds (Alternate Revenue Source), Series 2000C, dated October 1, 2000, of the District, being a portion of the bonds outstanding from an issue in the original principal amount of \$29,485,000, fully registered and without coupons, due serially on December 1 of the years, in the amounts and bearing interest at the rates per annum as follows:

| YEAR OF MATURITY | PRINCIPAL AMOUNT | RATE OF INTEREST |
|------------------|------------------|------------------|
| 2002 | \$985,000 | 5.00% |
| 2003 | 930,000 | 5.00% |
| 2004 | 870,000 | 5.00% |
| 2005 | 840,000 | 5.00% |
| 2006 | 775,000 | 5.00% |
| 2007 | 805,000 | 5.00% |
| 2008 | 740,000 | 5.00% |
| 2009 | 675,000 | 5.50% |
| 2010 | 130,000 | 5.50% |

7. That pursuant to the Code, you are hereby notified and directed to make proper reduction of the taxes heretofore levied for the years 2002 (collectible in 2003) to 2018, inclusive, for the payment of the Prior Bonds described in paragraph 3 hereof by abating a portion of said taxes levied for said years for such purpose as follows:

FOR THE SERIES 2000C BONDS

| LEVY YEAR | AMOUNT LEVIED IN 2000 | AMOUNT TO BE ABATED | REMINDER OF TAX TO BE EXTENDED TO PRODUCE |
|--------------|--------------------------|------------------------|---|
| 2002 | \$2,545,700 | \$1,222,275 | \$1,323,425 |
| 2003 | 2,542,200 | 1,115,775 | 1,426,425 |
| 2004 | 2,566,200 | 1,042,275 | 1,523,925 |
| 2005 | 2,561,200 | 935,275 | 1,625,925 |
| 2006 | 2,553,450 | 926,525 | 1,626,925 |
| 2007 | 2,547,950 | 821,275 | 1,726,675 |
| 2008 | 2,544,450 | 719,275 | 1,825,175 |
| 2009 | 2,535,525 | 137,150 | 2,398,375 |
| 2010 | 2,522,750 | 0 | 2,522,750 |
| 2011 | 2,519,000 | 0 | 2,519,000 |
| 2012 | 2,517,375 | 0 | 2,517,375 |
| 2013 | 2,511,950 | 0 | 2,511,950 |
| 2014 | 2,506,575 | 0 | 2,506,575 |
| 2015 | 2,500,975 | 0 | 2,500,975 |
| 2016 | 2,494,875 | 0 | 2,494,875 |
| 2017 | 2,493,000 | 0 | 2,493,000 |
| 2018 | 2,489,800 | 0 | 2,489,800 |

8. That the resolution adopted by the Board on the 29th day of April, 2002, 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 29th day of April, 2002.



President, Board of Education



Secretary, Board of Education



School Treasurer

RECEIPT IS HEREBY ACKNOWLEDGED this 20th day of May, 2002, of a duplicate original of this CERTIFICATE OF REDUCTION OF TAXES HERETOFORE LEVIED FOR THE PAYMENT OF SERIES 2000C BONDS, manually executed by the President and Secretary of the Board of Education of Township High School District Number 225, 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, that the taxes heretofore levied for the years 2002 to 2018, 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 20th day of May, 2002.



County Clerk of The County of
Cook, Illinois

[SEAL]

STATE OF ILLINOIS)
) SS
COUNTY OF COOK)

CERTIFICATION OF UNDERWRITER

I, the undersigned, do hereby certify that I am an officer of William Blair & Company, a limited liability company, Chicago, Illinois (the "*Underwriter*"), and as such officer I do further certify as follows:

1. That the Underwriter and Township High School District Number 225, Cook County, Illinois (the "*District*"), have entered into a contract, dated April 29, 2002 (the "*Contract*"), concerning the purchase by the Underwriter from the District of \$13,027,769.20 General Obligation Limited Tax Refunding School Bonds, Series 2002, of the District (the "*Bonds*").

2. That the Contract is in full force and effect and has not been modified, repealed, rescinded or amended.

3. That the Underwriter hereby confirms that the first price at which at least ten percent of the principal amount of each maturity of the Bonds has been sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) is equal to the prices as shown in the verification report and opinion of Causey, Demgen & Moore, Inc., Certified Public Accountants, Denver, Colorado, related to the issuance of the Bonds (the "*Verification Report*"), and that in addition, accrued interest to the date of issuance of the Bonds by the District will be paid by the investors purchasing the Bonds.

4. That all of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers, or similar persons or organizations acting in

the capacity of underwriters, placement agents or wholesalers) at prices equal to those referred to in paragraph 3 hereof.

5. That on the date of the Contract, based upon the Underwriter's assessment of then prevailing market conditions, the prices shown in the Verification Report are not less than the fair market value of each Bond as of the date of the Contract.

IN WITNESS WHEREOF, I hereunto affix my signature, this 20th day of May, 2002.

WILLIAM BLAIR & COMPANY,
a limited liability company,
Chicago, Illinois

By William G. Henney
Title: Principal

Information Return for Tax-Exempt Governmental Obligations
 Under Internal Revenue Code section 149(e)
 See separate Instructions.

OMB No. 1545-0720

Caution: If the issue price is under \$100,000, use Form 8038-GC.

Part I Reporting Authority If Amended Return, check here

| | | | |
|---|--|---|--------------------------------|
| 1 Issuer's name Township High School District Number 225, Cook County, Illinois | | 2 Issuer's employer identification number 36 : 6004414 | |
| 3 Number and street (or P.O. box if mail is not delivered to street address) 1835 Landwehr Road | | Room/suite | 4 Report number G 01 |
| 5 City, town, or post office, state, and ZIP code Glenview, Illinois 60025-1289 | | 6 Date of issue 5-15-02 | |
| 7 Name of issue General Obligation Limited Tax Refunding School Bonds, Series 2002A and 2002B | | 8 CUSIP number 215777 GV9 | |
| 9 Name and title of officer or legal representative whom the IRS may call for more information Craig Schilling, Assistant Superintendent for Business | | 10 Telephone number of officer or legal representative (847) 486-4725 | |

Part II Type of Issue (check applicable box(es) and enter the issue price) See instructions and attach schedule

| | | |
|--|----|-------------------|
| 11 <input checked="" type="checkbox"/> Education | 11 | 13,030,908 |
| 12 <input type="checkbox"/> Health and hospital | 12 | |
| 13 <input type="checkbox"/> Transportation | 13 | |
| 14 <input type="checkbox"/> Public safety | 14 | |
| 15 <input type="checkbox"/> Environment (including sewage bonds) | 15 | |
| 16 <input type="checkbox"/> Housing | 16 | |
| 17 <input type="checkbox"/> Utilities | 17 | |
| 18 <input type="checkbox"/> Other. Describe ▶ | 18 | |
| 19 If obligations are TANs or RANs, check box <input type="checkbox"/> If obligations are BANs, check box <input type="checkbox"/> | | |
| 20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/> | | |

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

| | (a) Final maturity date | (b) Issue price | (c) Stated redemption price at maturity | (d) Weighted average maturity | (e) Yield |
|----|-------------------------|----------------------|---|-------------------------------|-----------------|
| 21 | 12-1-21 | \$ 13,030,908 | \$ 21,585,000 | 13.426 years | 5.0551 % |

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

| | | |
|---|----|-------------------|
| 22 Proceeds used for accrued interest | 22 | 15,872.78 |
| 23 Issue price of entire issue (enter amount from line 21, column (b)) | 23 | 13,030,908 |
| 24 Proceeds used for bond issuance costs (including underwriters' discount) | 24 | 220,463 |
| 25 Proceeds used for credit enhancement | 25 | |
| 26 Proceeds allocated to reasonably required reserve or replacement fund | 26 | |
| 27 Proceeds used to currently refund prior issues | 27 | |
| 28 Proceeds used to advance refund prior issues | 28 | 12,810,445 |
| 29 Total (add lines 24 through 28) | 29 | 13,030,908 |
| 30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here) | 30 | 0 |

Part V Description of Refunded Bonds (Complete this part only for refunding bonds.)

| | |
|--|--------------------|
| 31 Enter the remaining weighted average maturity of the bonds to be currently refunded | _____ years |
| 32 Enter the remaining weighted average maturity of the bonds to be advance refunded | 6.863 years |
| 33 Enter the last date on which the refunded bonds will be called | 12-1-2010 |
| 34 Enter the date(s) the refunded bonds were issued ▶ | 10-25-2000 |

Part VI Miscellaneous

| | | |
|---|-----|--|
| 35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5) | 35 | |
| 36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (see instructions) | 36a | |
| b Enter the final maturity date of the guaranteed investment contract ▶ | | |
| 37 Pooled financings: a Proceeds of this issue that are to be used to make loans to other governmental units | 37a | |
| b If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the name of the issuer ▶ _____ and the date of the issue ▶ _____ | | |
| 38 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box <input type="checkbox"/> | | |
| 39 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box <input type="checkbox"/> | | |
| 40 If the issuer has identified a hedge, check box <input type="checkbox"/> | | |

Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete.

Sign Here  **5-15-02** **Anthony Adams, Treasurer**
 Signature of issuer's authorized representative Date Type or print name and title