

**COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
(WESCLIN)**

\$9,600,000 General Obligation School Building Bonds, Series 2012

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May 1, 2012

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation School Building Bonds, Series 2012 (the “*Bonds*”), to the amount of \$9,600,000, dated May 1, 2012, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2014	\$ 225,000	5.00%
2015	250,000	5.00%
2016	280,000	5.00%
2017	310,000	5.00%
2018	345,000	5.00%
2019	380,000	5.00%
2020	420,000	5.00%
2021	460,000	2.50%
2022	500,000	2.65%
2023	540,000	2.80%
2024	575,000	2.90%
2025	615,000	3.00%
2026	660,000	3.10%
2027	705,000	3.20%
2028	755,000	3.30%
2029	805,000	4.00%
2030	860,000	4.00%
2031	915,000	4.00%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the

Chapman and Cutler LLP

owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

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

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

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

EPBartholomy/KMFloros:tlt

Chapman and Cutler LLP

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), and as such officials we do further certify as follows:

1. That the District was organized in the year 1959, 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:

John Fridley, President, Board of Education

Sandra Padak, Vice-President, Board of Education

Monica Evans, Member, Board of Education

Kent Jeanneret, Member, Board of Education

Jerry Hatt, Member, Board of Education

Randy Schorfheide, Member, Board of Education

Steve Buzzard, Member, Board of Education

Steve Buzzard, Secretary, Board of Education

Paul Tockstein, School Treasurer

and that said members of the Board have been the duly qualified and acting Board since April, 2011, and provided there are no vacancies created by resignation or otherwise, will constitute the Board until the election for members of the Board to be held on April 9, 2013, is canvassed and a new Board duly constituted.

3. That there have been no changes in the boundaries of the District during the last five (5) years.
4. That the only cities, villages or incorporated towns located wholly or partly within the District are as follows: New Baden, New Memphis and Trenton, 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 Counties of Clinton and St. Clair, Illinois, are the only counties within which the District is wholly or partly located, and that said counties have not adopted and are not now operating under the provisions of Article 6A of the Election Code of the State of Illinois, as amended (10 ILCS 5/6A), said article providing for a county board of election commissioners.
6. That since the year 1989, none of the District has been located in a county of 3,000,000 or more inhabitants, a county contiguous to a county with 3,000,000 or more inhabitants or a county that has held a referendum on the applicability of the Property Tax Extension Limitation Law of the State of Illinois, as amended (35 ILCS 200/18-185 *et seq.*).
7. That the *Trenton Sun* 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: Trenton Sun and Clinton County News.

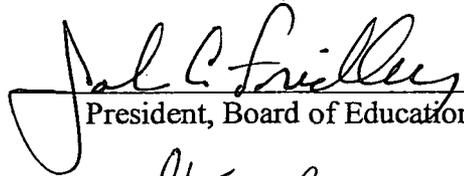
(If no requests have been made, please
so indicate with the word "none".)

9. That the regular meetings of the Board are held on the 3rd Monday of each month at 7:00 o'clock P.M., at the Wesclin Junior/Senior High School Library, 10003 State Route 160, Trenton, 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 K to 12, inclusive, such school system meeting and complying in all

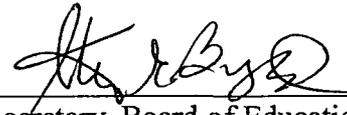
respects with all of the standards established for recognition by the State Board of Education of the State of Illinois.

11. That the District does not have an official corporate seal.
12. That the District has an estimated population of 8,025, and that there are approximately 5,668 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 the majority of children attending school in the District attend a school within Clinton County, Illinois, and that the District is subject to the supervision and control of the Regional Superintendent of Schools for the Regional Office of Education serving Educational Service Region Number 13, including therein all of Clinton County, Illinois.
15. That there is no litigation or controversy pending or threatened and there are no tax objections pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes or the title of any of its present officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 16th day of April, 2012.



President, Board of Education



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

MEMBERSHIP CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary, respectively, of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), and as such officials we do further certify that continuously during the period beginning April, 2009, and ending April, 2011, the duly qualified and acting officials of the District were as follows:

John Fridley, President, Board of Education

Sandra Padak, Vice-President, Board of Education

Monica Evans, Member, Board of Education

Jerry Hatt, Member, Board of Education

Kent Jeanneret, Member, Board of Education

Randy Schorfheide, Member, Board of Education

Steve Buzzard, Member, Board of Education

Steve Buzzard, Secretary, Board of Education

Paul Tockstein, School Treasurer

and that no litigation or controversy was ever or is now pending or threatened questioning or affecting in any manner whatsoever the title of any of said officials to their respective offices.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 16th day of April,
2012.



President, Board of Education



Secretary, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

INDEBTEDNESS CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting Secretary of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "District"), and School Treasurer of the District, respectively, and as such officials we do further certify that the total aggregate indebtedness of the District, of every kind and nature and howsoever evidenced or incurred, excluding the proposed \$9,600,000 General Obligation School Building Bonds, Series 2012, does not exceed the total sum of \$0, which said indebtedness is itemized as follows:

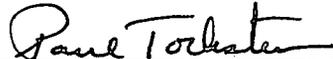
Bonds issued by the District (not including alternate bonds)	\$	0
Alternate bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended	\$	0
Contracts (including all payments on installment purchase contracts, debt certificates and public utility contracts)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

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

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 16th day of April, 2012.



Secretary, Board of Education



School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

2010 VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Clinton, 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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, as of the date of this certificate, is the sum of \$ 129,079,036 as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2010, 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 21 day of March, 2012.

Mary Rakers
County Clerk of The County of Clinton, Illinois

(SEAL)

FILED

MAR 16 2012

Mary Rakers
CLINTON COUNTY CLERK

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

2010 VALUATION CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of St. Clair, 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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, as of the date of this certificate, is the sum of \$ 29,473, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2010, 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 16th day of March, 2012

Bob Delaney^{AK}
County Clerk of The County of St. Clair, Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

2011 NON-AVAILABILITY CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Clinton, 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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2011, is not now available and will not be available until at least on or after June 1, 2012.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 21 day of March, 2012.

Mary Rakers
County Clerk of The County of Clinton, Illinois

(SEAL)

FILED
MAR 16 2012
Mary Rakers
CLINTON COUNTY CLERK

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

2011 NON-AVAILABILITY CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of St. Clair, 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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, as last equalized or assessed by the Department of Revenue of the State of Illinois, for State and County taxes for the year 2011, is not now available and will not be available until at least on or after June 1, 2012.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this ~~14th~~ day of March, 2012.

Bob Wolcunery ^{AS}
County Clerk of The County of St. Clair,
Illinois

(SEAL)



Illinois State Board of Education

100 North First Street • Springfield, Illinois 62777-0001
www.isbe.net

Jesse H. Ruiz
Chairman

Christopher A. Koch, Ed.D.
State Superintendent of Education

June 17, 2010

David Daum
Superintendent
Wesclin CUSD 3
10003 State Route 160
Trenton, Illinois 62293

RE: School Construction Project Grant Entitlement/Entitlement Approved

Dear Superintendent Daum:

Illinois State Board of Education staff has reviewed the Application for School Construction Grant Entitlement and the District Facilities Plan submitted by Wesclin CUSD 3 as part of the FY2003 application process. Additionally, an on-site verification visit was conducted by State Board staff.

As a result of the review, the Illinois State Board of Education is hereby issuing the enclosed School Construction Project Grant Entitlement. Under separate cover you will receive information from the Capital Development Board regarding your district's recognized project cost.

Thank you for your application. If you have any questions, please contact Debby Vespa, division administrator of the School Business Services Division, at 217/785-8779.

Sincerely,

A handwritten signature in cursive script that reads "Christopher Koch".

Christopher A. Koch, Ed.D.
State Superintendent of Education

Enclosures

cc: James A. Riemer, Executive Director
Capital Development Board

ILLINOIS STATE BOARD OF EDUCATION
School Financial Services Center
School Business Services Division
100 North First Street
Springfield, Illinois 62777-001

SCHOOL CONSTRUCTION PROJECT GRANT ENTITLEMENT

This entitlement is issued by the Illinois State Board of Education pursuant to the School Construction Law. Based upon a review of the FY2003 Application for Construction Grant Entitlement, the District Facilities Plan, and an on-site verification, the school district listed below is entitled. Please be advised that this entitlement constitutes eligibility for project funds and does not guarantee the district will receive a grant award. The Capital Development Board will make final awards.

District Name: Wesclin CUSD 3

This entitlement is issued with the following provisions:

- **Project(s) must relate to priority classification:**
- B. Projects designed to alleviate a shortage of classrooms due to population growth or to replace aging school buildings.**
- **Project(s) are limited to providing capacity for 350 inadequately housed students in grade levels PRE K-8 and 84 inadequately housed students in grade levels 9-12.**

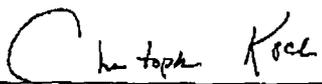
District Grant Index Information

The FY2010 grant indexes for Wesclin CUSD 3 are 0.708899 for the Elementary School and 0.588478 for the High School. These are the grant indexes that are effective at this date.

Note: Pursuant to Section 151.60 of 23 Illinois Administrative Code, a grant index shall lapse if a grant is not awarded within 36 months after entitlement, and a new grant index shall be issued based upon the district's most recent general state aid claim.

Should you have any questions about any aspect of the School Construction Program, please contact the School Business Services Division at 217/785-8779 or fax 217/782-6096.

6/22/10
Date
 ORIGINAL: School District


Signature of State Superintendent of Education
 COPY: Capital Development Board and Regional Superintendent

FY03 APPLICATION CYCLE PRIORITY RANKING NUMBER WORKSHEET

DISTRICT NAME, NUMBER	COUNTY	CONTACT NAME	PHONE	FAX
Wesclin CUSD 3	Clinton	David Daum	618-224-7583	618-224-9106

ELEMENTARY BUILDING CAPACITIES				
BUILDING NAME, YEAR BUILT	GRADE LEVELS	CAP.	UTIL.	ADJ. CAP.
1. New Baden	1 - 5	269	0.90	242
2. Trenton	1-5	310	0.90	279
3. St. George		N/A		
4. St. Mary's		N/A		
				521

MIDDLE SCHOOL/JUNIOR HIGH BUILDING CAPACITIES				
BUILDING NAME, YEAR BUILT	GRADE LEVELS	CAP.	UTIL.	ADJ. CAP.
1. Jr. High	6 - 8	163	0.85	138
				138

SENIOR HIGH BUILDING CAPACITIES				
BUILDING NAME, YEAR BUILT	GRADE LEVEL(S)	CAP.	UTIL.	ADJ. CAP.
1. Senior High	9-12	362	0.80	289
				289

1. PREK - 8 Growth Enrollment (or 2001 if greater) = $\frac{1009}{(2001 \text{ Fall Enrollment})} / \frac{1022}{(1999 \text{ Fall Enrollment})} \times \frac{1009}{(2001 \text{ Fall Enrollment})} = \underline{1009}$

2. PREK - 8 Adjusted Capacity Total (from above) = 859

3. Number of PREK - 8 Inadequately Housed (Line 1 minus Line 2) = 350

1. 9 - 12 Growth Enrollment (or 2001 if greater) = $\frac{368}{(2001 \text{ Fall Enrollment})} / \frac{363}{(1999 \text{ Fall Enrollment})} \times \frac{368}{(2001 \text{ Fall Enrollment})} = \underline{373}$

2. 9 - 12 Adjusted Capacity Total (from above) = 289

3. Number of 9 - 12 Inadequately Housed (Line 1 minus Line 2) = 84

434 (Total Inadequately Housed) / 1377 (Total 2001 Enrollment Affected) X 434 (Total Inadequately Housed) = Priority Ranking No. 136.787

MINUTES of a regular public meeting of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, held at the Wesclin High School Library, 10003 State Route 160, Trenton, Illinois, in said School District at 7:00 o'clock P.M., on the 19th day of July, 2010.

* * *

The meeting was called to order by the President and upon the roll being called, John Fridley, the President, and the following members were physically present at said location: ~~Sandra Padak~~, Steve Buzzard, Monica Evans, ~~Jerry Hatt~~, Kent Jeanneret and Randy Schorfheide.

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

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

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: Sandra Padak, Jerry Hatt

The President announced that the Board of Education would next consider the adoption of a resolution providing for and requiring the submission of the proposition of issuing School Building Bonds to the voters of the District at the general election to be held on November 2, 2010.

Whereupon Member Kent Jeanneret presented and the Secretary read by title a resolution as follows, copies of which were provided to everyone in attendance at said meeting who requested a copy:

RESOLUTION providing for and requiring the submission of the proposition of issuing School Building Bonds to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election to be held on the 2nd day of November, 2010.

* * *

WHEREAS, the Board of Education (the "*School Board*") of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), has considered the existing school facilities and the improvements and extensions necessary to be made thereto in order that the same will adequately serve the educational needs of the District; and

WHEREAS, the School Board does hereby find and determine that it is necessary and in the best interests of the District that the School Board be authorized to build and equip a new school building and improve the site thereof, and alter, repair and equip the existing school buildings (the "*Project*") at an estimated cost of \$9,600,000; and

WHEREAS, the School Board does hereby find and determine that the Project is needed to provide a quality educational program; and

WHEREAS, there are insufficient funds on hand and available to pay the costs of the Project; and

WHEREAS, before the School Board can provide the Project and borrow money and issue bonds for such purpose, a proposition therefor (the "*Proposition*") must be submitted to the voters of the District and be approved by a majority of the voters of the District voting on the Proposition at an election to be held in and for the District; and

WHEREAS, it is deemed advisable, necessary and in the best interests of the District that the Proposition be submitted to the voters of the District at an election to be held and conducted in accordance with the general election law:

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, as follows:

Section 1. Incorporation of Preambles. The School 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. Need for Project. It is necessary and in the best interests of the District that the School Board be authorized to provide the Project, and that it is necessary and in the best interests of the District that money be borrowed and in evidence thereof bonds of the District be issued therefor to the amount of \$9,600,000.

Section 3. Submission to Voters. The Proposition shall be submitted to the voters of the District in accordance with the general election law at the general election to be held on Tuesday, the 2nd day of November, 2010, between the hours of 6:00 o'clock A.M. and 7:00 o'clock P.M. on said day (the "Election").

Section 4. Voting Precincts and Polling Places. The Election shall be held in the voting precincts and at the polling places established by the County Boards (the "County Boards") of The Counties of Clinton and St. Clair, Illinois (the "Counties"), for voters of the District at the Election.

Section 5. Election Notice. The County Clerks of the Counties (the "County Clerks") shall give notice of the Election (the "Notice") in accordance with the general election law by (i) publishing the Notice once not more than 30 nor less than 10 days prior to the date of the Election in a local, community newspaper having general circulation in the District, and (ii) posting a copy of the Notice at least 10 days before the date of the Election at the principal office of the County Clerk.

Section 6. Local Notice. The Secretary of the School Board shall post a copy of the Notice at the principal office of the District.

Section 7. Newspaper of General Circulation. It is hereby found and determined that the *Trenton Sun* is a local, community newspaper having general circulation in the District as

required by Section 12-5 of the Election Code of the State of Illinois, as amended (the "Election Code").

Section 8. Form of Notice. The Notice shall appear over the name or title of the respective County Clerk and shall be substantially in the following form:

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the 2nd day of November, 2010, the following proposition will be submitted to the voters of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois:

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

The polls at the election will be open at 6:00 o'clock A.M. and will continue to be open until 7:00 o'clock P.M. of that day.

Dated this ____ day of _____, 2010.

County Clerk, The County of _____,
Illinois

Section 9. Form of Ballot. The ballot to be used at the Election shall be in substantially the following form, with such necessary alterations, changes, deletions and insertions as may be required by Articles 24A, 24B or 24C of the Election Code if an electronic, mechanical or electric voting system is used at the Election:

(Face of Ballot)

OFFICIAL BALLOT

PROPOSITION TO ISSUE \$9,600,000 SCHOOL BUILDING BONDS

(INSTRUCTIONS TO VOTERS: Mark a cross
(X) in the space opposite the word
indicating the way you desire to vote.)

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?	YES	
	NO	

(Back of Paper Ballot)

OFFICIAL BALLOT

Official ballot for voting on the proposition to issue School Building Bonds of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election held on November 2, 2010.

Precinct Number: _____

Polling Place: _____

(Facsimile Signature)

County Clerk, The County of _____,
Illinois

Section 10. Election Judges. The Election shall be conducted by the election judges appointed by the County Boards to act in the precincts at which the Proposition will be submitted to the voters of the District.

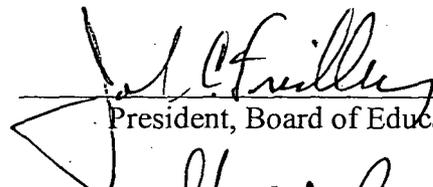
Section 11. Filing of Resolution. After the adoption hereof and not less than 61 days prior to the date of the Election, the Secretary of the School Board shall certify a copy hereof to the County Clerks in order that the Proposition may be submitted to the voters of the District at the Election.

Section 12. Canvass of Election. The Election shall be held and conducted and the returns thereof duly canvassed, all in the manner and time as provided by the general election law.

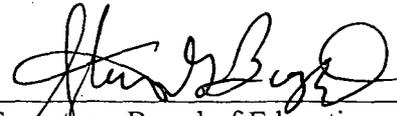
Section 13. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph, clause or provision shall not affect any of the remaining provisions of this Resolution.

Section 14. 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 July 19, 2010.



President, Board of Education



Secretary, Board of Education

Member Stephen Buzzard moved and Member Kent Jeanneret

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

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

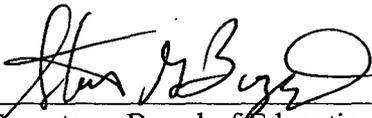
Upon the roll being called, the following members voted AYE: John Fridley, ~~Sandra Padak~~, Steve Buzzard, Monica Evans, ~~Jerry Hatt~~, Kent Jeanneret and Randy Schorfheide.

The following members voted NAY: None

Whereupon the President declared the motion carried and the resolution adopted and did sign and approve the same in open meeting and did direct the Secretary to record the same in the records of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, 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 CLINTON)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education (the "Board") of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "District"), and that as such official I am the keeper of the records and files of the Board.

I do further certify that the foregoing is a full, true and complete transcript of that portion of the minutes of the meeting of the Board held on the 19th day of July, 2010, insofar as the same relates to the adoption of a resolution entitled:

RESOLUTION providing for and requiring the submission of the proposition of issuing School Building Bonds to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election to be held on the 2nd day of November, 2010.

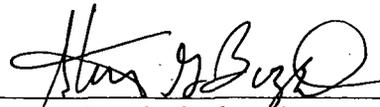
a true, correct and complete copy of which said resolution as adopted at said meeting appears in the foregoing transcript of the minutes of said meeting.

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 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, the School Code of the State of Illinois, as amended, and the Election Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Codes and with all of the procedural rules of the Board.

I do further certify that the geographic or common name of the District by which the District is commonly known and referred to is Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois.

There is hereby certified to the County Clerks of The Counties of Clinton and St. Clair, Illinois, for submitting to the voters of the District at the general election to be held on the v, the proposition set forth in said resolution, which said resolution was duly adopted by the Board on the 19th day of July, 2010.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 19th day of July, 2010.



Secretary, Board of Education

BOARD OF EDUCATION - WESCLIN SCHOOL DISTRICT #3
TRENTON, ILLINOIS

AGENDA FOR THE REGULAR MEETING TO BE HELD MONDAY, JULY 19, 2010

WESCLIN JR./SR. HIGH SCHOOL

7:00 PM REGULAR MEETING AGENDA

I. General Business

- A. Call to Order
- B. Approval of Minutes
- C. District Finances
- D. Approval and/or Modification of Agenda
- E. Superintendent's Report

II. Reception of Visitors

- A. None

III. Announcements

IV. Discussion

- A. Review Field Trip Practices in light of Budget Issues

V. Items Requiring Board of Education Action

- A. Fuel Bid
- B. Policy Adoption 4:110, 5:20, 6:120 AP, 6:120 AP2, E1
- C. Lunch/Book/Athletic Event Fees
- D. Approve Financial Institutions
- E. Consideration and Action on a Resolution Providing for and Requiring the Submission of the Proposition of Issuing School Building Bonds to the Voters of the School District at the General Election on November 2, 2010
- F. Review Status of PreK Programming
- G. Update on Concerns with Operation of KSED and Wesclin Proposal
- H. Executive session for the purposes of discussing employment, of personnel, compensation of personnel, and the review of closed session minutes and tapes
- I. Employment of Personnel

VI. Adjournment

BOARD OF EDUCATION - WESCLIN SCHOOL DISTRICT #3
TRENTON, ILLINOIS

AGENDA FOR THE REGULAR MEETING TO BE HELD MONDAY, JULY 19, 2010

WESCLIN JR./SR. HIGH SCHOOL

7:00 PM REGULAR MEETING AGENDA

I. General Business

- A. Call to Order
- B. Approval of Minutes
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II. Reception of Visitors

- A. None

III. Announcements

IV. Discussion

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- H. Executive session for the purposes of discussing employment, of personnel, compensation of personnel, and the review of closed session minutes and tapes
- I. Employment of Personnel

VI. Adjournment

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

FILING CERTIFICATE

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

1. That on the 13 day of August, 2010, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for and requiring the submission of the proposition of issuing School Building Bonds to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election to be held on the 2nd day of November, 2010.

duly adopted by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), on the 19th day of July, 2010, and that the same has been deposited in the official files and records of my office.

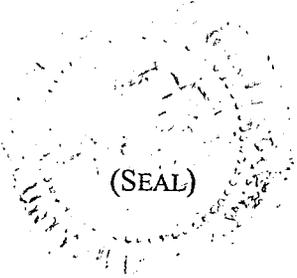
2. That included in the certification of said resolution were the form of public question (the "*Question*") to be placed on the ballot at the general election to be held on the 2nd day of November, 2010 (the "*Election*"), and the date on which the Question was initiated by the adoption of said resolution.

3. That the Question will be submitted to the voters of the District at the Election.

4. That notice that the Question will be submitted to the voters of the District at the Election (the "*Notice*") will be given as required by Section 12-5 of the Election Code of the State of Illinois, as amended, by (a) publishing the Notice once not more than 30 nor less than 10 days prior to the date of the Election in the *Trenton Sun*, being a local,

community newspaper having general circulation in the District, and (b) posting a copy of the Notice at my principal office at least 10 days before the date of the Election, as set forth in Section 5 of said resolution, and that the Notice will be substantially in the form set forth in Section 8 of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County,
this 13 day of August, 2010.




County Clerk, The County of Clinton,
Illinois

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

FILING CERTIFICATE

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

1. That on the 16th day of August, 2010, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for and requiring the submission of the proposition of issuing School Building Bonds to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election to be held on the 2nd day of November, 2010.

duly adopted by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), on the 19th day of July, 2010, and that the same has been deposited in the official files and records of my office.

2. That included in said certification were the form of public question (the "*Question*") to be placed on the ballot at the general election to be held on the 2nd day of November, 2010 (the "*Election*"), and the date on which the Question was initiated by the adoption of said resolution.

3. That the Question will be submitted to the voters of the District at the Election.

4. That notice that the Question will be submitted to the voters of the District at the Election (the "*Notice*") will be given as required by Section 12-5 of the Election Code of the State of Illinois, as amended, by (a) publishing the Notice once not more than 30 nor less than 10 days prior to the date of the Election in the *Trenton Sun*, being a local,

community newspaper having general circulation in the District, and (b) posting a copy of the Notice at my principal office at least 10 days before the date of the Election, as set forth in Section 5 of said resolution, and that the Notice will be substantially in the form set forth in Section 8 of said resolution.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 16th day of August, 2010.



Bob Delaney/mre

County Clerk, The County of St. Clair,
Illinois

CERTIFICATE OF PUBLICATION

I hereby certify that the advertisement attached hereto was published one time(s) in **The Trenton Sun**, a weekly newspaper established in July 1880, and printed and published consecutively since in Trenton, Clinton County, Illinois, the first publication being on the 20th day of October 2010 and the last on the 20th day of October 2010
A. Cyril Conley Publisher

Printer's Fees-

Advertisement	\$
Total	\$
Received Payment of	\$

**PUBLIC NOTICE
NOTICE OF ELECTION**
NOTICE IS HEREBY GIVEN THAT AT THE
GENERAL ELECTION TO BE HELD ON
TUESDAY, NOVEMBER 2, 2010,

The following proposition will be submitted to the voters of Wesclin Community Unit School District No. 3, Clinton and St. Clair Counties, Illinois:

WESCLIN CUSD #3

**PROPOSITION TO ISSUE \$9,600,000
SCHOOL BUILDING BONDS**

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

YES
 NO

The polls at the election will be open continuously from 6:00 a.m. to 7:00 p.m., on Tuesday, November 2, 2010.

Dated at Belleville, Illinois, October 7, 2010.

Bob Delaney
BOB DELANEY
St. Clair County Clerk

CERTIFICATE OF PUBLICATION

I hereby certify that the advertisement attached hereto was published 1 time(s) in **The Trenton Sun**, a weekly newspaper established in July 1880, and printed and published consecutively since in Trenton, Clinton County, Illinois, the first publication being on the 13th day of October 2010 and the last on the 20 day of October 2010

R. April Conley Publisher

Printer's Fees-

Advertisement	\$.....
Total	\$ <u>PA 10</u>
Received Payment of	\$ <u>Cl Co Clerk</u>

GENERAL ELECTION NOTICES

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the second day of November, 2010, the following proposition will be submitted to the voters of the County of Clinton in Clinton County, Illinois.

"To pay for public safety purposes, shall Clinton county be authorized to impose an increase on its share of local sales taxes by the rate of one-half percent (0.50%)?"

"This would mean that a consumer would pay an additional fifty cents (50¢) in sales tax for every \$100 of Tangible personal property bought at retail."

YES NO

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the second day of November, 2010, the following proposition will be submitted to the voters of the City of Trenton in Clinton County, Illinois.

Shall the City of Trenton impose a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax of 1% as authorized by Sections 8-11-1.3 and 8-11-1.4 of the Illinois Municipal Code?

YES NO

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the second day of November, 2010, the following proposition will be submitted to the voters of the Wesclin Community Unit School District Number 3, Clinton St. Claire Counties, Illinois.

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton St. Claire Counties, Illinois build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

YES NO

The polls at said election will be open at 6:00 o'clock A.M. and continued open until 7:00 o'clock P.M. of that day.

Dated at Carlyle, Illinois this 14th day of October, 2010.

Thomas LaCaze
Clinton County Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

CANVASS AND FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Clinton, Illinois (the "*County*"), and as such official I do further certify that at the general election held on the 2nd day of November, 2010 (the "*Election*"), the following proposition (the "*Proposition*") was submitted to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"):

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

and that I am in receipt of a Tally Sheet and Certificate of Results for each precinct in the District in which the Proposition was submitted to said voters.

I do further certify that the voters of the District were scheduled to, and did, cast votes for candidates for nomination for, election to or retention in public office at the Election.

I do further certify that I caused proper notice to be given of the Election (the "*Notice*") in accordance with the general election law of the State of Illinois by posting a copy of the Notice at my principal office at least 10 days before the date of the Election, and that attached hereto as *Exhibit A* is a true, correct and complete copy of the Notice as so posted.

I do further certify that attached hereto as *Exhibit B* is a duplicate original of the Official Ballot used in the County for the purpose of voting on the Proposition at the Election.

I do further certify that on the 19th day of November, 2010, I canvassed the votes cast in the District on the Proposition, and that attached hereto as *Exhibit C* is the Abstract of Votes

for the same, a signed copy or original duplicate of which has been deposited in the official files and records of my office.

I do further certify that following said canvass I transmitted a copy of said Abstract of Votes to the County Clerk of The County of St. Clair, Illinois.

Based on the records now on file in my office, it is hereby found, determined, declared and proclaimed that a majority of all the votes cast on the Proposition was cast in favor of the Proposition, and that the Board of Education of the District has been authorized to issue said \$9,600,000 school building bonds.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County, this 3rd day of Feb., 2011.

(SEAL)

Mary Baker
County Clerk, The County of Clinton,
Illinois

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the second day of November, 2010, the following proposition will be submitted to the voters of Damiansville School District Number 62 Clinton County, Illinois.

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

YES

NO

The polls at said election will be open at 6:00 o'clock A.M. and continued open until 7:00 o'clock P.M. of that day.

Dated at Carlyle, Illinois this 14th day of October, 2010.



Thomas LaCaze
Clinton County Clerk

**OFFICIAL BALLOT GENERAL
ELECTION
November 2, 2010**

Thomas LaCaze

Thomas LaCaze, County Clerk & Recorder

Judges Initials _____

CLINTON COUNTY, ILLINOIS

To vote, darken the oval to the LEFT of your choice, like this . To cast a write-in vote, darken the oval to the LEFT of the blank space provided and write the candidates name in that space. For specific information, refer to the card of instruction posted in the voting booth. If you tear, spoil, deface or erroneously mark this ballot, return it to the election judge and obtain another.

JUDICIAL

**FOR JUDGE OF THE CIRCUIT COURT
FOURTH JUDICIAL CIRCUIT
CLINTON COUNTY**

(To fill the vacancy of the Hon. Patrick J. Hitpas)
(Vote for ONE)

- DOUG GRUENKE Republican
 NO CANDIDATE Green
 DENNIS MIDDENDORFF Democratic

"Vote on the Proposition with respect to all or any of the Judges listed on this ballot. No Judge listed is running against any other Judge. The sole question is whether each Judge shall be retained in his present office."
SHALL EACH OF THE PERSONS LISTED BE RETAINED IN OFFICE AS JUDGE OF THE APPELLATE COURT, FIFTH JUDICIAL DISTRICT?

- THOMAS M. WELCH
 YES
 NO

SHALL EACH OF THE PERSONS LISTED BE RETAINED IN OFFICE AS JUDGE OF THE CIRCUIT COURT, FOURTH JUDICIAL CIRCUIT?

- MICHAEL P. KILEY
 YES
 NO

- KELLY D. LONG
 YES
 NO

- WM. ROBIN TODD
 YES
 NO

PROPOSITION

CLINTON COUNTY SALES TAX

To pay for public safety purposes, shall Clinton County be authorized to impose an increase on its share of local sales taxes by the rate of one-half percent (0.50%)?
This would mean that a consumer would pay an additional fifty cents (50¢) in sales tax for every \$100 of tangible personal property bought at retail.

- YES
 NO

**PROPOSITION TO IMPOSE A MUNICIPAL SERVICE
OCCUPATION TAX IN THE CITY OF TRENTON**

Shall the City of Trenton impose a Non-Home Rule Municipal Retailers' Occupation Tax and Non-Home Rule Municipal Service Occupation Tax of 1% as authorized by Sections 8-11-1.3 and 8-11-1.4 of the Illinois Municipal Code?

- YES
 NO

**PROPOSITION TO ISSUE \$1,255,000
SCHOOL BUILDING BONDS**

Shall the Board of Education of Damiansville School District Number 62, Clinton County, Illinois, demolish a portion of, build and equip an addition to and alter, repair and equip the Damiansville Elementary School Building currently being leased to the District and issue bonds of said School District to the amount of \$1,255,000 for the purpose of paying the costs thereof?

- YES
 NO

**PROPOSITION TO ISSUE \$9,600,000
SCHOOL BUILDING BONDS**

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

- YES
 NO

**SPECIMEN
BALLOT**

EXHIBIT C

ABSTRACT OF VOTES for the public question presented to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election held on the 2nd day of November, 2010.

* * *

The following proposition was submitted to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election held on the 2nd day of November, 2010:

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

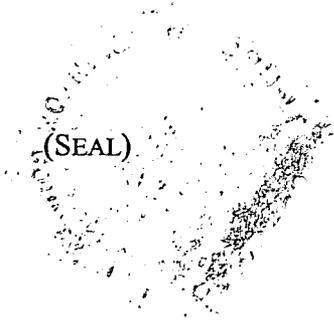
and the votes cast thereon were as follows:

PRECINCT NUMBER	YES	NO	DEFECTIVE, NOT MARKED AND OBJECTED TO AND NOT COUNTED
--------------------	-----	----	--

TOTAL

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of The County of Clinton, Illinois, this 3rd day of Feb, 2011.


County Clerk, The County of Clinton,
Illinois



ABSTRACT OF VOTES
in Clinton County, Illinois at the General Election on November 02, 2010

STATE OF ILLINOIS
COUNTY OF CLINTON

WESCLIN CUSD 3

Number of Precincts:	11
Registered Voters:	5668
Ballots Cast:	3172

PROPOSITION TO ISSUE \$9,600,000 SCHOOL BUILDING BONDS

YES	1869
NO	1279

I, Thomas LaCaze, Clinton County Clerk, do hereby certify that the above is a correct copy of the Abstract of votes cast at the General Election held in Clinton County on November 02, 2010 . This abstract was made by the County Canvassing Board of Clinton County and is now on file in my office.

Dated: November 19th, 2010



Thomas LaCaze, Clinton County Clerk

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

NOTICE AND FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of St. Clair, Illinois (the "*County*"), and as such official I do further certify that at the general election held on the 2nd day of November, 2010 (the "*Election*"), the following proposition (the "*Proposition*") was submitted to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"):

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

and that I am in receipt of a Tally Sheet and Certificate of Results for each precinct in the County in which the Proposition was submitted to said voters.

I do further certify that on the 2nd day of November, 2010, I certified to and filed with the County Clerk of The County of Clinton, Illinois, said Tally Sheet and Certificate of Results for each such precinct.

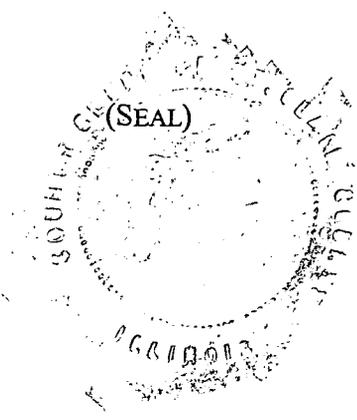
I do further certify that the voters of the District were scheduled to, and did, cast votes for candidates for nomination for, election to or retention in public office at the Election.

I do further certify that I caused proper notice to be given of the Election (the "*Notice*") in accordance with the general election law of the State of Illinois by posting a copy of the Notice at my principal office at least 10 days before the date of the Election, and that attached hereto as *Exhibit A* is a true, correct and complete copy of the Notice as so posted.

I do further certify that attached hereto as *Exhibit B* is a duplicate original of the Official Ballot used in the County for the purpose of voting on the Proposition at the Election.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of the County,
this 3rd day of February, 2011.

Bob Delaney
County Clerk, The County of St. Clair,
Illinois



NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the 2nd day of November, 2010, the following proposition will be submitted to the voters of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois:

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

The polls at the election will be open at 6:00 o'clock A.M. and will continue to be open until 7:00 o'clock P.M. of that day.

Dated this 16th day of August, 2010.

Thomas LaCaze
County Clerk, The County of Clinton, Illinois

Bob Delaney
County Clerk, The County of St. Clair,
Illinois

FILED

AUG 16 2010

**BOB DELANEY
COUNTY CLERK**

OFFICIAL BALLOT GENERAL ELECTION

November 2, 2010

Bob Delaney

Bob Delaney, County Clerk

010

MASCOUTAH 1

ST. CLAIR COUNTY, ILLINOIS

Judges Initials _____

To vote, darken the oval to the LEFT of your choice, like this . To cast a write-in vote, darken the oval to the LEFT of the blank space provided and write the candidates name in that space. For specific information, refer to the card of instruction posted in the voting booth. If you tear, spoil, deface or erroneously mark this ballot, return it to the election judge and obtain another.

CONSTITUTIONAL AMENDMENT

PROPOSED AMENDMENT TO THE 1970 ILLINOIS CONSTITUTION

Explanation of Amendment

The proposed amendment, which takes effect upon approval by the voters, adds a new section to the Suffrage and Elections Article of the Illinois Constitution. The new section would provide the State's electors with an option to petition for a special election to recall a Governor and for the special election of a successor Governor. At the general election to be held on November 2, 2010, you will be called upon to decide whether the proposed amendment should become part of the Illinois Constitution.

If you believe the Illinois Constitution should be amended to provide for a special election to recall a Governor and for a special election to elect a successor Governor, you should vote "YES" on the question. If you believe the Illinois Constitution should not be amended to provide for a special election to recall a Governor and for a special election to elect a successor Governor, you should vote "NO" on the question. Three-fifths of those voting on the question or a majority of those voting in the election must vote "YES" in order for the amendment to become effective.

For the proposed addition of Section 7 to Article III of the Illinois Constitution.

YES

NO

FEDERAL

FOR UNITED STATES SENATOR (For a six year term) (Vote for ONE)

LeALAN M. JONES Green

ALEXANDER "ALEXI" GIANNOULIAS Democratic

MARK STEVEN KIRK Republican

MIKE LABNO Libertarian

Write-in

FOR UNITED STATES SENATOR (For an unexpired term) (Vote for ONE)

LeALAN M. JONES Green

ALEXANDER "ALEXI" GIANNOULIAS Democratic

MARK STEVEN KIRK Republican

MIKE LABNO Libertarian

Write-in

STATE

FOR GOVERNOR AND LIEUTENANT GOVERNOR (Vote for ONE)

RICH WHITNEY Green
DON W. CRAWFORD

PAT QUINN Democratic
SHEILA SIMON

BILL BRADY Republican
JASON PLUMMER

LEX GREEN Libertarian
ED RUTLEDGE

SCOTT LEE COHEN Independent
BAXTER B. SWILLEY

Write-in

FOR ATTORNEY GENERAL (Vote for ONE)

DAVID F. BLACK Green

LISA MADIGAN Democratic

STEVE KIM Republican

BILL MALAN Libertarian

FOR SECRETARY OF STATE (Vote for ONE)

NO CANDIDATE Green

JESSE WHITE Democratic

ROBERT ENRIQUEZ Republican

JOSH HANSON Libertarian

FOR COMPTROLLER (Vote for ONE)

R. ERIKA SCHAFER Green

DAVID E. MILLER Democratic

JUDY BAAR TOPINKA Republican

JULIE FOX Libertarian

FOR TREASURER (Vote for ONE)

SCOTT K. SUMMERS Green

ROBIN KELLY Democratic

DAN RUTHERFORD Republican

JAMES PAULY Libertarian

CONGRESSIONAL

**FOR REPRESENTATIVE IN CONGRESS
TWELFTH CONGRESSIONAL DISTRICT
(Vote for ONE)**

RODGER W. JENNINGS Green

JERRY F. COSTELLO Democratic

TERI NEWMAN Republican

EDUCATIONAL SERVICE REGION

**FOR REGIONAL SUPERINTENDENT OF SCHOOLS
(CLINTON, MARION & WASHINGTON COUNTIES)
(Vote for ONE)**

NO CANDIDATE Green

KERI GARRETT Democratic

NO CANDIDATE Republican

LEGISLATIVE

**FOR STATE SENATOR
FIFTY-FIRST LEGISLATIVE DISTRICT
(For an unexpired two year term)
(Vote for ONE)**

NO CANDIDATE Green

TIM DUDLEY Democratic

KYLE McCARTER Republican

COUNTY BOARD

**FOR MEMBER OF THE COUNTY BOARD
DISTRICT 20
(Vote for ONE)**

NO CANDIDATE Green

MICHAEL LEE BAKER Democratic

CHARLES E. LEE Republican

REPRESENTATIVE

**FOR REPRESENTATIVE IN THE GENERAL ASSEMBLY
ONE HUNDRED AND SECOND REPRESENTATIVE
DISTRICT
(Vote for ONE)**

NO CANDIDATE Green

NO CANDIDATE Democratic

RON STEPHENS Republican

DEENA DAILEY Independent

JUDICIAL

**FOR JUDGE OF THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
(To fill the vacancy of the Hon. Patrick M. Young)
(Vote for ONE)**

NO CANDIDATE Green

ROBERT B. HAIDA Democratic

NO CANDIDATE Republican

COUNTY

**FOR COUNTY SHERIFF
(Vote for ONE)**

NO CANDIDATE Green

MEARL J. JUSTUS Democratic

STEPHEN MC ARTHUR Republican

**FOR JUDGE OF THE CIRCUIT COURT
TWENTIETH JUDICIAL CIRCUIT
ST. CLAIR COUNTY
(To fill the vacancy of the Hon. Annette A. Eckert)
(Vote for ONE)**

NO CANDIDATE Green

MICHAEL N. COOK Democratic

NO CANDIDATE Republican

**FOR COUNTY ASSESSOR
(Vote for ONE)**

NO CANDIDATE Green

JENNIFER GOMRIC MINTON Democratic

ED COCKRELL Republican

**"Vote on the Proposition with respect to all or any of the Judges listed on this ballot. No Judge listed is running against any other Judge. The sole question is whether each Judge shall be retained in his present office."
SHALL EACH OF THE PERSONS LISTED BE RETAINED IN OFFICE AS JUDGE OF THE APPELLATE COURT, FIFTH JUDICIAL DISTRICT?**

THOMAS M. WELCH

YES

NO

**FOR COUNTY CLERK
(Vote for ONE)**

NO CANDIDATE Green

BOB DELANEY Democratic

NO CANDIDATE Republican

SHALL EACH OF THE PERSONS LISTED BE RETAINED IN OFFICE AS JUDGE OF THE CIRCUIT COURT, TWENTIETH JUDICIAL CIRCUIT?

ROBERT P. LeCHIEN

YES

NO

**FOR COUNTY TREASURER
(Vote for ONE)**

NO CANDIDATE Green

CHARLES SUAREZ Democratic

NO CANDIDATE Republican

C. JOHN BARICEVIC

YES

NO

**FOR COUNTY BOARD OF REVIEW
(Vote for ONE)**

NO CANDIDATE Green

CLAIRE PRINDABLE Democratic

NO CANDIDATE Republican

DENNIS G. HATCH

YES

NO

WESCLIN CUSD #3

**PROPOSITION TO ISSUE \$9,600,000
SCHOOL BUILDING BONDS**

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

YES

NO

STATE OF ILLINOIS)
) SS
COUNTY OF SANGAMON)

2011 JAN 27 PM 3:52

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am Dianne Felts of the State Board of Elections of the State of Illinois (the "Board"), and as such official I do further certify that on the 22ND day of NOV, 2010, there was filed in my office a signed copy or original duplicate of the Abstract of Votes prepared by the County Clerk of The County of Clinton, Illinois, for the following public question:

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

submitted to the voters of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, at the general election held on the 2nd day of November, 2010, and that the same has been deposited in the official files and records of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 27th day of January, 2011.

STATE BOARD OF ELECTIONS OF THE STATE OF
ILLINOIS

By Dianne Felts
Title Director / V O S S



STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

ELECTION CERTIFICATE

We, the undersigned, do hereby certify that we are the duly qualified and acting President and Secretary (the “Secretary”), respectively, of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the “District”), and as such officials we do further certify as follows:

1. That no written statement has ever been filed in the Circuit Court of the 4th Judicial Circuit (Clinton County), Illinois, or in the Circuit Court of the 20th Judicial Circuit (St. Clair County), Illinois, contesting the results of the bond referendum regarding the proposition (the “Proposition”) to issue \$9,600,000 School Building Bonds of the District (the “Bonds”) to build and equip a new school building and improve the site thereof, and alter, repair and equip the existing school buildings (the “Project”) submitted to the voters of the District at the general election held on the 2nd day of November, 2010 (the “Election”).

2. That except for the Proposition, no public question relating in any manner whatsoever to the District was submitted to the voters of the District at the Election.

3. That except for the Proposition, no school bond proposition was submitted to the voters of the District during the year 2010.

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

5. That the Secretary gave notice of the Election in accordance with the general election law of the State of Illinois by posting a copy of said notice at the principal office of the District at least 10 days before the date of the Election, and that attached hereto as *Exhibit A* is a true, correct and complete copy of said notice as so posted.

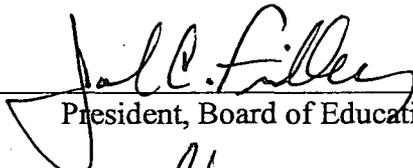
6. That the geographic or common name of the District by which the District is commonly known and referred to is Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois.

7. That the principal office of the District is located in The County of Clinton, Illinois.

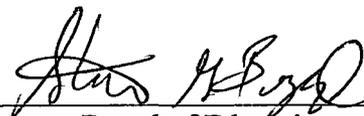
8. That prior to the date hereof, the District did not issue any of the Bonds approved at the Election, and that as of the date hereof, the District is authorized to issue \$9,600,000 of the Bonds.

9. That no portion of the Project has been abandoned by the District.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 1st day of May, 2012.



President, Board of Education



Secretary, Board of Education

NOTICE OF ELECTION

NOTICE IS HEREBY GIVEN that at the general election to be held on Tuesday, the 2nd day of November, 2010, the following proposition will be submitted to the voters of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois:

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

The polls at the election will be open at 6:00 o'clock A.M. and will continue to be open until 7:00 o'clock P.M. of that day.

Dated this 23rd day of August, 2010.

Thomas LaCaze
County Clerk, The County of Clinton, Illinois

Bob Delaney
County Clerk, The County of St. Clair,
Illinois



INVESTMENT BANKERS

306 N. MAIN ST., SUITE 3
P.O. BOX 3367
BLOOMINGTON, IL 61702-3367
TEL: 309-829-3311
FAX: 309-827-2171

FINAL OFFICIAL STATEMENT

RELATING TO

\$9,600,000

GENERAL OBLIGATION SCHOOL BUILDING BONDS

SERIES 2012

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3

CLINTON AND ST. CLAIR COUNTIES, ILLINOIS

(Wesclin)

Date of this Final Official Statement is April 16, 2012

\$9,600,000
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2012

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
(Wesclin)

NEW ISSUE
BANK QUALIFIED
GLOBAL BOOK-ENTRY

RATING: Standard and Poor's A +

FINAL OFFICIAL STATEMENT

Dated: May 1, 2012

Due: December 1 as shown on Schedule A

The \$9,600,000 General Obligation School Building Bonds, Series 2012 (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 (*DTC*), New York, New York. *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 Heartland Bank and Trust Company, Bloomington, Illinois, as bond registrar (the *Registrar*), to *DTC*, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of *DTC*, payments on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of *DTC* and its participants. Interest on the Bonds (computed on the basis of a 360-day year) will be payable semiannually on each June 1 and December 1, commencing December 1, 2013. The Bonds are due serially on December 1 as shown on Schedule A.

Subject to compliance by Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*") with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Bond Counsel*"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion.

The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the 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 Bonds are offered when, as and if issued by the District and received by the Underwriter, subject to the approval of legality by Bond Counsel. It is anticipated the Bonds will be delivered on or about May 1, 2012.

LEGAL OPINION BY CHAPMAN AND CUTLER LLP, CHICAGO, ILLINOIS

SCHEDULE A

<u>Due 12/1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Due 12/1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
2014	\$225,000	5.000%	1.00	110.175	2023	\$540,000 /c/	2.800%	2.85	99.508
2015	\$250,000	5.000%	1.20	113.288	2024	\$575,000 /c/	2.900%	2.95	99.476
2016	\$280,000	5.000%	1.35	116.168	2025	\$615,000 /c/	3.000%	3.10	98.896
2017	\$310,000	5.000%	1.50	118.677	2026	\$660,000 /c/	3.100%	3.20	98.840
2018	\$345,000	5.000%	1.85	119.438	2027	\$705,000 /c/	3.200%	3.30	98.787
2019	\$380,000	5.000%	2.10	120.230	2028	\$755,000 /c/	3.300%	3.40	98.738
2020	\$420,000	5.000%	2.40	120.057	2029	\$805,000 /c/	4.000%	3.40	104.431
2021	\$460,000 /c/	2.500%	2.60	99.155	2030	\$860,000 /c/	4.000%	3.50	103.677
2022	\$500,000 /c/	2.650%	2.75	99.085	2031	\$915,000 /c/	4.000%	3.60	102.928

/c/ The Bonds due on or after December 1, 2021, 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, on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
(Wesclin)

Mr. David Daum
Superintendent

Paul Tockstein
Treasurer

BOARD OF EDUCATION

John Fridley	President
Sandra Padak	Vice President
Steve Buzzard	Secretary
Monica Evans	Member
Jerry Hatt	Member
Kent Jeanneret	Member
Randy Schorfheide	Member

CHAPMAN AND CUTLER LLP
Chicago, Illinois
Bond Counsel

FIRST MIDSTATE INCORPORATED
Bloomington, Illinois
Investment Bankers

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

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

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

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

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

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

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

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

ALL STATEMENTS APPEARING ON THIS AND SUBSEQUENT PAGES, WHILE NOT GUARANTEED AS TO ACCURACY OR COMPLETENESS, HAVE BEEN TAKEN FROM SOURCES BELIEVED TO BE RELIABLE. HOWEVER, NO STATEMENT IS TO BE CONSIDERED AS A CONTRACT WITH THE PURCHASER OF THE BONDS.

* * * * *

\$9,600,000
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2012

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
(Wesclin)

NEW ISSUE
BANK QUALIFIED
GLOBAL BOOK-ENTRY

RATING: Standard and Poor's A +

FINAL OFFICIAL STATEMENT

Due: December 1 as shown on below

Dated: May 1, 2012

The \$9,600,000 General Obligation School Building Bonds, Series 2012 (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 (*DTC*), New York, New York. *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 Heartland Bank and Trust Company, Bloomington, Illinois, as bond registrar (the *Registrar*), to *DTC*, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of *DTC*, payments on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of *DTC* and its participants. Interest on the Bonds (computed on the basis of a 360-day year) will be payable semiannually on each June 1 and December 1, commencing December 1, 2013. The Bonds are due serially on December 1 as shown below.

Subject to compliance by Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*") with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Bond Counsel*"), under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations, but such interest is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. See "TAX EXEMPTION" herein for a more complete discussion.

The Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the 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.

<u>Due 12/1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>	<u>Due 12/1</u>	<u>Principal Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>Price</u>
2014	\$225,000	5.000%	1.00	110.175	2023	\$540,000 /c/	2.800%	2.85	99.508
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2017	\$310,000	5.000%	1.50	118.677	2026	\$660,000 /c/	3.100%	3.20	98.840
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2019	\$380,000	5.000%	2.10	120.230	2028	\$755,000 /c/	3.300%	3.40	98.738
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2022	\$500,000 /c/	2.650%	2.75	99.085	2031	\$915,000 /c/	4.000%	3.60	102.928

/c/ The Bonds due on or after December 1, 2021, 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, on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

PURPOSE OF OFFICIAL STATEMENT: The purpose of this Official Statement is to set forth certain information regarding the District and its Bonds. This Official Statement includes the cover page.

PURPOSE OF THE BONDS: Proceeds from the sale of the Bonds will be used to build and equip a new school building and improve the site thereof, and alter, repair, and equip the existing school buildings (the *Project*).

AUTHORITY: The Bonds are being issued pursuant to the provisions of the School Code of the State of Illinois, as supplemented and amended (the *School Code*), the Local Government Debt Reform Act of the State of Illinois, as amended (the "*Debt Reform Act*") and a bond resolution adopted on April 16, 2012, by the Board of Education (the *Board*) of the District (the *Bond Resolution*). The issuance of the Bonds was approved by majority of the voters of the District at the general election held on November 2, 2010.

SECURITY: The Bonds, in the opinion of Bond Counsel, are payable from ad valorem taxes to be levied against all of the taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. A separate, special, additional tax will be levied to retire these Bonds. Amounts deposited in the Bond Fund established pursuant to the Bond Resolution must legally be maintained and separated from other District funds and can only be applied toward principal and interest repayment on this issue.

TAX EXEMPTION: Bond Counsel will provide an opinion as to the federal tax exemption of interest on the Bonds as discussed under "TAX EXEMPTION" in this Official Statement.

BANK QUALIFICATION: The Bonds are qualified tax-exempt obligations under Section 265(b)(3) of the Code. See QUALIFIED TAX-EXEMPT OBLIGATIONS herein.

LEGALITY: The original approving opinion of Bond Counsel, evidencing legality of the Bonds and that they are valid and binding obligations of the District, shall be furnished to the District. Except to the extent necessary to issue its approving opinion as to the validity of the Bonds, Bond Counsel has made no inquiry as to any financial information, statement or material contained in any financial documents, statements or materials that have been or may be furnished in connection with the authorization, issuance or marketing of the Bonds, and accordingly, will not express any opinion with respect to the accuracy or completeness of any such financial information, statements or materials.

LITIGATION: The Secretary of the Board confirms that no litigation is pending affecting the corporate existence of the District, or the titles of its officials to their respective offices, or in any manner affecting the validity or enforceability of the 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 LLP, Chicago, Illinois. 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.

OPINION OF BOND COUNSEL: A form of opinion of Bond Counsel is attached to this Official Statement as Appendix A.

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

SOURCES:	
Principal Amount	\$9,600,000
Accrued Interest	\$0
Net Original Issue Premium	<u>\$434,883</u>
Total Sources	\$10,034,883
USES:	
Deposit to Project Fund	\$9,600,000
Deposit to Debt Service Fund	\$115,000
Accrued Interest	\$0
Costs of Issuance*	<u>\$319,883</u>
Total Uses	\$10,034,883

* Includes Underwriter's discount and other costs of issuance.

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a banking organization within the meaning of the New York Banking Law, a member of the Federal Reserve System, a clearing corporation within the meaning of the New York Uniform Commercial Code, and a clearing agency registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the *1934 Act*). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants (*Direct Participants*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct

Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*DTCC*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*Indirect Participants*). DTC is rated AA+ by Standard & Poor's Ratings Services. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the *Commission*). More information about DTC can be found at www.dtcc.com and www.dtc.org.

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

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

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

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

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

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

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

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

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

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

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION:

TAX LEVY AND COLLECTION PROCEDURES - Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Illinois Department of Revenue (the *Department*) assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year. Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are subject to a penalty of 1-1/2% per month until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the

property subject to the tax.

EXEMPTIONS -An annual General Homestead Exemption provides that the Equalized Assessed Valuation (*EAV*) of certain property owned and used for residential purposes (*Residential Property*) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$3,500 for assessment years prior to assessment year 2004 in counties with less than 3,000,000 inhabitants, and a maximum reduction of \$5,000 for assessment year 2004 through 2007 in all counties. Additionally, the maximum reduction is \$5,500 for assessment year 2008 and the maximum reduction is \$6,000 for assessment year 2009 and thereafter in all counties.

The Homestead Improvement Exemption applies to Residential Properties that have been improved or rebuilt in the 2 years following a catastrophic event. The exemption is limited to \$45,000 through December 31, 2003, and \$75,000 per year beginning January 1, 2004 and thereafter, to the extent the assessed value is attributable solely to such improvements or rebuilding.

Additional exemptions exist for senior citizens. The Senior Citizens Homestead Exemption operates annually to reduce the EAV on a senior citizen's home for assessment years prior to 2004 by \$2,000 in counties with less than 3,000,000 inhabitants. For assessment years 2004 and 2005, the maximum reduction is \$3,000 in all counties. For assessment years 2006 and 2007, the maximum reduction is \$3,500 in all counties. In addition, for assessment year 2008 and thereafter, the maximum reduction is \$4,000 for all counties. Furthermore, beginning with assessment year 2003, for taxes payable in 2004, property that is first occupied as a residence after January 1 of any assessment year by a person who is eligible for the Senior Citizens Homestead Exemption must be granted a pro rata exemption for the assessment year based on the number of days during the assessment year that the property is occupied as a residence by a person eligible for the exemption.

A Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners, who are 65 and older and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$35,000 for years prior to 1999, \$40,000 for assessment years 1999 through 2003, \$45,000 for assessment years 2004 and 2005, \$50,000 from assessment years 2006 and 2007 and for assessment year 2008 and after, the maximum income limitation is \$55,000. In general, the Exemption limits the annual real property tax bill of such property by granting to qualifying senior citizens an exemption as to a portion of the valuation of their property. In counties with a population of 3,000,000 or more, the exemption for all assessment years is equal to the EAV of the residence in the assessment year for which application is made less the base amount. Furthermore, for those counties with less than 3,000,000, the exemption is as follows: through assessment year 2005 and for assessment year 2007 and later, the exempt amount is the difference between (i) the current EAV of their residence and (ii) the base amount, which is the EAV of a senior citizen's residence for the year prior to the year in which he or she first qualifies and applies for the Exemption (plus the EAV of improvements since such year). For assessment year 2006, the amount of the exemption phases out as the amount of household income increases. The amount of the exemption is calculated by using the same formula as above, and then multiplying the resulting value by a ratio that varies according to household income.

Another exemption available to disabled veterans operates annually to exempt up to \$70,000 of the Assessed Valuation of property owned and used exclusively by such veterans or their spouses for residential purposes. Also, certain property is exempt from taxation on the basis of ownership and/or use, such as public parks, not-for-profit schools and public schools, churches, and not-for-profit hospitals and public hospitals. However, individuals claiming exemption under the Disabled Persons' Homestead Exemption or the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

Furthermore, beginning with assessment year 2007, the Disabled Persons' Homestead Exemption provides an annual homestead exemption in the amount of \$2,000 for property that is owned and occupied by certain persons with a disability. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Veterans Standard Homestead Exemption cannot claim the aforementioned exemption.

In addition, the Disabled Veterans Standard Homestead Exemption provides disabled veterans an annual homestead exemption starting with assessment year 2007 and thereafter. Specifically, (i) those veterans with a service-connected disability of 75% are granted an exemption of \$5,000 and (ii) those veterans with a service-connected disability of less than 75%, but at least 50% are granted an exemption of \$2,500. Furthermore, the veteran's surviving spouse is entitled to the benefit of the exemption, provided that the spouse has legal or beneficial title of the homestead, resides permanently on the homestead and does not remarry. Moreover, if the property is sold by the surviving spouse, then an exemption amount not to exceed the amount specified by the current property tax roll may be transferred to the spouse's new residence, provided that it is the spouse's primary residence and the spouse does not remarry. However, individuals claiming exemption as a disabled veteran or claiming exemption under the Disabled Persons' Homestead Exemption cannot claim the aforementioned exemption.

Beginning with assessment year 2007, the Returning Veterans' Homestead Exemption is available for property owned and occupied as the principal residence of a veteran in the assessment year the veteran returns from an armed conflict while on active duty in the United States armed forces. This provision grants a homestead exemption of \$5,000, which is applicable in all counties. In order to apply for this exemption, the individual must pay real estate taxes on the property, own the property or have either a legal or an equitable interest in the property, or a leasehold interest of land on which a single family residence is located, which is occupied as a principal residence of a veteran returning from an armed conflict involving the armed forces of the United States who has an ownership interest therein, legal, equitable or as a lessee, and on which the veteran is liable for the payment of property taxes. Those individuals eligible for this exemption may claim the exemption in addition to other homestead exemptions, unless otherwise noted.

Finally, the Long-Time Occupant Homestead Exemption applies to those counties subject to the alternative general homestead exemption and for assessment year 2007 and thereafter, notwithstanding whether the exemption under the alternative general homestead exemption applies, the qualified homestead property is eligible for an annual exemption at a rate equal to a reduction in the property's EAV. Individuals applying for this exemption must comply with the following guidelines: (i) continuously occupy their property for 10 years, as of January 1st of the assessment year, and occupy such property as their principal residence or, (ii) continuously occupy their property for 5 years, as of January 1st of the assessment year, and occupy such property as their principal residence, provided that the property is from a government housing program. In addition, the household income for the individual applying for this exemption must be equal to or less than \$100,000.

PROPERTY TAX EXTENSION LIMITATION LAW - The Property Tax Extension Limitation Law of the State of Illinois, as amended (the "*Limitation Law*"), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the Consumer Price Index during the calendar year preceding the levy year. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum or are for certain refunding purposes.

The Limitation Law permits the county boards of those counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

Under the legislation, the county board of any such county can initiate a binding tax cap referendum at any regularly-scheduled election other than the consolidated primary, which is the February election in odd-numbered years. If the referendum is successful, then the Limitation Law will become applicable to those non-home rule taxing bodies having all of their equalized assessed valuation in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (i) each county in which the taxing body is located has held a referendum and (ii) the proposition passes in a county or counties containing a majority of the equalized assessed valuation of the taxing body.

The County Boards of Clinton and St. Clair Counties have not adopted proceedings requiring the question of whether or not the Limitation Law should apply to taxing districts within their respective Counties to be submitted to the voters

of their respective Counties for referendum.

As of the date of any future referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds.

If the Limitation Law were to apply in the future to the District, the limitation set forth therein will not apply to the taxes levied by the District to pay the principal of and interest on the Bonds.

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

REGISTRATION, TRANSFER AND EXCHANGE: Refer to Appendix A. The District shall cause books for the registration and for the transfer of the Bonds to be kept at the principal office of the Bond Registrar, which is constituted and appointed the registrar of the District for this issue.

Upon surrender for transfer of any Bond at the principal office of the Bond Registrar, duly endorsed by or accompanied by a written instrument or instruments of transfer in a form satisfactory to the Bond Registrar and duly executed by the registered owner or his or her attorney duly authorized in writing, the District shall execute and the Bond Registrar shall authenticate, date and deliver in the name of the transferee or transferees a new fully registered Bond or Bonds of the same maturity of authorized denominations, for a like aggregate principal amount. Any fully registered Bond or Bonds may be exchanged at said office of the Bond Registrar for a like aggregate principal amount of Bond or Bonds in the denomination of \$5,000 and authorized integral multiples thereof. The execution by the District of any fully registered Bond shall constitute full and due authorization of such Bond and the Bond Registrar shall thereby be authorized to authenticate, date and deliver such Bond, provided, however, the principal amount of outstanding Bonds of each maturity authenticated by the Bond Registrar shall not exceed the authorized principal amount of Bonds for such maturity less previous retirements.

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

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

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

OPTIONAL REDEMPTION: The Bonds or portions of the Bonds in multiples of \$5,000 maturing on or after December 1, 2022, are subject to redemption at the option of the District from such maturities as the District may determine and by lot within any maturity, on any date occurring on or after December 1, 2021, at the redemption price of par, plus accrued interest to the date fixed for redemption.

Unless waived by the registered owner of the Bonds to be redeemed, notice of any such redemption shall be given by the Bond Registrar on behalf of the District by first class mail not less than 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 registration books or at such other address as is furnished in writing by such registered owner to the Bond Registrar. Neither the failure to mail such redemption notice nor any defect in any notice so mailed to any particular registered owner of a Bond shall affect the sufficiency of such notice with respect to other registered owners.

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

RATING: Standard and Poor's (the *Ratings Agency*) has assigned the Bonds a rating of A+. The rating reflects only the view of the Rating Agency at the time the rating was issued and an explanation of the significance of the rating may be obtained from the Rating Agency. There is no assurance that the rating will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by the Rating Agency if, in its judgment, circumstances so warrant. Any downward revision or withdrawal of the rating can be expected to have an adverse effect on the market price of the Bonds.

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

UNDERWRITING: Pursuant to the terms of a Bond Purchase Agreement (the *Agreement*) between the District and First Midstate Inc., Bloomington, Illinois (the *Underwriter*), the Underwriter has agreed to purchase the Bonds at a purchase price of \$9,600,000.00 plus a premium of \$115,000.00. The Underwriter intends to reoffer the Bonds at an average price of 104.530% of the principal amount of the Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices lower than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

LIMITED CONTINUING DISCLOSURE: Because at the time of the delivery of the Bonds the District will be an obligated person (as such term is defined in Rule 15c2-12 (the *Rule*)) with respect to less than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds, the District is exempt from the provisions of the Rule requiring the delivery of annual financial information to the Municipal Securities Rulemaking Board (the *MSRB*), as specified in the Rule. However, pursuant to the Rule, the District will enter into a Continuing Disclosure Undertaking (the *Undertaking*) for the benefit of the beneficial owners of the Bonds to send certain annual financial information and operating data to the MSRB for purposes of the Rule and to provide notice of certain reportable events to the MSRB pursuant to the requirements of Section (b)(5) of the Rule adopted by the Securities and Exchange Commission (the *Commission*) under the Securities Exchange Act of 1934 Act.

The information to be provided, 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."

There have been no instances in the previous five years in which the District failed to comply in all material respects with any undertaking previously entered into by it pursuant to 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".

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

THE 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.

FINANCIAL INFORMATION DISCLOSURE - The District covenants that it will disseminate its Financial Information (as described below) annually to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

"Financial Information" means the District's audited annual financial statements.

REPORTABLE EVENTS DISCLOSURE - The District covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to the MSRB in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission or the State at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. The *Events* are:

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

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

CONTACT PERSON - Financial Information and notices of Reportable Events can be obtained from Mr. David Daum, Superintendent, Wesclin Community Unit School District Number 3, 10003 Route 160, Trenton, Illinois, 62293, Phone (618) 224-7341.

CONSEQUENCES OF FAILURE OF THE DISTRICT TO PROVIDE INFORMATION - 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.

AMENDMENT: 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)
 - (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, including, without limitation, pursuant to a no-action letter issued by the Commission, a change in law, or change in the identity, nature, or status of the District, or type of business conducted; or
 - (ii) 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
- (b) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by parties unaffiliated with the District (such as Bond Counsel).

In the event that the Commission or the MSRB or other regulatory authority approves or requires Financial Information or notices of a Reportable Event to be filed with a central post office, governmental agency or similar entity other than the MSRB or in lieu of the MSRB, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending the Undertaking.

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 the MSRB 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 Financial Information or notice of occurrence of a Reportable 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 Reportable 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 Reportable Event.

DISSEMINATION OF INFORMATION; DISSEMINATION AGENT -

When filings are required to be made with the MSRB in accordance with the Undertaking, such filings are required to be made through its Electronic Municipal Market Access (*EMMA*) system for municipal securities disclosure or

through any other electronic format or system prescribed by the MSRB for purposes of the Rule.

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.

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

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

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

The Code includes provisions for an alternative minimum tax ("*AMT*") for corporations in addition to the corporate regular tax in certain cases. The AMT for a corporation, if any, depends upon the corporation's alternative minimum taxable income ("*AMTI*"), which is the corporation's taxable income with certain adjustments. One of the adjustment items used in computing the AMTI of a corporation (with certain exceptions) is an amount equal to 75% of the excess of such corporation's adjusted current earnings over an amount equal to its AMTI (before such adjustment item and the alternative tax net operating loss deduction). Adjusted current earnings would generally include certain tax-exempt interest, including interest on the Bonds.

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

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

The Bonds do not pay interest until a date that is more than one year after the date of issue. The interest payments on the 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. Regardless of whether the Issue Price of any maturity of the Bonds is below the par amount thereof, the difference between the Issue Price of each maturity of the Bonds and the sum of all interest payments thereon plus the amount payable at maturity is original issue discount. Because interest is not payable at intervals of one year or less, all of the Bonds are *OID Bonds*.

For an investor who purchases an *OID Bond* in the initial public offering at the Issue Price for such maturity and who holds such *OID Bond* to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such *OID Bond* constitutes interest which

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

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

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

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

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

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

Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds. Prospective purchasers of the Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

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

TAX RATES BY FUND

Wesclin Community Unit School District Number 3

	<u>Max. Limit</u>	<u>2010/11</u>	<u>2009/10</u>	<u>2008/09</u>	<u>2007/08</u>	<u>2006/07</u>
Educational Fund	\$2.2400	\$2.24000	\$2.24000	\$2.24000	\$2.24000	\$2.24000
Bonds and Interest	No Limit	0.44904	0.44828	0.47233	0.50173	0.36870
Operations & Maintenance	0.5000	0.50000	0.50000	0.50000	0.50000	0.50000
I.M.R.F.	No Limit	0.15994	0.15967	0.15173	0.12093	0.11620
Transportation	0.2000	0.20000	0.20000	0.20000	0.20000	0.20000
Working Cash Fund	0.0500	0.05000	0.05000	0.05000	0.05000	0.05000
Fire Prevention/Safety	0.0500	0.05000	0.05000	0.05000	0.05000	0.05000
Special Education	0.0400	0.04000	0.04000	0.04000	0.04000	0.04000
Liability Insurance	No Limit	0.30963	0.30909	0.26218	0.27797	0.44640
Social Security	No Limit	0.14716	0.14691	0.14705	0.14435	0.13870
Facilities Leasing	0.0500	<u>0.03873</u>	<u>0.04083</u>	<u>0.05000</u>	<u>0.05000</u>	<u>0.05000</u>
Total		\$4.18450	\$4.18478	\$4.16329	\$4.17498	\$4.20000

Source: Clinton County Clerk's Office

REPRESENTATIVE TAX RATE

	<u>2010/11</u>
Clinton County	\$0.92757
Special Service Area	0.11900
Looking Glass Township	0.09445
Looking Glass Township Road & Bridge	0.16573
Kaskaskia Comm. College Dist. No. 501	0.54501
New Baden Fire Protection District	0.32921
New Baden Library	0.13735
Village of New Baden	0.49677
Wesclin CUSD #3	<u>4.18450</u>

TOTAL TYPICAL TAX RATE

\$6.99959

Source: Clinton County Clerk's Office

COMPOSITION OF EQUALIZED ASSESSED VALUATION By Property Type

	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Residential	\$109,036,858	\$109,738,016	\$104,789,183	\$99,194,965	\$89,318,949
Farm	9,251,639	8,871,674	8,447,528	7,998,808	7,814,123
Commercial	9,357,348	9,331,776	9,268,122	8,372,987	7,506,073
Industrial	446,177	449,148	450,164	469,883	481,227
Mineral	553,369	510,013	465,184	403,512	308,487
Railroad	<u>461,006</u>	<u>430,018</u>	<u>349,390</u>	<u>300,798</u>	<u>243,525</u>
TOTAL:	\$129,106,397	\$129,330,645	\$123,769,571	\$116,740,953	\$105,672,384

Source: Clinton County Clerk's Office

TREND OF EQUALIZED ASSESSED VALUATION

<u>Tax Year</u>	<u>Equalized Assessed Valuation</u>	<u>% Change in EAV from Previous Year</u>
2006	\$105,672,384	n/a
2007	\$116,740,953	10.47%
2008	\$123,769,571	6.02%
2009	\$129,330,645	4.49%
2010	\$129,106,397	-0.17%

Source: Clinton County Clerk's Office

ESTIMATED TAX COLLECTIONS (INCLUDING BACK AND PAID UNDER PROTEST TAXES)

<u>YEAR</u>	<u>EXTENSIONS</u>	<u>COLLECTIONS</u>	<u>%</u>
2010/11	\$5,399,312	\$5,398,492	99.98
2009/10	\$5,407,574	\$5,406,574	99.98
2008/09	\$5,152,359	\$5,151,969	99.99
2007/08	\$4,854,341	\$4,853,841	99.99
2006/07	\$4,429,285	\$4,429,170	99.99

Source: Clinton County Treasurer's Office

LARGEST TAXPAYERS
WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3

<u>FIRM OR INDIVIDUAL</u>	<u>TYPE OF BUSINESS</u>	<u>2010 A.V.</u>
Jim's Formal Wear	Formalwear Wholesale Distribution/Corporate Headquarters	\$1,418,510
Trenton Village LLC	Assisted Living	1,186,720
Individual	Residence	402,271
First County Bank	Financial Institution	372,550
Equity Success Inc.	Apartments	353,994
Top Ag Co-operative Inc.	Farm Co-operative	329,010
Community Bank of Trenton	Financial Institution	297,200
RA Land Trust	Apartments	264,630
Southern Illinois Living Center Inc.	Assisted Living	259,640
Central States Coal Reserves	Coal	251,792

Note: Compiled from a review of all parcels in the District. Though believed to be representative, it is possible that individual parcels may have been unintentionally omitted.

Source: Clinton County Supervisor of Assesments Office

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

PAYMENT RECORD: The District has always paid principal and interest promptly when due on all bonds.

FUTURE FINANCING: The District does not anticipate the issuance of additional bonds within the next year.

THE DISTRICT

WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3 lies primarily in Clinton County in southwestern Illinois approximately 50 miles east of the City of St. Louis, Missouri, and 10 miles west of the City of Carlyle, the County Seat of Clinton County. Clinton County is included in the St. Louis Metropolitan Statistical Area (MSA). Incorporated municipalities within the District include the Village of New Baden (2010 pop. 3,349) and the City of Trenton (2010 pop. 2,715), as well as some unincorporated areas.

The District is governed by a seven-member Board of Education, elected at large for overlapping four-year terms. Day-to-day operations are administered by the Superintendent. Annual budgets are prepared in the District office, subject to approval by the Board of Education.

The District has maintained high educational standards for Grades PK-8 since its formation in 1959. The District currently utilizes six facilities New Baden Elementary School (K-4), St. George Elementary School (5-6), Trenton Elementary School (PK-3), St. Mary's Elementary School (4-6), Wesclin Junior High School (7-8) and Wesclin High School (9-12).

<u>Year</u>	<u>Enrollment</u>
2010/11	1,403
2009/10	1,397
2008/09	1,409
2007/08	1,443
2006/07	1,411

Source: Illinois State Board of Education Fall Housing Report, 2006-2010

EMPLOYEE UNION MEMBERSHIP AND RELATIONS: At the start of the 2011-2012 school year, the District had ___ full-time employees and ___ part-time employees. Of the total number of employees, approximately ___ are represented by a union. Employee-union relations are considered to be good.

SCHOOL DISTRICT FINANCIAL PROFILE: Since the Spring of 2003, the Illinois State Board of Education (*ISBE*) has utilized a new system for assessing a school district's financial health. The new financial assessment system is referred to as the *School District Financial Profile* which replaces the Financial Watch List and Financial Assurance and Accountability System (FAAS). The new system identifies those school districts which are moving into financial distress.

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

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

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

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

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

The District's overall score for fiscal year 2011 (based on District data for its fiscal year ended June 30, 2010) was 3.90, thus placing the District in the Financial Recognition category. The District's overall scores for years 2010 and 2009 were 3.90 and 3.90, respectively.

STATE AID:

GENERAL

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such *State Aid* as a significant part of their budgets. For the fiscal year ended June 30, 2011, _____% of the District's General Fund revenue came from sources at the State, including State Aid. See Exhibit D to this Official Statement for more information concerning the breakdown of the District's revenue sources.

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

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

GENERAL STATE AID

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

SCHOOL YEAR	FOUNDATION AMOUNT
2007/2008	\$5,734
2008/2009	5,959
2009/2010	6,119
2010/2011	6,119
2011/2012	6,119

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

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

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

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

1. any applicable reductions in a district's EAV;
2. the number of special need students in a district;

3. whether or not the district participates in a tax abatement or tax increment allocation program under the Real Property Tax Increment Allocation Redevelopment Act;
4. the amount of money the district receives as a replacement for taxes previously received from the corporate personal property tax;
5. the number of days the schools of the district are operating with students in attendance;
6. whether or not kindergarten students attend for full day or one-half day sessions;
7. whether the schools in the district are recognized by the State Board of Education as meeting state-required standards for recognition; and
8. changes in enrollment.

For fiscal year 2012, the appropriation for General State Aid was reduced by approximately \$150 million from the appropriation for fiscal year 2011. This decreased appropriation may have the effect of reducing the amount of General State Aid received by the State's school districts, including the District.

SUPPLEMENTARY STATE AID

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

Finally, districts may be eligible for supplementary State aid, known as *Hold Harmless Grants* , if the total aid received as General State Aid or Supplemental General State Aid in any school year is less than the General State Aid entitlement such district received for the 1997-98 school year. In fiscal year 2010, however, the appropriation for Hold Harmless Grants was insufficient to cover all entitlements, necessitating proration among the entitled districts. For fiscal years 2011 and 2012, the appropriation for Hold Harmless Grants was set at \$0.

MANDATED CATEGORICAL STATE AID

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

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

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are mandatory under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fully fund the Mandatory Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

COMPETITIVE GRANT STATE AID

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

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

The School Code provides numerous programs that qualify a school district for Competitive Grant State Aid. For fiscal year 2011, the largest Competitive Grant State Aid programs were in Bilingual Education and Early Childhood Education. In fiscal year 2011, the State appropriated a total of \$590 million for all programs qualifying a school district for Competitive Grant State Aid.

PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

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

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

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

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

RETIREMENT PLANS:

TEACHERS RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

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

See Note 6 to the District's Audited Financial Statement for the fiscal year ended June 30, 2011, attached hereto as Appendix B, for a more complete discussion.

ILLINOIS MUNICIPAL RETIREMENT FUND

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

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

See Note 6 to the District's Audited Financial Statement for the fiscal year ended June 30, 2011, attached hereto as Appendix B, for a more complete discussion.

AUDITED FINANCIAL STATEMENTS: The audited financial statements of the District for the fiscal year ended June 30, 2011, contained in Appendix B (the *Audit*), including the independent auditor's report accompanying the Audit, have been prepared by Rice, Sullivan & Company, Ltd., Swansea, Illinois (the *Auditor*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit. If you have a specific question or inquiry relating to the financial information of the District since the date of the Audit, you should contact Mr. David Daum, Superintendent, of the District.

GENERAL INFORMATION

INDUSTRY AND COMMERCE: The economic strength of the area is well diversified with several medium and large-size businesses and institutions, many of which do national and international business. In addition to the manufacturing and institutional employers, services, retailing, transportation and agriculture sectors play a major role in the economy. The following lists shows major employers in the area:

AREA MAJOR EMPLOYERS

<u>Company</u>	<u>Employees (Full & Part Time)</u>	<u>Type of Business</u>
Scott Air Force Base	11,936	Military Installation
Memorial Hospital	2,200	Hospital
St. Elizabeth's Hospital	1,675	Hospital
St. Clair County	1,050	County Government
Regions Bank	772	Financial Institution
Southwestern Illinois Community College	600	Higher Education
Belleville SD #118	400	Primary Education
Peerless Premier Appliance Company	360	Household Appliance Mfg.
Belleville THSD #201	360	Secondary Education
City of Belleville	350	Municipal Government
Marsh Company	350	Stencil Cutting & Tape Machines
O'Fallon SD #90	350	Primary Education
Walmart	349	Retail Store
National Shrine of Our Lady of the Snows	300	Tourism/Religious Retreat Center
Illinois American Water Company	300	Public Water Utility
Belleville News-Democrat	280	Newspaper Typesetting
Roho, Inc.	248	Wheelchair Cushions
Belleville Shoe Mfg. Company	225	Military Footwear Mfg..
Empire Comfort Systems	225	Commercial & Industrial Heaters

Sources: 2010 Illinois Services and Manufacturers Directories, Illinois Department of Commerce & Community Affairs Community Profiles

SCOTT AIR FORCE BASE (SAFB) is home to the U.S. Transportation Command which is comprised of the Air Force's Air Mobility Command, the Army's Military Traffic Management Command and the Navy's Military Sealift Command. SAFB's 375th Airlift Wing, which manages the domestic aeromedical evacuation system, is supported by the Air Force Reserve's 932nd Aeromedical Airlift Group. The complex, which occupies almost 4,000 acres with 900 buildings, employs nearly 6,500 military personnel and 3,500 civilians.

The United States Department of Defense Base Realignment and Closure Commission (the *Base Commission*) published a report in 2005 listing military bases recommended for closure. Scott Air Force Base (the *Base*) was not included on the Base Commission's 2005 listing of bases to be closed, however there is no guarantee that the Base will not be recommended for closure by the Base Commission in the future.

TRANSPORTATION: The transportation needs of the District are served primarily by U. S. Route 50 and Illinois Route 161. Other transportation facilities within minutes of the District's borders include Interstates 64 and 70, U.S. Route 40 and Illinois Routes 127 and 160. Air transportation is available at Mid-America Airport at the Scott Air Force Base in O'Fallon and Lambert International Airport in St. Louis

HIGHER EDUCATION: District residents have several options for higher education. Kaskaskia Community College, a fully-accredited public two-year college, offers courses at its main campus in Centralia. Southern Illinois University, a comprehensive teaching and research institution located approximately 55 miles south in Carbondale, enrolls over 34,000 students in programs from two-year technical curricula to Ph.D. programs in 32 fields, including law, medicine and dental medicine. Southern Illinois University also has a campus in Edwardsville, approximately 35 miles northwest of the District. Private institutions within commuting distance include Greenville College in Greenville and McKendree College in Lebanon.

UNEMPLOYMENT RATES COMPARISON*

	<u>Jan. 2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>
Clinton County	9.6%	8.0%	8.3%	8.4%	6.3%	5.0%
Illinois	9.9%	9.8%	10.5%	10.1%	6.5%	5.0%
U.S.	8.8%	8.9%	9.6%	9.3%	5.8%	4.6%

* Not seasonally adjusted

Source: Illinois Department of Employment Security

POPULATION, INCOME AND PROSPERITY LEVELS

	<u>2000 Population</u>	<u>2010 Population</u>	<u>2000 Median Home Value</u>	<u>2000 Median Household Income</u>
Village of New Baden	3,001	3,349	n/a	n/a
City of Trenton	2,610	2,715	n/a	n/a
Clinton County	35,535	37,762	\$83,700	\$44,618
State of Illinois	12,419,293	12,830,682	\$130,800	\$46,590

Source: U.S. Census Bureau

RETAILERS' OCCUPATION, SERVICE OCCUPATION AND USE TAX: The following table shows the distribution of the municipal portion of the Retailers' Occupation, Service Occupation and Use Tax collected by the Illinois Department of Revenue from retailers within the Village of New Baden and the City of Trenton. The table indicates the level of retail activity in the municipality.

	VILLAGE OF NEW BADEN	CITY OF TRENTON
	State Sales Tax Distribution ⁽²⁾	State Sales Tax Distribution ⁽²⁾
Year ⁽¹⁾		
2007	\$239,185	\$377,497
2008	\$258,400	\$360,944
2009	\$256,932	\$320,247
2010	\$242,628	\$298,103
2011	\$299,520	\$352,790

Source: Illinois Department of Revenue

(1) Fiscal year reports ending June 30.

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

AGRICULTURE: According to figures prepared by the Illinois Department of Agriculture, Clinton County produced more than 9.8 million bushels of corn, more than 4.4 million bushels of soybeans and more than 2.0 million bushels of wheat in 2009. In 2009, Clinton County ranked second in the production of wheat and first in livestock receipts.

CLINTON COUNTY

2010 Equalized Assessed Valuation (33-1/3% of True)	\$528,893,823
Total County Area	303,526 Acres
Total Farmland	254,629 Acres
% Farmland	84% (Approx.)
No. of Farms	915
Avg. Size of Farm	278 Acres

Estimated Receipts (in thousands):

<u>YEAR</u>	<u>CROP</u>	<u>LIVESTOCK</u>
2009	\$112,520	\$122,696
2008	\$119,928	\$137,768
2007	\$82,278	\$121,631
2006	\$65,571	\$103,025
2005	\$64,080	\$105,568

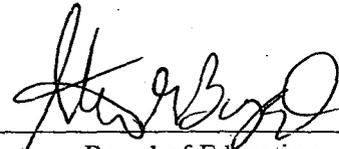
Source: Illinois Agricultural Statistics, Annual Summary, 2006-2010

Should you have additional questions, contact FIRST MIDSTATE INCORPORATED, 306 North Main Street, Suite 3, Bloomington, Illinois 61701, Phone 309/829-3311.

AUTHORIZATION

The foregoing Official Statement has been approved for distribution to prospective purchasers of the \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, by the Board of Education of the District.

The Board of Education, acting through its Secretary will provide to the purchaser of the Bonds at the time of delivery of the Bonds, a certificate confirming to the purchaser that, to the best of his or her knowledge and belief, the Official Statement with respect to the Bonds, together with any supplements thereto, at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated, where necessary to make the statements, in light of the circumstances under which they were made, not misleading.



Secretary, Board of Education
Community Unit School District Number 3,
Clinton and St. Clair Counties, Illinois

Date of this Final Official Statement is April 16, 2012

EXHIBIT A Outstanding General Obligation Bonds

<u>DUE</u>	<u>THIS ISSUE</u>	<u>Cumulative Retirement</u>	
	<u>Due 12/1</u>	<u>Amount</u>	<u>%</u>
2012	0	0	0.00%
2013	0	0	0.00%
2014	225,000	225,000	2.34%
2015	250,000	475,000	4.95%
2016	280,000	755,000	7.86%
2017	310,000	1,065,000	11.09%
2018	345,000	1,410,000	14.69%
2019	380,000	1,790,000	18.65%
2020	420,000	2,210,000	23.02%
2021	460,000	2,670,000	27.81%
2022	500,000	3,170,000	33.02%
2023	540,000	3,710,000	38.65%
2024	575,000	4,285,000	44.64%
2025	615,000	4,900,000	51.04%
2026	660,000	5,560,000	57.92%
2027	705,000	6,265,000	65.26%
2028	755,000	7,020,000	73.13%
2029	805,000	7,825,000	81.51%
2030	860,000	8,685,000	90.47%
2031	915,000	9,600,000	100.00%
	<hr/>		
	\$9,600,000		

EXHIBIT B Combined Statement of Revenues, Expenditures and Changes in Fund Balance, 2009-2011

	<u>GENERAL</u> <u>FUND</u>	<u>SPECIAL</u> <u>REVENUE</u>	<u>DEBT</u> <u>SERVICE</u>	<u>CAPITAL</u> <u>PROJECTS</u>	<u>WORKING CASH</u> <u>FUND</u>
Beginning Balance, July 1, 2008	\$1,707,919	\$497,303	\$8,332	\$0	\$851,312
+ Revenues	10,708,813	770,274	583,739	0	70,396
- Expenditures	10,045,366	782,098	586,477	0	0
+ (-) Other	<u>0</u>	<u>10,000</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30, 2009	\$2,371,366	\$495,479	\$5,594	\$0	\$921,708
Beginning Balance, July 1, 2009	\$2,371,366	\$495,479	\$5,594	\$0	\$921,708
+ Revenues	11,202,129	862,740	585,764	0	74,296
- Expenditures	10,754,612	699,746	585,306	0	0
+ (-) Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30, 2010	\$2,818,883	\$658,473	\$6,052	\$0	\$996,004
Beginning Balance, July 1, 2010	\$2,818,883	\$658,473	\$6,052	\$0	\$996,004
+ Revenues	11,779,898	921,332	580,786	0	72,712
- Expenditures	10,923,780	773,819	580,463	0	0
+ (-) Other	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Ending Balance, June 30, 2011	\$3,675,001	\$805,986	\$6,375	\$0	\$1,068,716

Source: Compiled from the District's Audited Financial Statements for years ended June 30, 2009-2011

EXHIBIT C Official Budget, Fiscal Year Ending June 30, 2012

	<u>EDUCATION</u>	<u>OPER. & MAINTENANCE</u>	<u>TRANSP.</u>	<u>IMRF/SS</u>	<u>SUB-TOTAL OPERATING</u>
Fund Balance, 7/1/11	\$2,410,240	\$1,257,837	\$572,898	\$233,085	\$4,474,060
+ Estimated Revenues	10,165,146	713,930	460,800	410,230	11,750,106
- Estimated Expenditures	10,750,796	572,515	457,775	407,315	12,188,401
+ (-) Other / Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Estimated Fund Balance, 6/30/12	\$1,824,590	\$1,399,252	\$575,923	\$236,000	\$4,035,765

	<u>BOND & INTEREST</u>	<u>FIRE PREVENTION & SAFETY</u>	<u>TORT</u>	<u>WORKING CASH</u>	<u>TOTAL</u>
Fund Balance, 7/1/11	\$6,375	\$280,907	\$235,364	\$1,068,716	\$6,065,422
+ Estimated Revenues	581,280	65,850	401,800	72,350	12,871,386
- Estimated Expenditures	580,540	230,000	436,945	0	13,435,886
+ (-) Other / Bond Proceeds	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Estimated Fund Balance, 6/30/12	\$7,115	\$116,757	\$200,219	\$1,141,066	\$5,500,922

Source: Official Budget for the District for the year ending June 30, 2012. Please note that the beginning balance may not match the ending fund balances for the year ended June 30, 2011, due to timing.

EXHIBIT D General Fund Revenue Sources, Fiscal Years Ending June 30, 2009-2011

GENERAL FUND REVENUE SOURCES
Years Ended June 30

<u>REVENUES</u>	<u>Percent</u>		
	<u>2009</u>	<u>2010</u>	<u>2011</u>
Local Sources	40.51%	42.52%	41.61%
State Sources	44.22%	43.45%	49.53%
Federal Sources	<u>15.27%</u>	<u>14.02%</u>	<u>8.86%</u>
Total	100.00%	100.00%	100.00%

Source: Compiled from the District's Audited Financial Statements for years ended June 30, 2009-2011.

APPENDIX A

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation School Building Bonds, Series 2012 (the "*Bonds*"), to the amount of \$9,600,000, dated May 1, 2012, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2014	\$ 225,000	5.00%
2015	250,000	5.00%
2016	280,000	5.00%
2017	310,000	5.00%
2018	345,000	5.00%
2019	380,000	5.00%
2020	420,000	5.00%
2021	460,000	2.50%
2022	500,000	2.65%
2023	540,000	2.80%
2024	575,000	2.90%
2025	615,000	3.00%
2026	660,000	3.10%
2027	705,000	3.20%
2028	755,000	3.30%
2029	805,000	4.00%
2030	860,000	4.00%
2031	915,000	4.00%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals and corporations under the Internal Revenue Code of 1986, as amended (the "*Code*"), but is taken into account in computing an adjustment used in determining the federal alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includable in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

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

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

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

APPENDIX B

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2011

**WESCLIN COMMUNITY UNIT SCHOOL
DISTRICT NO. 3
TRENTON, ILLINOIS**

**ILLINOIS SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT**

YEAR ENDED JUNE 30, 2011

Due to ROE on October 15th
 Due to ISBE on November 15th
 SD/JA11

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

Illinois School District/Joint Agreement
 Annual Financial Report *
 June 30, 2011

School District
 Joint Agreement

School District/Joint Agreement Information <i>(See instructions on inside of this page.)</i>		Accounting Basis: <input checked="" type="checkbox"/> CASH <input type="checkbox"/> ACCRUAL		Certified Public Accountant Information		
School District/Joint Agreement Number: 13-014-0030-26		Filing Status: Submit electronic AFR directly to ISBE Click on the Link to Submit: Send ISBE a File		Name of Auditing Firm: Rice, Sullivan & Co., Ltd.		
County Name: Clinton / St. Clair				Name of Audit Manager: Bill R. Dixon, CPA		
Name of School District/Joint Agreement: Wesclin Community Unit School District No. 3				Address: 3121 North Illinois Street, Suite A		
Address: 10003 State Route 160				City: Swansea	State: IL	Zip Code: 62226
City: Trenton				Phone Number: 618-233-0186	Fax Number: 618-234-6804	
Email Address: fockstip@wesclin.k12.il.us				IL License Number: 060-004276	Expiration Date: 1/1/2012	
Zip Code: 62293		Email Address: bdixon@rscs.net		ISBE Use Only		
Annual Financial Report Type of Auditor's Report Issued: <input type="checkbox"/> Qualified <input type="checkbox"/> Unqualified <input checked="" type="checkbox"/> Adverse <input type="checkbox"/> Disclaimer		A-133 Single Audit Status: <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Are Federal expenditures greater than \$500,000? <input checked="" type="checkbox"/> YES <input type="checkbox"/> NO Is all A-133 Single Audit information completed and attached? <input type="checkbox"/> YES <input checked="" type="checkbox"/> NO Were any findings issued?				
<input checked="" type="checkbox"/> Reviewed by District Superintendent/Administrator		<input type="checkbox"/> Reviewed by Township Treasurer (Cook County only) Name of Township: _____		<input type="checkbox"/> Reviewed by Regional Superintendent/Cook ISC		
District Superintendent/Administrator Name (Type or Print): David Daum		Township Treasurer Name (type or print):		Regional Superintendent/Cook ISC Name (Type or Print):		
Email Address: daumd@wesclin.k12.il.us		Email Address:		Email Address:		
Telephone: 618-224-7583	Fax Number: 618-224-9106	Telephone:	Fax Number:	Telephone:	Fax Number:	
Signature & Date:		Signature & Date:		Signature & Date:		

* This form is based on 23 Illinois Administrative Code 100, Subtitle A, Chapter 1, Subchapter C (Part 100).
 ISBE Form SD50-35/JA50-50 (04/11)

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INSTRUCTIONS/REQUIREMENTS: For School Districts/Joint Agreements

All School Districts/Joint Agreements must complete this form (Note: joint agreement supplementary/statistical schedules may not be applicable)

Round all amounts to the nearest dollar. Do not enter cents. (Exception: 9 Month ADA on page 28, line 78)

This form complies with **Part 100 (Requirements for Accounting, Budgeting, Financial Reporting, and Auditing)**.

23, Illinois Administrative Code 100, Subtitle A, Chapter I, Subchapter C (Part 100)

Any errors left unresolved by the **Audit Checklist/Balancing Schedule** must be explained in the itemization page.

Submit AFR Electronically

- * The Annual Financial Reports (AFR) must be submitted directly through the Attachment Manager to the AFR Group by the Auditor or School District designated personnel (Please see Instructions for complete submission procedures).

Attachment Manager Link

Note: CD/Disk no longer accepted.

- * AFR supporting documentation must be embedded as Microsoft Word (.doc), Word Perfect (*.wpd) or Adobe (*.pdf) and inserted within tab "Opinions & Notes". These documents include: The Audit, Management letter, Opinion letters, Compliance letters, Financial notes etc.... For embedding instructions see "Opinions & Notes" tab of this form.

Note: Adobe Acrobat (*.pdf) files cannot be embedded if you do not have the software. Simply attach files as separate docs in the Attachment Manager and they will be embedded for you.

Submit Paper Copy of AFR with Signatures

- 1) The auditor must send three paper copies of the AFR form (cover through page 8 at minimum) to the School District with the auditor signature.

Note: School Districts and Regional Superintendents may prefer a complete paper copy in lieu of an electronic file. Please comply with their requests as necessary.

- 2) Upon receipt, the School District retains one copy for their records, signs, and forwards the remaining two copies to the Regional Superintendent's office no later than October 15, annually.
- 3) Upon receipt, the Regional Superintendent's office retains one copy for their records, signs, and forwards the remaining paper copy to ISBE no later than November 15, annually.

- * Yellow Book, CPE, and Peer Review requirements must be met if the Auditor issues an opinion stating "Governmental Accounting Standards" were utilized. Single Audit Act A-133

Qualifications of Auditing Firm

- * School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current acceptance/completion letter.

- * A school district/joint agreement who engages with and auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school districts/joint agreements expense.

AUDITOR'S QUESTIONNAIRE

INSTRUCTIONS: If your review and testing of State, Local, and Federal Programs revealed any of the following statements to be true, then check the box on the left, and attach the appropriate findings/comments.

PART A - FINDINGS

- 1. One or more school board members, administrators, certified school business officials, or other qualifying district employees failed to file economic interest statements pursuant to the *Illinois Government Ethics Act*. [5 ILCS 420/4A-101]
- 2. One or more custodians of funds failed to comply with the bonding requirements pursuant to Sections 8-2, 10-20.19 or 19-6 of the *School Code*. [105 ILCS 5/8-2; 10-20.19; 19-6]
- 3. One or more contracts were executed or purchases made contrary to the provisions of Section 10-20.21 of the *School Code*. [105 ILCS 5/10-20.21]
- 4. One or more violations of the *Public Funds Deposit Act* or the *Public Funds Investment Act* were noted. [30 ILCS 225/1 et. seq. and 30 ILCS 235/1 et. seq.]
- 5. Restricted funds were commingled in the accounting records or used for other than the purpose for which they were restricted.
- 6. One or more short-term loans or short-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- 7. One or more long-term loans or long-term debt instruments were executed in non-conformity with the applicable authorizing statute or without statutory authority.
- 8. Corporate Personal Property Replacement Tax monies were deposited and/or used without first satisfying the lien imposed pursuant to the *State Revenue Sharing Act*. [30 ILCS 115/12]
- 9. One or more interfund loans were made in non-conformity with the applicable authorizing statute or without statutory authorization.
- 10. One or more interfund loans were outstanding beyond the term provided by statute.
- 11. One or more permanent transfers were made in non-conformity with the applicable authorizing statute/regulation or without statutory/regulatory authorization.
- 12. Substantial, or systematic misclassification of budgetary items such as, but not limited to, revenues, receipts, expenditures, disbursements or expenses were observed.
- 13. The Chart of Accounts used to define and control budget and accounting records does not conform to the minimum requirements imposed by ISBE rules pursuant to Sections 2-3.27 and 2-3.28 of the *School Code*. [105 ILCS 5/2-3.27; 2-3.28]

PART B - FINANCIAL DIFFICULTIES/CERTIFICATION Criteria pursuant to Section 1A-8 of the School Code [105 ILCS 5/1A-8]

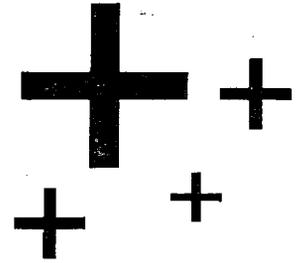
- 14. The district has issued tax anticipation warrants or tax anticipation notes in anticipation of a second year's taxes when warrants or notes in anticipation of current year taxes are still outstanding, as authorized by Sections 17-16 or 34-23 thru 34-27 of the *School Code*. [105 ILCS 5/17-16 or 34-23 thru 34-27]
- 15. The district has issued short-term debt against two future revenue sources, such as, but not limited to, tax anticipation warrants and General State Aid certificates or tax anticipation warrants and revenue anticipation notes.
- 16. The district has issued school or teacher orders for wages as permitted in Sections 8-16, 32-7.2 and 34-76 of the *School Code* or issued funding bonds for this purpose pursuant to Section 19-8 of the *School Code*. [105 ILCS 5/8-16, 32-7.2, 34-76, and 19-8]
- 17. The district has for two consecutive years shown an excess of expenditures/other uses over revenues/other sources and beginning fund balances on its annual financial report for the aggregate totals of the Educational, Operations & Maintenance, Transportation, and Working Cash Funds.

PART C - OTHER ISSUES

- 18. Student Activity Funds, Imprest Funds, or other funds maintained by the district were excluded from the audit.
- 19. Findings, other than those listed in Part A (above), were reported (e.g. student activity fund findings).
- 20. Federal Stimulus Funds were not maintained and expended in accordance with the American Recovery and Reinvestment Act (ARRA) of 2009. If checked, an explanation must be provided.
- 21. Check this box if the district is subject to the Property Tax Extension Limitation Law. Effective Date: _____
- 22. If the type of Auditor Report designated on the cover page is other than an unqualified opinion and is due to reason(s) other than solely Cash Basis Accounting, please check and explain the reason(s) in the box below.

RICE SULLIVAN

+company



INDEPENDENT AUDITOR'S REPORT

To the Board of Education of
Wesclin Community Unit School District No. 3
Trenton, Illinois

We have audited the accompanying financial statements of Wesclin Community Unit School District No. 3 as of and for the fiscal year ended June 30, 2011 as listed in the Table of Contents of the Annual Financial Report Form. These financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, Wesclin Community Unit School District No. 3 has prepared these financial statements using accounting practices prescribed or permitted by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America. Also as described in Note 1, Wesclin Community Unit School District No. 3 prepares its financial statements on the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determined, are presumed to be material.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of Wesclin Community Unit School District No. 3 as of June 30, 2011, or changes in its financial position for the fiscal year then ended. Further, Wesclin Community Unit School District No. 3 has not presented a management's discussion and analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

The District has omitted disclosures required by Governmental Accounting Standards Board Statement 45 *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*. The amount by which this disclosure would affect the financial statements is not reasonably determinable.

In our opinion, except for the effects of the omissions as described in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Wesclin Community Unit School District No. 3 as of June 30, 2011, and its revenue received and expenditures disbursed during the fiscal year then ended, on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated October 17, 2011, on our consideration of Wesclin Community Unit School District No. 3's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require the Illinois Municipal Retirement Fund Schedule of Funding Process be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards

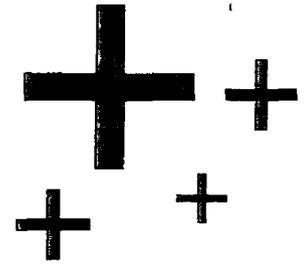
generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the financial statements of Wesclin Community Unit School District No. 3 taken as a whole. The information provided on pages 2 through 4, supplementary schedules on pages 23 through 26, statistical section on pages 27 through 30 and the itemization schedule on page 32 are presented for the purposes of additional analysis and are not a required part of the financial statements. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the financial statements. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 28 and per capita tuition charges on page 29, is the responsibility of management and has been derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements taken as a whole. The information on pages 28-30 is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The administrative cost worksheet on page 31 contains unaudited information concerning the current year budget which was provided by the District. The actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements taken as a whole.

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**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS
BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Education of
Wesclin Community Unit School District No. 3
Trenton, Illinois

We have audited the financial statements of Wesclin Community Unit School District No. 3 as of and for the year ended June 30, 2011, and have issued our report thereon dated October 17, 2011. Our opinion was adverse because financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated, except for the effects of the omitted disclosures required by Governmental Accounting Standards Board Statement 45, *Accounting and Financial Reporting for Post-Employment benefits Other Than Pensions*, on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Wesclin Community Unit School District No. 3's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Wesclin Community Unit School District No. 3's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Wesclin Community Unit School District No. 3's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A *material weakness* is a

deficiency, or a combination of deficiencies, in Internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Wesclin Community Unit School District No. 3's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

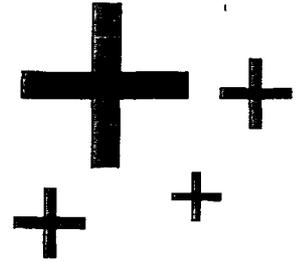
This report is intended solely for the information and use of the Board of Education, management of Wesclin Community Unit School District No. 3, the Illinois State Board of Education and federal awarding agencies and pass through entities and is not intended to be and should not be used by anyone other than these specified parties.

RICE, SULLIVAN + Co., LTD.

Swansea, Illinois
October 17, 2011

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**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH
REQUIREMENTS THAT COULD HAVE A DIRECT AND MATERIAL
EFFECT ON EACH MAJOR PROGRAM
AND ON INTERNAL CONTROL OVER COMPLIANCE IN
ACCORDANCE WITH OMB CIRCULAR A-133**

To the Board of Education of
Wesclin Community Unit School District No. 3
Trenton, Illinois

COMPLIANCE

We have audited Wesclin Community Unit School District No. 3 compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Wesclin Community Unit School District No. 3's major federal programs for the year ended June 30, 2011. Wesclin Community Unit School District No. 3's major federal programs are identified in the summary of the auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Wesclin Community School Unit School District No. 3's management. Our responsibility is to express an opinion on Wesclin Community Unit School District No. 3's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Wesclin Community Unit School District No. 3's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a

reasonable basis for our opinion. Our audit does not provide a legal determination of Wesclin Community Unit School District No. 3's compliance with those requirements.

In our opinion, Wesclin Community Unit School District No. 3 complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2011.

INTERNAL CONTROL OVER COMPLIANCE

Management of Wesclin Community Unit School District No. 3 is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Wesclin Community Unit District No. 3's internal control over compliance with the requirements that could have a direct and material effect on a major federal program to determine the auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of Wesclin Community Unit School District No. 3's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the Board of Education, management of Wesclin Community Unit School District No. 3, 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.

RICE, SULLIVAN + Co., LTD.

Swansea, Illinois
October 17, 2011

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The District's accounting policies conform to the cash basis of accounting as defined by the Illinois State Board of Education Audit Guide.

A. Principles Used To Determine the Scope of the Reporting Entity

The District's reporting entity includes the District's governing board and all related organizations for which the District exercises oversight responsibility.

The District has developed criteria to determine whether outside agencies with activities which benefit the citizens of the District, including joint agreements which serve pupils from numerous districts, should be included within its financial reporting entity. The criteria includes, but are not limited to, whether the District exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), scope of public service, and special financing relationships.

The District has determined that no other outside agency or joint agreement meets the above criteria and, therefore, no other agency or joint agreement has been included as a component unit in the District's financial statements.

The District is a member of Kaskaskia Special Education District No. 801, along with other area school districts. The District's pupils benefit from programs administered under this joint agreement, and the District benefits from jointly administered programming. The District does not have an equity interest in this joint agreement. The joint agreement is separately audited and is not included in these financial statements. Financial information may be obtained directly from Kaskaskia Special Education District No. 801 at 224 South Locust, Centralia, Illinois 62801.

B. Basis of Presentation - Fund Accounting

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State of Illinois. These funds are grouped as required for reports filed with the Illinois State Board of Education. District resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The following fund types and account groups are used by the District:

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Governmental Fund Types

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

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 District's general fund consists of four accounts: the Educational Account, which records direct costs of instruction and administration, the Tort Immunity Account, which records direct costs of liability insurance, the Operations and Maintenance Account, which reports all costs of maintaining, improving, or repairing school buildings and property, and the Working Cash Account, which maintains financial resources held by the District to be used for temporary interfund loans to other funds.

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.

Special Revenue Funds – Special Revenue Funds are used to account for the proceeds of specific revenue resources requiring separate accounting because of legal or regulatory provisions or administrative action. The following represents the District's special revenue funds:

Transportation Fund – The Transportation Fund accounts for the transportation of pupils to and from school.

Illinois Municipal Retirement Fund – The Municipal Retirement Fund accounts for the District's share of social security and retirement benefit costs for employees.

Capital Projects Fund – The Capital Projects Fund is used to account for the accumulation of resources for the acquisition or construction of major capital facilities. The District's Capital Projects fund is the Site and Construction Fund and Fire Prevention and Safety Fund which is used for the purpose of altering, reconstructing, and repairing the existing school buildings of the District.

Fiduciary Fund Types

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

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

Fiduciary Fund Types (Continued)

The Agency Fund (Activity Fund), which consists of the Student Activity Funds, accounts for assets held by the District as an agent for the students and teachers. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to the activity fund organization are equal to the assets.

Governmental and Expendable Trust Funds – Measurement Focus

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

General Fixed Assets and Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus.

Fixed assets used in governmental fund type operations (general fixed assets) are accounted for in the General Fixed Assets Account Group, rather than in governmental funds.

All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their estimated fair market value on the date donated. The District does not have a formal capitalization policy but follows grant guidelines when applicable.

Depreciation is computed for informational purposes, by the straight-line method over the estimated useful lives as follows:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	50
Land Improvements	20
Equipment	10
Automobiles, Trucks and Equipment	5

Depreciation accounting is not considered applicable (except to determine the per capita tuition charges of which \$447,534 of depreciation expense was allowable).

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation - Fund Accounting (Continued)

General Fixed Assets and Long-Term Debt Account Groups (Continued)

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. Proceeds from sale of bonds are included as receipts in the appropriate fund on the date received.

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

C. Basis of Accounting

Basis of accounting refers to when revenues received and expenditures disbursed are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenues are recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement of cash. Assets of a fund are only recorded when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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

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

D. Budgets and Budgetary Accounting

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes. The original budget was adopted on September 20, 2010 and amended on June 20, 2011.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year. The District does not utilize an encumbrance system.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Budgets and Budgetary Accounting (Continued)

The District follows these procedures in establishing the budgetary data reflected in the financial statements.

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

E. Investments

Investments are stated at cost or amortized cost, which approximates market value. Gains or losses on sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

F. Inventory

Inventory consists of expendable supplies held for consumption. The cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased. The District maintains records of supply inventories; however, the cost is recorded as an expenditure disbursed at the time the individual inventory items are purchased.

G. Compensated Absences

District employees are entitled to annual vacation leave and sick leave based on their length of employment and contracts.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Use of Estimates

The preparation of financial statements in conformity with the cash basis of accounting requires management to make estimates and assumptions that could affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Note 2. PROPERTY TAXES

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2010 levy was passed by the Board on December 20, 2010. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments in September 2011 and November 2011. The District receives significant distributions of tax receipts shortly after these two installment dates. Taxes recorded in these financial statements are from the 2009 and prior tax levies.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per \$100 of assessed valuation:

	Actual		
Limit	2010 Levy	2009 Levy	
Educational	2.24000	2.2400	2.2400
Operations and Maintenance	.50000	.5000	.5000
Bond and Interest	As Needed	.4671	.4873
Transportation	.20000	.2000	.2000
Municipal Retirement	As Needed	.1664	.1736
Social Security	As Needed	.1531	.1598
Working Cash	.05000	.0500	.0500
Facility Lease	.05000	.0388	.0427
Tort Immunity	As Needed	.3221	.3360
Fire Prevention and Safety	.05000	.0500	.0500
Special Education	.04000	.0400	.0400
Total		4.2275	4.2794

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 3. FUND BALANCE REPORTING

According to Government Accounting Standards, fund balances are to be classified into five major classifications; Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance. The Regulatory Model, followed by the District, only reports Reserved and Unreserved Fund Balances. Below are definitions of the differences and a reconciliation of how these balances are reported.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts. Due to the cash basis nature of the District all such items are expensed at the time of purchase, so there is nothing to report for this classification.

B. Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories -

1. *Federal and State Programs*

Proceeds from Federal and State programs and the related expenditures have been included in the Educational Fund, Operations and Maintenance Fund and Transportation Fund. At June 30, 2011, revenue received from Federal programs exceeded the expenditures disbursed for those specific purposes in the Educational Fund, resulting in restricted balances as follows:

Federal Grants:

Title I – Low Income	\$ 3,622
Title IV – Safe & Drug Free Schools	<u>3,703</u>
Total	<u>\$ 7,325</u>

This balance is included in the financial statements as reserved in the Educational Fund.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 3. FUND BALANCE REPORTING (Continued)

B. Restricted Fund Balance (Continued)

2. *Tort Immunity*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Tort Fund. The excess of the cumulative receipts over cumulative disbursements is restricted for future tort immunity disbursements in accordance with Chapter 85, Paragraphs 9-101 to 9-107 of the Illinois Revised Statutes. The restricted fund balance is as follows at June 30, 2011:

	<u>Amount</u>
Tort Receipts:	
Tax collected	\$ 400,270
Interest on balances	<u>3,656</u>
Total Tort Receipts	<u>403,926</u>
Tort Expenditures:	
Insurance	122,074
Legal fees	21,660
Miscellaneous *	<u>263,123</u>
Total Tort Expenditures	<u>406,857</u>
Receipts Over/Under Expenditures	(2,931)
Restricted at July 1, 2010	<u>238,294</u>
Restricted at June 30, 2011	<u>\$ 235,363</u>

This balance is included in the financial statements as reserved in the Tort Fund.

* These expenditures have included salary expenditures of the District. Currently, the validity of this type of expenditure for risk management purposes has been challenged in various litigation around the state. The District believes they are in compliance with the standards established by the Second Appellate Court; however, it is possible that these expenditures may be challenged

3. *Special Education*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Cumulative disbursements of this special tax levy exceed cumulative receipts, resulting in no restricted fund balance.

4. *Facility Lease*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Operations and Maintenance Fund. A portion, \$12,662 of this fund's equity represents the excess of the cumulative receipts over cumulative disbursements which is restricted for future facility leasing disbursements.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 3. FUND BALANCE REPORTING (Continued)

B. Restricted Fund Balance (Continued)

This balance is included in the financial statements as reserved in the Operations and Maintenance Fund.

5. *Fire Prevention and Safety*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Fire Prevention and Safety Fund. All of this fund's equity of \$280,907 represents the excess of cumulative receipts over cumulative disbursements which is restricted for future fire prevention and safety project disbursements in accordance with Section 17-2.11 of the School Code. This balance is included in the financial statements as reserved in the Fire Prevention and Safety Fund.

6. *Social Security*

Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a related restricted fund balance of \$233,087. This balance is included in the financial statements as unreserved in the Municipal Retirement/Social Security Fund.

7. *Transportation*

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Transportation Fund. Revenue received exceeded expenditures disbursed for this purpose, resulting in a related restricted fund balance of \$572,899. This balance is included in the financial statements as unreserved in the Transportation Fund.

C. Committed Fund Balance

The committed fund balance classification refers to amount that can be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision making authority (the School Board). Those committed amounts cannot be used for any other purpose unless the government removes or changes the specified use by taking the same type of formal action it employed to previously commit those amounts.

The School Board commits fund balance by making motions or passing resolutions to adopt policy or to approve contracts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 3. FUND BALANCE REPORTING (Continued)

C. Committed Fund Balance (Continued)

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2011, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2011 amounted to \$992,194. This amount is shown as Unreserved in the Educational Fund.

D. Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted or committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned Fund Balance

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds. Unassigned Fund Balance amounts are shown in the financial statements as Unreserved Fund Balances in the Educational, Operations and Maintenance, and Working Cash Funds.

F. Regulatory – Fund Balance Definition

Reserved Fund Balances are those balances that are reserved for a specified purpose, other than the regular purpose of any given fund. Unreserved Fund Balances are all balances that are not reserved for a specific purpose other than the specified purpose of a fund.

G. Reconciliation of Fund Balance Reporting

The first five columns of the following table represent Fund Balance Reporting according to U.S. generally accepted accounting principles. The last two columns represent Fund Balance Reporting under the regulatory basis of accounting utilized in preparation of the financial statements.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 3. FUND BALANCE REPORTING (Continued)

G. Reconciliation of Fund Balance Reporting (Continued)

Generally Accepted Accounting Principles

Fund	Nonspendable	Restricted	Committed	Assigned	Unassigned
Educational	0	7,325	992,194	0	1,417,645
Operations and Maintenance	0	12,662	0	0	1,245,175
Debt Services	0	6,375	0	0	0
Transportation	0	572,899	0	0	0
Municipal Retirement	0	233,087	0	0	0
Working Cash	0	0	0	0	1,068,716
Tort Liability	0	235,363	0	0	0
Fire Prevention and Safety	0	280,907	0	0	0

Regulatory Basis

Fund	Financial Statements - Reserved	Financial Statements - Unreserved
Educational	7,325	2,409,839
Operations and Maintenance	12,662	1,245,175
Debt Services	0	6,375
Transportation	0	572,899
Municipal Retirement	0	233,087
Working Cash	0	1,068,716
Tort Liability	235,363	0
Fire Prevention and Safety	280,907	0

H. Expenditures of Fund Balance

Unless specifically identified, expenditures act to reduce restricted balances first, then committed balances, next assigned balances, and finally act to reduce unassigned balances. Expenditures for a specifically identified purpose will act to reduce the specific classification of fund balance that is identified.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4. DEPOSITS AND INVESTMENTS

The District is allowed to invest in securities as authorized by the District's investment policy, Sections 2 and 6 of Public Funds Investment Act (30 ILCS 235/2 and 6), and Section 8-7 of the School Code of Illinois.

Custodial Credit Risk Related to Deposits with Financial Institutions

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. The District's general investment policy requires all amounts deposited or invested with financial institutions in excess of any insurance limit shall be collateralized by: (1) securities eligible for District investment or any other high-quality, interest-bearing security rated at least AA/Aa by one or more standard rating services to include Standard & Poor's, Moody's, or Fitch, (2) mortgages, (3) letters of credit issued by a Federal Home Loan Bank, or (4) loans covered by a State Guaranty under the Illinois Farm Development Act. The market value of the pledged securities shall equal or exceed the portion of the deposit requiring collateralization.

The District's investment policy states the preferred method for safekeeping of collateral is to have securities registered in the District's name and held by a third party custodian.

Deposits

At June 30, 2011 the carrying amount of the District's deposits which includes demand deposits, money market deposits and certificates of deposits is \$3,609,586 excluding \$350 in petty cash held at the District. The bank balance is \$3,772,846.

The District's banks grant an exclusive security interest in Federal agency securities. At June 30, 2011, the securities par values and market values are \$1,700,000 and \$1,702,415, respectively.

Investments

The following is a listing of the types of investments as of June 30, 2011.

	<u>Carrying Amount</u>	<u>Market Value</u>
Investment Type:		
ISDLAF+ (Investment Pool)	\$ 2,442,793	\$ 2,442,793
IIIT (Investment Pool)	278	278
Total	<u>\$ 2,443,071</u>	<u>\$ 2,443,071</u>

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4. DEPOSITS AND INVESTMENTS (Continued)

Custodial Credit Risk of Investments

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. At year end, none of the District's investments were subject to custodial credit risk due to one of the following:

- o Investments were part of an insured pool.
- o Investments were book-entry only in the name of the District and were fully insured.
- o Investments were held by an agent in the District's name.

Interest Rate Risk

Interest rate risk is the risk that the value of investments will decrease as a result of a rise in interest rates. The District's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

As of June 30, 2011, the District had the following investments and maturities:

Investment Type	Book Value	Fair Value	Investment Maturities (in Years)			
			Less Than 1	1 - 5	6 -10	More Than 10
ISLDAF + (Investment Pool)	\$ 2,442,793	\$ 2,442,793	\$ 2,442,793	\$ -0-	\$ -0-	\$ -0-
IIIT (Investment Pool)	278	278	278	-0-	-0-	-0-
Total	\$ 2,443,071	\$ 2,443,071	\$ 2,443,071	\$ -0-	\$ -0-	\$ -0-

Credit Risk

Credit risk is the risk of loss due to the failure of the security issuer or backer. The Public Funds Investment Act contained in the Illinois Compiled Statutes limits the types of investments a public agency may purchase. The investment policy adopted by the District does not limit further its investment choices.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of an investment in a single issuer. Disclosures are required for any issuer that represents 5% or more of total investments, exclusive of mutual funds, external investment pools and investments issued or guaranteed by the U.S. government. The District's investment policy places no limit on the amount the District may invest in any one issuer. The following percentages reflect the breakdown of investments for the District as of June 30, 2011:

- 99.99% - Illinois School District Liquid Asset Fund Plus
- .10% - Illinois Institutional Investors Trust Money Market

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4. DEPOSITS AND INVESTMENTS (Continued)

Concentration of Credit Risk (Continued)

ISDLAF+ (Investment Pool) –

During the year ended June 30, 2011, the District maintained an account with the Illinois School District Liquid Asset Fund Plus (also known as ISDLAF+). ISDLAF+ is an external investment pool created in cooperation by the Illinois Association of School Boards, the Illinois Association of School Business Officials and the Illinois Association of School Administrators. Its primary purpose is to provide School Districts, Community College Districts and Educational Service Regions with an alternative investment vehicle which will enable them to earn a competitive rate of return on fully collateralized investments, while maintaining immediate access to invested funds.

The Multi-Class Series invests in money market instruments having a maximum remaining maturity of one year (except that U.S. government obligations may have remaining maturities of up to two years). It has earned an AAA rating from Standard & Poor's ("S&P"). The Multi-Class Series consists of two classes of shares: the Liquid Class and the MAX Class. The Liquid Class offers check writing privileges, while the MAX Class does not.

ISDLAF+ also provides a Fixed Income Investment Program that allows investors to purchase investment instruments including certificates of deposit of banks and thrift institutions ("CDs"), commercial paper and bankers' acceptances. CDs purchased under this program are fully FDIC insured and have been classified as deposits for financial statement purposes.

At June 30, 2011, the District had \$2,442,793 invested with the ISDLAF+ Multi-Class Series of investments.

Foreign Currency Risk

Foreign currency risk is the risk that an investment denominated in the currency of a foreign country could reduce its U.S. dollar value, as a result of changes in foreign currency exchange rates. The District had no foreign currency risk as of June 30, 2011.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 4. DEPOSITS AND INVESTMENTS (Continued)

Reconciliation

A reconciliation of deposits and investments as shown on the Statement of Assets and Liabilities Arising from Cash Transactions is as follows:

Carrying Amount of Deposits	\$	3,609,586
Carrying Amount of Investments		2,443,071
Petty Cash		<u>350</u>
Total	\$	<u>6,053,007</u>
Cash	\$	162,274
Investments		5,893,981
Negative Cash		<u>(3,248)</u>
Total	\$	<u>6,053,007</u>

Fiduciary Activities

Deposits

At June 30, 2011, the carrying amount of the District's Agency deposits, which includes demand deposits and savings accounts is \$132,365. The bank balance is \$134,741.

Custodial Credit Risk

Custodial credit risk is the risk that in the event of a bank failure, the deposits may not be returned to it. The District's Agency Funds require that all deposits be fully covered by FDIC insurance or collateralized with investments held by the financial institution in the District Agency's Name. All deposits were covered by FDIC insurance.

Note 5. CHANGES IN GENERAL FIXED ASSETS

A summary of fixed assets included in the General Fixed Assets Account Group at June 30, 2011 is as follows:

	Balances July 1, 2010	Additions	Deletions	Balances June 30, 2011
Land	\$ 509,337			\$ 509,337
Land Improvements	832,925	\$ 16,166		849,091
Buildings and Improvements	8,482,159	24,524		8,506,683
Equipment	<u>3,469,870</u>	<u>239,465</u>		<u>3,709,335</u>
Total General Fixed Assets	<u>13,294,291</u>	<u>280,155</u>	<u>-0-</u>	<u>13,574,446</u>

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 5. CHANGES IN GENERAL FIXED ASSETS (Continued)

	Balances July 1, 2010	Additions	Deletions	Balances June 30, 2011
Less: Accumulated depreciation:				
Land Improvements	336,692	40,255		376,947
Buildings and Improvements	2,385,615	174,100		2,559,715
Other Equipment	2,581,105	233,179		2,814,284
Total Accumulated Depreciation	5,303,412	447,534	-0-	5,750,946
Fixed Assets, Net	\$ 7,990,879	\$ (167,379)	\$ -0-	\$ 7,823,500

Note 6. RETIREMENT FUND COMMITMENTS

A. Teachers' Retirement System of the State of Illinois

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

The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The State of Illinois maintains the primary responsibility for the funding of the plan, but contributions from participating employers and members are also required. The TRS Board of Trustees is responsible for the system's administration.

TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher certification is required. The active member contribution rate for the year ended June 30, 2011, was 9.4 percent of creditable earnings. The same contribution rate applies to members whose first contributing service is on or after Jan. 1, 2011, the effective date of the benefit changes contained in Public Act 96-0889. These contributions, which may be paid on behalf of employees by the employer, are submitted to TRS by the employer. The active member contribution rate was also 9.4 percent for the years ended June 30, 2010 and 2009.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

The State of Illinois makes contributions directly to TRS on behalf of the District's TRS-covered employee.

- **On-behalf contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2011, State of Illinois contributions were based on 23.10 percent of creditable earnings not paid from federal funds, and the district recognized revenue and expenditures of \$1,404,684 in pension contributions that the State of Illinois paid directly to TRS. For the years ended June 30, 2010 and June 30, 2009, the State of Illinois contribution rates as percentages of creditable earnings not paid from federal funds were 23.38 percent (\$1,388,045) and 17.08 percent (\$977,571), respectively.

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

- **2.2 formula contributions**

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula changes. This rate is specified by statute. Contributions for the year ended June 30, 2011 were \$35,269. Contributions for the years ending June 30, 2010 and June 30, 2009 were \$34,434 and \$33,196 respectively.

- **Federal and special trust fund contributions**

When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under a policy adopted by the TRS Board of Trustees that was first effective for the fiscal year ended June 30, 2006, employer contributions for employees paid from federal and special trust funds will be the same as the State contribution rate to TRS.

For the year ended June 30, 2011, the employer pension contribution was 23.10 percent of salaries paid from federal and special trust funds. For the years ended June 30, 2010 and 2009, the employer contribution was 23.38 and 17.08 percent of salaries paid from federal and special trust funds, respectively. For the year ended June 30, 2011, salaries totaling \$123,427 were paid from federal and special trust funds that required employer contributions of \$28,512. For the years ended June 30, 2010 and June 30, 2009, required District contributions were \$49,649 and \$31,720, respectively.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

- **Early Retirement Option (ERO)**

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

The maximum employer ERO contribution is 117.5 percent and applies when the member is age 55 at retirement.

For the year ended June 30, 2011, the District paid \$-0- to TRS for employer contributions under the ERO program. For the years ended June 30, 2010 and June 30, 2009, the District paid \$-0- and \$-0- in employer ERO contributions, respectively.

- **Salary increased over 6 percent and excess sick leave**

- If an employer grants salary increases over 6 percent and those salaries are used to calculate a retiree's final average salary, the employer makes a contribution to TRS. The contribution will cover the difference in actuarial cost of the benefit based on actual salary increases and the benefit based on salary increases of up to 6 percent.

For the year ended June 30, 2011, the District paid \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent. For the years ended June 30, 2010 and June 30, 2009, the District paid \$-0- and \$-0- to TRS for employer contributions due on salary increases in excess of 6 percent, respectively.

- If an employer grants sick leave days in excess of the normal annual allotment and those days are used as TRS service credit, the employer makes a contribution to TRS. The contribution is based on the number of excess sick leave days used as service credit, the highest salary used to calculate final average salary, and the TRS total normal cost rate (18.03 percent of salary during the year ended June 30, 2011, as recertified pursuant to Public Act 96-1511).

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

A. Teachers' Retirement System of the State of Illinois (Continued)

For the year ended June 30, 2011, the District paid \$-0- to TRS for sick leave days granted in the excess of the normal annual allotment. For the years ended June 30, 2010 and June 30, 2009, the District paid \$-0- and \$-0- in employer contributions granted for sick leave days, respectively.

TRS financial information, an explanation of TRS benefits, and descriptions of member, employer and State funding requirements can be found in the TRS *Comprehensive Annual Financial Report* for the year ended June 30, 2010. The report for the year ended June 30, 2011, is expected to be available in late 2011.

The reports may be obtained by writing to the Teachers' Retirement System of the State of Illinois, 2815 West Washington Street, P.O. Box 19253, Springfield, Illinois 62794-9253. The most current report is also available on the TRS Web site at <http://trs.illinois.gov>.

B. Teacher Health Insurance Security Fund

The District (Employer) participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants may participate in the state administered participating provider option plan or choose from several managed care options.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The Illinois Department of Healthcare and Family Services (HFS) and the Illinois Department of Central Management Services (CMS) administer the plan with cooperation of TRS. The director of HFS determines the rates and premiums for annuitants and dependent beneficiaries and establishes the cost-sharing parameters. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to the TRS who are not employees of the state make a contribution to THIS Fund.

The percentage of employer required contributions in the future will be determined by the director of HFS and will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

B. Teacher Health Insurance Security Fund (Continued)

- **On behalf contributions to THIS Fund**

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.88 percent of pay during the year ended June 30, 2011. State of Illinois contributions were \$53,512 and the District recognized revenue and expenditures of this amount during the year.

State contributions intended to match active member contributions during the years ended June 30, 2010 and June 30, 2009 were 0.84 percent of pay. State contributions on behalf of District employees were \$49,870 and \$48,077, respectively.

- **Employer contributions to THIS Fund**

The employer (District) also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.66 percent during the year ended June 30, 2011, and 0.63 percent during the years ended June 30, 2010, and June 30, 2009. For the year ended June 30, 2011, the District paid \$40,134 to the THIS Fund. For the years ended June 30, 2010 and June 30, 2009 the District paid \$37,402 and \$36,058 to the THIS Fund, respectively, which was 100 percent of the required contribution.

The publicly available financial report of the THIS Fund may be obtained by writing to the Department of Healthcare and Family Services, 201 S. Grand Ave., Springfield, IL 62763-3838.

C. Illinois Municipal Retirement Fund

- ***Plan description***

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is affiliated with the Illinois Municipal Retirement Fund (IMRF), an agent multiple-employer plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. That report may be obtained on-line at www.imrf.org.

- ***Funding Policy***

As set by statute, the District's Regular plan members are required to contribute 4.50 percent of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer contribution rate for calendar year 2010 used by the District

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

C. Illinois Municipal Retirement Fund (Continued)

- **Funding Policy (Continued)**
was 11.39 percent of annual covered payroll. The employer annual required contribution rate for calendar year 2010 was 13.35 percent. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.
- **Annual Pension Cost**
For calendar year ending December 31, 2010, the District's actual contributions for pension cost for the Regular were \$181,698. Its required contribution for calendar year 2010 was \$212,964. .

Three-Year Trend Information for the Regular Plan

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/10	\$ 212,964	85%	\$ -0-
12/31/09	156,148	100%	-0-
12/31/08	143,223	100%	-0-

The required contribution for 2010 was determined as part of the December 31, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions at December 31, 2008, included (a) 7.50 percent investment rate of return (net of administrative and direct investment expenses), (b) projected salary increases of 4.00% a year, attributable to inflation, (c) additional projected salary increases ranging from 0.4% to 10% per year depending on age and service, attributable to seniority/merit, and (d) post retirement benefit increases of 3% annually. The actuarial value of the District's Regular plan assets was determined using techniques that spread the effects of short-term volatility in the market value of investments over a five-year period with a 20% corridor between the actuarial and market value of assets. The District's Regular plan's unfunded actuarial accrued liability at December 31, 2008 is being amortized as a level percentage of projected payroll on an open 30 year basis.

- **Funded status and funding progress**
As of December 31, 2010, the most recent actuarial valuation date, the Regular plan was 62.24 percent funded. The actuarial accrued liability for benefits was \$3,202,789 and the actuarial value of assets was \$1,993,558, resulting in an underfunded actuarial accrued liability (UAAL) of \$1,209,231. The covered payroll for calendar year 2010 (annual payroll of

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 6. RETIREMENT FUND COMMITMENTS (Continued)

C. Illinois Municipal Retirement Fund (Continued)

- ***Funded status and funding progress (Continued)***
active employees covered by the plan) was \$1,595,239 and the ratio of the UAAL to the covered payroll was 76 percent.

The schedule of funding progress, presented as RSI following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

D. Social Security

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$97,665, the total required contribution for the current fiscal year.

Note 7. CHANGES IN GENERAL LONG-TERM DEBT

The following is a summary of changes in General Long-Term Debt for the year ended June 30, 2011:

Bonds Payable, July 1, 2010	\$ 1,120,000
Bonds Issued during the year	-0-
Bonds Retired during the year	<u>(550,000)</u>
Bonds Payable, June 30, 2011	\$ <u>570,000</u>
Current Portion	\$ <u>570,000</u>

Bonds payable at June 30, 2011 is comprised of the following individual issues:

- Original issue \$2,460,000, dated October 15, 2004, general obligation school bonds, due in annual installments of \$325,000 to \$380,000 through 2011; provides for serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 7. CHANGES IN GENERAL LONG-TERM DEBT (Continued)

- Original issue \$700,000, dated January 1, 2008, general obligation school bonds, due in annual installments of \$155,000 to \$190,000 through 2011; provides serial retirement of principal on December 1 and interest payable on June 1 and December 1 of each year.

At June 30, 2011, the annual cash flow requirements of bond principal and interest are as follows:

Year Ending June 30,	2004 Issue		2008 Issue		Total
	Principal	Interest	Principal	Interest	
2012	\$ 380,000	\$ 6,460	\$ 190,000	\$ 3,278	\$ 579,738
Total	\$ 380,000	\$ 6,460	\$ 190,000	\$ 3,278	\$ 579,738

The Illinois School Code limits the amount of indebtedness to 13.8% of the most recent available equalized assessed valuation of the District.

The legal debt margin at June 30, 2011 is as follows:

Assessed Valuation - 2010	<u>\$ 129,108,509</u>
Debt Limit - 13.8% of assessed valuation	\$ 17,816,974
Less: Long-term indebtedness	<u>570,000</u>
Legal Debt Margin	<u>\$ 17,246,974</u>

Note 8. COMMON BANK ACCOUNT

Separate bank accounts are not maintained for all District funds; instead, certain funds maintain their uninvested cash balances in a common interest-bearing checking account, with accounting records being maintained to show the portion of the common bank account balance attributable to each participating fund.

Occasionally certain of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education.

Note 9. BUDGET

The District operated within the legal confines of the budget during the year ended June 30, 2011.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 10. COMMITMENTS

A. Operating Leases

Building Rental

- The District is currently under separate leases with St. Mary Catholic Church and St. George Catholic Church whereby the District will make monthly payments to each Church for building rental. Remaining annual rent payments are as follows:

<u>Year Ending June 30,</u>	<u>St. Mary</u>	<u>St. George</u>	<u>Total</u>
2012	\$ 27,500	\$ 26,500	\$ 54,000
2013	<u>28,500</u>	<u>-0-</u>	<u>28,500</u>
Total	<u>\$ 56,000</u>	<u>\$ 26,500</u>	<u>\$ 82,500</u>

Total expenditures charged to the Operations Maintenance Fund are \$52,000 for fiscal year 2011.

Copier Lease

- The District leases 12 copiers with payments of \$2,320 per month under an operating lease expiring in fiscal year 2015.

<u>Year Ending June 30,</u>	<u>Total</u>
2012	\$ 27,840
2013	27,840
2014	27,840
2015	<u>4,640</u>
Total	<u>\$ 88,160</u>

Total expenditures charged to the Educational Fund are \$27,840 for fiscal year 2011.

B. Bonds

On November 2, 2010, the voters of the District approved the issuance of \$9.6 million School Building Bonds to build a new school. The issuance is contingent on additional State of Illinois funding. As of June 30, 2011, the District has not yet issued these bonds.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 11. CONTINGENCIES

The District has received funding from state and federal grants in the current and prior years which are subject to audits by the granting agencies. The School Board believes any adjustments that may arise from these audits will be insignificant to District operations.

Note 12. RISK MANAGEMENT

- Significant losses are covered by commercial insurance for all major programs: property, liability and workers' compensation. During the year ended June 30, 2011, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage in the past three years.
- The District elects to be self-insured for unemployment insurance. The District is therefore liable to the State for any payments made to any of its former employees claiming benefits.
- The District is insured under a retrospectively-rated policy for workers' compensation coverage. The initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2011, there were no significant adjustments in premiums based on actual experience.

Note 13. EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST

Plan Description

The District contributes to the Egyptian Area Schools Employee Benefit Trust (the "Trust"), a cost-sharing multiple-employer defined benefit health care plan administered by the Board of Managers of the Trust. The Trust provides medical benefits to active and retired employees of approximately 160 participating employers. The trust issues a publicly available financial report that includes financial statements and required supplementary information for the Trust. A copy of the report may be obtained by writing to the Egyptian Area Schools Employee Benefit Trust, c/o Meritain Health, 13 Executive Drive, Suite 19, Fairview Heights, IL 62208, or by calling Meritain Health at (866) 588-2431, Option 3 x 6105. The report is also posted on the Trust's website at www.eqtrust.org.

Funding Policy

The Trust Agreement establishing the Trust provides that contribution rates are established and may be modified by the Board of Managers of the Trust. Contribution rates are normally adjusted as of September 1 each year. As of June 30, 2011, participating employers were contractually required to contribute at the following rates for active and retired employees and dependents.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 13. EGYPTIAN AREA SCHOOLS EMPLOYEE BENEFIT TRUST (Continued)

Funding Policy (Continued)

	Platinum Plan	Gold Plan	Silver Plan	Bronze Plan
Employee (Retiree)	\$536	\$484	\$418	\$356
Employee + spouse	\$1,106	\$998	\$866	\$732
Employee + child(ren)	\$1,068	\$963	\$635	\$719
Family	\$1,191	\$1,073	\$932	\$791

Participating employers may require employees and/or retirees to pay some or all of the required contributions to the employer, but the employer has the legal obligation to pay contributions to the Trust. The District requires retirees to pay 100% of the contribution for coverage for retirees and their dependents.

The Board of Managers of the Trust sets the employer contribution rates each year based on an actuarial valuation. The Trust's actuary has determined that as of June 30, 2010 the Trust had no Unfunded Actuarial Accrued Liability for Other Post Employment Benefits (OPEB) and is not expected to have an Unfunded Actuarial Accrued Liability as of June 30, 2011. The actuary has further determined that current contribution rates exceed the Annual Required Contribution (ARC) determined in accordance with the parameters of GASB Statement 45. The District's contributions to the Trust for the years ending June 30, 2011, June 30, 2010 and June 30, 2009, were \$359,313, \$343,643 and \$325,281, respectively, which equaled the contractually required contributions each year.

Note 14. INTERFUND LOAN

A summary of activity related to short-term loans of the District is as follows:

	<u>July 1, 2010</u>	<u>Issued</u>	<u>Retired</u>	<u>June 30, 2011</u>
Interfund Loan	\$ -0-	\$ 7,500	\$ 7,500	\$ -0-

The short-term loan was issued from the Working Cash Fund to the Debt Services Fund to provide short term operating cash.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
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**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED

- **GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements***

This Statement will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement applies only to those arrangements in which specific criteria determining whether a transferor has control over the facility are met.

- **GASB Statement No. 61, *The Financial Reporting Omnibus – an amendment of GASB Statements No. 14 and No. 34***

This Statement will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (CONTINUED)

- **GASB Statement No. 61, *The Financial Reporting Omnibus – an amendment of GASB Statements No. 14 and No. 34 (Continued)***

the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government. Lastly, additional reporting guidance is provided for blending a component unit if the primary government is a business-type activity that uses a single column presentation for financial reporting.

This Statement also clarifies the reporting of equity interests in legally separate organizations. It requires a primary government to report its equity interest in a component unit as an asset.

- **GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements***

This Statement will be effective for the District beginning with its year ending June 30, 2013. The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2011**

Note 15. PRONOUNCEMENTS ISSUED BUT NOT YET ADOPTED (CONTINUED)

- **GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position***

This Statement will be effective for the District beginning with its year ending June 30, 2013. This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

- **GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions—an amendment of GASB Statement No. 53***

This Statement will be effective for the District beginning with its year ending June 30, 2012. Some governments have entered into interest rate swap agreements and commodity swap agreements in which a swap counterparty, or the swap counterparty's credit support provider, commits or experiences either an act of default or a termination event as both are described in the swap agreement. Many of those governments have replaced their swap counterparty, or swap counterparty's credit support providers, either by amending existing swap agreements or by entering into new swap agreements. When these swap agreements have been reported as hedging instruments, questions have arisen regarding the application of the termination of hedge accounting provisions in Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*. Those provisions require a government to cease hedge accounting upon the termination of the hedging derivative instrument, resulting in the immediate recognition of the deferred outflows of resources or deferred inflows of resources as a component of investment income. The objective of this Statement is to clarify whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

Management has not currently determined what impact, if any, these GASB Statements may have on its finished statement.

**WESCLIN COMMUNITY UNIT SCHOOL DISTRICT NO. 3
TRENTON, ILLINOIS**

**REQUIRED SUPPLEMENTARY INFORMATION
ILLINOIS MUNICIPAL RETIREMENT FUND
SCHEDULE OF FUNDING PROGRESS
JUNE 30, 2011**

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)
12/31/10	\$ 1,993,558	\$ 3,202,789	\$ 1,209,231	62.24	\$ 1,595,239	75.80%
12/31/09	2,179,258	3,205,545	1,026,287	67.98	1,477,275	69.47%
12/31/08	1,878,288	2,851,132	972,844	65.88	1,374,499	70.78%

On a market value basis, the actuarial value of assets as of December 31, 2010 is \$2,210,188.
On a market basis, the funded ratio would be 69.01%.

PART D - EXPLANATION OF ACCOUNTING PRACTICES FOR LATE MANDATED CATEGORICAL PAYMENTS

(For School Districts who report on an Accrual/Modified Accrual Accounting Basis only)

School districts that report on the accrual/modified accrual basis of accounting must identify where late mandated categorical payments (Revenue Codes 3100, 3105, 3110, 3500, and 3510) are recorded. Depending on the accounting procedure these amounts will be used to adjust the Direct Receipts/Revenues in calculation 1 and 2 of the Financial Profile Score.

23. Enter the date that the district used to accrue mandated categorical payments

Date:

24. For the listed mandated categorical (Revenue Code (3110, 3500, 3510, 3100, 3105) that were vouchered prior to June 30th, but not released until after year end as reported in ISBE FRIS system, enter the amounts that were accrued in the chart below.

Account Name	3110	3500	3510	3100	3105	Total
Intergovernmental/Account Receivable (160)						
Pre-Mandated Categorical Payments (3110, 3500, 3510, 3100, 3105)						0
Other Receivable (180)						
Pre-Mandated Categorical Payments (3110, 3500, 3510, 3100, 3105)						0
Deferred Revenues & Other Current Liabilities (490)						
Pre-Mandated Categorical Payments (3110, 3500, 3510, 3100, 3105)						0
Direct Receipt Revenue						
Pre-Mandated Categorical Payments (3110, 3500, 3510, 3100, 3105)						0
Total						0

* Revenue Code (3110-Sp Ed Personnel, 3510-Sp Ed Transportation, 3500-Regular/Vocational Transportation, 3105-Sp Ed Funding for Children Requiring Services, 3100-Sp Ed Private Facilities)

PART E - QUALIFICATIONS OF AUDITING FIRM

* School District/Joint Agreement entities must verify the qualifications of the auditing firm by requesting the most current review and acceptance/completion letter.

* A school district/joint agreement who engages with an auditing firm who is not licensed and qualified will be required to complete a new audit by a qualified auditing firm at the school districts/joint agreements expense.

Comments Applicable to the Auditor's Questionnaire:

Rice, Sullivan & Co., Ltd.
Name of Audit Firm (print)

The undersigned affirms that this audit was conducted by a qualified auditing firm and in accordance with the applicable standards [23 Illinois Administrative Code Part 100] and the scope of the audit conformed to the requirements of subsection (a) or (b) of 23 Illinois Administrative Code Part 100 Section 110, as applicable.


Signature

10/17/2011
mm/dd/yyyy

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	FINANCIAL PROFILE INFORMATION												
2													
3	<i>Required to be completed for School Districts only.</i>												
4													
5	A. Tax Rates (Enter the tax rate - exc. .0150 for \$1.50)												
6													
7	Tax Year <u>2010</u>		Equalized Assessed Valuation (EAV):		129,108,509								
8													
9	Educational		Operations & Maintenance		Transportation		Combined Total		Working Cash				
10	Rate(s): 0.022400		+ 0.005000		+ 0.002000		= 0.029400		0.000500				
11													
12													
13	B. Results of Operations *												
14													
15	Receipts/Revenues		Disbursements/Expenditures		Excess/ (Deficiency)		Fund Balance						
16	10,903,850		9,859,583		1,044,267		5,316,616						
17	* The numbers shown are the sum of entries on Pages 7 & 8, lines 6, 17, 20, and 85 for the Educational, Operations & Maintenance, Transportation and Working Cash Funds.												
18													
19													
20	C. Short-Term Debt **												
21	CPPRT Notes		TAWs		TANs		TO/EMP. Orders		GSA Certificates				
22	0		0		0		0		0				
23	Other		Total										
24	0		0										
25	** The numbers shown are the sum of entries on page 25.												
26													
27													
28	D. Long-Term Debt												
29	Check the applicable box for long-term debt allowance by type of district.												
30													
31	<input type="checkbox"/> a. 6.9% for elementary and high school districts.		17,816,974										
32	<input checked="" type="checkbox"/> b. 13.8% for unit districts.												
33													
34	Long-Term Debt Outstanding:												
35													
36	c. Long-Term Debt (Principal only)		Accd										
37	Outstanding:.....		6511		570,000								
38													
39													
40	E. Material Impact on Financial Position												
41	If applicable, check any of the following items that may have a material impact on the entity's financial position during future reporting periods.												
42	Attach sheets as needed explaining each item checked.												
43													
44	<input type="checkbox"/> Pending Litigation												
45	<input type="checkbox"/> Material Decrease in EAV												
46	<input type="checkbox"/> Material Increase/Decrease in Enrollment												
47	<input type="checkbox"/> Adverse Arbitration Ruling												
48	<input type="checkbox"/> Passage of Referendum												
49	<input type="checkbox"/> Taxes Filed Under Protest												
50	<input type="checkbox"/> Decisions By Local Board of Review or Illinois Property Tax Appeal Board (PTAB)												
51	<input type="checkbox"/> Other Ongoing Concerns (Describe & Itemize)												
52													
53	Comments:												
54													
55													
56													
57													
58													
59													
60													
61													

	A	B	C	D	E	F	G	H	I	K	L	M	N	O	P	Q
1	ESTIMATED FINANCIAL PROFILE SUMMARY															
2	(Go to the following web site for reference to the Financial Profile)															
3	www.isbe.net/sfms/p/profile.htm															
4																
5																
6																
7	District Name: Wasclin Community Unit School District No. 3															
8	District Code: 13-014-0030-26															
9	County Name: Clinton / St. Clair															
10																
11	1. Fund Balance to Revenue Ratio:															
12	Total Sum of Fund Balance (P8, Cells C80, D80, F80 & I80)							Total		Ratio		Score		4		
13	Total Sum of Direct Revenues (P7, Cell C8, D8, F8 & I8)							Funds 10, 20, 40, & 70,		5,316,616.00		0.488		Weight		0.35
14	Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73)							Minus Funds 10 & 20		10,903,850.00				Value		1.40
15	(Excluding C56, D56, C60, D60 C84 and D84)									0.00						
16	2. Expenditures to Revenue Ratio:															
17	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17, I17)							Funds 10, 20 & 40		Total		Ratio		Score		4
18	Total Sum of Direct Revenues (P7, Cell C8, D8, F8, & I8)							Funds 10, 20, 40 & 70,		9,859,583.00		0.904		Adjustment		0
19	Less: Operating Debt Pledged to Other Funds (P8, Cell C53 thru D73)							Minus Funds 10 & 20		10,903,850.00				Weight		0.35
20	(Excluding C56, D56, C60, D60 C84 and D84)									0.00						
21	Possible Adjustment:											0		Value		1.40
22																
23	3. Days Cash on Hand:															
24	Total Sum of Cash & Investments (P5, Cell C4, D4, F4, I4 & C5, D5, F5 & I5)							Funds 10, 20 40 & 70		Total		Days		Score		4
25	Total Sum of Direct Expenditures (P7, Cell C17, D17, F17 & I17)							Funds 10, 20, 40 divided by 360		5,300,463.00		193.53		Weight		0.10
26										27,387.73				Value		0.40
27	4. Percent of Short-Term Borrowing Maximum Remaining:															
28	Tax Anticipation Warrants Borrowed (P25, Cell F6-7 & F11)							Funds 10, 20 & 40		Total		Percent		Score		4
29	EAV x 85% x Combined Tax Rates (P3, Cell J7 and J10)							(.85 x EAV) x Sum of Combined Tax Rates		0.00		100.00		Weight		0.10
30										3,226,421.64				Value		0.40
31	5. Percent of Long-Term Debt Margin Remaining:															
32	Long-Term Debt Outstanding (P3, Cell H37)									Total		Percent		Score		4
33	Total Long-Term Debt Allowed (P3, Cell H31)									570,000.00		98.80		Weight		0.10
34										17,818,974.24				Value		0.40
35																
36	Total Profile Score: 4.00 *															
37																
38	Estimated 2012 Financial Profile Designation: <u>RECOGNITION</u>															
39																
40																
41																

* Total Profile Score may change based on data provided on the Financial Profile Information, page 3 and by the timing of mandated categorical payments. Final score will be calculated by ISBE.

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	ASSETS	Acct. #	(10)	(20)	(30)	(40)	(60)	(60)	(70)	(80)	(90)
3	CURRENT ASSETS (100)		Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tot	Fire Prevention & Safety
4	Cash (Accounts 111 through 115) ¹		133,140	9,770		19,384					
5	Investments	120	2,259,325	1,247,881	6,375	562,267	233,147		1,068,716	235,363	280,907
6	Taxes Receivable	130									
7	Interfund Receivables	140									
8	Intergovernmental Accounts Receivable	150									
9	Other Receivables	160									
10	Inventory	170									
11	Prepaid Items	180									
12	Other Current Assets (Describe & Itemize)	190									
13	Total Current Assets		2,392,465	1,267,651	6,375	581,631	233,147	0	1,068,716	235,363	280,907
14	CAPITAL ASSETS (200)										
15	Works of Art & Historical Treasures	210									
16	Land	220									
17	Building & Building Improvements	230									
18	Site Improvements & Infrastructure	240									
19	Capitalized Equipment	250									
20	Construction in Progress	260									
21	Amount Available in Debt Service Funds	340									
22	Amount to be Provided for Payment on Long-Term Debt	350									
23	Total Capital Assets										
24	CURRENT LIABILITIES (400)										
25	Interfund Payables	410									
26	Intergovernmental Accounts Payable	420									
27	Other Payables	430									
28	Contracts Payable	440									
29	Loans Payable	460									
30	Salaries & Benefits Payable	470									
31	Payroll Deductions & Withholdings	480	(24,899)	(359)		5,657	60				
32	Deferred Revenues & Other Current Liabilities	490		173		3,075					
33	Due to Activity Fund Organizations	493									
34	Total Current Liabilities		(24,899)	(189)	0	8,732	60	0	0	0	0
35	LONG-TERM LIABILITIES (500)										
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	511									
37	Total Long-Term Liabilities										
38	Reserved Fund Balance	714	7,325	12,662						235,363	280,907
39	Unreserved Fund Balance	730	2,409,839	1,245,176	6,375	572,899	233,087	0	1,068,716		
40	Investment in General Fixed Assets										
41	Total Liabilities and Fund Balance		2,392,465	1,257,651	6,375	581,631	233,147	0	1,068,716	235,363	280,907

BASIC FINANCIAL STATEMENTS
STATEMENT OF ASSETS AND LIABILITIES ARISING FROM CASH TRANSACTIONS
STATEMENT OF POSITION AS OF JUNE 30, 2011

1	A	B	L	M	N
	ASSETS	Acct. #	Agency Fund	General Fixed Assets	General Long-Term Debt
3	CURRENT ASSETS (100)				
4	Cash (Accounts 111 through 119) ¹		132,365		
5	Investments	120			
6	Texas Receivable	130			
7	Interfund Receivables	140			
8	Intergovernmental Accounts Receivable	150			
9	Other Receivables	160			
10	Inventory	170			
11	Prepaid Items	180			
12	Other Current Assets (Describe & Itemize)	190			
13	Total Current Assets		132,365		
14	CAPITAL ASSETS (200)				
15	Works of Art & Historical Treasures	210			
16	Land	220		509,337	
17	Building & Building Improvements	230		8,506,683	
18	Site Improvements & Infrastructure	240		849,091	
19	Capitalized Equipment	250		3,709,335	
20	Construction in Progress	260			
21	Amount Available in Debt Service Funds	340			6,376
22	Amount to be Provided for Payment on Long-Term Debt	350			563,625
23	Total Capital Assets			13,574,446	570,000
24	CURRENT LIABILITIES (400)				
25	Interfund Payables	410			
26	Intergovernmental Accounts Payable	420			
27	Other Payables	430			
28	Contracts Payable	440			
29	Leases Payable	460			
30	Salaries & Benefits Payable	470			
31	Payroll Deductions & Withholdings	480			
32	Deferred Revenues & Other Current Liabilities	490			
33	Due to Activity Fund Organizations	493	132,365		
34	Total Current Liabilities		132,365		
35	LONG-TERM LIABILITIES (600)				
36	Long-Term Debt Payable (General Obligation, Revenue, Other)	611			570,000
37	Total Long-Term Liabilities				570,000
38	Reserved Fund Balance	714			
39	Unreserved Fund Balance	730			
40	Investment in General Fixed Assets			13,574,446	
41	Total Liabilities and Fund Balance		132,365	13,574,446	570,000

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	RECEIPTS/REVENUES										
4	Local Sources	1000	3,578,070	716,829	580,786	276,106	411,896	0	72,712	403,928	66,901
5	Flow-Through Receipts/Revenues from One District to Another District	2000	0	0	0	0	0	0	0	0	0
6	State Sources	3000	5,046,933	65,000	0	233,330	0	0	0	0	0
7	Federal Sources	4000	914,870	0	0	0	0	0	0	0	0
8	Total Direct Receipts/Revenues		9,539,873	781,829	580,786	509,436	411,896	0	72,712	403,928	66,901
9	Receipts/Revenues for "On Behalf" Payments ²	3998	1,458,196	0	0	0	0	0	0	0	0
10	Total Receipts/Revenues		10,998,069	781,829	580,786	509,436	411,896	0	72,712	403,928	66,901
11	DISBURSEMENTS/EXPENDITURES										
12	Instruction	1000	6,327,494	0	0	0	173,749	0	0	0	0
13	Support Services	2000	2,379,685	494,824	0	393,999	201,537	0	0	406,857	35,116
14	Community Services	3000	30,419	0	0	0	4,534	0	0	0	0
15	Payments to Other Districts & Governmental Units	4000	233,162	0	0	0	0	0	0	0	0
16	Debt Service	5000	0	0	580,463	0	0	0	0	0	0
17	Total Direct Disbursements/Expenditures		8,970,760	494,824	580,463	393,999	379,820	0	0	406,857	35,116
18	Disbursements/Expenditures for "On Behalf" Payments ²	4180	1,458,196	0	0	0	0	0	0	0	0
19	Total Disbursements/Expenditures		10,428,956	494,824	580,463	393,999	379,820	0	0	406,857	35,116
20	Excess of Direct Receipts/Revenues Over (Under) Direct Disbursements/Expenditures ³		569,113	287,005	323	115,437	32,076	0	72,712	(2,931)	31,785
21	OTHER SOURCES/USES OF FUNDS										
22	OTHER SOURCES OF FUNDS (7000)										
23	PERMANENT TRANSFER FROM VARIOUS FUNDS										
24	Abolishment of the Working Cash Fund	7110									
25	Abatement of the Working Cash Fund	7110									
26	Transfer of Working Cash Fund Interest	7120									
27	Transfer Among Funds	7130									
28	Transfer of Interest ⁶	7140									
29	Transfer from Capital Project Fund to O&M Fund	7150									
30	Transfer of Excess Fire Prevention & Safety Tax and Interest Proceeds to Debt Service Fund ⁴	7160									
31	Transfer to Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund ⁴	7170									
32	SALE OF BONDS (7200)										
33	Principal on Bonds Sold	7210									
34	Premium on Bonds Sold	7220									
35	Accrued Interest on Bonds Sold	7230									
36	Sale or Compensation for Fixed Assets ⁵	7300									
37	Transfer to Debt Service to Pay Principal on Capital Leases	7400			0						
38	Transfer to Debt Service to Pay Interest on Capital Leases	7500			0						
39	Transfer to Debt Service to Pay Principal on Revenue Bonds	7600			0						
40	Transfer to Debt Service Fund to Pay Interest on Revenue Bonds	7700			0						
41	Transfer to Capital Projects Fund	7800						0			
42	ISBE Loan Proceeds	7900									
43	Other Sources Not Classified Elsewhere	7990									
44	Total Other Sources of Funds		0	0	0	0	0	0	0	0	0
45	OTHER USES OF FUNDS (8000)										
46	PERMANENT TRANSFER TO VARIOUS OTHER FUNDS (8100)										
47	Abolishment or Abatement of the Working Cash Fund	8110							0		
48	Transfer of Working Cash Fund Interest	8120							0		

See Notes to Financial Statements.

BASIC FINANCIAL STATEMENT
STATEMENT OF REVENUES RECEIVED/REVENUES, EXPENDITURES/DISBURSED/EXPENDITURES, OTHER
SOURCES (USES) AND CHANGES IN FUND BALANCE
ALL FUNDS - FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
49	Transfer Among Funds	8130									
50	Transfer of Interest ^B	8140									
51	Transfer from Capital Project Fund to O&M Fund	8150						0			
52	Transfer of Excess Fire Prevention & Safety Tax & Interest Proceeds to O&M Fund	8160									0
53	Transfer of Excess Fire Prevention & Safety Bond and Interest Proceeds to Debt Service Fund	8170									0
54	Taxes Pledged to Pay Principal on Capital Leases	8410									
55	Grants/Reimbursements Pledged to Pay Principal on Capital Leases	8420									
56	Other Revenues Pledged to Pay Principal on Capital Leases	8430									
57	Fund Balance Transfers Pledged to Pay Principal on Capital Leases	8440									
58	Taxes Pledged to Pay Interest on Capital Leases	8510									
59	Grants/Reimbursements Pledged to Pay Interest on Capital Leases	8520									
60	Other Revenues Pledged to Pay Interest on Capital Leases	8530									
61	Fund Balance Transfers Pledged to Pay Interest on Capital Leases	8540									
62	Taxes Pledged to Pay Principal on Revenue Bonds	8610									
63	Grants/Reimbursements Pledged to Pay Principal on Revenue Bonds	8620									
64	Other Revenues Pledged to Pay Principal on Revenue Bonds	8630									
65	Fund Balance Transfers Pledged to Pay Principal on Revenue Bonds	8640									
66	Taxes Pledged to Pay Interest on Revenue Bonds	8710									
67	Grants/Reimbursements Pledged to Pay Interest on Revenue Bonds	8720									
68	Other Revenues Pledged to Pay Interest on Revenue Bonds	8730									
69	Fund Balance Transfers Pledged to Pay Interest on Revenue Bonds	8740									
70	Taxes Transferred to Pay for Capital Projects	8810									
71	Grants/Reimbursements Pledged to Pay for Capital Projects	8820									
72	Other Revenues Pledged to Pay for Capital Projects	8830									
73	Fund Balance Transfers Pledged to Pay for Capital Projects	8840									
74	Transfer to Debt Service Fund to Pay Principal on ISBE Loans	8910									
75	Other Uses Not Classified Elsewhere	8990									
76	Total Other Uses of Funds		0	0	0	0	0	0	0	0	0
77	Total Other Sources/Uses of Funds		0	0	0	0	0	0	0	0	0
78	Excess of Receipts/Revenues and Other Sources of Funds (Over/Under) Expenditures/Disbursements and Other Uses of Funds		569,113	287,005	323	115,437	32,076	0	72,712	(2,931)	31,785
79	Fund Balances - July 1, 2010		1,848,051	970,832	6,052	457,462	201,011	0	998,004	238,284	249,122
80	Other Changes in Fund Balances - Increases (Decreases) (Describe & Itemize)										
81	Fund Balances - June 30, 2011		2,417,164	1,257,837	6,375	572,899	233,087	0	1,068,716	235,363	280,907

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(60) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
3	RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)										
4	AD VALOREM TAXES LEVIED BY LOCAL EDUCATION AGENCY										
5	Designated Purposes Levies (1110-1120) ⁷		2,895,254	646,122	579,297	258,449	206,337		64,612	399,429	64,612
6	Leasing Purposes Levy ⁸	1130		52,763							
7	Special Education Purposes Levy	1140	51,690								
8	FICA/Medicare Only Purposes Levies	1150					189,847				
9	Area Vocational Construction Purposes Levy	1180									
10	Summer School Purposes Levy	1170									
11	Other Tax Levies (Describe & Itemize)	1180									
12	Total Ad Valorem Taxes Levied By District		2,946,944	698,885	579,297	258,449	396,184	0	64,612	399,429	64,612
13	PAYMENTS IN LIEU OF TAXES										
14	Mobile Home Privilege Tax	1210	4,296	1,036	695	377	480		94	841	94
15	Payments from Local Housing Authorities	1220									
16	Corporate Personal Property Replacement Taxes ⁹	1230	73,547				12,633				
17	Other Payments in Lieu of Taxes (Describe & Itemize)	1290									
18	Total Payments in Lieu of Taxes		77,843	1,036	695	377	13,113	0	94	841	94
19	TUITION										
20	Regular - Tuition from Pupils or Parents (In State)	1311									
21	Regular - Tuition from Other Districts (In State)	1312									
22	Regular - Tuition from Other Sources (In State)	1313									
23	Regular - Tuition from Other Sources (Out of State)	1314									
24	Summer Sch - Tuition from Pupils or Parents (In State)	1321									
25	Summer Sch - Tuition from Other Districts (In State)	1322									
26	Summer Sch - Tuition from Other Sources (In State)	1323									
27	Summer Sch - Tuition from Other Sources (Out of State)	1324									
28	CTE - Tuition from Pupils or Parents (In State)	1331									
29	CTE - Tuition from Other Districts (In State)	1332									
30	CTE - Tuition from Other Sources (In State)	1333									
31	CTE - Tuition from Other Sources (Out of State)	1334									
32	Special Ed - Tuition from Pupils or Parents (In State)	1341									
33	Special Ed - Tuition from Other Districts (In State)	1342	13,315								
34	Special Ed - Tuition from Other Sources (In State)	1343									
35	Special Ed - Tuition from Other Sources (Out of State)	1344									
36	Adult - Tuition from Pupils or Parents (In State)	1351									
37	Adult - Tuition from Other Districts (In State)	1352									
38	Adult - Tuition from Other Sources (In State)	1353									
39	Adult - Tuition from Other Sources (Out of State)	1354									
40	Total Tuition		13,315								
41	TRANSPORTATION FEES										
42	Regular - Transp Fees from Pupils or Parents (In State)	1411									
43	Regular - Transp Fees from Other Districts (In State)	1412									
44	Regular - Transp Fees from Other Sources (In State)	1413									
45	Regular - Transp Fees from Co-curricular Activities (In State)	1415									
46	Regular Transp Fees from Other Sources (Out of State)	1416				238					
47	Summer Sch - Transp. Fees from Pupils or Parents (In State)	1421									
48	Summer Sch - Transp. Fees from Other Districts (In State)	1422									
49	Summer Sch - Transp. Fees from Other Sources (In State)	1423									
50	Summer Sch - Transp. Fees from Other Sources (Out of State)	1424									
51	CTE - Transp Fees from Pupils or Parents (In State)	1431									
52	CTE - Transp Fees from Other Districts (In State)	1432									
53	CTE - Transp Fees from Other Sources (In State)	1433									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011

	A	B	C	D	E	F	G	H	I	J	K
1			(10)	(20)	(30)	(40)	(50)	(60)	(70)	(80)	(90)
2	Description	Acct #	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
54	CTE - Transp Fees from Other Sources (Out of State)	1434									
55	Special Ed - Transp Fees from Pupils or Parents (In State)	1441									
56	Special Ed - Transp Fees from Other Districts (In State)	1442				12,200					
57	Special Ed - Transp Fees from Other Sources (In State)	1443									
58	Special Ed - Transp Fees from Other Sources (Out of State)	1444									
59	Adult - Transp Fees from Pupils or Parents (In State)	1451									
60	Adult - Transp Fees from Other Districts (In State)	1452									
61	Adult - Transp Fees from Other Sources (In State)	1453									
62	Adult - Transp Fees from Other Sources (Out of State)	1454									
63	Total Transportation Fees					12,438					
64	EARNINGS ON INVESTMENTS										
65	Interest on Investments	1510	20,447	9,044	794	4,490	2,599		8,006	3,658	2,195
66	Gain or Loss on Sale of Investments	1520									
67	Total Earnings on Investments		20,447	9,044	794	4,490	2,599	0	8,006	3,658	2,195
68	FOOD SERVICE										
69	Sales to Pupils - Lunch	1611	169,547								
70	Sales to Pupils - Breakfast	1612	12,027								
71	Sales to Pupils - A la Carte	1613	159,332								
72	Sales to Pupils - Other (Describe & Itemize)	1614									
73	Sales to Adults	1620	4,873								
74	Other Food Service (Describe & Itemize)	1690									
75	Total Food Service		346,779								
76	DISTRICT/SCHOOL ACTIVITY INCOME										
77	Admissions - Athletic	1711	25,585								
78	Admissions - Other (Describe & Itemize)	1719									
79	Fees	1720	20,790								
80	Book Store Sales	1730									
81	Other District/School Activity Revenue (Describe & Itemize)	1790									
82	Total District/School Activity Income		46,375	0							
83	TEXTBOOK INCOME										
84	Rentals - Regular Textbooks	1811	68,727								
85	Rentals - Summer School Textbooks	1812									
86	Rentals - Adult/Continuing Education Textbooks	1813									
87	Rentals - Other (Describe & Itemize)	1819									
88	Sales - Regular Textbooks	1821									
89	Sales - Summer School Textbooks	1822									
90	Sales - Adult/Continuing Education Textbooks	1823									
91	Sales - Other (Describe & Itemize)	1829									
92	Other (Describe & Itemize)	1890									
93	Total Textbook Income		68,727								
94	OTHER REVENUE FROM LOCAL SOURCES										
95	Rentals	1910		6,764							
96	Contributions and Donations from Private Sources	1920	32,910								
97	Impact Fees from Municipal or County Governments	1930									
98	Services Provided Other Districts	1940									
99	Refund of Prior Years' Expenditures	1950	5,432								
100	Payments of Surplus Moneys from TIF Districts	1960									
101	Drivers' Education Fees	1970	4,175								
102	Proceeds from Vendors' Contracts	1980									
103	School Facility Occupation Tax Proceeds	1983									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
104	Payment from Other Districts	1991									
105	Sale of Vocational Projects	1992									
106	Other Local Fees	1993									
107	Other Local Revenues (Describe & Itemize)	1999	16,123	1,100		352					
108	Total Other Revenue from Local Sources		58,640	7,864	0	352	0	0	0	0	0
109	Total Receipts/Revenues from Local Sources	1000	3,578,070	718,829	580,786	276,106	411,896	0	72,712	403,926	66,801
110	FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)										
111	Flow-through Revenue from State Sources	2100									
112	Flow-through Revenue from Federal Sources	2200									
113	Other Flow-Through (Describe & Itemize)	2300									
114	Total Flow-Through Receipts/Revenues from One District to Another District	2000	0	0		0	0				
115	RECEIPTS/REVENUES FROM STATE SOURCES (3000)										
116	UNRESTRICTED GRANTS-IN-AID										
117	General State Aid - Sec. 18-8.05	3001	4,218,873	65,000							
118	General State Aid - Hold Harmless/Supplemental	3002									
119	Reorganization Incentives (Accounts 3005-3021)	3005									
120	Other Unrestricted Grants-In-Aid from State Sources (Describe & Itemize)	3099									
121	Total Unrestricted Grants-In-Aid		4,218,873	65,000	0	0	0	0		0	0
122	RESTRICTED GRANTS-IN-AID										
123	SPECIAL EDUCATION										
124	Special Education - Private Facility Tuition	3100	34,377								
125	Special Education - Extraordinary	3105	229,607								
126	Special Education - Personnel	3110	185,335								
127	Special Education - Orphanage - Individual	3120	85,149								
128	Special Education - Orphanage - Summer	3130									
129	Special Education - Summer School	3145									
130	Special Education - Other (Describe & Itemize)	3199									
131	Total Special Education		514,468	0		0					
132	CAREER AND TECHNICAL EDUCATION (CTE)										
133	CTE - Technical Education - Tech Prep	3200									
134	CTE - Secondary Program Improvement (CTEI)	3220	4,080								
135	CTE - WECEP	3225									
136	CTE - Agriculture Education	3235									
137	CTE - Instructor Practicum	3240									
138	CTE - Student Organizations	3270									
139	CTE - Other (Describe & Itemize)	3298									
140	Total Career and Technical Education		4,080	0			0				
141	BILINGUAL EDUCATION										
142	Bilingual Ed - Downstate - TPI and TBE	3305									
143	Bilingual Education Downstate - Transitional Bilingual Education	3310									
144	Total Bilingual Ed		0				0				
145	State Free Lunch & Breakfast	3360	6,148								
146	School Breakfast Initiative	3365	24								
147	Driver Education	3370	26,282								
148	Adult Ed (from ICCB)	3410									
149	Adult Ed - Other (Describe & Itemize)	3499									

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
150	TRANSPORTATION										
151	Transportation - Regular/Vocational	3500				130,263					
152	Transportation - Special Education	3510				85,748					
153	Transportation - Other (Describe & Itemize)	3599									
154	Total Transportation		0	0		216,011	0				
155	Learning Improvement - Change Grants	3810									
156	Scientific Literacy	3660									
157	Truant Alternative/Optional Education	3895									
158	Early Childhood - Block Grant	3705	253,929			15,600					
159	Reading Improvement Block Grant	3715	18,838								
160	Reading Improvement Block Grant - Reading Recovery	3720									
161	Continued Reading Improvement Block Grant	3725									
162	Continued Reading Improvement Block Grant (2% Set Aside)	3728									
163	Chicago General Education Block Grant	3766									
164	Chicago Educational Services Block Grant	3767									
165	School Safety & Educational Improvement Block Grant	3775	5,837								
166	Technology - Learning Technology Centers	3780									
167	State Charter Schools	3815									
168	Extended Learning Opportunities - Summer Bridges	3825									
169	Infrastructure Improvements - Planning/Construction	3920									
170	School Infrastructure - Maintenance Projects	3925									
171	Other Restricted Revenue from State Sources (Describe & Itemize)	3999	456			1,719					
172	Total Restricted Grants-In-Aid		828,060	0	0	233,330	0	0	0	0	0
173	Total Receipts from State Sources	3000	5,046,933	65,000	0	233,330	0	0	0	0	0
174	RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)										
175	UNRESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
176	Federal Impact Aid	4001									
177	Other Unrestricted Grants-In-Aid Received Directly from the Fed Govt (Describe & Itemize)	4009									
178	Total Unrestricted Grants-In-Aid Received Directly from the Federal Govt		0	0	0	0	0	0	0	0	0
179	RESTRICTED GRANTS-IN-AID RECEIVED DIRECTLY FROM FEDERAL GOVT										
180	Head Start	4045									
181	Construction (Impact Aid)	4050									
182	MAGNET	4060									
183	Other Restricted Grants-In-Aid Received Directly from the Federal Govt (Describe & Itemize)	4090									
184	Total Restricted Grants-In-Aid Received Directly from Federal Govt		0	0		0	0	0			0
185	RESTRICTED GRANTS-IN-AID RECEIVED FROM FEDERAL GOVT THRU THE STATE										
186	TITLE V										
187	Title V - Innovation and Flexibility Formula	4100									
188	Title V - District Projects	4105									
189	Title V - Rural & Low Income Schools	4107									
190	Title V - Other (Describe & Itemize)	4199									
191	Total Title V		0	0		0	0				
192	FOOD SERVICE										
193	Breakfast Start-Up	4200									
194	National School Lunch Program	4210	135,210								
195	Special Milk Program	4215									
196	School Breakfast Program	4220	28,367								

See Notes to Financial Statements.

STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
197	Summer Food Service Admin/Program	4225									
198	Child & Adult Care Food Program	4226									
199	Fresh Fruits & Vegetables	4240									
200	Food Service - Other (Describe & Itemize)	4299									
201	Total Food Service		183,597				0				
202	TITLE I										
203	Title I - Low Income	4300	87,177								
204	Title I - Low Income - Neglected, Private	4305									
205	Title I - Comprehensive School Reform	4332									
206	Title I - Reading First	4334									
207	Title I - Even Start	4335									
208	Title I - Reading First SEA Funds	4337									
209	Title I - Migrant Education	4340									
210	Title I - Other (Describe & Itemize)	4399									
211	Total Title I		87,177	0		0	0				
212	TITLE IV										
213	Title IV - Safe & Drug Free Schools - Formula	4400									
214	Title IV - 21st Century	4421									
215	Title IV - Other (Describe & Itemize)	4499									
216	Total Title IV		0	0		0	0				
217	FEDERAL - SPECIAL EDUCATION										
218	Fed - Spec Education - Preschool Flow-Through	4600	11,252								
219	Fed - Spec Education - Preschool Discretionary	4605									
220	Fed - Spec Education - IDEA - Flow Through/Low Incidence	4620	48,289								
221	Fed - Spec Education - IDEA - Room & Board	4625	4,454								
222	Fed - Spec Education - IDEA - Discretionary	4630									
223	Fed - Spec Education - IDEA - Other (Describe & Itemize)	4699									
224	Total Federal - Special Education		64,005	0		0	0				
225	CTE - PERKINS										
226	CTE - Perkins - Title III E - Tech Prep	4770									
227	CTE - Other (Describe & Itemize)	4799									
228	Total CTE - Perkins		0	0		0	0				
229	Federal - Adult Education	4810									
230	ARRA - General State Aid - Education Stabilization	4850									
231	ARRA - Title I - Low Income	4851	20,408								
232	ARRA - Title I - Neglected, Private	4852									
233	ARRA - Title I - Delinquent, Private	4853									
234	ARRA - Title I - School Improvement (Part A)	4854									
235	ARRA - Title I - School Improvement (Section 1003g)	4855									
236	ARRA - IDEA - Part B - Preschool	4856	3,543								
237	ARRA - IDEA - Part B - Flow-Through	4857	98,041								
238	ARRA - Title IID - Technology-Formula	4860									
239	ARRA - Title IID - Technology-Competitive	4861									
240	ARRA - McKinney - Vento Homeless Education	4862									
241	ARRA - Child Nutrition Equipment Assistance	4863									
242	Impact Aid Formula Grants	4864									
243	Impact Aid Competitive Grants	4865									
244	Qualified Zone Academy Bond Tax Credits	4866									
245	Qualified School Construction Bond Credits	4867									
246	Build America Bond Tax Credits	4868									
247	Build America Bond Interest Reimbursement	4869									
248	ARRA - General State Aid - Other Govt Services Stabilization	4870									

**STATEMENT OF REVENUES RECEIVED/REVENUES
FOR THE YEAR ENDING JUNE 30, 2011**

1	A	B	C	D	E	F	G	H	I	J	K
2	Description	Acct #	(10) Educational	(20) Operations & Maintenance	(30) Debt Services	(40) Transportation	(50) Municipal Retirement/ Social Security	(60) Capital Projects	(70) Working Cash	(80) Tort	(90) Fire Prevention & Safety
249	Other ARRA Funds - II	4871									
250	Other ARRA Funds - III	4872									
251	Other ARRA Funds - IV	4873									
252	Other ARRA Funds - V	4874									
253	ARRA - Early Childhood	4875									
254	Other ARRA Funds VII	4876									
255	Other ARRA Funds VIII	4877									
256	Other ARRA Funds IX	4878									
257	Other ARRA Funds X	4879									
258	Other ARRA Funds XI	4880	390,046								
259	Total Stimulus Programs		512,038	0	0	0	0	0		0	0
260	Advanced Placement Fee/International Baccalaureate	4904									
261	Emergency Immigrant Assistance	4905									
262	Title III - English Language Acquisition	4909									
263	Learn & Serve America	4910									
264	McKinney Education for Homeless Children	4920									
265	Title II - Eisenhower Professional Development Formula	4930									
266	Title II - Teacher Quality	4932	41,915								
267	Federal Charter Schools	4960									
268	Medicaid Matching Funds - Administrative Outreach	4991	24,727								
269	Medicaid Matching Funds - Fee-for-Service Program	4992	21,411								
270	Other Restricted Revenue from Federal Sources (Describe & Itemize)	4998									
271	Total Restricted Grants-in-Aid Received from the Federal Govt Thru the State		914,870	0	0	0	0	0		0	0
272	Total Receipts/Revenues from Federal Sources	4000	914,870	0	0	0	0	0	0	0	0
273	Total Direct Receipts/Revenues		9,539,873	781,829	580,786	509,436	411,696	0	72,712	403,926	66,801

**STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011**

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
3	10 - EDUCATIONAL FUND (ED)											
4	INSTRUCTION (ED)											
5	Regular Programs	1100	3,782,408	100,894	35,720	116,015	37,050				4,072,087	4,076,856
6	Pre-K Programs	1125	161,772		4,527	7,423	1,090	21,028			185,840	202,730
7	Special Education Programs (Functions 1200-1220)	1200	850,281	9,867	3,881	11,527	555				976,091	1,002,305
8	Special Education Programs Pre-K	1225	96,776	17		868					97,661	116,260
9	Remedial and Supplemental Programs K-12	1250	82,239	19,058	7,256	5,148	5,103				118,804	135,095
10	Remedial and Supplemental Programs Pre-K	1275									0	
11	Adult/Continuing Education Programs	1300									0	
12	CTE Programs	1400	236,263		8,092	6,471					250,826	267,050
13	Interscholastic Programs	1500	417,874	2	40,141	30,132	25,764	13,964			527,877	535,880
14	Summer School Programs	1600									0	
15	Gifted Programs	1650	4,671								4,671	4,670
16	Driver's Education Programs	1700	52,741			37					52,778	57,810
17	Bilingual Programs	1800	10,550								10,550	12,200
18	Truant Alternative & Optional Programs	1900									0	
19	Pre-K Programs - Private Tuition	1910									0	
20	Regular K-12 Programs - Private Tuition	1911									0	
21	Special Education Programs K-12 - Private Tuition	1912						30,309			30,309	30,000
22	Special Education Programs Pre-K - Tuition	1913									0	
23	Remedial/Supplemental Programs K-12 - Private Tuition	1914									0	
24	Remedial/Supplemental Programs Pre-K - Private Tuition	1915									0	
25	Adult/Continuing Education Programs - Private Tuition	1916									0	
26	CTE Programs - Private Tuition	1917									0	
27	Interscholastic Programs - Private Tuition	1918									0	
28	Summer School Programs - Private Tuition	1919									0	
29	Gifted Programs - Private Tuition	1920									0	
30	Bilingual Programs - Private Tuition	1921									0	
31	Truants Alternative/Optional Ed Progs - Private Tuition	1922									0	
32	Total Instruction	1000	5,785,575	129,838	89,597	177,621	68,562	65,301	0	0	6,327,494	6,440,858
33	SUPPORT SERVICES (ED)											
34	SUPPORT SERVICES - PUPILS											
35	Attendance & Social Work Services	2110	31,021		176	182					31,379	35,675
36	Guidance Services	2120	80,263		232	1,320					81,815	83,500
37	Health Services	2130	24,085		1,080	1,215					26,380	26,100
38	Psychological Services	2140									0	
39	Speech Pathology & Audiology Services	2150	44,326								44,326	64,505
40	Other Support Services - Pupils (Describe & Itemize)	2190				5,444					5,444	11,500
41	Total Support Services - Pupils	2100	179,695	0	1,488	8,161	0	0	0	0	189,344	221,280
42	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
43	Improvement of Instruction Services	2210	1,350	12,500	4,404						18,254	20,600
44	Educational Media Services	2220	137,177		72,240	51,049	110,650				371,116	382,055
45	Assessment & Testing	2230				4,000					4,000	5,000
46	Total Support Services - Instructional Staff	2200	138,527	12,500	76,644	55,049	110,650	0	0	0	393,370	407,655
47	SUPPORT SERVICES - GENERAL ADMINISTRATION											
48	Board of Education Services	2310			44,465	14,350		14,526			73,341	71,600
49	Executive Administration Services	2320	166,576	13	4,418	178		739			171,924	172,430
50	Special Area Administration Services	2330									0	
51	Tort Immunity Services	2360 - 2370									0	
52	Total Support Services - General Administration	2300	166,576	13	48,883	14,528	0	15,265	0	0	245,265	244,030

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
53	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
54	Office of the Principal Services	2410	535,832	15,124	16,832	29,057					596,845	637,275
55	Other Support Services - School Admin (Describe & Itemize)	2490									0	
56	Total Support Services - School Administration	2400	535,832	15,124	16,832	29,057	0	0	0	0	596,845	637,275
57	SUPPORT SERVICES - BUSINESS											
58	Direction of Business Support Services	2510	33,514		20	88					33,622	33,605
59	Fiscal Services	2520	59,592	14	2,255	2,264					64,125	63,890
60	Operation & Maintenance of Plant Services	2540	159,188	13,626	49,977	143,996					366,987	385,480
61	Pupil Transportation Services	2550									0	
62	Food Services	2560	11,934	804	476,466	923					490,127	507,935
63	Internal Services	2570									0	
64	Total Support Services - Business	2500	264,228	14,644	528,718	147,271	0	0	0	0	954,861	990,890
65	SUPPORT SERVICES - CENTRAL											
66	Direction of Central Support Services	2610									0	
67	Planning, Research, Development, & Evaluation Services	2620									0	
68	Information Services	2630									0	
69	Staff Services	2640									0	
70	Data Processing Services	2660									0	
71	Total Support Services - Central	2600	0	0	0	0	0	0	0	0	0	0
72	Other Support Services (Describe & Itemize)	2900									0	
73	Total Support Services	2000	1,284,858	42,281	672,565	254,086	110,650	15,265	0	0	2,379,685	2,501,130
74	COMMUNITY SERVICES (ED)	3000	30,419								30,419	30,815
75	PAYMENTS TO OTHER DISTRICTS & GOVT UNITS (ED)											
76	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
77	Payments for Regular Programs	4110									0	
78	Payments for Special Education Programs	4120			233,162						233,162	260,000
79	Payments for Adult/Continuing Education Programs	4130									0	
80	Payments for CTE Programs	4140									0	
81	Payments for Community College Programs	4170									0	
82	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
83	Total Payments to Dist & Other Govt Units (In-State)	4100			233,162						233,162	260,000
84	Payments for Regular Programs - Tuition	4210						0			0	
85	Payments for Special Education Programs - Tuition	4220									0	
86	Payments for Adult/Continuing Education Programs - Tuition	4230									0	
87	Payments for CTE Programs - Tuition	4240									0	
88	Payments for Community College Programs - Tuition	4270									0	
89	Payments for Other Programs - Tuition	4280									0	
90	Other Payments to In-State Govt Units	4290									0	
91	Total Payments to Other District & Govt Units -Tuition (In State)	4200						0			0	0
92	Payments for Regular Programs - Transfers	4310									0	
93	Payments for Special Education Programs - Transfers	4320									0	
94	Payments for Adult/Continuing Ed Programs - Transfers	4330									0	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
95	Payments for CTE Programs - Transfers	4340									0	
96	Payments for Community College Program - Transfers	4370									0	
97	Payments for Other Programs - Transfers	4380									0	
98	Other Payments to In-State Govt Units - Transfers	4390									0	
99	Total Payments to Other District & Govt Units - Transfers (In-State)	4300			0			0			0	0
100	Payments to Other Dist & Govt Units (Out-of-State)	4400									0	
101	Total Payments to Other District & Govt Units	4000			233,162			0			233,162	260,000
102	DEBT SERVICES (ED)											
103	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
104	Tax Anticipation Warrants	5110									0	
105	Tax Anticipation Notes	5120									0	
106	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
107	State Aid Anticipation Certificates	5140									0	
108	Other Interest on Short-Term Debt	5150									0	
109	Total Interest on Short-Term Debt	6100						0			0	0
110	Debt Services - Interest on Long-Term Debt	5200									0	
111	Total Debt Services	6000						0			0	0
112	PROVISIONS FOR CONTINGENCIES (ED)											
113	Total Direct Disbursements/Expenditures		7,100,852	172,119	1,005,324	431,687	180,212	80,566	0	0	8,970,760	9,232,601
114	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										569,113	
115												
116	20 - OPERATIONS & MAINTENANCE FUND (O&M)											
117	SUPPORT SERVICES (O&M)											
118	SUPPORT SERVICES - PUPILS											
119	Other Support Services - Pupils (Describe & Itemize)	2190									0	
120	SUPPORT SERVICES - BUSINESS											
121	Direction of Business Support Services	2510									0	
122	Facilities Acquisition & Construction Services	2530					37,692				37,692	80,000
123	Operation & Maintenance of Plant Services	2540	152,642	10,385	152,681	138,425	2,999				457,132	532,090
124	Pupil Transportation Services	2550									0	
125	Food Services	2560									0	
126	Total Support Services - Business	2500	152,642	10,385	152,681	138,425	40,691	0	0	0	494,824	612,090
127	Other Support Services (Describe & Itemize)	2900									0	
128	Total Support Services	2000	152,642	10,385	152,681	138,425	40,691	0	0	0	494,824	612,090
129	COMMUNITY SERVICES (O&M)											
130	PAYMENTS TO OTHER DIST & GOVT UNITS (O&M)											
131	PAYMENTS TO OTHER GOVT UNITS (IN-STATE)											
132	Payments for Special Education Programs	4120									0	
133	Payments for CTE Programs	4140									0	
134	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
135	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0
136	Payments to Other Govt. Units (Out of State)	4400									0	
137	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
138	DEBT SERVICES (O&M)											
139	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
140	Tax Anticipation Warrants	5110									0	
141	Tax Anticipation Notes	5120									0	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
142	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
143	State Aid Anticipation Certificates	5140									0	
144	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
145	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
146	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
147	Total Debt Services	5000						0			0	0
148	PROVISIONS FOR CONTINGENCIES (O&M)	6000									0	0
149	Total Direct Disbursements/Expenditures		152,642	10,385	152,681	138,425	40,691	0	0	0	494,824	612,090
150	Excess (Deficiency) of Receipts/Revenues/Over										287,005	
151												
152	30 - DEBT SERVICES (DS)										0	
153	PAYMENTS TO OTHER DIST & GOVT UNITS (DS)	4000										
154	DEBT SERVICES (DS)	5000										
155	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
156	Tax Anticipation Warrants	5110									0	
157	Tax Anticipation Notes	5120									0	
158	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
159	State Aid Anticipation Certificates	5140									0	29,765
160	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
161	Total Debt Services - Interest On Short-Term Debt	5100						0			0	29,765
162	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200						29,763			29,763	550,000
163	DEBT SERVICES - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired)	5300						550,000			550,000	
164	DEBT SERVICES - OTHER (Describe & Itemize)	5400						700			700	800
165	Total Debt Services	5000			0			580,463			580,463	580,565
166	PROVISION FOR CONTINGENCIES (DS)	6000										
167	Total Disbursements/ Expenditures				0			580,463			580,463	580,565
168	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										323	
169												
170	40 - TRANSPORTATION FUND (TR)											
171	SUPPORT SERVICES (TR)											
172	SUPPORT SERVICES - PUPILS											
173	Other Support Services - Pupils (Describe & Itemize)	2190									0	600
174	SUPPORT SERVICES - BUSINESS											
175	Pupil Transportation Services	2550	218,447	15,128	24,989	75,639	59,252	544			393,989	420,505
176	Other Support Services (Describe & Itemize)	2900									0	
177	Total Support Services	2000	218,447	15,128	24,989	75,639	59,252	544	0	0	393,989	421,105
178	COMMUNITY SERVICES (TR)	3000										
179	PAYMENTS TO OTHER DIST & GOVT UNITS (TR)											
180	PAYMENTS TO OTHER GOVT. UNITS (IN-STATE)											
181	Payments for Regular Programs	4110									0	
182	Payments for Special Education Programs	4120									0	
183	Payments for Adult/Continuing Education Programs	4130									0	
184	Payments for CTE Programs	4140									0	
185	Payments for Community College Programs	4170									0	
186	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
187	Total Payments to Other Govt. Units (In-State)	4100			0			0			0	0

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
188	PAYMENTS TO OTHER GOVT UNITS (OUT OF STATE)	4400									0	
189	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
190	DEBT SERVICES (TR)											
191	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
192	Tax Anticipation Warrants	5110									0	
193	Tax Anticipation Notes	5120									0	
194	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	
195	State Aid Anticipation Certificates	5140									0	
196	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
197	Total Debt Services - Interest On Short-Term Debt	5100						0			0	0
198	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
199	DEBT SERVICE - PAYMENTS OF PRINCIPAL ON LONG-TERM DEBT (Lease/Purchase Principal Retired)	5300									0	
200	DEBT SERVICES - OTHER (Describe & Itemize)	5400									0	
201	Total Debt Services							0			0	0
202	PROVISION FOR CONTINGENCIES (TR)	6000										
203	Total Disbursements/Expenditures		218,447	15,128	24,988	75,639	59,252	544	0	0	393,899	421,105
204	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										115,437	
205												
206	50 - MUNICIPAL RETIREMENT/SOCIAL SECURITY FUND (MR/SS)											
207	INSTRUCTION (MR/SS)											
208	Regular Programs	1100		78,126							79,126	77,885
209	Pre-K Programs	1125		6,018							6,018	11,095
210	Special Education Programs (Functions 1200-1220)	1200		62,645							62,645	71,485
211	Special Education Programs - Pre-K	1225		9,297							9,297	10,860
212	Remedial and Supplemental Programs - K-12	1250		1,084							1,084	1,065
213	Remedial and Supplemental Programs - Pre-K	1275									0	
214	Adult/Continuing Education Programs	1300									0	
215	CTE Programs	1400		3,218							3,218	3,155
216	Interscholastic Programs	1500		9,351							9,351	8,065
217	Summer School Programs	1600									0	
218	Gifted Programs	1650		94							94	
219	Driver's Education Programs	1700		853							853	1,050
220	Bilingual Programs	1800		2,063							2,063	2,340
221	Truants' Alternative & Optional Programs	1800									0	
222	Total Instruction	1000		173,749							173,749	187,100
223	SUPPORT SERVICES (MR/SS)	2000										
224	SUPPORT SERVICES - PUPILS											
226	Attendance & Social Work Services	2110		654							654	725
226	Guidance Services	2120		1,115							1,115	1,175
227	Health Services	2130		685							685	680
228	Psychological Services	2140									0	
229	Speech Pathology & Audiology Services	2150		630							630	850
230	Other Support Services - Pupils (Describe & Itemize)	2190									0	
231	Total Support Services - Pupils	2100		3,084							3,084	3,430
232	SUPPORT SERVICES - INSTRUCTIONAL STAFF											
233	Improvement of Instruction Services	2210		18							18	50
234	Educational Media Services	2220		1,942							1,942	1,925
235	Assessment & Testing	2230									0	
236	Total Support Services - Instructional Staff	2200		1,960							1,960	1,975

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
237	SUPPORT SERVICES - GENERAL ADMINISTRATION											
238	Board of Education Services	2310									0	
239	Executive Administration Services	2320		7,522							7,522	7,315
240	Service Area Administrative Services	2330									0	
241	Claims Paid from Self Insurance Fund	2361									0	
242	Workers' Compensation or Workers' Occupation Disease Acts Payments	2362									0	
243	Unemployment Insurance Payments	2363									0	
244	Insurance Payments (Regular or Self-Insurance)	2364									0	
245	Risk Management and Claims Services Payments	2365									0	
246	Judgment and Settlements	2366									0	
247	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367									0	
248	Reciprocal Insurance Payments	2368									0	
249	Legal Services	2369									0	
250	Total Support Services - General Administration	2300		7,522							7,522	7,315
251	SUPPORT SERVICES - SCHOOL ADMINISTRATION											
252	Office of the Principal Services	2410		46,342							46,342	47,610
253	Other Support Services - School Administration (Describe & Itemize)	2490									0	
254	Total Support Services - School Administration	2400		46,342							46,342	47,610
255	SUPPORT SERVICES - BUSINESS											
256	Direction of Business Support Services	2510		7,994							7,994	9,630
257	Fiscal Services	2520		12,311							12,311	13,045
258	Facilities Acquisition & Construction Services	2530									0	
259	Operation & Maintenance of Plant Services	2540		71,474							71,474	70,825
260	Pupil Transportation Services	2550		47,570							47,570	51,985
261	Food Services	2560		3,280							3,280	6,370
262	Internal Services	2570									0	
263	Total Support Services - Business	2500		142,629							142,629	151,855
264	SUPPORT SERVICES - CENTRAL											
265	Direction of Central Support Services	2610									0	
266	Planning, Research, Development, & Evaluation Services	2620									0	
267	Information Services	2630									0	
268	Staff Services	2640									0	
269	Data Processing Services	2660									0	
270	Total Support Services - Central	2600		0							0	0
271	Other Support Services (Describe & Itemize)	2900									0	
272	Total Support Services	2000		201,537							201,537	212,185
273	COMMUNITY SERVICES (MR/SS)	3000		4,534							4,534	3,275
274	PAYMENTS TO OTHER DIST & GOVT UNITS (MR/SS)											
275	Payments for Special Education Programs	4120									0	
276	Payments for CTE Programs	4140									0	
277	Total Payments to Other Dist & Govt Units	4000		0							0	0
278	DEBT SERVICES (MR/SS)											
279	DEBT SERVICE - INTEREST ON SHORT-TERM DEBT											
280	Tax Anticipation Warrants	5110									0	
281	Tax Anticipation Notes	5120									0	
282	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100)	(200)	(300)	(400)	(500)	(600)	(700)	(800)	(900)	Budget
			Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other Objects	Non-Capitalized Equipment	Termination Benefits	Total	
283	State Aid Anticipation Certificates	5140									0	
284	Other (Describe & Itemize)	5150									0	
285	Total Debt Services - Interest	5000						0			0	0
286	PROVISION FOR CONTINGENCIES (MR/SS)	6000										
287	Total Disbursements/Expenditures			378,820				0			378,820	402,560
288	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										32,076	
289												
290	60 - CAPITAL PROJECTS (CP)											
291	SUPPORT SERVICES (CP)											
292	SUPPORT SERVICES - BUSINESS											
293	Facilities Acquisition and Construction Services	2530									0	
294	Other Support Services (Describe & Itemize)	2600									0	
295	Total Support Services	2000	0	0	0	0	0	0	0	0	0	0
296	PAYMENTS TO OTHER DIST & GOVT UNITS (CP)											
297	PAYMENTS TO OTHER GOVT. UNITS (In-State)											
298	Payments to Other Govt Units (In-State)	4100									0	
299	Payments for Special Education Programs	4120									0	
300	Payments for CTE Programs	4140									0	
301	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
302	Total Payments to Other Dist & Govt Units	4000			0			0			0	0
303	PROVISION FOR CONTINGENCIES (S&C/CI)	6000										
304	Total Disbursements/ Expenditures		0	0	0	0	0	0	0	0	0	0
305	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										0	
306												
307	70 - WORKING CASH (WC)											
308												
309	80 - TORT FUND (TF)											
310	SUPPORT SERVICES - GENERAL ADMINISTRATION											
311	Claims Paid from Self Insurance Fund	2361									0	
312	Workers' Compensation or Workers' Occupation Disease Act Payments	2362									0	
313	Unemployment Insurance Payments	2363		17,030							17,030	25,000
314	Insurance Payments (Regular or Self-Insurance)	2364			101,106						101,106	115,000
315	Risk Management and Claims Services Payments	2365			3,938						3,938	
316	Judgment and Settlements	2366									0	
317	Educational, Inspectional, Supervisory Services Related to Loss Prevention or Reduction	2367	242,763			2,107		18,253			263,123	273,435
318	Reciprocal Insurance Payments	2368									0	
319	Legal Services	2369			21,660						21,660	30,000
320	Property Insurance (Buildings & Grounds)	2371									0	
321	Vehicle Insurance (Transportation)	2372									0	
322	Total Support Services - General Administration	2000	242,763	17,030	128,704	2,107	0	18,253	0	0	406,857	443,435
323	DEBT SERVICES (TF)											
324	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
325	Tax Anticipation Warrants	5110									0	
326	Corporate Personal Prop. Repl. Tax Anticipation Notes	5130									0	

STATEMENT OF EXPENDITURES DISBURSED/EXPENDITURES, BUDGET TO ACTUAL
FOR THE YEAR ENDING JUNE 30, 2011

1	A	B	C	D	E	F	G	H	I	J	K	L
2	Description	Funct #	(100) Salaries	(200) Employee Benefits	(300) Purchased Services	(400) Supplies & Materials	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized Equipment	(800) Termination Benefits	(900) Total	Budget
327	Other Interest or Short-Term Debt	5150									0	
328	Total Debt Services - Interest on Short-Term Debt	6000						0			0	0
329	PROVISIONS FOR CONTINGENCIES (TF)	6000										
330	Total Disbursements/Expenditures		242,763	17,030	126,704	2,107	0	18,253	0	0	406,857	443,435
331	Excess (Deficiency) of Receipts/Revenues Over										(2,931)	
332												
333	90 - FIRE PREVENTION & SAFETY FUND (FP&S)											
334	SUPPORT SERVICES (FP&S)											
335	SUPPORT SERVICES - BUSINESS											
336	Facilities Acquisition & Construction Services	2530									0	75,000
337	Operation & Maintenance of Plant Services	2540			35,116						35,116	75,000
338	Total Support Services - Business	2500	0	0	35,116	0	0	0	0	0	35,116	150,000
339	Other Support Services (Describe & Itemize)	2900									0	
340	Total Support Services	2000	0	0	35,116	0	0	0	0	0	35,116	150,000
341	PAYMENTS TO OTHER DIST & GOVT UNITS (FP&S)											
342	Other Payments to In-State Govt. Units (Describe & Itemize)	4190									0	
343	Total Payments to Other Dist & Govt Units	4000						0			0	0
344	DEBT SERVICES (FP&S)											
345	DEBT SERVICES - INTEREST ON SHORT-TERM DEBT											
346	Tax Anticipation Warrants	5110									0	
347	Other Interest on Short-Term Debt (Describe & Itemize)	5150									0	
348	Total Debt Service - Interest on Short-Term Debt	5100						0			0	0
349	DEBT SERVICES - INTEREST ON LONG-TERM DEBT	5200									0	
350	Debt Service - Payments of Principal on Long-Term Debt (Lease/Purchase, Principal Refund)	5300									0	
351	Total Debt Service	6000						0			0	0
352	PROVISION FOR CONTINGENCIES (FP&S)	6000										
353	Total Disbursements/Expenditures		0	0	35,116	0	0	0	0	0	35,116	150,000
354	Excess (Deficiency) of Receipts/Revenues Over Disbursements/Expenditures										31,785	

FEDERAL STIMULUS - AMERICAN RECOVERY AND REINVESTMENT ACT (ARRA) of 2009
(Detailed Schedule of Receipts and Disbursements)

1	A	B	C											L
			--RECEIPTS--			DISBURSEMENTS								
2	District's Accounting Basis is CASH			(100)	(200)	(300)	(400)	(600)	(600)	(700)	(800)	(900)		
3	ARRA Revenue Source Code	Acct #	ARRA Receipts	Salaries	Employee Benefits	Purchased Services	Supplies & Materials	Capital Outlay	Other	Non-Capitalized Equipment	Termination Benefits	Total Expenditures		
4	Beginning Balance July 1, 2010		(62,606)											
5	ARRA - General State Aid	4850	0									0		
6	ARRA - Title I Low Income	4851	20,408		5,287	4,528	3,292	3,551				16,658		
7	ARRA - Title I Neglected - Private	4852	0									0		
8	ARRA - Title I Delinquent - Private	4853	0									0		
9	ARRA - Title I School Improvement (Part A)	4854	0									0		
10	ARRA - Title I School Improvement (Section 1003g)	4855	0									0		
11	ARRA - IDEA Part B Preschool	4856	3,643	4,995								4,995		
12	ARRA - IDEA Part B Flow Through	4857	98,041	114,782								114,782		
13	ARRA - Title II D Technology Formula	4860	0									0		
14	ARRA - Title II D Technology Competitive	4861	0									0		
15	ARRA - McKenney - Vento Homeless Education	4862	0									0		
16	ARRA - Child Nutrition Equipment Assistance	4863	0									0		
17	Impact Aid Construction Formula	4864	0									0		
18	Impact Aid Construction Competitive	4865	0									0		
19	QZAB Tax Credits	4868	0									0		
20	QSCB Tax Credits	4867	0									0		
21	Build America Bonds Tax Credits	4868	0									0		
22	Build America Bonds Interest Reimbursement	4869	0									0		
23	ARRA - General State Aid - Other Govt Services Stabilization	4870	0									0		
24	ARRA - Other II	4871	0									0		
25	ARRA - Other III	4872	0									0		
26	ARRA - Other IV	4873	0									0		
27	ARRA - Other V	4874	0									0		
28	ARRA - Early Childhood	4875	0									0		
29	ARRA - Other VII	4876	0									0		
30	ARRA - Other VIII	4877	0									0		
31	ARRA - Other IX	4878	0									0		
32	ARRA - Other X	4879	0									0		
33	ARRA - Other XI	4880	390,048	390,048								390,048		
34	Total ARRA Programs		512,038	509,803	5,287	4,528	3,292	3,551	0	0		526,481		
35	Ending Balance June 30, 2011		(77,029)											

1. Were any funds from the State Fiscal Stabilization Fund Program (SFSF) General State-Aid Accounts 4850, line 6 & 4870, line 23), used for the following non-allowable purposes:

- Payments of maintenance costs;
- Stadiums or other facilities used for athletic contests, exhibitions or other events for which admission is charged to the general public;
- Purchase or upgrade of vehicles;
- Improvements of stand-alone facilities whose purpose is not the education of children such as central office administrative buildings;
- Financial assistance to students to attend private elementary or secondary schools unless the funds are used to provide special education and related services to children with disabilities as authorized by the IDEA Act;
- School modernization, renovation, or repair that is inconsistent with State Law.

2. If any above boxes are checked provide the total amount of questioned costs and provide an explanation below:

	A	B	C	D	E	F
1	SCHEDULE OF AD VALOREM TAX RECEIPTS					
2	Description	Taxes Received (7-1-10 thru 6-30-11) (from 2010 Levy & Prior Levies)	Taxes Received (from the 2010 Levy)	Taxes Received (from 2009 & Prior Levies)	Total Estimated Taxes (from the 2010 Levy)	Estimated Taxes Due (from the 2010 Levy)
3				(Column B + C)		(Column E - C)
4	Educational	2,895,254		2,895,254	2,892,031	2,892,031
5	Operations & Maintenance	648,122		646,122	645,543	645,543
6	Debt Services **	579,297		579,297	603,066	603,066
7	Transportation	258,449		258,449	258,217	258,217
8	Municipal Retirement	206,337		206,337	214,837	214,837
9	Capital Improvements	0		0		0
10	Working Cash	64,612		64,612	64,554	64,554
11	Tort Immunity	399,429		399,429	415,859	415,859
12	Fire Prevention & Safety	64,612		64,612	64,554	64,554
13	Leasing Levy	52,763		52,763	50,094	50,094
14	Special Education	51,680		51,690	51,643	51,643
15	Area Vocational Construction	0		0		0
16	Social Security/Medicare Only	189,847		189,847	197,865	197,665
17	Summer School	0		0		0
18	Other (Describe & Itemize)	0		0		0
19	Totals	5,408,412	0	5,408,412	5,458,063	5,458,063
20						
21	* The formulas in column B are unprotected to be overridden when reporting on a ACCRUAL basis.					
22	** All tax receipts for debt service payments on bonds must be recorded on line 6 (Debt Services).					

	A	B	C	D	E	F	G	H	I	J
1	SCHEDULE OF SHORT-TERM DEBT									
2	Description		Outstanding Beginning 07/01/10	Issued 07/01/10 Through 06/30/11	Retired 07/01/10 Through 06/30/11	Outstanding Ending 06/30/11				
3	CORPORATE PERSONAL PROPERTY REPLACEMENT TAX ANTICIPATION NOTES (CPPRT)									
4	Total CPPRT Notes					0				
5	TAX ANTICIPATION WARRANTS (TAW)									
6	Educational Fund					0				
7	Operations & Maintenance Fund					0				
8	Debt Services - Construction					0				
9	Debt Services - Working Cash					0				
10	Debt Services - Refunding Bonds					0				
11	Transportation Fund					0				
12	Municipal Retirement/Social Security Fund					0				
13	Fire Prevention & Safety Fund					0				
14	Other - (Describe & Itemize)					0				
15	Total TAWs		0	0	0	0				
16	TAX ANTICIPATION NOTES (TAN)									
17	Educational Fund					0				
18	Operations & Maintenance Fund					0				
19	Fire Prevention & Safety Fund					0				
20	Other - (Describe & Itemize)					0				
21	Total TANs		0	0	0	0				
22	TEACHERS/EMPLOYEES' ORDERS (T/EO)									
23	Total T/EOs (Educational, Operations & Maintenance, & Transportation Funds)					0				
24	GENERAL STATE AID ANTICIPATION CERTIFICATES (GSAAC)									
25	Total GSAACs (All Funds)					0				
26	OTHER SHORT-TERM BORROWING									
27	Total Other Short-Term Borrowing (Describe & Itemize)					0				
28										
29	SCHEDULE OF LONG-TERM DEBT									
30	Identification or Name of Issue	Date of Issue (mm/dd/yy)	Amount of Original Issue	Type of Issue *	Outstanding 07/1/10	Issued 7/1/10 thru 6/30/11	Difference With page 7, line 32	Retired 7/1/10 thru 6/30/11	Outstanding 6/30/11	Amount to be Provided for Payment on Long-Term Debt
31									0	
32	General Obligation School Bond	10/15/04	2,480,000	3	750,000	0		370,000	380,000	375,750
33	General Obligation School Bond	01/01/08	700,000	4	370,000	0		180,000	180,000	187,875
34									0	
35									0	
36									0	
37									0	
38									0	
39									0	
40									0	
41									0	
42									0	
43									0	
44									0	
45									0	
46									0	
47									0	
48									0	
49			3,180,000		1,120,000	0	0	550,000	570,000	563,625
51	* Each type of debt issued must be identified separately with the amount:									
52	1. Working Cash Fund Bonds			4. Fire Prevent, Safety, Environmental and Energy Bonds			7. Other _____			
53	2. Funding Bonds			5. Tort Judgment Bonds			8. Other _____			
54	3. Refunding Bonds			6. Building Bonds			9. Other _____			

Schedule of Restricted Local Tax Levies and Selected Revenues Sources
Schedule of Tort Immunity Expenditures
2010-11

	A	B	C	D	E	F	G	H	I	J	K
1	SCHEDULE OF RESTRICTED LOCAL TAX LEVIES AND SELECTED REVENUE SOURCES										
2	Description					Account No.	Tort Immunity	Special Education	Area Vocational Construction	School Facility Occupation	Driver Education
3	Cash Basis Fund Balance as of July 1, 2010							0			0
4	RECEIPTS:										
5	Ad Valorem Taxes Received by District					10, 20, 40 or 50-1100		51,690			
6	Earnings on Investments					10, 20, 40, 50 or 60-1500					
7	Drivers' Education Fees					10-1970					4,175
8	School Facility Occupation Tax Proceeds					30 or 60-1883				0	
9	Driver Education					10 or 20-3370					26,282
10	Other Receipts (Describe & Itemize on tab "Itemization 32")					-					
11	Sale of Bonds					10, 20, 40 or 60-7200					
12	Total Receipts						0	51,690	0	0	30,457
13	DISBURSEMENTS:										
14	Instruction					10 or 50-1000		51,690			30,457
15	Facilities Acquisition & Construction Services					20 or 60-2530					
16	Tort Immunity Services					10, 20, 40-2380-2370					
17	DEBT SERVICE:										
18	Debt Services - Interest on Long-Term Debt					30-5200					
19	Debt Services - Payments of Principal on Long-Term Debt (Lease/Purchase Principal Retired)					30-5300					
20	Debt Services Other (Describe & Itemize on tab "Itemization 32")					30-5400					
21	Total Debt Services									0	
22	Other Disbursements (Describe & Itemize on tab "Itemization 32")					-					
23	Total Disbursements						0	51,690	0	0	30,457
24	Ending Cash Basis Fund Balance as of June 30, 2011						0	0	0	0	0
25	Reserved Fund Balance					714					
26	Unreserved Fund Balance					730	0	0	0	0	0
27											

28	SCHEDULE OF TORT IMMUNITY EXPENDITURES										
30	Yes <input type="checkbox"/> No <input type="checkbox"/> Has the entity established an insurance reserve pursuant to 745 ILCS 10/9-103?										
31	If yes, list in the aggregate the following:										
32											Total Claims Payments:
33											Total Reserve Remaining:
34	Using the following categories, list all other Tort Immunity expenditures not included in line 30 above. Include the total dollar amount for each category.										
35	Expenditures:										
36	Workers' Compensation Act and/or Workers' Occupational Disease Act										
37	Unemployment Insurance Act										
38	Insurance (Regular or Self-Insurance)										
39	Risk Management and Claims Service										
40	Judgments/Settlements										
41	Educational, Inspectional, Supervisory Services Related to Loss Prevention and/or Reduction										
42	Reciprocal Insurance Payments (Insurance Code 72, 76, and 81)										
43	Legal Services										
44	Principal and Interest on Tort Bonds										
46	^a Schedules for Tort Immunity are to be completed <u>only</u> if expenditures have been reported in any fund other than the Tort Immunity Fund (80) during FY11 as a result of existing (restricted) fund balances										
47	in those other funds that are being spent down. Cell G6 above should include interest earnings only from these restricted tort immunity monies and only if reported in a fund <u>other</u> than Tort Immunity Fund (80).										
48	^b 55 ILCS 5/5-1006.7										

	A	B	C	D	E	F	G	H	I	J	K	L
1												
2												
3	Schedule of Capital Outlay and Depreciation											
4	Description of Assets	Acct #	Cost 7-1-10	Add: Additions 2010-11	Loss: Deletions 2010-11	Cost 6-30-11	Life in Years	Accumulated Depreciation 7-1-10	Add: Depreciation Allowable 2010-11	Less: Depreciation Deletions 2010-11	Accumulated Depreciation 6-30-11	Balance Undepreciated 6-30-11
5	Works of Art & Historical Treasures	210				0					0	0
6	Land	220										
7	Non-Depreciable Land	221	509,337			509,337						509,337
8	Depreciable Land	222				0	50				0	0
9	Buildings	230										
10	Permanent Buildings	231	8,482,159	24,524		8,506,683	60	2,385,615	174,100		2,559,715	5,946,968
11	Temporary Buildings	232				0	25				0	0
12	Improvements Other than Buildings (Infrastructure)	240	832,925	16,166		849,091	20	336,692	40,255		376,947	472,144
13	Capitalized Equipment	250										
14	10 Yr Schedule	251				0	10				0	0
15	5 Yr Schedule	252	3,469,870	239,465		3,709,335	5	2,581,105	233,179		2,814,284	895,051
16	3 Yr Schedule	253				0	3				0	0
17	Construction In Progress	260				0						0
18	Total Capital Assets	200	13,294,291	280,155	0	13,574,446		5,303,412	447,534	0	5,750,946	7,823,500
19	Non-Capitalized Equipment	700				0	10		0			
20	Allowable Depreciation								447,534			

	A	B	C	D	E	F
1	ESTIMATED OPERATING EXPENSE PER PUPIL (OEPP)/PER CAPITA TUITION CHARGE (PCTC) COMPUTATIONS (2010-11)					
2	This schedule is completed for school districts only.					
3						
4	Fund	Sheet, Row	ACCOUNT NO - TITLE			Amount
5						
6	OPERATING EXPENSE PER PUPIL					
7	EXPENDITURES:					
8	ED	Expenditures 15-22, L113	Total Expenditures		\$	8,970,780
9	O&M	Expenditures 15-22, L149	Total Expenditures			494,624
10	DS	Expenditures 15-22, L167	Total Expenditures			580,483
11	TR	Expenditures 15-22, L203	Total Expenditures			393,999
12	MR/SS	Expenditures 15-22, L287	Total Expenditures			379,820
13	TORT	Expenditures 15-22, L330	Total Expenditures			408,857
14				Total Expenditures	\$	11,228,723
15						
16	LESS RECEIPTS/REVENUES OR DISBURSEMENTS/EXPENDITURES NOT APPLICABLE TO THE REGULAR K-12 PROGRAM:					
17						
18	TR	Revenues 9-14, L43, Col F	1412 Regular - Transp Fees from Other Districts (In State)		\$	0
19	TR	Revenues 9-14, L47, Col F	1421 Summer Sch - Transp. Fees from Pupils or Parents (In State)			0
20	TR	Revenues 9-14, L48, Col F	1422 Summer Sch - Transp. Fees from Other Districts (In State)			0
21	TR	Revenues 9-14, L49, Col F	1423 Summer Sch - Transp. Fees from Other Sources (In State)			0
22	TR	Revenues 9-14, L50, Col F	1424 Summer Sch - Transp. Fees from Other Sources (Out of State)			0
23	TR	Revenues 9-14, L52, Col F	1432 CTE - Transp Fees from Other Districts (In State)			0
24	TR	Revenues 9-14, L58, Col F	1442 Special Ed - Transp Fees from Other Districts (In State)			12,200
25	TR	Revenues 9-14, L59, Col F	1451 Adult - Transp Fees from Pupils or Parents (In State)			0
26	TR	Revenues 9-14, L60, Col F	1452 Adult - Transp Fees from Other Districts (In State)			0
27	TR	Revenues 9-14, L61, Col F	1453 Adult - Transp Fees from Other Sources (In State)			0
28	TR	Revenues 9-14, L62, Col F	1454 Adult - Transp Fees from Other Sources (Out of State)			0
29	O&M	Revenues 9-14, L149, Col D	3410 Adult Ed (from ICCB)			0
30	O&M-TR	Revenues 9-14, L149, Col D & F	3499 Adult Ed - Other (Describe & Itemize)			0
31	O&M-TR	Revenues 9-14, L218, Col D,F	4800 Fed - Spec Education - Preschool Flow-Through			0
32	O&M-TR	Revenues 9-14, L219, Col D,F	4605 Fed - Spec Education - Preschool Discretionary			0
33	O&M	Revenues 9-14, L228, Col D	4810 Federal - Adult Education			0
34	ED	Expenditures 15-22, L8, Col K - (G+I)	1125 Pre-K Programs			184,750
35	ED	Expenditures 15-22, L8, Col K - (G+I)	1225 Special Education Programs Pre-K			97,661
36	ED	Expenditures 15-22, L10, Col K - (G+I)	1275 Remedial and Supplemental Programs Pre-K			0
37	ED	Expenditures 15-22, L11, Col K - (G+I)	1300 Adult/Continuing Education Programs			0
38	ED	Expenditures 15-22, L14, Col K - (G+I)	1600 Summer School Programs			0
39	ED	Expenditures 15-22, L18, Col K	1910 Pre-K Programs - Private Tuition			0
40	ED	Expenditures 15-22, L20, Col K	1911 Regular K-12 Programs - Private Tuition			0
41	ED	Expenditures 15-22, L21, Col K	1912 Special Education Programs K-12 - Private Tuition			30,308
42	ED	Expenditures 15-22, L22, Col K	1913 Special Education Programs Pre-K - Tuition			0
43	ED	Expenditures 15-22, L23, Col K	1914 Remedial/Supplemental Programs K-12 - Private Tuition			0
44	ED	Expenditures 15-22, L24, Col K	1915 Remedial/Supplemental Programs Pre-K - Private Tuition			0
45	ED	Expenditures 15-22, L25, Col K	1916 Adult/Continuing Education Programs - Private Tuition			0
46	ED	Expenditures 15-22, L28, Col K	1917 CTE Programs - Private Tuition			0
47	ED	Expenditures 15-22, L27, Col K	1918 Interscholastic Programs - Private Tuition			0
48	ED	Expenditures 15-22, L28, Col K	1919 Summer School Programs - Private Tuition			0
49	ED	Expenditures 15-22, L29, Col K	1920 Gifted Programs - Private Tuition			0
50	ED	Expenditures 15-22, L30, Col K	1921 Bilingual Programs - Private Tuition			0
51	ED	Expenditures 15-22, L31, Col K	1922 Truants Alternative/Optional Ed Progs - Private Tuition			0
52	ED	Expenditures 15-22, L74, Col K - (G+I)	3000 Community Services			30,418
53	ED	Expenditures 15-22, L101, Col K	4000 Total Payments to Other District & Govt Units			233,182
54	ED	Expenditures 15-22, L113, Col G	- Capital Outlay			180,212
55	ED	Expenditures 15-22, L113, Col I	- Non-Capitalized Equipment			0
56	O&M	Expenditures 15-22, L128, Col K - (G+I)	3000 Community Services			0
57	O&M	Expenditures 15-22, L137, Col K	4000 Total Payments to Other Dist & Govt Units			0
58	O&M	Expenditures 15-22, L149, Col G	- Capital Outlay			40,891
59	O&M	Expenditures 15-22, L149, Col I	- Non-Capitalized Equipment			0
60	DS	Expenditures 15-22, L153, Col K	4000 Payments to Other Dist & Govt Units			0
61	DS	Expenditures 15-22, L163, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			550,000
62	TR	Expenditures 15-22, L178, Col K - (G+I)	3000 Community Services			0
63	TR	Expenditures 15-22, L189, Col K	4000 Total Payments to Other Dist & Govt Units			0
64	TR	Expenditures 15-22, L199, Col K	5300 Debt Service - Payments of Principal on Long-Term Debt			0
65	TR	Expenditures 15-22, L203, Col G	- Capital Outlay			59,252
66	TR	Expenditures 15-22, L203, Col I	- Non-Capitalized Equipment			0
67	MR/SS	Expenditures 15-22, L209, Col K	1125 Pre-K Programs			6,018
68	MR/SS	Expenditures 15-22, L211, Col K	1225 Special Education Programs - Pre-K			9,297
69	MR/SS	Expenditures 15-22, L213, Col K	1275 Remedial and Supplemental Programs - Pre-K			0
70	MR/SS	Expenditures 15-22, L214, Col K	1300 Adult/Continuing Education Programs			0
71	MR/SS	Expenditures 15-22, L217, Col K	1600 Summer School Programs			0
72	MR/SS	Expenditures 15-22, L273, Col K	3000 Community Services			4,534
73	MR/SS	Expenditures 15-22, L277, Col K	4000 Total Payments to Other Dist & Govt Units			0
74				Total Deductions	\$	1,438,605
75				Total Operating Expenses (Regular K-12)		9,788,218
76				9 Mo ADA (See the General State Aid Claim for 2010-2011 (ISBE 64-33, L12)		1,304.45
77				Estimated OEPP	\$	7,653.71
78						
79						

ESTIMATED INDIRECT COST DATA

	A	B	C	D	E	F	G	H
1	ESTIMATED INDIRECT COST RATE DATA							
2	SECTION I							
3	Financial Data to Assist Indirect Cost Rate Determination							
4	<i>(Source document for the computation of the Indirect Cost Rate is found in the Expenditures (5-22) tab.)</i>							
5	ALL OBJECTS EXCLUDE CAPITAL OUTLAY. With the exception of line 12, enter the disbursements/expenditures included within the following functions charged directly to and reimbursed from federal grant programs. Also, include all amounts paid to or for other employees within each function that work with specific federal grant programs in the same capacity as those charged to and reimbursed from the same federal grant programs. For example, if a district received funding for a Title I clerk, all other salaries for Title I clerks performing like duties in that function must be included. Include any benefits and/or purchased services paid on or to persons whose salaries are classified as direct costs in the function listed.							
6	Support Services - Direct Costs (1-2000) and (5-2000)							
7	Direction of Business Support Services (1-2510) and (5-2510)							
8	Fiscal Services (1-2520) and (5-2520)							
9	Operation and Maintenance of Plant Services (1, 2, and 5-2540)							
10	Food Services (1-2560) <i>Must be less than (P16, Col E-F, L62)</i>							
11	Value of Commodities Received for Fiscal Year 2011 <i>(Include the value of commodities when determining if an A-133 is required).</i>							
12	Internal Services (1-2570) and (5-2570)							
13	Staff Services (1-2640) and (5-2640)							
14	Data Processing Services (1-2660) and (5-2660)							
15	SECTION II							
16	Estimated Indirect Cost Rate for Federal Programs (Data subject to adjustment for carry-forward or termination benefit totals)							
17								
18			Restricted Program		Unrestricted Program			
19		Function	Indirect Costs	Direct Costs	Indirect Costs	Direct Costs		
20	Instruction	1000		6,431,881		6,431,881		
21	Support Services:							
22	Pupil	2100		192,428		192,428		
23	Instructional Staff	2200		284,680		284,680		
24	General Admin.	2300		659,644		659,644		
25	School Admin	2400		643,187		643,187		
26	Business:							
27	Direction of Business Spt. Srv.	2510	41,616	0	41,616	0		
28	Fiscal Services	2520	76,436	0	76,436	0		
29	Oper. & Maint. Plant Services	2540		892,594	892,594	0		
30	Pupil Transportation	2550		382,317		382,317		
31	Food Services	2560		16,941		16,941		
32	Internal Services	2570	0	0	0	0		
33	Central:							
34	Direction of Central Spt. Srv.	2610		0		0		
35	Plan, Rsrch, Dvlp, Eval. Srv.	2620		0		0		
36	Information Services	2630		0		0		
37	Staff Services	2640	0	0	0	0		
38	Data Processing Services	2660	0	0	0	0		
39	Other:	2900		0		0		
40	Community Services	3000		34,953		34,953		
41	Total		118,052	9,538,425	1,010,646	8,645,831		
42			Restricted Rate		Unrestricted Rate			
43			Total Indirect Costs:	118,052	Total Indirect Costs:	1,010,646		
44			Total Direct Costs:	9,538,425	Total Direct Costs:	8,645,831		
45			= 1.24%		= 11.69%			

See Notes to Financial Statements.

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

School District Name: Wesclin Community Unit School District
 RCDT Number: 13-014-0030-26

LIMITATION OF ADMINISTRATIVE COSTS WORKSHEET
 (Section 17-1.5 of the School Code)

Description	Funct. No.	Actual Expenditures, Fiscal Year 2011			Budgeted Expenditures, Fiscal Year 2012		
		(10) Educational Fund	(20) Operations & Maintenance Fund	Total	(10) Educational Fund	(20) Operations & Maintenance Fund	Total
1. Executive Administration Services	2320	171,924		171,924	179,395		179,395
2. Special Area Administration Services	2330	0		0			0
3. Other Support Services - School Administration	2490	0		0			0
4. Direction of Business Support Services	2510	33,622	0	33,622	34,910		34,910
5. Internal Services	2570	0		0			0
6. Direction of Central Support Services	2610	0		0			0
7. Deduct - Early Retirement or other pension obligations required by state law and included above.				0			0
8. Totals		205,546	0	205,546	214,305	0	214,305
9. Percent Increase (Decrease) for FY2012 (Budgeted) over FY2011 (Actual)							4%

CERTIFICATION

I certify that the amounts shown above as "Actual Expenditures, Fiscal Year 2011" agree with the amounts on the district's Annual Financial Report for Fiscal Year 2011.
 I also certify that the amounts shown above as "Budgeted Expenditures, Fiscal Year 2012" agree with the amounts on the budget adopted by the Board of Education.

 (Date)

 Signature of Superintendent

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

- The District is ranked by ISBE in the lowest 25th percentile of like districts in administrative expenditures per student (4th quartile) and will waive the limitation by board action, subsequent to a public hearing. Waiver resolution must be adopted no later than June 30.
- The district is unable to waive the limitation by board action and will be requesting a waiver from the General Assembly pursuant to the procedures in Chapter 105 ILCS 5/2-3.25g. Waiver applications must be postmarked by August 12, 2011 to ensure inclusion in the Fall 2011 report, postmarked by January 13, 2012 to ensure inclusion in the Spring 2012 report, or postmarked by August 17, 2012 to ensure inclusion in the Fall 2012 report. Information on the waiver process can be found at www.isbe.net/isbewaivers/default.htm.
- The district will amend their budget to become in compliance with the limitation. Budget amendments must be adopted no later than June 30.

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

<i>FUND</i>	<i>PAGE</i>	<i>ROW</i>	<i>DESCRIPTION</i>	<i>AMOUNT</i>
ED	11	107	OTHER LOCAL REVENUES *Other	\$ 16,123
OM	11	107	OTHER LOCAL REVENUES *Other	\$ 1,100
TR	11	107	OTHER LOCAL REVENUES *Other	\$ 352
ED	12	171	OTHER RESTRICTED REVENUE FROM STATE SOURCES *State Library Grant	\$ 456
TR	12	171	OTHER RESTRICTED REVENUE FROM STATE SOURCES *CTEI Transportation *Voc Ed - Formula	\$ 1,076 \$ 643
				<u>\$ 1,719</u>
ED	15	40	OTHER SUPPORT SERVICES - PUPILS *Art Supplies	\$ 5,444
DS	18	164	DEBT SERVICE - OTHER *Service Fees	\$ 700

Reference Pages.

- ¹ Do not enter negative numbers. Reports with negative numbers will be returned for correction.
- ² GASB Statement No. 24; Accounting and Financial Reporting for Certain Grants and Other Financial Assistance. The "On Behalf of" Payments should only be reflected on this page.
- ³ Equals Line 6 minus Line 17
- ⁴ Requires notification to the county clerk to abate an equal amount from taxes next extended.
- ⁵ Use of proceeds from the sale of school sites buildings, or other real estate is limited. See Sections 5-22 and 10-22.8 of the School Code.
- ⁶ Equals Line 43 minus Line 80.
- ⁷ Include revenue accounts 1110 through 1115, 1117, 1118 & 1120. Include taxes for bonds sold that are in addition to those identified separately.
- ⁸ Educational Fund (10) - Computer Technology only.
- ⁹ Corporate personal property replacement tax revenue must be first applied to the Municipal Retirement/Social Security Fund to replace tax revenue lost due to the abolition of the corporate personal property tax (30 ILCS 115/12). This provision does not apply to taxes levied for Medicare-Only purposes.
- ¹⁰ Include only tuition payments made to private facilities. See Function 4200 or 4400 for public facility disbursements/expenditures.
- ¹¹ Payment towards the retirement of lease/purchase agreements or bonded/other indebtedness (principal only) otherwise reported within the fund—e.g. alternate revenue bonds(Describe & Itemize).
- ¹² Only abolishment of Working Cash Fund must transfer its funds directly to the Educational Fund upon adoption of a resolution and at the close of the current school Year (see 105 ILCS 5/20-8 for further explanation)
Only abatement of working cash fund can transfer its funds to any fund in most need of money (see 105 ILCS 5/20-10 for further explanation)

Instructions to insert word doc or pdf files:

Choose: **Insert** - Select: **Object** - Select **Create New** tab -
Select file type **Adobe Acrobat or Microsoft Word**
Document - Select **Create from File** tab - Select **Browse** -
Select file that you want to embed - Check **Display as**
icon - Select **OK**.

If you have trouble inserting pdf files it is because you do not have
the Adobe program.

**ANNUAL FEDERAL FINANCIAL COMPLIANCE REPORT (COVER SHEET)
DISTRICT/JOINT AGREEMENT
Year Ending June 30, 2011**

DISTRICT/JOINT AGREEMENT NAME Wesclin Community Unit School Distr	RCDT NUMBER 13-014-0030-26	CPA FIRM 9-DIGIT STATE REGISTRATION NUMBER 060-004276	
ADMINISTRATIVE AGENT IF JOINT AGREEMENT (as applicable) David Daum	NAME AND ADDRESS OF AUDIT FIRM Rice, Sullivan & Co., Ltd. 3121 North Illinois Street, Suite A Swansea		
ADDRESS OF AUDITED ENTITY (Street and/or P.O. Box, City, State, Zip Code) 10003 State Route 160 Trenton 62293	E-MAIL ADDRESS bdixon@rscsco.net		NAME OF AUDIT SUPERVISOR Bill R. Dixon, CPA
	CPA FIRM TELEPHONE NUMBER 618-233-0186	FAX NUMBER 618-234-5804	

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

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

THE FOLLOWING INFORMATION IS HIGHLY RECOMMENDED TO BE INCLUDED:

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

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
A-133 SINGLE AUDIT INFORMATION CHECKLIST

The following checklist is **OPTIONAL**; it is not a required form for completion of A-133 Single Audit Information. The purpose of the checklist is to assist in determining if appropriate information has been correctly completed within the Annual Financial Report (AFR). This is not a complete listing of all A-133 requirements, but highlights some of the more common errors found during ISBE reviews.

GENERAL INFORMATION

1. Signed copies of audit opinion letters have been included with audit package submitted to ISBE.
2. All opinion letters use the **most current audit language** as mandated in SAS 115/SAS 117 and other pronouncements.
3. **All** Single Audit forms within the AFR Excel workbook have been completed, where appropriate.
- For those forms that are not applicable, "N/A" or similar language has been indicated.
4. **All** Federal revenues reported in FRIS Report 0053 (Summary of Payments) are accounted for in the Schedule of Expenditures of Federal Awards (SEFA).
Programs funded through ARRA are identified separately in SEFA.
5. Federal revenues reported on the AFR reconcile to Federal revenues reported on the SEFA.
- Verify or reconcile on reconciliation worksheet.
6. The total value of non-cash **COMMODITIES** has been included within the AFR on the **INDIRECT COSTS** page (IND COST INFO 30) on Line 12. It **should not** be included in the Statement of Revenues Received (REVENUES 9-14) within the AFR Accounts 4210 - 4299. These accounts are specific cash programs, not non-cash assistance such as **COMMODITIES**.
7. Complete audit package (Data Collection Form, audit reports, etc.) has been submitted electronically to the Federal Audit Clearinghouse in Jeffersonville, Indiana.

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

8. Programs funded through ARRA (Federal Stimulus funds) are identified separately from "regular" Federal programs
- Program name includes "ARRA - " prefix
- Correct ARRA CFDA and ISBE program numbers are listed
9. All prior year's projects are included and reconciled to final FRIS report amounts.
- Including receipt/revenue and expenditure/disbursement amounts.
10. All current year's projects are included and reconciled to most recent FRIS report filed.
- Including revenue and expenditure/disbursement amounts.
11. Differences in reported spending amounts on the SEFA and the final FRIS reports should be detailed and/or documented in a finding, with discrepancies reported as Questioned Costs.
12. Prior-year and Current-year Child Nutrition Programs (CNP) are included on the SEFA (with prior-year program showing total cash received).
Project year runs from October 1 to September 30, so projects will cross fiscal year;
This means that audited year revenues will include funds from both the prior year and current year projects.
13. Each CNP project should be reported on separate line (one line per project year per program).
14. Total CNP Revenue amounts are consistent with grant amounts awarded by ISBE for each program by project year.
15. Total CNP Expenditure amounts are consistent with grant amounts awarded by ISBE for each program by project year.
16. Exceptions should result in a finding with Questioned Costs.
17. The total value of **COMMODITIES** has been reported on the SEFA (CFDA 10.555).
- The value is determined from the following, with each item on a separate line:
- * Non-Cash Commodities: Monthly Commodities Bulletin for April (From the Illinois Commodities System accessed through ISBE web site)
Total commodities = A PAL Allocated + B PAL Allocated + Processing Deductions + Total Bonus Allocated
Verify Non-Cash Commodities amount on ISBE web site: <http://www.isbe.net/business.htm>.
- * Non-Cash Commodities: Commodities information for non-cash items received through Other Food Services
Districts should track separately through year; no specific report available from ISBE
Verify Non-Cash Commodities amount through Other Food Services on ISBE web site: <http://www.isbe.net/business.htm>.
- * Department of Defense Fresh Fruits and Vegetables (District should track through year)
- The two commodity programs should be reported on separate lines on the SEFA.
Verify Non-Cash Commodities amount through DoD Fresh Fruits and Vegetables on ISBE web site: <http://www.isbe.net/business.htm>.
- * Amounts verified for Fresh Fruits and Vegetables cash grant program (ISBE code 4240)
CFDA number: 10.592
18. **TOTALS** have been calculated for Federal revenue and expenditure amounts (Column totals).
19. Obligations and Encumbrances are included where appropriate.
20. **FINAL STATUS** amounts are calculated, where appropriate.
21. Medicaid Fee-for-Service funds, E-Rate reimbursements and Build America Bond interest subsidies have not been included on the SEFA.
22. All programs tested (not just Type A programs) are indicated by either an * or (M) on the SEFA.
23. **NOTES TO THE SEFA** within the AFR Excel workbook (SEFA-2) have been completed.
Including, but not limited to:
24. Basis of Accounting
25. Name of Entity
26. Type of Financial Statements
27. Subrecipient Information (Mark "N/A" if not applicable)
 * ARRA funds are listed separately from "regular" Federal awards

SUMMARY OF AUDITOR RESULTS/FINDINGS/CORRECTIVE ACTION PLAN

28. Audit opinions expressed in opinion letters match opinions reported in Summary.
29. All Summary of Auditor Results questions have been answered.
30. All tested programs are listed.
31. Correct testing threshold has been entered. (OMB A-133, §_520)

Findings have been filled out completely and correctly (if none, mark "N/A").

32. Financial Statement and/or Federal Awards Findings Information has been completely filled out for each finding.
32. Finding completed for each Significant Deficiency and for each Material Weakness noted in opinion letters.
33. Separate finding for each Federal program (i.e., don't report same finding for multiple programs on one sheet).
34. Separate finding sheet for each finding on programs (e.g., excess interest earned and unallowable expenditures are two findings and should be reported separately, even if both are on same program).
35. Questioned Costs have been calculated where there are questioned costs.
36. Questioned Costs are separated by project year and by program.
37. Questioned Costs have been calculated for Interest Earned on Excess Cash on Hand.

See Notes to Financial Statements.

- Should be based on actual amount of interest earned
- Questioned Cost amounts are broken out between programs if multiple programs are listed on the finding

38. A CORRECTIVE ACTION PLAN has been completed for each finding.

- Including Finding number, action plan details, projected date of completion, name and title of contact person

**Wesclin Community Unit School District No. 3
13-014-0030-26**

RECONCILIATION OF FEDERAL REVENUES

Annual Financial Report to Schedule of Expenditures of Federal Awards

TOTAL FEDERAL REVENUE IN AFR

Account Summary 7-8, Line 7	Account 4000	\$ 914,870
Flow-through Federal Revenues		
Revenues 9-14, Line 112	Account 2200	-
Value of Commodities		
Indirect Cost Info 30, Line 11		24,873
Less: Medicaid Fee-for-Service		
Revenues 9-14, Line 269	Account 4992	(21,411)
AFR TOTAL FEDERAL REVENUES:		\$ 918,332

ADJUSTMENTS TO AFR FEDERAL REVENUE AMOUNTS:

Reason for Adjustment:

-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----

ADJUSTED AFR FEDERAL REVENUES \$ 918,332

Total Current Year Federal Revenues Reported on SEFA:
Federal Revenues Column D \$ 918,332

Adjustments to SEFA Federal Revenues:

Reason for Adjustment:

-----	-----
-----	-----
-----	-----
-----	-----
-----	-----
-----	-----

ADJUSTED SEFA FEDERAL REVENUE: \$ 918,332

DIFFERENCE: \$ -

Wesclin Community Unit School District No. 3
13-014-0030-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditure/Disbursements ⁴		Obligational/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
U.S DEPARTMENT OF EDUCATION									
PASSED THROUGH ISBE:									
TITLE I - LOW INCOME - FY11	84.010	2011-4300	1,859	88,378		84,415	13,288	87,703	89,583
TITLE I - LOW INCOME - FY10	84.010	2010-4300	98,257	789	85,744	11,312		87,056	88,828
TITLE IV - SAFE & DRUG FREE SCHOOLS - FY11	84.186	2011-4400	1,692			1,692		1,692	1,692
TITLE IV - SAFE & DRUG FREE SCHOOLS - FY10	84.186	2010-4400	1,439		2,003			2,003	3,695
TITLE II - TEACHER QUALITY - FY11	84.367	2011-4932		40,030		36,327	3,728	40,055	40,055
TITLE II - TEACHER QUALITY - FY10	84.367	2010-4932	39,045	1,885	34,813	6,317		40,930	40,930
TECHNOLOGY ENHANCING EDUCATION - FY10	84.318	2010-4871	841		841			841	841
I.D.E.A. ROOM AND BOARD - FY10	84.027	2010-4825		4,454	4,454			4,454	N/A
ARRA-EDUCATION JOBS FUND PROGRAM - FY11 (M)	84.410	2011-4880		390,046		390,046		390,046	N/A
ARRA-TITLE I - LOW INCOME - FY11	84.388	2011-4851	3,783	8,452		12,235		12,235	12,235
ARRA-TITLE I - LOW INCOME - FY10	84.388	2010-4851	23,633	11,956	31,166	4,423		35,586	47,824
SUB-TOTAL			188,349	544,000	158,821	546,767	17,016	722,604	345,793

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

The accompanying notes are an integral part of this schedule.

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

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ending June 30, 2011

Federal Grantor/Pass-Through Grantor/ Program or Cluster Title and Major Program Designation	CFDA Number ² (A)	ISBE Project # (1st 8 digits) or Contract #3 (B)	Receipts/Revenues		Expenditures/Disbursements ⁴		Obligations/ Encumb. (G)	Final Status (H)	Budget (I)
			Year 7/1/09-6/30/10 (C)	Year 7/1/10-6/30/11 (D)	Year 7/1/09-6/30/10 (E)	Year 7/1/10-6/30/11 (F)			
U.S. DEPARTMENT OF AGRICULTURE									
PASSED THROUGH ISBE:									
NATIONAL SCHOOL LUNCH PROGRAM - FY11	10.555	2011-4210		108,686		108,686		108,686	N/A
NATIONAL SCHOOL LUNCH PROGRAM - FY10	10.555	2010-4210	105,028	26,524	105,028	26,524		131,552	N/A
SCHOOL BREAKFAST PROGRAM - FY11	10.553	2011-4220		23,444		23,444		23,444	N/A
SCHOOL BREAKFAST PROGRAM - FY10	10.553	2010-4220	22,178	4,943	22,178	4,943		27,121	N/A
SUB-TOTAL			127,206	163,597	127,206	163,597	0	290,803	
NON-CASH COMMODITIES:									
COMMODITIES	10.555			24,873		24,873		24,873	N/A
SUB-TOTAL			0	24,873	0	24,873	0	24,873	
TOTAL U.S. DEPARTMENT OF AGRICULTURE			127,206	188,470	127,206	188,470	0	315,676	
TOTAL FEDERAL ASSISTANCE			470,884	918,332	535,787	965,971	17,016	1,518,774	345,793

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

The accompanying notes are an integral part of this schedule.

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

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ending June 30, 2011

Note 1: Basis of Presentation⁵

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Wesclin Community Unit School District No. 3** and is presented on the **cash basis of accounting**. The information in this schedule is presented in accordance with the requirements of Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of the financial statements.

Note 2: Subrecipients⁶

Of the federal expenditures presented in the schedule, **Wesclin Community Unit School District No. 3** provided federal awards to subrecipients as

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipients
None		
Note 3: Relationship to Basic Financial Reports and Programs Financial Reports		
Federal awards received are reflected in the District's financial statements within the Educational Fund as receipts from federal sources. Amounts reported in the accompanying Schedule of Expenditures of Federal Awards agree with amounts reported in the Program Financial Reports for programs which have filed final reports as of June 30, 2010 with the ISBE.		
Note 4: Matching Expenditures		
The District had no grants requiring matching expenditures during the year ended June 30, 2011.		
Note 5: Insurance, Loans and Loan Guarantees Outstanding		
There are no federal insurance in effect during the year and there are no loans or loan guarantees outstanding as of June 30, 2011.		

⁵ This note is included to meet the Circular A-133 requirement that the schedule include notes that describe the significant accounting policies used in preparing the schedule.

⁶ Circular A-133 requires the schedule of expenditures of federal awards to include, to the extent practical, an identification of the total amount provided to subrecipients, from each federal program. Although this example includes the required subrecipie

Wesclin Community Unit School District No. 3
13-014-0030-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2011

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? _____ YES X NO
- Significant Deficiency(s) identified that are not considered to be material weakness(es) _____ YES X None Reported
- Noncompliance material to financial statements noted? _____ YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? _____ YES X NO
- Significant Deficiency(s) identified that are not considered to be material weakness(es) _____ YES X None Reported

Type of auditor's report issued on compliance for major programs: Unqualified
 (Unqualified, Qualified, Adverse, Disclaimer⁷)

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

IDENTIFICATION OF MAJOR PROGRAMS:⁸

CFDA NUMBER(S) ⁹	NAME OF FEDERAL PROGRAM or CLUSTER ¹⁰
B4.410	ARRA-EDUCATION JOBS FUND PROGRAM - FY11 (M)

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

Auditee qualified as low-risk auditee? X YES _____ NO

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

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

⁹ When the CFDA number is not available, include other identifying number, if applicable.

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

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2011

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER:¹¹ NONE 2. THIS FINDING IS: New Repeat from Prior Year?
 Year originally reported? _____

3. Criteria or specific requirement

4. Condition

5. Context¹²

6. Effect

7. Cause

8. Recommendation

9. Management's response¹³

For ISBE Review
 Date: _____ Repetition Criteria Code Number: _____
 Initials: _____ Investigation of Questioned Costs (if any) (CAFR): _____

¹¹ A suggested format for assigning reference numbers is to use the last two digits of the fiscal year being audited followed by a numeric sequence of findings. For example, findings identified and reported in the audit of fiscal year 2003 would be assigned a reference number of 02-01, 02-02, etc.
¹² Provide sufficient information for judging the prevalence and consequences of the finding, such as relation to universe of costs and/or number of items examined and quantification of audit findings in dollars.
¹³ See paragraphs 5.18 through 5.20 and 7.38 through 7.42 of Government Auditing Standards for additional guidance on reporting management's response.

Wesclin Community Unit School District No. 3
13-014-0030-26
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ending June 30, 2011

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER:¹⁴ NONE 2. THIS FINDING IS: New Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ 5. CFDA No.: _____

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition¹⁵

10. Questioned Costs¹⁶

11. Context¹⁷

12. Effect

13. Cause

14. Recommendation

15. Management's response¹⁸

Findings	Resolution Criteria Code Number
Date:	Disposition of Questioned Costs Code Letter
Initials:	

¹⁴ See footnote 11.

¹⁵ Include facts that support the deficiency identified on the audit finding.

¹⁶ Identify questioned costs as required by sections 510(a)(3) and 510 (a) (4) of Circular A-133.

¹⁷ See footnote 12.

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS¹⁹
Year Ending June 30, 2011

Finding Number

Condition

Current Status²⁰

[If there are no prior year audit findings, please submit schedule and indicate NONE]
NONE

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

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

²⁰ Current Status should include one of the following:

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

See Notes to Financial Statements.

Wesclin Community Unit School District No. 3
13-014-0030-26
CORRECTIVE ACTION PLAN FOR CURRENT YEAR AUDIT FINDINGS²¹
Year Ending June 30, 2011

Corrective Action Plan

Finding No.: N/A

Condition:

Plan:

Anticipated Date of Completion:

Name of Contact Person: **[person responsible for implementation]**

Management Response: **[if applicable, an explanation giving specific reasons if the district officials do not agree with the finding and believes that corrective action is unnecessary.]**

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



306 N. MAIN ST., SUITE 3
 P.O. BOX 3367
 BLOOMINGTON, IL 61702-3367
 TEL: 309-829-3311 FAX: 309-827-2171

I N V E S T M E N T B A N K E R S

WESCLIN CUSD #3, Clinton and St. Clair Counties, Illinois
 AMOUNT: \$9,600,000 Building Bonds
 2010 E.A.V.: \$129,104,241
 DATED: 01-May-12

DATE	PRINCIPAL	INTEREST RATE *	INTEREST DUE	PRNC & INT LEVY	EST. EAV (3% Growth)	EST. TAX RATE
2012			Gross Levy	\$742,979.17		
			Premium Paid to District	<u>(\$115,000.00)</u>		
			Net Levy	\$627,979.17	\$136,966,689	45.85 ¢
12/01/2013	\$0	0.000%	\$564,664.17	\$576,005.00	\$141,075,690	40.83 ¢
06/01/2014			\$178,315.00			
12/01/2014	\$225,000	5.000%	\$178,315.00	\$589,130.00	\$145,307,960	40.54 ¢
06/01/2015			\$172,690.00			
12/01/2015	\$250,000	5.000%	\$172,690.00	\$605,880.00	\$149,667,199	40.48 ¢
06/01/2016			\$166,440.00			
12/01/2016	\$280,000	5.000%	\$166,440.00	\$621,130.00	\$154,157,215	40.29 ¢
06/01/2017			\$159,440.00			
12/01/2017	\$310,000	5.000%	\$159,440.00	\$639,755.00	\$158,781,932	40.29 ¢
06/01/2018			\$151,690.00			
12/01/2018	\$345,000	5.000%	\$151,690.00	\$656,630.00	\$163,545,390	40.15 ¢
06/01/2019			\$143,065.00			
12/01/2019	\$380,000	5.000%	\$143,065.00	\$676,630.00	\$168,451,751	40.17 ¢
06/01/2020			\$133,565.00			
12/01/2020	\$420,000	5.000%	\$133,565.00	\$700,380.00	\$173,505,304	40.37 ¢
06/01/2021			\$123,065.00			
12/01/2021	\$460,000	2.500%	\$123,065.00	\$728,005.00	\$178,710,463	40.74 ¢
06/01/2022			\$117,315.00			
12/01/2022	\$500,000	2.650%	\$117,315.00	\$753,820.00	\$184,071,777	40.95 ¢
06/01/2023			\$110,690.00			
12/01/2023	\$540,000	2.800%	\$110,690.00	\$772,922.50	\$189,593,930	40.77 ¢
06/01/2024			\$103,130.00			
12/01/2024	\$575,000	2.900%	\$103,130.00	\$795,360.00	\$195,281,748	40.73 ¢
06/01/2025			\$94,792.50			
12/01/2025	\$615,000	3.000%	\$94,792.50	\$820,905.00	\$201,140,200	40.81 ¢
06/01/2026			\$85,567.50			
12/01/2026	\$660,000	3.100%	\$85,567.50	\$844,395.00	\$207,174,406	40.76 ¢
06/01/2027			\$75,337.50			
12/01/2027	\$705,000	3.200%	\$75,337.50	\$870,657.50	\$213,389,639	40.80 ¢
06/01/2028			\$64,057.50			
12/01/2028	\$755,000	3.300%	\$64,057.50	\$892,100.00	\$219,791,328	40.59 ¢
06/01/2029			\$51,600.00			
12/01/2029	\$805,000	4.000%	\$51,600.00	\$913,800.00	\$226,385,068	40.36 ¢
06/01/2030			\$35,500.00			
12/01/2030	\$860,000	4.000%	\$35,500.00	\$933,300.00	\$233,176,620	40.03 ¢
06/01/2031			\$18,300.00			
12/01/2031	\$915,000	4.000%	\$18,300.00			
TOTALS	\$9,600,000		\$4,533,784.17	\$14,018,784.17		

NIC = 3.5988%

* This interest rate includes expenses of bond counsel legal opinion, bond printing, our reports and maturity schedules, implementation services, bond clearing expense, etc...

\$9,600,000 BUILDING BONDS
 SCHEDULE 9600-19
 April 16, 2012



306 N. MAIN ST., SUITE 3
P.O. BOX 3367
BLOOMINGTON, IL 61702-3367
TEL: 309-829-3311 FAX: 309-827-2171

INVESTMENT BANKERS

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3,
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
GENERAL OBLIGATION SCHOOL BUILDING BONDS, SERIES 2012

BOND PURCHASE AGREEMENT

April 16, 2012

Wesclin Community Unit School District Number 3
10003 State Route 160
Trenton, Illinois 62293

Ladies and Gentlemen:

The undersigned, First Midstate Incorporated, Bloomington, Illinois (the "*Underwriter*"), offers to purchase from Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), all (but not less than all) of the \$9,600,000 General Obligation School Building Bonds, Series 2012, of the District (the "*Bonds*"). This offer is made subject to the District's acceptance of this Bond Purchase Agreement (this "*Agreement*") on or before 11:59 p.m., Central Time, on the date hereof. Upon the District's acceptance of this offer, it will be binding upon the District and upon the Underwriter.

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

2. (a) Concurrently with the execution hereof, the District will approve an Official Statement (the "*Official Statement*") dated April 16, 2012, relating to the Bonds, and will deliver a bond resolution adopted by the Board of Education of the District on the 16th day of April, 2012 (the "*Bond Resolution*"), satisfactory in form and substance to the Underwriter. The Underwriter is authorized by the District to use these documents and the information contained in them in connection with the public offering and sale of the Bonds. The District hereby agrees to provide to the Underwriter within seven business days of the date hereof sufficient copies of the Official Statement to enable the Underwriter to comply with the requirements of paragraph (b)(4) of Rule 15c2-12 and Rule G-32 of the Municipal Securities Rulemaking Board.

(b) The District hereby covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the "*Undertaking*") to provide ongoing disclosure about

the District, for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under paragraph (b)(5) of Rule 15c2-12 of the Securities and Exchange Commission (the "*Commission*") under the Securities and Exchange Act of 1934, as amended ("*Rule 15c2-12*"). The Undertaking shall be as described in the Official Statement, with such changes as may be agreed to in writing by the Underwriter. Except as noted in the Official Statement, the District has complied in all material respects with each and every undertaking previously entered into by it pursuant to Rule 15c2-12.

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

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

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

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

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

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

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

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

(h) the District's audited general purpose financial statements as of and for the fiscal year ended June 30, 2011, is a fair presentation of the financial position of the District as of the date indicated and the results of its operations and changes in its fund balances for the periods specified. Since June 30, 2011, there has been no material adverse change in the condition, financial or otherwise, of the District from that set forth in the audited financial statements as of and for the period ended that date, except as disclosed in the Official Statement; and the District has not since June 30, 2011, incurred any material liabilities, directly or indirectly, except in the ordinary course of its operations or as disclosed in the Official Statement;

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

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

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

and if the Official Statement is amended or supplemented subsequent to the date hereof, the Underwriter may terminate this Agreement by notification to the District at any time prior to the Closing if, in the reasonable judgment of the Underwriter, such amendment or supplement has or will have a material adverse effect on the marketability of the Bonds.

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

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

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

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

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

(e) A certificate, satisfactory to the Underwriter, of an appropriate officer of the District, dated as of the Closing Date, to the effect that the District has complied in all material respects with each and every undertaking previously entered into by it pursuant to Rule 15c2-12, except as noted in the Official Statement;

(f) A fully executed copy of the Undertaking;

(g) Certified copies of the Bond Resolution; and

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

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

expenses incurred in connection with the offering and delivery of the Bonds shall all be paid by the Underwriter at Closing.

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

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

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

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

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

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

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

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

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

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

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

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

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

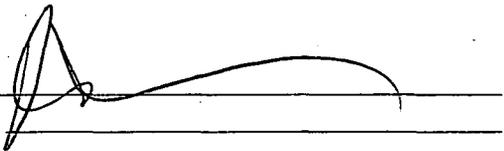
(k) there shall have occurred or any notice shall have been given of any intended downgrading, suspension, withdrawal or negative change in credit watch status by any national rating service to any of the District's obligations; and

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

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

Very truly yours,

FIRST MIDSTATE INCORPORATED,
Bloomington, Illinois

By  _____
Its _____

Accepted on behalf of

COMMUNITY UNIT SCHOOL DISTRICT
NUMBER 3, CLINTON AND ST. CLAIR
COUNTIES, ILLINOIS

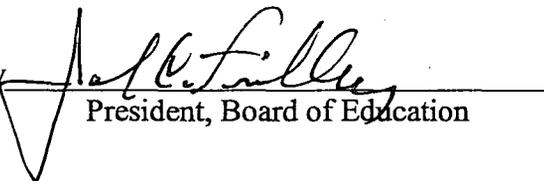
By  _____
President, Board of Education

EXHIBIT A

DESCRIPTION OF BONDS

a. PURCHASE PRICE: \$9,600,000.

b. DETAILS: The Bonds shall be issued in an aggregate principal amount of \$9,600,000, shall be dated May 1, 2012, and shall become due and payable serially (with option of prior redemption as set forth below) on December 1 of the years, in the amounts, bearing interest at the rates per annum and reoffered at the yields per annum as follows:

YEAR	AMOUNT	INTEREST RATE	YIELD
2014	\$ 225,000	5.00%	1.00%
2015	250,000	5.00%	1.20%
2016	280,000	5.00%	1.35%
2017	310,000	5.00%	1.50%
2018	345,000	5.00%	1.85%
2019	380,000	5.00%	2.10%
2020	420,000	5.00%	2.40%
2021	460,000	2.50%	2.60%
2022	500,000	2.65%	2.75%
2023	540,000	2.80%	2.85%
2024	575,000	2.90%	2.95%
2025	615,000	3.00%	3.10%
2026	660,000	3.10%	3.20%
2027	705,000	3.20%	3.30%
2028	755,000	3.30%	3.40%
2029	805,000	4.00%	3.40%
2030	860,000	4.00%	3.50%
2031	915,000	4.00%	3.60%

The first interest payment date on the Bonds shall be December 1, 2013.

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

d. REDEMPTION: The Bonds are subject to redemption prior to maturity as set forth in the Official Statement.

e. CLOSING DATE: May 1, 2012, or such other date mutually agreed to by the District and the Underwriter.

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

g. ADDITIONAL CLOSING AND OTHER DOCUMENTS:

1. A copy of the executed Information Return for Tax-Exempt Governmental Obligations, Form 8038-G.
2. A letter of representations to DTC, in the form executed by the District.
3. Evidence satisfactory to the Underwriter that the Bonds have a rating of "A+" by Standard & Poor's Ratings Service.

MINUTES of a regular public meeting of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, held at the Wesclin Junior/Senior High School, 10003 State Route 160, Trenton, Illinois, in said School District at 7:00 o'clock P.M., on the 16th day of April, 2012.

* * *

The meeting was called to order by the President, *Pro Tem* Sandra Padak and upon the roll being called, ~~John Fridley~~, *Pro Tem* the President, and the following members were physically present at said location: Sandra Padak, Steve Buzzard, ~~Monica Evans~~, Kent Jeanneret, Jerry Hatt and Randy Schorfheide.

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

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

The following members were absent and did not participate in the meeting in any manner or to any extent whatsoever: John Fridley & Monica Evans

The President *Pro Tem* announced that the Board of Education would consider the adoption of a resolution providing for the issue of the District's general obligation school building bonds approved at the November 2, 2010 referendum and to be issued by the District pursuant to Section 19-3 of the School Code and the levy of a direct annual tax sufficient to pay the principal and interest thereon.

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

RESOLUTION providing for the issue of \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

* * *

WHEREAS, the Board of Education (the "*Board*") of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), authorized the submission of the following proposition to the voters of the District at the general election held on the 2nd day of November, 2010 (the "*Election*"):

Shall the Board of Education of Wesclin Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings and issue bonds of said School District to the amount of \$9,600,000 for the purpose of paying the costs thereof?

; and

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

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

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

WHEREAS, the Board by the Election has heretofore been authorized to borrow the sum of \$9,600,000 to build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings (the "*Project*"), such money to be borrowed upon the credit of the District; and

WHEREAS, the Board deems it advisable, necessary and for the best interests of the District that \$9,600,000 of the bonds so authorized be issued at this time (the "*Bonds*");

NOW, THEREFORE, Be It and It Is Hereby Resolved by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, 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 \$9,600,000 upon the credit of the District and as evidence of such indebtedness to issue the Bonds in said amount, the proceeds of the Bonds to be used for the Project, and that it is necessary and for the best interests of the District that there be issued at this time \$9,600,000 of the Bonds so authorized.

Section 3. Bond Details. There be borrowed on the credit of and for and on behalf of the District the sum of \$9,600,000 for the purpose aforesaid; and that the Bonds shall be issued in said amount and shall be designated "General Obligation School Building Bonds, Series 2012." The Bonds shall be dated May 1, 2012, and shall also bear the date of authentication, shall be in fully registered form, shall be in denominations of \$5,000 each and authorized integral multiples thereof (but no single Bond shall represent installments of principal maturing on more than one date), shall be numbered 1 and upward, and the Bonds shall become due and payable serially

(subject to prior redemption as hereinafter set forth) on December 1 of each of the years, in the amounts and bearing interest per annum as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	\$ 225,000	5.00%
2015	250,000	5.00%
2016	280,000	5.00%
2017	310,000	5.00%
2018	345,000	5.00%
2019	380,000	5.00%
2020	420,000	5.00%
2021	460,000	2.50%
2022	500,000	2.65%
2023	540,000	2.80%
2024	575,000	2.90%
2025	615,000	3.00%
2026	660,000	3.10%
2027	705,000	3.20%
2028	755,000	3.30%
2029	805,000	4.00%
2030	860,000	4.00%
2031	915,000	4.00%

The Bonds shall bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Bonds is paid, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on June 1 and December 1 of each year, commencing on December 1, 2013. Interest on each Bond shall be paid by check or draft of Heartland Bank and Trust Company, Bloomington, Illinois (the "*Bond Registrar*"), payable upon presentation in lawful money of the United States of America, to the person in whose name such Bond is registered at the close of business on the 15th day of the month next preceding the interest payment date. The principal of the Bonds shall be payable in lawful money of the United States of America at the principal corporate trust office of the Bond Registrar.

The Bonds shall be signed by the manual or facsimile signatures of the President and Secretary of the Board, and shall be registered, numbered and countersigned by the manual or facsimile signature of the School Treasurer who receives the taxes of the District, and in case any officer whose signature shall appear on any Bond shall cease to be such officer before the delivery of such Bond, such signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer had remained in office until delivery.

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

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

Upon surrender for transfer of any Bond at the principal corporate trust office of the Bond Registrar, duly endorsed by, or accompanied by a written instrument or instruments of transfer in

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

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

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

No service charge shall be made for any transfer or exchange of Bonds, but the District or the Bond Registrar may require payment of a sum sufficient to cover any tax or other

governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

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

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

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

In the event that (i) the District determines that DTC is incapable of discharging its responsibilities described herein and in the Representation Letter, (ii) the agreement among the District, the Bond Registrar and DTC evidenced by the Representation Letter shall be terminated for any reason or (iii) the District determines that it is in the best interests of the beneficial

owners of the Bonds that they be able to obtain certificated Bonds, the District shall notify DTC and DTC Participants of the availability through DTC of certificated Bonds and the Bonds shall no longer be restricted to being registered in the Bond Register in the name of Cede, as nominee of DTC. At that time, the District may determine that the Bonds shall be registered in the name of and deposited with such other depository operating a universal book-entry system, as may be acceptable to the District, or such depository's agent or designee, and if the District does not select such alternate universal book-entry system, then the Bonds may be registered in whatever name or names registered owners of Bonds transferring or exchanging Bonds shall designate, in accordance with the provisions of Section 4(a) hereof.

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

Section 5. Redemption. The Bonds due on or after December 1, 2021, shall be subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Bonds shall be redeemed only in the principal amount of \$5,000 and integral multiples thereof. The District shall, at least forty-five (45) days prior to the redemption date (unless a shorter time period shall be satisfactory to the Bond Registrar) notify the Bond Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected

by lot by the Bond Registrar from the Bonds of such maturity by such method of lottery as the Bond Registrar shall deem fair and appropriate; *provided* that such lottery shall provide for the selection for redemption of Bonds or portions thereof so that any \$5,000 Bond or \$5,000 portion of a Bond shall be as likely to be called for redemption as any other such \$5,000 Bond or \$5,000 portion. The Bond Registrar shall make such selection upon the earlier of the irrevocable deposit of funds with an escrow agent sufficient to pay the redemption price of the Bonds to be redeemed or the time of the giving of official notice of redemption.

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

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

All notices of redemption shall state:

- (1) the redemption date,
- (2) the redemption price,
- (3) if less than all outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption, the respective principal amounts) of the Bonds to be redeemed,
- (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption, and that interest thereon shall cease to accrue from and after said date,

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

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

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

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as aforesaid, the Bonds or portions of Bonds so to be redeemed shall, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall be paid by the Bond Registrar at the redemption price. Installments of interest due on or prior to the redemption date shall be payable as herein provided for payment of interest. Upon surrender for any partial redemption of any Bond, there shall be prepared for the registered holder a new Bond or Bonds of the same maturity in the amount of the unpaid principal.

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

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

(Form of Bond - Front Side)

REGISTERED
No. _____

REGISTERED
\$ _____

UNITED STATES OF AMERICA

STATE OF ILLINOIS

COUNTIES OF CLINTON AND ST. CLAIR

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2012

See Reverse Side for
Additional Provisions

Interest Maturity Dated
Rate: ____% Date: December 1, 20__ Date: May 1, 2012 CUSIP 187324__

Registered Owner: CEDE & CO.

Principal Amount:

[1] KNOW ALL PERSONS BY THESE PRESENTS, that Community Unit School District Number 3, Clinton and St. Clair Counties, 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, 2013, until said Principal Amount is paid. Principal of this Bond is payable in lawful money of the United States of America upon presentation and surrender hereof at the principal corporate trust office of Heartland Bank and Trust Company, Bloomington, Illinois, as bond registrar and paying agent (the "*Bond Registrar*"). Payment of the installments of interest shall be made to the Registered

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

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

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

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

[5] IN WITNESS WHEREOF, said Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

President, Board of Education

Registered, Numbered and Countersigned:

Secretary, Board of Education

School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

Bond Registrar and Paying Agent:
Heartland Bank and Trust Company,
Bloomington, Illinois

This Bond is one of the Bonds described in the within mentioned resolution and is one of the General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois.

HEARTLAND BANK AND TRUST COMPANY,
as Bond Registrar

By _____
Authorized Officer

[Form of Bond - Reverse Side]

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3

CLINTON AND ST. CLAIR COUNTIES, ILLINOIS

GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2012

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

[7] Bonds of the issue of which this Bond is one due on or after December 1, 2021, 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, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

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

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

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

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

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

(ASSIGNMENT)

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

(Name and Address of Assignee)

the within Bond and does hereby irrevocably constitute and appoint _____

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

Dated: _____

Signature guaranteed: _____

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

Section 8. Sale of Bonds. The 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 First Midstate Incorporated, Bloomington, Illinois (the "Purchaser"), upon receipt of the purchase price therefor, the same being \$9,715,000, plus accrued interest to date of delivery; the contract for the sale of the Bonds heretofore entered into (the "Purchase Contract") is in all respects ratified, approved and confirmed, it being hereby found and determined that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received upon such sale exceed the maximum rate otherwise authorized by Illinois law and that the Purchase Contract is in the best interests of the District and that no person holding any office of the District, either by election or appointment, is in any manner financially interested directly in his or her own name or indirectly in the name of any other person, association, trust or corporation, in the Purchase Contract; the surety bond executed

by said Treasurer in connection with the issuance of the Bonds as required by Section 19-6 of the School Code of the State of Illinois, as amended (the "Act"), is hereby approved and shall be filed with the Regional Superintendent of Schools having jurisdiction over the District; and the Bonds before being issued shall be registered, numbered and countersigned by said Treasurer, such registration being made in a book provided for that purpose, in which shall be entered the record of the election authorizing the Board to borrow said money and a description of the Bonds issued, including the number, date, to whom issued, amount, rate of interest and when due.

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

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

FOR THE YEAR

A TAX SUFFICIENT TO PRODUCE THE SUM OF:

2012	\$627,979.17	for interest up to and including June 1, 2014
2013	\$576,005.00	for interest and principal
2014	\$589,130.00	for interest and principal
2015	\$605,880.00	for interest and principal
2016	\$621,130.00	for interest and principal
2017	\$639,755.00	for interest and principal
2018	\$656,630.00	for interest and principal
2019	\$676,630.00	for interest and principal
2020	\$700,380.00	for interest and principal
2021	\$728,005.00	for interest and principal
2022	\$753,820.00	for interest and principal
2023	\$772,922.50	for interest and principal
2024	\$795,360.00	for interest and principal
2025	\$820,905.00	for interest and principal
2026	\$844,395.00	for interest and principal
2027	\$870,657.50	for interest and principal
2028	\$892,100.00	for interest and principal
2029	\$913,800.00	for interest and principal
2030	\$933,300.00	for interest and principal

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

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

Section 10. Filing of Resolution. Forthwith upon the passage of this Resolution, the Secretary of the Board is hereby directed to file a certified copy of this Resolution with the County Clerks, and it shall be the duty of the County Clerks to annually in and for each of the years 2012 to 2030, 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 2012" (the "*Bond Fund*"), which taxes are hereby irrevocably pledged to and shall be used only for the purpose of paying the principal of and interest on the Bonds; and a certified copy of this resolution shall also be filed with the School Treasurer who receives the taxes of the District.

Section 11. Use of Bond Proceeds. Accrued interest and premium received on the delivery of the Bonds is hereby appropriated for the purpose of paying first interest due on the Bonds and is hereby ordered deposited into the Bond Fund. The principal proceeds of the Bonds are hereby appropriated to pay the costs of issuance of the Bonds and for the purpose of paying the cost of the Project, and that portion thereof not needed to pay such costs of issuance is hereby ordered deposited into the Site and Construction/Capital Improvements Fund of the District (the "*Project Fund*"). At the time of the issuance of the Bonds, the costs of issuance of the Bonds may be paid by the Purchaser on behalf of the District from the proceeds of the Bonds. The District and the Board hereby covenant that all of the proceeds of the Bonds shall be used in strict compliance with the

authorization of the voters of the District at the Election and with all of the requirements of the Act.

Section 12. Non-Arbitrage and Tax-Exemption. One purpose of this Section is to set forth various facts regarding the Bonds and to establish the expectations of the Board and the District as to future events regarding the Bonds and the use of Bond proceeds. The certifications, covenants and representations contained herein and at the time of the Closing are made on behalf of the District for the benefit of the owners from time to time of the Bonds. In addition to providing the certifications, covenants and representations contained herein, the District hereby covenants that it will not take any action, omit to take any action or permit the taking or omission of any action within its control (including, without limitation, making or permitting any use of the proceeds of the Bonds) if taking, permitting or omitting to take such action would cause any of the Bonds to be an arbitrage bond or a private activity bond within the meaning of the hereinafter defined Code or would otherwise cause the interest on the Bonds to be included in the gross income of the recipients thereof for federal income tax purposes. The District acknowledges that, in the event of an examination by the Internal Revenue Service (the "IRS") of the exemption from federal income taxation for interest paid on the Bonds, under present rules, the District may be treated as a "taxpayer" in such examination and agrees that it will respond in a commercially reasonable manner to any inquiries from the IRS in connection with such an examination. The Board and the District certify, covenant and represent as follows:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

“Gross Proceeds” means amounts in the Bond Fund and the Project Fund.

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

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

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

“Private Business Use” means any use of the Project by any Person other than a state or local government unit, including as a result of (i) ownership, (ii) actual or beneficial use pursuant to a lease or a management, service, incentive payment, research or output contract or (iii) any other similar arrangement, agreement or understanding, whether written or oral, except for use of the Project on the same basis as the general public. Private Business Use includes any formal or informal arrangement with any person other than a state or local governmental unit that conveys special legal entitlements to any portion of the Project that is available for use by the general public or

that conveys to any person other than a state or local governmental unit any special economic benefit with respect to any portion of the Project that is not available for use by the general public.

"Qualified Administrative Costs of Investments" means (a) reasonable, direct administrative costs (other than carrying costs) such as separately stated brokerage or selling commissions but not legal and accounting fees, recordkeeping, custody and similar costs; or (b) all reasonable administrative costs, direct or indirect, incurred by a publicly offered regulated investment company or an External Commingled Fund.

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

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

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

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

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

"Reserve Portion of the Bond Fund" means the portion of the Bond Fund funded in excess of the amount of debt service payable each year.

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

"Yield" means that discount rate which when used in computing the present value of all payments of principal and interest paid and to be paid on an obligation (using

semiannual compounding on the basis of a 360-day year) produces an amount equal to the obligation's purchase price (or in the case of the Bonds, the issue price as established in paragraph 5.1 hereof), including accrued interest.

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

2.1. *Purpose of the Bonds.* The Bonds are being issued to finance the Project in a prudent manner consistent with the revenue needs of the District. A breakdown of the sources and uses of funds is set forth in the preceding Section of this Resolution. Except for any accrued interest on the Bonds used to pay first interest due on the Bonds, no proceeds of the Bonds will be used more than 30 days after the date of issue of the Bonds for the purpose of paying any principal or interest on any issue of bonds, notes, certificates or warrants or on any installment contract or other obligation of the District or for the purpose of replacing any funds of the District used for such purpose.

2.2. *The Project — Binding Commitment and Timing.* The District has incurred or will, within six months of the Closing, incur a substantial binding obligation (not subject to contingencies within the control of the District or any member of the same Controlled Group as the District) to a third party to expend at least five percent of the Net Sale Proceeds on the Project. It is expected that the work of acquiring and constructing the Project and the expenditure of amounts deposited into the Project Fund will continue to proceed with due diligence through May 1, 2015, at which time it is anticipated that all Sale Proceeds and investment earnings thereon will have been spent.

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

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

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

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

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

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

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

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

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

2.6. *Payments to District or Related Persons.* The District acknowledges that if Sale Proceeds or investment earnings thereon are transferred to or paid to the District or any member of the same Controlled Group as the District, those amounts will not be treated as having been spent for federal income tax purposes. However, Sale Proceeds or investment earnings thereon will be allocated to expenditures for federal income tax purposes if the District uses such amounts to reimburse itself for amounts paid to persons other than the District or any member of the same Controlled Group as the District, *provided* that the original expenditures were paid on or after Closing, and *provided* that the original expenditures were not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing. In addition, investment earnings may be allocated to expenditures to the extent provided in paragraph 2.4(g) of this Section. Any Sale Proceeds or investment earnings thereon that are transferred to or paid to the District or any member of the same Controlled Group as the District will remain Sale Proceeds or investment earnings thereon, and thus Gross Proceeds, until such amounts are allocated to expenditures for federal income tax purposes. If the District does not allocate any such amounts to expenditures for the Project or other expenditures permitted under this Resolution, any such amounts will be allocated for federal income tax purposes to the next expenditures, not otherwise paid out of Sale Proceeds or investment earnings thereon or the proceeds of any other borrowing, for interest on the Bonds prior to the later of the date three years after Closing or one year after the date on which the Project is Placed-in-Service. The District will consistently follow this accounting method for federal income tax purposes.

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

It is expected that the Sale Proceeds deposited into the Project Fund, including investment earnings on the Project Fund, will be spent to pay costs of the Project and interest on the Bonds not later than the date set forth in paragraph 2.2 hereof, the investment earnings on the Bond Fund will be spent to pay interest on the Bonds, or to the extent permitted by law, investment earnings on amounts in the Project Fund and the

Bond Fund will be commingled with substantial revenues from the governmental operations of the District, and the earnings are reasonably expected to be spent for governmental purposes within six months of the date earned. Interest earnings on the Project Fund and the Bond Fund have not been earmarked or restricted by the Board for a designated purpose.

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

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

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

2.10. *Internal Revenue Service Audits.* The District represents that the Internal Revenue Service has not contacted the District regarding any obligations issued by or on behalf of the District. To the best of the knowledge of the District, no such obligations of the District are currently under examination by the Internal Revenue Service.

3.1. *Use of Proceeds.* (a) The use of the Sale Proceeds and investment earnings thereon and the funds held under this Resolution at the time of Closing are described in the preceding Section of this Resolution. No Sale Proceeds will be used to pre-pay for goods or services to be received over a period of years prior to the date such goods or services are to be received. No Sale Proceeds or any investment earnings thereon will be used to pay for or otherwise acquire goods or services from the District, any member of the same Controlled Group as the District, or an Affiliated Person.

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

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

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

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

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

The District will levy taxes to produce an amount sufficient to pay all principal of and interest on the Bonds in each bond year. To minimize the likelihood of an insufficiency, the amount extended to pay the Bonds may in most years be in excess of the amount required to pay principal and interest within one year of collection. This over-collection (if any) may cause the Bond Fund as a whole to fail to function as a bona fide debt service fund. Nevertheless, except for the Reserve Portion of the Bond Fund, the Bond Fund will be depleted each year as described above. The Reserve Portion of the Bond Fund will constitute a separate account not treated as part of the bona fide debt service fund. The Reserve Portion of the Bond Fund is subject to yield restriction requirements except as it may otherwise be excepted as provided in 5.2 below. It is also subject to rebate requirements.

3.3. *No Other Gross Proceeds.* (a) Except for the Bond Fund and the Project Fund, and except for investment earnings that have been commingled as described in paragraph 2.6 and any credit enhancement or liquidity device related to the Bonds, after the issuance of the Bonds, neither the District nor any member of the same Controlled Group as the District has or will have any property, including cash, securities or will have any property, including cash, securities or any other property held as a passive vehicle for the production of income or for investment purposes, that constitutes:

(i) Sale Proceeds;

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

(iii) amounts that have a sufficiently direct nexus to the Bonds or to the governmental purpose of the Bonds to conclude that the amounts would have been

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

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

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

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

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

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

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

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

4.3. *Records.* The District agrees to keep and retain or cause to be kept and retained for the period described in paragraph 7.9 adequate records with respect to the investment of all Gross Proceeds and amounts in the Rebate Fund. Such records shall include: (a) purchase price; (b) purchase date; (c) type of investment; (d) accrued interest paid; (e) interest rate; (f) principal amount; (g) maturity date; (h) interest payment date; (i) date of liquidation; and (j) receipt upon liquidation.

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

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

Gross Proceeds and any amounts in the Rebate Fund that are invested in certificates of deposit or in GICs shall be invested only in accordance with the following provisions:

- (a) Investments in certificates of deposit of banks or savings and loan associations that have a fixed interest rate, fixed payment schedules and substantial penalties for early withdrawal shall be made only if either (i) the Yield on the certificate of deposit (A) is not less than the Yield on reasonably

comparable direct obligations of the United States and (B) is not less than the highest Yield that is published or posted by the provider to be currently available from the provider on reasonably comparable certificates of deposit offered to the public or (ii) the investment is an investment in a GIC and qualifies under paragraph (b) below.

(b) Investments in GICs shall be made only if

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

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

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

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

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

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

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

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

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

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

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

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

(i) a copy of the GIC;

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

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

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

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

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

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

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

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

4.6. *Small Issuer Exception.* The District is a governmental unit that has the power to impose a tax or to cause another entity to impose a tax of general applicability that, when collected, may be used for the governmental purposes of the District. The power to impose such tax is not contingent on approval by another governmental unit; a tax of general applicability is one that is not limited to a small number of persons. The District is not subject to Control by any other governmental unit or political subdivision. None of the Bonds is or will be a "private activity bond" (as defined in Section 141 of the Code). Ninety-five percent or more of the Sale Proceeds and investment earnings thereon will be used for local governmental activities of the District. None of the District, any entity that issues tax-exempt bonds, qualified tax credit bonds or direct pay bonds on behalf of the District or any entity subject to Control by the District will issue, during the calendar year 2012, any tax-exempt bonds (other than current refunding bonds to the extent of the aggregate face amount of the tax exempt bonds being currently refunded thereby), qualified tax credit bonds or direct pay bonds in an aggregate face amount in excess of the *maximum aggregate face amount* (as hereinafter defined). As used herein, (a) "*tax-exempt bonds*" means obligations of any kind, the interest on which is excludable from gross income of the holders or owners thereof for federal income tax purposes pursuant to Section 103 of the Code but not including "private activity bonds" (as defined in Section 141 of the Code), "*qualified tax credit bonds*" means any qualified tax credit bond (as defined in Section 54A(d) of the Code) or any "build America bond" that is not a qualified bond under Section 6431 of the Code and "*direct pay bonds*"

means any bond treated as a qualified bond as defined in Section 6431 of the Code, (b) "aggregate face amount" means, if an issue has more than a De minimis Amount of Original Issue Discount or Premium, the issue price of the issue and otherwise means the principal amount of the issue and (c) *maximum aggregate face amount* means, the sum of (i) \$5,000,000 and (ii) the aggregate face amount of bonds issued during the calendar year that are allocable to financing construction expenditures for public school facilities, but in no event can the *maximum aggregate face amount* exceed \$10,000,000. As of the date hereof, no tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions (other than the Bonds) have been issued by the District, any entity that issues bonds on behalf of the District or any entity subject to Control by the District during the calendar year 2012. The District does not reasonably expect that it, any entity that issues bonds on behalf of the District or any entity subject to Control by the District (including but not limited to the District) will issue any tax-exempt bonds, qualified tax credit bonds, direct pay bonds or other obligations subject to arbitrage restrictions within calendar year 2012.

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

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

The following may be invested without Yield restriction:

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

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

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

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

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

(iii) amounts in the Rebate Fund;

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

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

5.3. *Continuing Nature of Yield Limits.* Except as provided in paragraph 7.10 hereof, once moneys are subject to the Yield limits of paragraph 5.2 hereof, such moneys remain Yield restricted until they cease to be Gross Proceeds.

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

5.5. *Investments After the Expiration of Temporary Periods, Etc.* After the expiration of the temporary period set forth in paragraph 5.2(a)(ii) hereof, amounts in the

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

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

6.2. *Bank Qualification.* (a) The District hereby designates each of the Bonds as a "qualified tax-exempt obligation" for the purposes and within the meaning of Section 265(b)(3) of the Code. In support of such designation, the District hereby certifies that (i) none of the Bonds will be at anytime a "private activity bond" (as defined in Section 141 of the Code), (ii) as of the date hereof in calendar year 2012, other than the Bonds, no tax-exempt obligations of any kind have been issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code and (iii) not more than \$10,000,000 of obligations of any kind (including the Bonds) issued (x) by or on behalf of the District, (y) by other issuers any of the proceeds of which have been or will be used to make any loans to the District or (z) any portion of which has been allocated to the District for purposes of Section 265(b) of the Code during calendar year 2012 will be designated for purposes of Section 265(b)(3) of the Code.

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

(c) On the date hereof, the District does not reasonably anticipate that for calendar year 2012 it will issue, have another entity issue on behalf of the District, borrow the proceeds of or have allocated to the District for purposes of Section 265(b) of the Code more than \$10,000,000 Section 265 Tax-Exempt Obligations (including the Bonds). "Section 265 Tax-Exempt Obligations" are obligations the interest on which is excludable from gross income of the owners thereof under Section 103 of the Code, except for private activity bonds other than qualified 501(c)(3) bonds, both as defined in Section 141 of the Code. The District will not, in calendar year 2012 issue, permit the issuance on behalf of it or by any entity subject to Control by the District (which may hereafter come into existence), borrow the proceeds of or have allocated to it for purposes of Section 265(b) of the Code Section 265 Tax-Exempt Obligations (including the Bonds) that exceed the aggregate amount of \$10,000,000 during calendar year 2012 unless it first obtains an opinion of Bond Counsel to the effect that such issuance,

borrowing or allocation will not adversely affect the treatment of the Bonds as “qualified tax-exempt obligations” for the purpose and within the meaning of Section 265(b)(3) of the Code.

(d) The Bonds have not been sold in conjunction with any other obligation.

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 paragraphs 4.3, 4.4(c) and 7.9 hereof shall not terminate until the third anniversary of the date the Bonds are fully paid and retired.

7.2. *Separate Issue.* Since a date that is 15 days prior to the date of sale of the Bonds by the District to the Purchaser, neither the District nor any member of the same Controlled Group as the District has sold or delivered any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds. Neither the District nor any member of the same Controlled Group as the District will sell or deliver within 15 days after the date of sale of the Bonds any tax-exempt obligations other than the Bonds that are reasonably expected to be paid out of substantially the same source of funds as the Bonds.

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

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

shall promptly contact Bond Counsel if a sale or other disposition of bond-financed property is considered by the District.

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

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

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

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

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

7.9. *Records Retention.* The District agrees to keep and retain or cause to be kept and retained sufficient records to support the continued exclusion of the interest paid on the Bonds from federal income taxation, to demonstrate compliance with the covenants in this Resolution and to show that all tax returns related to the Bonds submitted or required to be submitted to the Internal Revenue Service are correct and timely filed. Such records shall include, but are not limited to, basic records relating to the Bond transaction (including this Resolution and the Bond Counsel opinion); documentation evidencing the expenditure of Bond proceeds; documentation evidencing the use of Bond-financed property by public and private entities (*i.e.*, copies of leases, management contracts and research agreements); documentation evidencing all sources of payment or security for the Bonds; and documentation pertaining to any investment of Bond proceeds (including the information required under paragraphs 4.3 and 4.4 hereof and in particular information related to the purchase and sale of securities, SLGs subscriptions, yield calculations for each class of investments, actual investment income received from the investment of proceeds, guaranteed investment contracts and documentation of any bidding procedure related thereto and any fees paid for the acquisition or management of investments and any rebate calculations). Such records shall be kept for as long as the Bonds are outstanding, plus three (3) years after the later of the final payment date of the Bonds or the final payment date of any obligations or series of obligations issued to refund directly or indirectly all or any portion of the Bonds.

7.10. *Permitted Changes; Opinion of Bond Counsel.* The Yield restrictions contained in paragraph 5.2 hereof or any other restriction or covenant contained herein need not be observed or may be changed if such nonobservance or change will not result in the loss of any exemption for the purpose of federal income taxation to which interest on the Bonds is otherwise entitled and the District receives an opinion of Bond Counsel to such effect. Unless the District otherwise directs, such opinion shall be in such form and contain such disclosures and disclaimers as may be required so that such opinion will not be treated as a covered opinion or a state or local bond opinion for purposes of Treasury Department regulations governing practice before the Internal Revenue Service (Circular 230) 31 C.F.R. pt. 10.

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

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

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

The Board hereby authorizes the officials of the District responsible for issuing the Bonds, the same being the President and Secretary of the Board and the School Treasurer who receives the taxes of the District, to make such further covenants and certifications as may be necessary to assure that the use thereof will not cause the Bonds to be arbitrage bonds and to assure that the interest on the Bonds will be exempt from federal income taxation. In connection therewith, the District and the Board further agree: (a) through their officers, to make such

further specific covenants, representations as shall be truthful, and assurances as may be necessary or advisable; (b) to consult with counsel approving the Bonds and to comply with such advice as may be given; (c) to pay to the United States, as necessary, such sums of money representing required rebates of excess arbitrage profits relating to the Bonds; (d) to file such forms, statements, and supporting documents as may be required and in a timely manner; and (e) if deemed necessary or advisable by their officers, to employ and pay fiscal agents, financial advisors, attorneys, and other persons to assist the District in such compliance.

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

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

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

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

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

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

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

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

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

Section 16. Record-Keeping Policy and Post-Issuance Compliance Matters. It is necessary and in the best interest of the District to maintain sufficient records to demonstrate compliance with its covenants and expectations to ensure the appropriate federal tax status for the Bonds and other debt obligations of the District, the interest on which is excludable from "gross income" for federal income tax purposes (including the Bonds, the "*Tax-Exempt Obligations*"). Further, it is necessary and in the best interest of the District that (i) the Board adopt policies with respect to record-keeping and (ii) the Compliance Officer (as hereinafter defined) shall at least annually review the District's Contracts (as hereinafter defined) to determine whether the Tax-Exempt Obligations comply with the federal tax requirements applicable to each issue of the Tax-Exempt Obligations.

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

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

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

(d) *Recommended Records.* The Compliance Officer shall review the records related to each issue of Tax-Exempt Obligations and shall determine what requirements the District must meet in order to maintain the tax-exemption of interest paid on the Tax-Exempt Obligations. The Compliance Officer shall then prepare a list of the contracts, requisitions, invoices, receipts and other information that may be needed in order to establish that the interest paid on the Tax-Exempt Obligations is entitled to be excluded from "gross income" for federal income tax purposes. Notwithstanding any other policy of the District, such retained records shall be kept for as long as the Tax-Exempt Obligations relating to such records (and any obligations issued to refund the Tax-Exempt Obligations) are outstanding, plus three years, and shall at least include:

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

(ii) copies of account statements showing the disbursements of all bond proceeds for their intended purposes;

(iii) copies of account statements showing all investment activity of any and all accounts in which the proceeds of any issue of Tax-Exempt Obligations has been held;

(iv) copies of all bid requests and bid responses used in the acquisition of any special investments used for the proceeds of any issue of Tax-Exempt

Obligations, including any swaps, swaptions, or other financial derivatives entered into in order to establish that such instruments were purchased at *fair market value*;

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

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

(vii) copies of all contracts and agreements of the District, including any leases (the "*Contracts*"), with respect to the use of any property owned by the District and acquired or financed with the proceeds of the Tax-Exempt Obligations, any part of which property is used by a private person at any time when such Tax-Exempt Obligations are or have been outstanding.

(e) *IRS Examination.* In the event the IRS commences an examination of any issue of Tax-Exempt Obligations, the Compliance Officer shall inform the Board of such event, and is authorized to respond to inquiries of the IRS, and to hire outside, independent professional counsel to assist in the response to the examination.

(f) *Annual Review.* The Compliance Officer shall conduct an annual review of the Contracts and other records to determine for each issue of Tax-Exempt Obligations then outstanding whether each such issue complies with the federal tax requirements applicable to such issue, including restrictions on private business use, private payments and private loans. The Compliance Officer is expressly authorized, without further official action of the Board, to hire outside, independent professional counsel to assist in such review. To the extent that any violations or potential violations of federal tax requirements are discovered incidental to such review, the Compliance Officer may make recommendations or take such actions as the Compliance Officer shall reasonably deem necessary to assure the timely correction of such violations or potential violations through remedial actions described in the United States Treasury Regulations, or the Tax Exempt Bonds Voluntary Closing Agreement Program described in Treasury Notice 2009-31 or similar program instituted by the IRS.

(g) *Training.* The Compliance Officer shall undertake to maintain reasonable levels of knowledge concerning the rules related to tax-exempt bonds (and build America bonds and tax credit bonds to the extent the District has outstanding build America bonds or tax-credit bonds) so that such officer may fulfill the duties described in this Section. The Compliance Officer may consult with counsel, attend conferences and presentations of trade groups, read materials posted on various web sites, including the web site of the Tax-Exempt Bond function of the IRS, and use other means to maintain such knowledge.

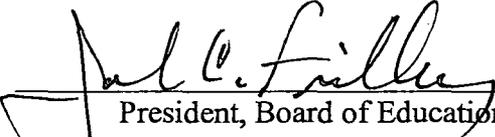
Recognizing that the Compliance Officer may not be fully knowledgeable in this area, the Compliance Officer may consult with outside counsel, consultants and experts to assist him or her in exercising his or her duties hereunder. The Compliance Officer will endeavor to make sure that the District's staff is aware of the need for continuing compliance. The Compliance Officer will provide copies of this Resolution and the Tax Exemption Certificate and Agreement or other applicable tax documents for each series of Tax-Exempt Obligations then currently outstanding (the "Tax Agreements") to staff members who may be responsible for taking actions described in such documents. The Compliance Officer will review this Resolution and each of the Tax Agreements periodically to determine if there are portions that need further explanation and, if so, will attempt to obtain such explanation from counsel or from other experts, consultants or staff.

(h) *Amendment and Waiver.* The District may amend this Section and any provision of this Section may be waived, without the consent of the holders of any Tax-Exempt Obligations and as authorized by passage of a resolution by the Board.

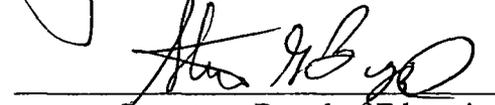
Section 17. Severability. If any section, paragraph, clause or provision of this Resolution shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of this Resolution.

Section 18. 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 16, 2012.



President, Board of Education



Secretary, Board of Education

Member Steve Buzzard moved and Member Jerry Hatt

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

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

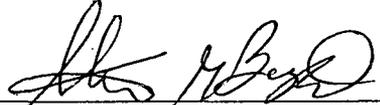
Upon the roll being called, the following members voted AYE: ^{Absent} ~~John Fridley~~, Sandra Padak, ^{Absent} Steve Buzzard, ~~Monica Evans~~, Kent Jeanneret, Jerry Hatt and Randy Schorfheide.

The following members voted NAY: None

Whereupon the President declared the motion carried and said resolution adopted, approved and signed the same in open meeting and directed the Secretary to record the same in the records of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, 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 CLINTON)

CERTIFICATION OF MINUTES AND RESOLUTION

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "Board"), and as such official I am the keeper of the records and files of the Board.

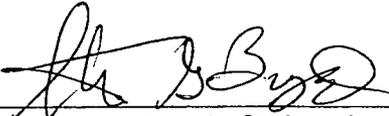
I do further certify that the foregoing constitutes a full, true and complete transcript of the minutes of the meeting of the Board held on the 16th day of April, 2012, insofar as same relates to the adoption of a resolution entitled:

RESOLUTION providing for the issue of \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

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

I do further certify that the deliberations of the Board on the adoption of said resolution were conducted openly, that the vote on the adoption of said resolution was taken openly, that said meeting was called and held at a specified time and place convenient to the public, that notice of said meeting was duly given to all of the news media requesting such notice, that an agenda for said meeting was posted at the location where said meeting was held and at the principal office of the Board at least 72 hours in advance of the holding of said meeting, that a true, correct and complete copy of said agenda as so posted is attached hereto as *Exhibit A*, that said meeting was called and held in strict compliance with the provisions of the Open Meetings Act of the State of Illinois, as amended, and with the provisions of the School Code of the State of Illinois, as amended, and that the Board has complied with all of the provisions of said Act and said Code and with all of the procedural rules of the Board.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of April, 2012.



Secretary, Board of Education

BOARD OF EDUCATION - WESCLIN SCHOOL DISTRICT #3
TRENTON, ILLINOIS

AGENDA FOR THE REGULAR MEETING TO BE HELD MONDAY, APRIL 16, 2012

WESCLIN JR./SR. HIGH SCHOOL
10003 STATE ROUTE 160, TRENTON, IL

7:00 PM REGULAR MEETING AGENDA

- I. General Business
 - A. Call to Order
 - B. Approval of Minutes
 - C. District Finances
 - D. Approval and/or modification of Agenda
 - E. Reports and Information from Superintendent and Staff
 - 1. Construction Project Update
 - 2. Special Education Programming Update
 - 3. Financial Review

- II. Reception of Visitors

There likely will be the regular teacher attendees.

- III. ITEMS REQUIRING BOARD ACTION

- A. Consideration and Action on a Resolution Providing for the Issuance of General Obligation School Building Bonds, Series 2012, for the District
- B. Prevailing Wage Adoption
- C. Amend the 2011-2012 School Calendar
- D. Renewal of Lease Agreement for the Use of St. George School
- E. Approve Hearing Date and Placing on Display an Amended Tentative Budget for the 2011-12 Budget
- F. Approve Resolution of Support for KC's Trenton Center
- G. Consent Agenda
- H. Closed Session for the Purposes of Discussing the Employment of Personnel, Collective Bargaining, and Potential Litigation.

- IV. Adjournment

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of Clinton, Illinois, and as such official I do further certify that on the 25 day of April, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, on the 16th day of April, 2012, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 25 day of April, 2012.

Mary Rakers
County Clerk of The County of Clinton,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting County Clerk of The County of St. Clair, Illinois, and as such official I do further certify that on the 25th day of April, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, on the 16th day of April, 2012, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature and the seal of said County, this 25th day of April, 2012.


County Clerk of The County of St. Clair,
Illinois

(SEAL)

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

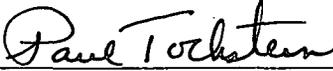
FILING CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and as such official I do further certify that on the 16th day of April, 2012, there was filed in my office a duly certified copy of a resolution entitled:

RESOLUTION providing for the issue of \$9,600,000 General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and for the levy of a direct annual tax sufficient to pay the principal and interest on said bonds.

duly adopted by the Board of Education of said School District on the 16th day of April, 2012, and that the same has been deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of April, 2012.



School Treasurer

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

TREASURER'S SURETY BOND CERTIFICATE

I, the undersigned, do hereby certify that I am the duly qualified and acting Secretary of the Board of Education (the "*Board*") of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), and as such official I do further certify that Paul Tockstein, being the duly qualified and acting School Treasurer of the District, has executed a surety bond in accordance with all of the provisions of Section 19-6 of the School Code of the State of Illinois, as amended, said surety bond being payable to the Board and conditioned upon the faithful discharge of his or her duties with respect to the disbursement of the proceeds of the sale of \$9,600,000 General Obligation School Building Bonds, Series 2012, dated May 1, 2012, proposed to be issued by the District.

I do further certify that said surety bond in the amount of \$2,400,000 and with Western Surety Company as surety thereon was duly submitted to the Board for approval or rejection at a legally convened meeting held on the 16th day of April, 2012, and pursuant to motion duly made, seconded and adopted was approved by the Board.

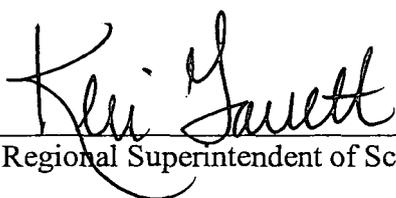
IN WITNESS WHEREOF, I hereunto affix my official signature, this 16th day of April, 2012.



Secretary, Board of Education

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 including Clinton County, Illinois, and as such official I do further certify that as of the date hereof said surety bond has been filed in my office and has been approved by me and deposited in the official files and records of my office.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 1st day of May, 2012.



Regional Superintendent of Schools



OFFICE OF THE SECRETARY OF STATE

JESSE WHITE • Secretary of State

April 25, 2012

David W. Pistorius
Senior Vice President
FIRST MIDSTATE INC.
306 N. Main St., Suite 3
P.O. Box 3367
Bloomington, IL 61702-3367

Dear Mr. Pistorius:

Receipt is acknowledged of the Facsimile Signature Certificates of the following "Authorized Officials" of the **Community Unit School District Number 3**, Clinton and St. Clair Counties, Illinois.

John C. Fridley, Authorized Official
Steve Buzzard, Authorized Official
Paul Tockstein, Authorized Official

The said Facsimile Signature Certificate has been placed on file in this office, dated April 25, 2012 under the Uniform Facsimile Signature of Public Officials Act, 30 ILCS 320/2.

Pursuant to your request, enclosed are filed-stamped copies of the Facsimile Signature Certificates.

Sincerely,

A handwritten signature in cursive script that reads "Lissa Richno".

Lissa Richno
Public Records
Index Department

Enclosures

APR 25 2012

IN THE OFFICE OF
SECRETARY OF STATE

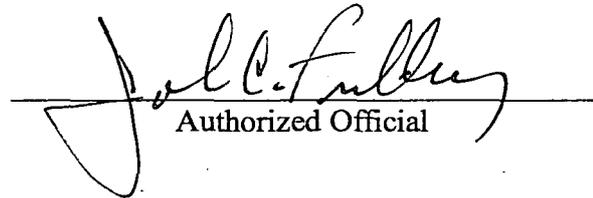
STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

SIGNATURE CERTIFICATE

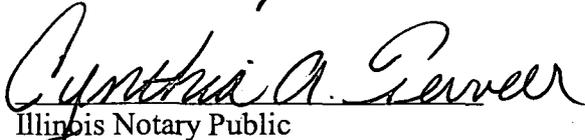
I, the undersigned, do hereby certify under oath that I am an Authorized Official within the meaning of the provisions of Section 1(c) of the Uniform Facsimile Signature of Public Officials Act, as amended, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and as such official I do further certify under oath as follows:

1. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.
2. 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, John Fridley, do hereby certify under oath, that the following is my manual signature:


Authorized Official

Subscribed and sworn to before me
this 18 day of APRIL, 2012.


Illinois Notary Public

My commission expires: 7-23-13

(NOTARY SEAL)



FILED
INDEX DEPARTMENT

APR 25 2012

IN THE OFFICE OF
SECRETARY OF STATE

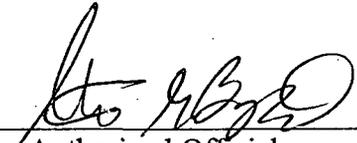
STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

SIGNATURE CERTIFICATE

I, the undersigned, do hereby certify under oath 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, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and as such official I do further certify under oath as follows:

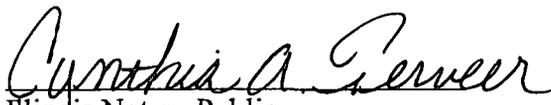
1. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.
2. That I am filing my signature with the Secretary of State of the State of Illinois, certified under oath, so as to permit the use of a facsimile thereof upon a public security or instrument of payment requiring or permitting my signature as provided in said Act.

Therefore, I, Steve Buzzard, do hereby certify under oath, that the following is my manual signature:



Authorized Official

Subscribed and sworn to before me
this 16 day of APRIL, 2012.


Illinois Notary Public

My commission expires: 7-23-13

(NOTARY SEAL)



APR 25 2012

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

IN THE OFFICE OF
SECRETARY OF STATE

SIGNATURE CERTIFICATE

I, the undersigned, do hereby certify under oath 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, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and as such official I do further certify under oath as follows:

1. That my signature is required or permitted on a public security or instrument of payment as defined in said Act.

2. 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, Paul Tockstein, do hereby certify under oath, that the following is my manual signature:

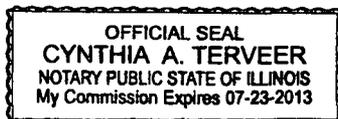
Paul Tockstein
Authorized Official

Subscribed and sworn to before me
this 16 day of APRIL, 2012.

Cynthia A. Terveer
Illinois Notary Public

My commission expires: 7-23-13

(NOTARY SEAL)



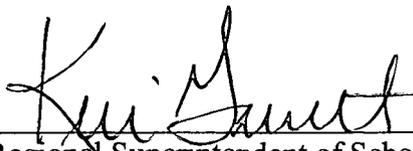
STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

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 including Clinton County, Illinois, and as such official I do further certify that the records of my office do evidence that Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the School Code of the State of Illinois, as amended, or of any other provision of said Code.

I do further certify that as such Regional Superintendent I am also ex-officio Secretary of the Regional Board of School Trustees of said Region (including said County), and 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 23 day of April, 2012.



Regional Superintendent of Schools and
ex-officio Secretary of the Regional
Board of School Trustees

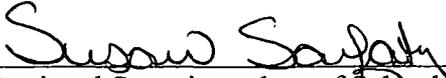
STATE OF ILLINOIS)
) SS
COUNTY OF ST. CLAIR)

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 including St. Clair County, Illinois, and as such official I do further certify that the records of my office do evidence that Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "District"), or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the School Code of the State of Illinois, as amended, or of any other provision of said Code.

I do further certify that as such Regional Superintendent I am also ex-officio Secretary of the Regional Board of School Trustees of said Region (including said County), and 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 19 day of April, 2012.



Regional Superintendent of Schools and
ex-officio Secretary of the Regional
Board of School Trustees

UNITED STATES OF AMERICA.
STATE OF ILLINOIS
COUNTIES OF CLINTON AND ST. CLAIR
COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2012

See Reverse Side for
Additional Provisions

Interest Rate: % Maturity Date: December 1, Dated Date: May 1, 2012 CUSIP: 187324
Registered Owner: CEDE & CO.
Principal Amount:

KNOW ALL PERSONS BY THESE PRESENTS, that Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "District"), hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or registered assignee 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, 2012, 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 Heartland Bank and Trust Company, Bloomington, 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 payable by check or draft of the Bond Registrar, payable upon presentation in lawful money of the United States of America, mailed to the address of such Registered Owner as it appears on such registration books or at such other address furnished in writing by such Registered Owner to the Bond Registrar. For the prompt payment of this Bond, both principal and interest at maturity, the full faith, credit and resources of the District are hereby irrevocably pledged.

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

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

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

IN WITNESS WHEREOF, said Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, by its Board of Education, has caused this Bond to be signed by the manual or duly authorized facsimile signatures of the President and Secretary of said Board of Education, and to be registered, numbered and countersigned by the manual or duly authorized facsimile signature of the School Treasurer who receives the taxes of the District, all as of the Dated Date identified above.

John L. Fuller

President, Board of Education

Stephany B. [Signature]

Secretary, Board of Education

Registered, Numbered and Countersigned

Paul Toelster

School Treasurer

Date of Authentication: _____, 20__

CERTIFICATE
OF
AUTHENTICATION

This Bond is one of the Bonds described in the within resolution and is one of the General Obligation School Building Bonds, Series 2012, of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois.

Bond Registrar and Paying Agent:
Heartland Bank and Trust Company,
Bloomington, Illinois

HEARTLAND BANK AND TRUST COMPANY,
as Bond Registrar

By _____
Authorized Officer

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS
GENERAL OBLIGATION SCHOOL BUILDING BOND, SERIES 2012

This Bond is one of a series of bonds issued by the District to build and equip a new school building and improve the site thereof, alter, repair and equip the existing school buildings, in full compliance with the provisions of the School Code of the State of Illinois, and the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and is authorized by a majority of all votes cast on the proposition at an election duly called and held for that purpose in the District, and by the Board of Education of the District by a resolution duly and properly adopted for that purpose, in all respects as provided by law.

Bonds of the issue of which this Bond is one due on or after December 1, 2021, 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, 2020, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

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

This Bond is transferable by the Registered Owner hereof in person or by his or her attorney duly authorized in writing at the principal corporate trust office of the Bond Registrar in Bloomington, 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.

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

The District and the Bond Registrar may deem and treat the Registered 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.

SPR

STATE OF ILLINOIS)
) SS
COUNTY OF CLINTON)

**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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), as indicated by the titles appended to our respective signatures, and that as such officials we have executed \$9,600,000 General Obligation School Building Bonds, Series 2012, of the District (the "*Bonds*"), dated May 1, 2012, fully registered and without coupons, due serially on December 1 of the years and in the amounts and bearing interest as follows:

YEAR OF MATURITY	PRINCIPAL AMOUNT	RATE OF INTEREST
2014	\$ 225,000	5.00%
2015	250,000	5.00%
2016	280,000	5.00%
2017	310,000	5.00%
2018	345,000	5.00%
2019	380,000	5.00%
2020	420,000	5.00%
2021	460,000	2.50%
2022	500,000	2.65%
2023	540,000	2.80%
2024	575,000	2.90%
2025	615,000	3.00%
2026	660,000	3.10%
2027	705,000	3.20%
2028	755,000	3.30%
2029	805,000	4.00%
2030	860,000	4.00%
2031	915,000	4.00%

the Bonds due on or after December 1, 2021, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 2020, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, by signing the Bonds in the manner and capacity indicated by our respective signatures and titles appended hereto.

We do further certify that there is no litigation or controversy pending or threatened questioning or affecting in any manner whatsoever the corporate existence of the District, the boundaries thereof, the right of the District to levy taxes for school purposes, the title of any of its present officials to their respective offices, the proceedings incident to the issue or sale of the Bonds or the issue, sale or validity of the Bonds, that none of the proceedings providing for the issue or sale of the Bonds have been revoked or rescinded, that the District, or any part thereof, is not involved in any manner whatsoever in any proceedings for the conversion or combination of the District or the formation of a combined elementary district, a combined high school district, a combined unit district, a unit district, a combined high school-unit district, a new elementary district or an optional elementary unit district or to dissolve and establish a new school district or districts or become part of an optional elementary unit district pursuant to the provisions of Article 11E of the School Code of the State of Illinois, as amended (the "*Code*"), or of any other provision of the Code, and that there has not been filed nor is there now pending any petition or petitions affecting in any manner whatsoever the present boundaries of the District as the District is now constituted.

We do further certify that (i) the District has not been certified to be in financial difficulty by the State Board of Education of the State of Illinois (the "*State Board*") pursuant to Section 1A-8 of the Code, (ii) the State Board has not approved or established a Financial Oversight Panel for the District pursuant to Article 1B of the Code, and (iii) the State Board has not allowed, approved or granted a petition for or created or established a School Finance Authority for the District pursuant to either Article 1E or Article 1F of the Code.

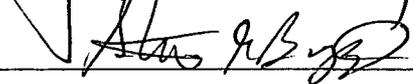
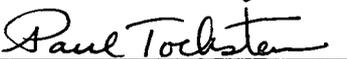
We do further certify that all of the certifications, conclusions, expectations, representations and statements made and set forth by the Board of Education of the District in Section 12 of the resolution adopted on the 16th day of April, 2012, authorizing the Bonds (the "*Resolution*") are still reasonable and true; that the foregoing certification is based in part upon the amounts set forth in said section of the Resolution having actually been received and paid into the various funds and accounts of the District as set forth in said section; that the undersigned have reviewed the facts, estimates and circumstances in existence on the date hereof and such facts, estimates and circumstances, together with the expectations of the District as to future events, are set forth in summary form in said section; that said facts and estimates are true and are not incomplete in any material respect; and that such expectations are reasonable and there are no other facts, estimates or circumstances that would materially change such expectations.

We do further certify that to the best of our knowledge and belief all Official Statements, Notices of Sale and other documents, information or materials, together with any supplements thereto, distributed and all representations made by the District and by its officials in any manner whatsoever in connection with the sale of the Bonds 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 there have been no instances in the previous five years in which the District has failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934.

IN WITNESS WHEREOF, we hereunto affix our official signatures, this 1st day of May, 2012.

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

I do hereby certify that I am an authorized representative of First Midstate Incorporated, Bloomington, 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.

A handwritten signature in cursive script, reading "Janet Stauffer", is written over a horizontal line.

TREASURER'S RECEIPT

I, the undersigned, do hereby certify that I am the duly qualified and acting School Treasurer who receives the taxes of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), and as such official I do further certify that \$9,600,000 General Obligation School Building Bonds, Series 2012, of the District (the "*Bonds*"), dated May 1, 2012, fully registered and without coupons, have been delivered to the purchaser thereof, namely, First Midstate Incorporated, Bloomington, 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 \$9,715,000 plus accrued interest to date of delivery, and that the Bonds have been sold at such price and bear interest at such rates that neither the true interest cost (yield) nor the net interest rate received by the District upon such sale exceed 9.00%.

I do further certify that the total aggregate indebtedness of the District, howsoever evidenced and howsoever incurred, including the Bonds but not including (alternate or double-barrelled) bonds issued pursuant to Section 15 of the Local Government Debt Reform Act of the State of Illinois, as amended ("*Alternate Bonds*"), does not exceed the sum of \$9,600,000.

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

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

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

- | | | | |
|-----|---|----|------------|
| (a) | In the Site and Construction/Capital Improvements Fund of the District (the " <i>Project Fund</i> ")..... | \$ | 9,600,000 |
| (b) | In the School Bond and Interest Fund of 2012 of the District | \$ | 115,000.00 |

I do further certify that the proceeds of sale of the Bonds deposited in the Project Fund will be used to pay for capital improvements in and for the District, that the description and estimated cost of said capital improvements are set forth in *Exhibit A* attached hereto, and that the drawdown schedule for the expenditure of said proceeds is set forth in *Exhibit B* attached hereto.

IN WITNESS WHEREOF, I hereunto affix my official signature, this 1st day of May, 2012.



School Treasurer

**EXHIBIT B
DRAWDOWN SCHEDULE**

Quarter	Beginning Balance	Plus Estimated Investment Earnings	Less Drawdown	Ending Balance
Upon Closing (reimbursements)	9,600,000			9,600,000
First (after Closing)	<u>9,603,615</u>	<u>3,615</u>	<u>16,990</u>	<u>9,590,240</u>
Second	<u>9,586,625</u>	<u>3,615</u>	<u>25,075</u>	<u>9,565,165</u>
Third	<u>9,565,165</u>	<u>3,560</u>	<u>1,793,100</u>	<u>7,775,625</u>
Fourth	<u>7,775,625</u>	<u>2,895</u>	<u>557,650</u>	<u>7,220,870</u>
Fifth	<u>7,220,870</u>	<u>2,690</u>	<u>2,000,200</u>	<u>5,223,360</u>
Sixth	<u>5,223,360</u>	<u>1,945</u>	<u>3,595,690</u>	<u>1,629,615</u>
Seventh	<u>1,629,615</u>	<u>605</u>	<u>1,630,220</u>	<u>0</u>
Eighth	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Ninth	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Tenth	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Eleventh	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Twelfth	<u> </u>	<u> </u>	<u> </u>	<u>0</u>

Ending balance from prior period becomes beginning balance for period.
Assumes an estimated investment return of .149% per annum.

AGREEMENT by and between Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and Heartland Bank and Trust Company, Bloomington, Illinois: The said Heartland Bank and Trust agrees to act as Bond Registrar and Paying Agent for the following described bonds:

\$9,600,000 General Obligation School Building Bonds, Series 2012 of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois; dated May 1, 2012, in registered form due December 1 in the following years and amounts:

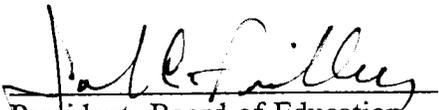
\$225,000	due	2014	@	5.000%
\$250,000	due	2015	@	5.000%
\$280,000	due	2016	@	5.000%
\$310,000	due	2017	@	5.000%
\$345,000	due	2018	@	5.000%
\$380,000	due	2019	@	5.000%
\$420,000	due	2020	@	5.000%
\$460,000	due	2021	@	2.500%
\$500,000	due	2022	@	2.650%
\$540,000	due	2023	@	2.800%
\$575,000	due	2024	@	2.900%
\$615,000	due	2025	@	3.000%
\$660,000	due	2026	@	3.100%
\$705,000	due	2027	@	3.200%
\$755,000	due	2028	@	3.300%
\$805,000	due	2029	@	4.000%
\$860,000	due	2030	@	4.000%
\$915,000	due	2031	@	4.000%

Charges for services as bond registrar and paying agent will be \$500 per year for a total of \$9,500. The above is subject to approving legal opinion of Chapman and Cutler, Bond Attorneys, regarding the aforementioned issue.

Respectfully submitted,
Heartland Bank and Trust Company
Bloomington, Illinois

BY 
Heartland Bank and Trust Company,
Bloomington, Illinois

The foregoing agreement is hereby accepted for and on behalf of the Board of Education of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, pursuant to proper action taken by the District on this 16th day of April, 2012.


President, Board of Education

ATTEST: 
Secretary, Board of Education

set under their names and are authorized by the Bond Registrar to execute and attest this Certificate.

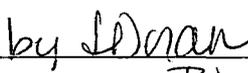
6. That the Bond Registrar acknowledges receipt of a certified copy of the Bond Resolution.

IN WITNESS WHEREOF, we hereunto affix our signatures and the seal of the Bond Registrar, this 1st day of May, 2012.

HEARTLAND BANK AND TRUST COMPANY
Bloomington, Illinois

By 
Its SVP TO

Attest:

by 
Its TU

(SEAL OF BOND REGISTRAR)





INVESTMENT BANKERS

306 N. MAIN ST., SUITE 3
P.O. BOX 3367
BLOOMINGTON, IL 61702-3367
TEL: 309-829-3311 FAX: 309-827-2171

AGREEMENT by and between Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, and First Midstate Incorporated of Bloomington, Illinois: The said First Midstate Incorporated to act as UNDERWRITERS with respect to the issuance of \$ 9,600,000 more or less G. O. SCHOOL BONDS (the Bonds).

- I. Undertakings on the part of the Investment Banker. The Investment Banker agrees to perform the following services:
- (A) Make complete debt analysis of all general obligation debt presently outstanding within the area and complete analysis of rates required to service both principal and interest payments of the proposed Bonds. Recommend maturity schedules and other resolution requirements of the bonds to be issued.
 - (B) Prepare the preliminary and final Official Statement; including summary of financial, industrial, and factual information of the Community.
 - (C) Make recommendations as to possible issuance dates in line with market conditions.
 - (D) Cooperate wherever possible with the architect, your attorney, and recognized bond counsel. Supervise the disclosure requirements of the State of Illinois, Securities and Exchange Commission, and Financial Industry Regulatory Authority.
 - (E) Recommend a profitable and proper reinvestment schedule for bond money after consulting with the architect and after delivery of the Bonds.
 - (F) Coordinate bond printing, document distribution, establishment of necessary accounts, and bond closing.
 - (G) Act as Underwriters for the District in the marketing of the Bonds.
- II. Undertakings on the part of the District. The District agrees to the following:
- (A) The officers and employees of the District will make available to the Investment Banker any data necessary to perform its services hereunder and to market the Bonds.
 - (B) The Board will consider financing plans submitted by the Investment Banker and assist in the selection of the best plan.
-



INVESTMENT BANKERS

306 N. MAIN ST., SUITE 3

P.O. BOX 3367

BLOOMINGTON, IL 61702-3367

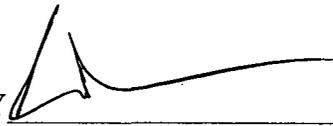
TEL: 309-829-3311

FAX: 309-827-2171

III. General Provisions

- (A) In the event the Bonds are issued, the Investment Banker will act as Underwriter in connection with the sale of the Bonds and will deal in good faith based upon market conditions. If the principal amount of the Bonds issued is less than \$200,000 the District agrees to pay the expenses of Chapman and Cutler LLP, bond attorneys, as well as expenses of bond printing. If the principal amount of the Bonds issued is \$200,000 or greater, First Midstate Incorporated will pay expenses of both Chapman and Cutler LLP and bond printing.
- (B) In the event for legal or other reasons it is impossible to carry forward the issuance of the Bonds or in the event the Board elects not to proceed with the issuance of Bonds, the Investment Banker agrees to be responsible for all expenses incurred in the preparation of the financing plan.

Respectfully submitted,
FIRST MIDSTATE INCORPORATED

BY 

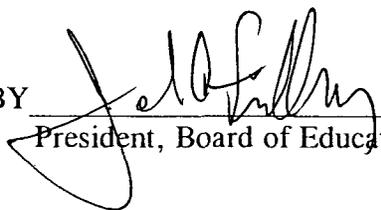
President

The foregoing Agreement is hereby accepted for and on behalf of Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois, pursuant to proper action by the Board of Education on this 16th day of August, 2010.

ATTEST:



Secretary, Board of Education

BY 

President, Board of Education

STATE OF ILLINOIS)
) SS
COUNTY OF MCLEAN)

CERTIFICATION OF UNDERWRITER

I, the undersigned, do hereby certify that I am President of First Midstate Incorporated, Bloomington (the "*Underwriter*"), and as such officer I do further certify as follows:

1. That the Underwriter and Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), have entered into a contract (the "*Contract*"), dated April 16, 2012 (the "*Sale Date*"), concerning the purchase by the Underwriter from the District of \$9,600,000 General Obligation School Building Bonds, Series 2012, dated May 1, 2012, 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 all of the Bonds have been the subject of a bona fide initial offering to the public (excluding bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) (the "*Public*") at the price for each maturity of the Bonds as shown on Schedule A of the Official Statement, dated April 16, 2012, and related to the issuance of the Bonds (the "*Price*").

4. That on the Sale Date based upon the Underwriter's assessment of then prevailing market conditions, the Price for the Bonds of each maturity was not less than the fair market value to the Public of the Bonds of such maturity as of the Sale Date.

5. That as of the Sale Date the Underwriter reasonably expected that (a) the first sale to the Public of an amount of Bonds of each maturity equal to ten percent or more of such maturity of the Bonds (the "*First Substantial Block*") would be at the Price for such maturity and (b) no Bonds of any maturity would be sold at a higher price before

the First Substantial Block of Bonds of such maturity was sold to the Public at the Price, and that, in addition, accrued interest to the date of issuance of the Bonds by the District will be paid by the investors purchasing the Bonds.

6. That although the Underwriter reasonably expected as of the Sale Date that the first sale to the Public of the First Substantial Block of each maturity of the Bonds would be at the Price, it was unable sell the First Substantial Block of certain maturities of the Bonds to the Public, and after the bona fide initial offering to the Public, certain of the maturities of the Bonds were sold to dealers at the Price for such maturities.

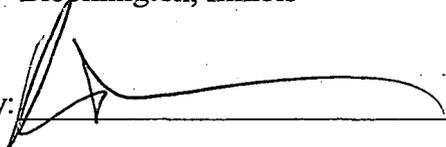
7. That in offering all of the Bonds to the Public, the Underwriter did not reserve or hold back any Bonds for itself, its affiliates or its affiliated accounts or for any other person not part of the Public, and that for purposes of this Certificate, "affiliate" means any company that controls, is controlled by, or is under common control with the Underwriter and "affiliated account" means any account of the Underwriter or its affiliates that is controlled by the Underwriter or an affiliate or in which the Underwriter or an affiliate of the Underwriter has a beneficial ownership interest.

8. The Underwriter recognizes that this Certificate is being used as a basis for the opinion that the Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended.

9. The compensation paid to the Underwriter in this transaction is reasonable.

IN WITNESS WHEREOF, I hereunto affix my signature, this 1st day of May, 2012.

FIRST MIDSTATE INCORPORATED
Bloomington, Illinois

By:  _____

Title: President

**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 Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois (the "*District*"), in connection with the issuance of \$9,600,000 General Obligation School Building Bonds, Series 2012 (the "*Bonds*"). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 16th day of April, 2012 (the "*Resolution*").

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

1. **PURPOSE OF THIS AGREEMENT; CERTIFICATIONS.** 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). This Agreement is prepared in compliance with paragraph (d)(2) of the Rule.

The District represents that:

(a) 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; and

(b) at the time of the delivery of the Bonds to the Participating Underwriters, the District will be an "obligated person" (as such term is defined in the Rule) with respect to less than \$10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt from the Rule pursuant to paragraph (d)(1) of the Rule.

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

Commission means the Securities and Exchange Commission.

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

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

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

Financial Information means the financial information and operating data described in *Exhibit I*.

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

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Final Official Statement, dated April 16, 2012, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

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

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Financial Information at least annually to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

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

reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

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

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

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

(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).

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

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

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

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

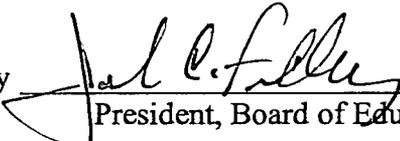
11. **BENEFICIARIES.** This Agreement has been executed in order to assist the Participating Underwriters in complying with the Rule; however, this Agreement shall inure solely to the benefit of the District, the Dissemination Agent, if any, and the beneficial owners of the Bonds, and shall create no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

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

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

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

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 3,
CLINTON AND ST. CLAIR COUNTIES, ILLINOIS

By  _____
President, Board of Education

Date: May 1, 2012

EXHIBIT I
FINANCIAL INFORMATION

“Financial Information” is defined in the Official Statement. The Financial Information will be submitted to EMMA by 210 days after the last day of the District’s fiscal year (currently June 30). If the District’s audited financial statements are not available when the Financial Information is filed, unaudited financial statements shall be included. There shall be specified the date as of which such information was prepared. All or a portion of the Financial Information may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in a Final Official Statement, the Final Official Statement must be available on EMMA; the Final Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

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

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

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

**EXHIBIT III
CUSIP NUMBERS**

YEAR OF MATURITY	CUSIP NUMBER (187324)
2014	CT3
2015	CU0
2016	CV8
2017	CW6
2018	CX4
2019	CY2
2020	CZ9
2021	DA3
2022	DB1
2023	DC9
2024	DD7
2025	DE5
2026	DF2
2027	DG0
2028	DH8
2029	DJ4
2030	DK1
2031	DL9

Information Return for Tax-Exempt Governmental Obligations

► Under Internal Revenue Code section 149(e)

► See separate instructions.

Caution: If the issue price is under \$100,000, use Form 8038-GC.

OMB No. 1545-0720

Part I Reporting Authority If Amended Return, check here

1 Issuer's name Community Unit School District Number 3, Clinton and St. Clair Counties, Illinois		2 Issuer's employer identification number (EIN) 37-6017785	
3a Name of person (other than issuer) with whom the IRS may communicate about this return (see instructions)		3b Telephone number of other person shown on 3a	
4 Number and street (or P.O. box if mail is not delivered to street address) 10003 Route 160		Room/suite	5 Report number (For IRS Use Only) 3
6 City, town, or post office, state, and ZIP code Trenton, Illinois 62293		7 Date of issue May 1, 2012	
8 Name of issue General Obligation School Building Bonds, Series 2012		9 CUSIP number 187324 DL9	
10a Name and title of officer or other employee of the issuer whom the IRS may call for more information (see instructions) Paul Tockstein, School Treasurer		10b Telephone number of officer or other employee shown on 10a (618) 224-7341	

Part II Type of Issue (enter the issue price). See the instructions and attach schedule.

11 Education	11	10,034,883	15
12 Health and hospital	12		
13 Transportation	13		
14 Public safety	14		
15 Environment (including sewage bonds)	15		
16 Housing	16		
17 Utilities	17		
18 Other. Describe ►	18		
19 If obligations are TANs or RANs, check only box 19a <input type="checkbox"/>			
If obligations are BANs, check only box 19b <input type="checkbox"/>			
20 If obligations are in the form of a lease or installment sale, check box <input type="checkbox"/>			

Part III Description of Obligations. Complete for the entire issue for which this form is being filed.

	(a) Final maturity date	(b) Issue price	(c) Stated redemption price at maturity	(d) Weighted average maturity	(e) Yield
21	12/01/2031	\$ 10,034,883.15	\$ 9,600,000	12.908 years	2.9911 %

Part IV Uses of Proceeds of Bond Issue (including underwriters' discount)

22 Proceeds used for accrued interest	22	0	00
23 Issue price of entire issue (enter amount from line 21, column (b))	23	10,034,883	15
24 Proceeds used for bond issuance costs (including underwriters' discount)	24	319,883	15
25 Proceeds used for credit enhancement	25	0	00
26 Proceeds allocated to reasonably required reserve or replacement fund	26	0	00
27 Proceeds used to currently refund prior issues	27	0	00
28 Proceeds used to advance refund prior issues	28	0	00
29 Total (add lines 24 through 28)	29	319,883	15
30 Nonrefunding proceeds of the issue (subtract line 29 from line 23 and enter amount here)	30	9,715,000	00

Part V Description of Refunded Bonds. Complete this part only for refunding bonds.

31 Enter the remaining weighted average maturity of the bonds to be currently refunded		N/A	years
32 Enter the remaining weighted average maturity of the bonds to be advance refunded		N/A	years
33 Enter the last date on which the refunded bonds will be called (MM/DD/YYYY)		N/A	
34 Enter the date(s) the refunded bonds were issued ► (MM/DD/YYYY)		N/A	

For Paperwork Reduction Act Notice, see separate instructions.

Cat. No. 63773S

Form **8038-G** (Rev. 9-2011)

Part VI Miscellaneous

<p>35 Enter the amount of the state volume cap allocated to the issue under section 141(b)(5)</p> <p>36a Enter the amount of gross proceeds invested or to be invested in a guaranteed investment contract (GIC) (see instructions)</p> <p style="margin-left: 20px;">b Enter the final maturity date of the GIC ▶ _____</p> <p style="margin-left: 20px;">c Enter the name of the GIC provider ▶ _____</p> <p>37 Pooled financings: Enter the amount of the proceeds of this issue that are to be used to make loans to other governmental units</p> <p>38a If this issue is a loan made from the proceeds of another tax-exempt issue, check box <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Enter the date of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">c Enter the EIN of the issuer of the master pool obligation ▶ _____</p> <p style="margin-left: 20px;">d Enter the name of the issuer of the master pool obligation ▶ _____</p> <p>39 If the issuer has designated the issue under section 265(b)(3)(B)(i)(III) (small issuer exception), check box ▶ <input checked="" type="checkbox"/></p> <p>40 If the issuer has elected to pay a penalty in lieu of arbitrage rebate, check box ▶ <input type="checkbox"/></p> <p>41a If the issuer has identified a hedge, check here <input type="checkbox"/> and enter the following information:</p> <p style="margin-left: 20px;">b Name of hedge provider ▶ _____</p> <p style="margin-left: 20px;">c Type of hedge ▶ _____</p> <p style="margin-left: 20px;">d Term of hedge ▶ _____</p> <p>42 If the issuer has superintegrated the hedge, check box ▶ <input type="checkbox"/></p> <p>43 If the issuer has established written procedures to ensure that all nonqualified bonds of this issue are remediated according to the requirements under the Code and Regulations (see instructions), check box ▶ <input checked="" type="checkbox"/></p> <p>44 If the issuer has established written procedures to monitor the requirements of section 148, check box ▶ <input checked="" type="checkbox"/></p> <p>45a If some portion of the proceeds was used to reimburse expenditures, check here <input type="checkbox"/> and enter the amount of reimbursement ▶ _____</p> <p style="margin-left: 20px;">b Enter the date the official intent was adopted ▶ _____</p>	<table border="1" style="width: 100%; border-collapse: collapse;"> <tr> <td style="text-align: center;">35</td> <td style="text-align: right;">0</td> <td style="text-align: right;">00</td> </tr> <tr> <td style="text-align: center;">36a</td> <td style="text-align: right;">0</td> <td style="text-align: right;">00</td> </tr> <tr> <td style="text-align: center;">37</td> <td style="text-align: right;">0</td> <td style="text-align: right;">00</td> </tr> </table>	35	0	00	36a	0	00	37	0	00
35	0	00								
36a	0	00								
37	0	00								

Signature and Consent	Under penalties of perjury, I declare that I have examined this return and accompanying schedules and statements, and to the best of my knowledge and belief, they are true, correct, and complete. I further declare that I consent to the IRS's disclosure of the issuer's return information, as necessary to process this return, to the person that I have authorized above.			
	Signature of issuer's authorized representative	05/01/2012 Date	Paul Tockstein, School Treasurer Type or print name and title	
Paid Preparer Use Only	Print/Type preparer's name Kent M. Floros	Preparer's signature 	Date 05/01/2012	Check <input type="checkbox"/> if self-employed PTIN P01077928
	Firm's name ▶ Chapman and Cutler LLP		Firm's EIN ▶ 36-2153731	
	Firm's address ▶ 111 West Monroe Street, Chicago, Illinois 60603		Phone no. (312) 845-3000	