

**PRELIMINARY OFFICIAL STATEMENT, DATED SEPTEMBER 12, 2024**

**NEW ISSUE  
BOOK-ENTRY ONLY  
BANK QUALIFIED**

**Rating:  
S&P: “AA” (Stable Outlook)  
See “BOND RATING” herein**

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



**COMMUNITY HIGH SCHOOL DISTRICT NUMBER 218  
Cook County, Illinois  
(Oak Lawn)**

**\$6,295,000\* General Obligation School Bonds (Alternate Revenue Source), Series 2024**

**Dated: Date of Delivery**

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

The General Obligation School Bonds (Alternate Revenue Source), Series 2024 (the “Bonds”), of Community High School District Number 218, Cook County, Illinois (the “District”), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each June 1 and December 1, commencing June 1, 2025.

Proceeds of the Bonds will be used to (a) improve the sites of, build and equip additions to and alter, repair and equip school buildings and facilities of the District and (b) pay costs associated with the issuance of the Bonds. See “THE PROJECT” herein.

The Bonds due on or after December 1, 2034,\* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2033,\* at the redemption price of par plus accrued interest to the redemption date. See “THE BONDS—Redemption” herein.

In the opinion of Bond Counsel, the Bonds are valid and legally binding upon the District and are payable (a) together with the District’s outstanding General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2020, from taxes, grants, state aid, including amounts distributed to the District pursuant to Section 18-8.15 of the School Code of the State of Illinois, as amended, and substitute distributions therefor as provided by the State of Illinois in the future, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property, and (b) from ad valorem taxes 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. See “THE BONDS—Security” herein.

*The Bonds are offered when, as and if issued by the District and received by Raymond James & Associates, Inc., Chicago, Illinois, subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. Odelson, Murphey, Frazier & McGrath, Ltd., Evergreen Park, Illinois, will pass on certain matters for the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about October 15, 2024.*

**RAYMOND JAMES®**

The date of this Official Statement is September \_\_, 2024.

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**Community High School District Number 218  
Cook County, Illinois  
(Oak Lawn)**

**\$6,295,000\* GENERAL OBLIGATION SCHOOL BONDS (ALTERNATE REVENUE SOURCE),  
SERIES 2024**

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (215705)
2025	\$ 15,000	%	%	
2026	20,000	%	%	
2027	25,000	%	%	
2028	25,000	%	%	
2029	25,000	%	%	
2030	725,000	%	%	
2031	765,000	%	%	
2032	805,000	%	%	
2033	845,000	%	%	
2034	890,000	%	%	
2035	935,000	%	%	
2036	980,000	%	%	
2037	240,000	%	%	

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\* Preliminary, subject to change.

\*\* CUSIP data herein is provided by the CUSIP Global Services ("CGS"). CGS is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. No representations are made as to the correctness of the CUSIP numbers. These CUSIP numbers are subject to change after the issuance of the Bonds.

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

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

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

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

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the “Rule”), this document, as the same may be supplemented or corrected by the District from time-to-time, may be treated as an 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 the 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.**

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**APPENDICES**

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**COMMUNITY HIGH SCHOOL DISTRICT NUMBER 218  
COOK COUNTY, ILLINOIS  
(OAK LAWN)**

10701 South Kilpatrick Avenue  
Oak Lawn, Illinois 60453

**Board of Education**

Thomas Kosowski  
*President*

Candice Cantelo

Sheila Wilson-Collier  
*Secretary*

Sarah Kaliski-Roll

Nora Hunt

Carol Kats  
*Vice President*

Steve Radice

**Administration**

Dr. Josh Barron  
*Superintendent*

Anthony Corsi  
*Business Manager/CSBO*

Tina Kelly  
*Finance Director*

**Professional Services**

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*District's Counsel*

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Evergreen Park, Illinois

*Bond Counsel and Disclosure Counsel*

Chapman and Cutler LLP  
Chicago, Illinois

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Amalgamated Bank of Chicago  
Chicago, Illinois

*Auditor*

RSM US LLP  
Chicago, Illinois



## OFFICIAL STATEMENT

### Community High School District Number 218 Cook County, Illinois (Oak Lawn)

### **\$6,295,000\* General Obligation School Bonds (Alternate Revenue Source), Series 2024**

#### INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community High School District Number 218, Cook County, Illinois (the “*District*”), in connection with the offering and sale of its General Obligation School Bonds (Alternate Revenue Source), Series 2024 (the “*Bonds*”).

This Official Statement contains “forward-looking statements” that are based upon the District’s current expectations and its projections about future events. When used in this Official Statement, the words “project,” “estimate,” “intend,” “expect,” “scheduled,” “pro-forma” and similar words identify forward-looking statements. Forward-looking statements are subject to known and unknown risks, uncertainties and factors that are outside of the control of the District. Actual results could differ materially from those contemplated by the forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date hereof. Neither the District nor any other party plans to issue any updates or revisions to these forward-looking statements based on future events.

#### THE BONDS

##### AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the “*School Code*”), the Local Government Debt Reform Act of the State of Illinois (the “*Debt Reform Act*”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the “*Board*”) on the 19th day of September, 2024, (the “*Bond Resolution*”).

Proceeds of the Bonds will be used to (a) improve the sites of, build and equip additions to and alter, repair and equip school buildings and facilities of the District and (b) pay costs associated with the issuance of the Bonds. See “THE PROJECT” herein.

##### GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York

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\* Preliminary, subject to change.

(“DTC”). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “Registrar”).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each June 1 and December 1, beginning June 1, 2025.

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

#### REGISTRATION AND TRANSFER

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

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

#### REDEMPTION

*Optional Redemption.* The Bonds due on or after December 1, 2034,\* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2033,\* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The Bonds due on December 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by

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\* Preliminary, subject to change.

the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE BONDS DUE DECEMBER 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

FOR THE BONDS DUE DECEMBER 1, 20\_\_

YEAR	PRINCIPAL AMOUNT
20__	\$
20__	(stated maturity)

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

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

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

Unless moneys sufficient to pay the redemption price of the Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon

the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the 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 described above and in the Bond Resolution, and notwithstanding failure to receive such notice, the Bonds or portions of Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest. Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds will be paid by the Registrar at the redemption price.

#### SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel ("*Bond Counsel*"), are valid and legally binding upon the District and are payable (a) together with the District's outstanding General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2020, dated May 12, 2020 (the "*Series 2020 Bonds*"), from taxes, grants, state aid, including amounts distributed to the District pursuant to Section 18-8.15 of the School Code and substitute distributions therefor as provided by the State of Illinois in the future, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the "*Pledged Revenues*"), and (b) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the "*Pledged Taxes*," and together with the Pledged Revenues, the "*Pledged Moneys*"), 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.

*General Covenants Regarding the Bonds.* A. For the purpose of providing funds required to pay the interest on the Bonds promptly when and as the same falls due, and to pay and discharge the principal thereof at maturity, the District covenants and agrees with the purchasers and the owners of the Bonds that the District will deposit the Pledged Revenues into the Alternate Bond and Interest Fund of 2020 (the "*2020 Bond Fund*") and the bond fund for the Bonds (the "*Bond Fund*"), as defined in the Bond Resolution. The Pledged Revenues are pledged to the payment of the Series 2020 Bonds and the Bonds and the Board covenants and agrees to provide for, budget, collect and apply the Pledged Revenues to the payment of the Series 2020 Bonds and the Bonds and the provision of not less than an additional .25 times debt service.

B. The District covenants and agrees with the purchasers and the owners 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 collect the Pledged

Revenues. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes, except as described under “– Abatement of Pledged Taxes” herein, may be collected and deposited into the Pledged Revenues Account and Pledged Taxes Account, respectively, as provided in the Bond Resolution, and that the Pledged Revenues may be collected as provided in the resolution authorizing the issuance of the Series 2020 Bonds and deposited into the Pledged Revenues Account of the 2020 Bond Fund.

*Filing with County Clerk.* The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds due on and after June 1, 2026. The District expects to pay the interest payments due June 1, 2025, and December 1, 2025, from the Pledged Revenues. Such Bond Resolution will be filed with the County Clerk of Cook County, Illinois (the “*County Clerk*”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in such Bond Resolution to pay the Bonds, except as described under “– Abatement of Pledged Taxes” below.

*Abatement of Pledged Taxes. Naked Abatement.* As provided in the Debt Reform Act, whenever funds are or are expected to be available to pay any principal of or interest on the Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the Board or the officers of the District acting with proper authority, will direct the abatement of the Pledged Taxes, and proper notification of such abatement will be filed with the County Clerk, in a timely manner to effect such abatement. There are no Pledged Taxes for levy year 2024.

*Additional Obligations.* The Bonds are being issued on a parity with the Series 2020 Bonds to the extent the Series 2020 Bonds are payable from the Pledged Revenues. The District is authorized to issue from time to time additional bonds payable from the Pledged Revenues as permitted by law and such additional bonds may share ratably and equally in the Pledged Revenues with the Series 2020 Bonds and the Bonds; *provided, however*, that no such additional bonds shall be issued except in accordance with the provisions of the Debt Reform Act.

*Treatment of Bonds as Debt.* The Bonds will be payable from the Pledged Moneys and will not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes will have been extended pursuant to the general obligation, full faith and credit promise supporting the Bonds, in which case the amount of the outstanding Bonds will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Debt Reform Act.

*Highlights of Alternate Bonds.* Section 15 of the Debt Reform Act provides that whenever there exists for a governmental unit (such as the District) a revenue source, the governmental unit may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as “alternate bonds.” Such bonds are general obligation debt payable from the pledged revenues with the general obligation of the governmental unit as back-up security.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds payable from a revenue source may be issued:

First, alternate bonds must be issued for a lawful corporate purpose. If issued payable from a revenue source, which revenue source is limited in its purposes or applications, then the alternate bonds can only be issued for such limited purposes or applications.

Second, the question of issuance must be submitted to referendum if, within the time provided by law following publication of an authorizing resolution and notice of intent to issue alternate bonds, a petition signed by the requisite number of registered voters in the governmental unit is filed.

Third, an issuer must demonstrate that the pledged revenues are sufficient in each year to provide an amount not less than 1.25 times debt service on the alternate bonds payable from such revenue source previously issued and outstanding and the alternate bonds proposed to be issued. The sufficiency of the revenue source must be supported by the most recent audit of the governmental unit. The audit must be for a fiscal year ending not earlier than 18 months prior to the issuance of the alternate bonds. If the audit does not adequately show such revenue source or if such source of revenue is shown to be insufficient, then the determination of sufficiency must be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters. Such report must demonstrate the sufficiency of the revenues and explain how the revenues will be greater than those shown in the audit. Whenever such sufficiency is demonstrated by reference to a schedule of higher rates or charges for enterprise revenues or a higher tax imposition for a revenue source, such higher rates, charges or taxes must be imposed by a resolution adopted prior to the delivery of the alternate bonds.

Fourth, the revenue source must be pledged to the payment of the alternate bonds.

Last, the governmental unit must covenant to provide for, collect and apply the revenue source to the payment of the alternate bonds and to provide for an amount equal to not less than an additional .25 times debt service.

The District will comply with all of the aforementioned conditions prior to the issuance of the Bonds.

ALTERNATE REVENUE BONDS (DEBT SERVICE COVERAGE)

FISCAL YEAR	TOTAL PLEDGED REVENUES <sup>(1)</sup>	DEBT SERVICE ON THE SERIES 2020 BONDS	PLUS: DEBT SERVICE ON THE BONDS <sup>(2)</sup>	TOTAL DEBT SERVICE ON THE SERIES 2020 BONDS AND THE BONDS <sup>(2)</sup>	DEBT SERVICE COVERAGE <sup>(2)</sup>
2024	\$34,022,941	\$686,400		\$ 686,400	49.57x
2025	34,022,941	684,800	\$ 197,593	882,393	38.56x
2026	34,022,941	687,300	329,375	1,016,675	33.46x
2027	34,022,941	683,900	333,500	1,017,400	33.44x
2028	34,022,941	679,700	337,375	1,017,075	33.45x
2029	34,022,941	679,600	336,125	1,015,725	33.50x
2030	34,022,941	683,400	334,875	1,018,275	33.41x
2031	34,022,941		1,016,125	1,016,125	33.48x
2032	34,022,941		1,018,875	1,018,875	33.39x
2033	34,022,941		1,019,625	1,019,625	33.37x
2034	34,022,941		1,018,375	1,018,375	33.41x
2035	34,022,941		1,020,000	1,020,000	33.36x
2036	34,022,941		1,019,375	1,019,375	33.38x
2037	34,022,941		1,016,500	1,016,500	33.47x
2038	34,022,941		246,000	246,000	138.30x

(1) Includes O&M Fund property tax receipts and Evidence Base Funding as set forth in the Audit (as hereinafter defined). The Bonds may be payable from other Pledged Revenues not shown. The District expects to use the Pledged Revenues not necessary to pay debt service on the Bonds in any year for the operations of the District.

(2) Preliminary, subject to change.

**THE PROJECT**

A portion of the proceeds of the Bonds will be used pay costs of improving the sites of, building and equipping additions to and altering, repairing and equipping school buildings and facilities of the District (the “*Project*”), which the District has divided into two phases. Phase One of the Project includes renovations of the performing arts centers at Eisenhower High School and Shepard High School and building a new fieldhouse at Eisenhower High School. The District estimates the total cost of Phase One to be approximately \$39 million, which will be paid from proceeds of the Bonds and lawfully available funds of the District. The District expects to complete Phase One of the Project by the summer of 2026.

Phase Two of the Project includes building a new fieldhouse at Shepard High School, gym renovations at Richards High School, and band/choral room renovations at Eisenhower High School. The District estimates the total cost of Phase Two to be approximately \$25 million, which will be paid from lawfully available funds of the District and the proceeds from approximately \$17 million general obligation limited tax bonds to be issued by the District in calendar year 2025. See “FUTURE DEBT” herein.

## SOURCES AND USES

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

SOURCES:

Principal Amount	\$	
[Net ]Original Issue Premium		_____

Total Sources	\$	
---------------	----	--

USES:

Deposit to Project Fund	\$	
Costs of Issuance*		_____

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

## RISK FACTORS

The purchase of the Bonds involves certain investment risks. Accordingly, each prospective purchaser of the Bonds should make an independent evaluation of the entirety of the information presented in this Official Statement and its appendices and exhibits in order to make an informed investment decision. Certain of the investment risks are described below. The following statements, however, should not be considered a complete description of all risks to be considered in the decision to purchase the Bonds, nor should the order of the presentation of such risks be construed to reflect the relative importance of the various risks. There can be no assurance that other risk factors are not material or will not become material in the future.

### CONSTRUCTION RISKS

There are potential risks that could affect the ability of the District to timely complete the Project. While preliminary costs have been projected by the District's consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

Completion of the Project involves many risks common to construction projects such as shortages or delays in the availability of materials and labor, work stoppages, labor disputes, contractual disputes with contractors or suppliers, weather interferences, construction accidents, delays in obtaining legal approvals, unforeseen engineering, archeological or environmental problems and unanticipated cost increases, any of which could give rise to significant delays or cost overruns.



## FINANCES OF THE STATE OF ILLINOIS

State funding sources constituted 22.50% of the District's General Fund revenue sources for the fiscal year ended June 30, 2023. While the finances of the State of Illinois (the "State") have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

## LOCAL ECONOMY

The financial health of the District is in part dependent on the strength of the local economy. Many factors affect the local economy, including rates of employment and economic growth and the level of residential and commercial development. It is not possible to predict to what extent any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur and what impact such changes would have on the finances of the District.

## BOND RATING

The Bonds have received a credit rating from S&P Global Ratings, New York, New York ("S&P"). The rating can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

## SECONDARY MARKET FOR THE BONDS

No assurance can be given that a secondary market will develop for the purchase and sale of the Bonds or, if a secondary market exists, that such Bonds can be sold for any particular price. The hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

Prices of the Bonds as traded in the secondary market are subject to adjustment upward and downward in response to changes in the credit markets and other prevailing circumstances. No guarantee exists as to the future market value of the Bonds. Such market value could be substantially different from the original purchase price.

## CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange

Act of 1934, as amended (the “*Exchange Act*”), and may adversely affect the transferability and liquidity of the Bonds and their market price.

#### SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

#### FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

#### FACTORS RELATING TO TAX EXEMPTION

As discussed under “TAX EXEMPTION” herein, interest on the Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (“*Congress*”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could 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. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District’s ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the “*Service*”) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted

whether the Service will commence any such audit. 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 proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

## CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## THE DISTRICT

### GENERAL DESCRIPTION

The District is located in Cook County, Illinois (the "*County*"), 15 miles southwest of Chicago's downtown "*Loop*". The District serves the Villages of Alsip ("*Alsip*"), Oak Lawn ("*Oak Lawn*"), Calumet Park, Chicago Ridge, Crestwood, Merrionette Park, Robbins and Worth, and the Cities of Blue Island and Palos Heights.

The District is served by East/West U.S. Route 12-20 and provides access to the Tri-State Tollway on the west (Interstate 294) and Interstate Highway No. 57 on the east. Harlem Avenue on the west side provides access to Interstate 80 to the south. The Regional Transportation Authority's Metra Line serves the community's commuters to Chicago. Railroad freight flows through the District on the Norfolk and Southern Railroad. Local bus transportation is provided by the Pace Bus Line, which provides scheduled service throughout the Chicago-area.

Commercial air freight and passenger service are available approximately five miles away at Midway International Airport and twenty-seven miles away at O'Hare International Airport.

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

#### DISTRICT ADMINISTRATION

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

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Dr. Josh Barron	Superintendent	2022
Anthony Corsi	Business Manager/CSBO	2023
Tina Kelly	Finance Director	2016

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

#### BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Thomas Kosowski	President	April 2025
Carol Kats	Vice President	April 2027
Sheila Wilson-Collier	Secretary	April 2027
Candice Cantelo	Member	April 2025
Nora Hunt	Member	April 2027
Sarah Kaliski-Roll	Member	April 2025
Steve Radice	Member	April 2025

#### ENROLLMENT

HISTORICAL		PROJECTED	
2020/2021	5,135	2025/2026	5,300
2021/2022	5,309	2026/2027	5,161
2022/2023	5,420	2027/2028	5,008
2023/2024	5,424	2028/2029	4,848
2024/2025	5,514	2029/2030	4,817

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Source: The District.

## EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2024-2025 school year, the District had 884 full-time employees and 361 part-time employees. Of the total number of employees, approximately 631 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Licensed Staff Members (teachers, counselors, nurses, psychologists, etc.)	June 2029	IEA	430
Custodians	June 2027	IEA	50
Administrative Assistants	June 2025	IEA	44
Paraprofessionals, job coaches, pool manager, study hall supervisors, tech, security	June 2026	IEA	107

## POPULATION DATA

The estimated populations of Alsip, Oak Lawn, the County and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
Alsip	19,725	19,277	19,063	-1.11%
Oak Lawn	55,245	56,690	58,370	+2.96%
The County	5,376,741	5,194,632	5,275,541	+1.56%
The State	12,419,293	12,830,632	12,812,508	-0.14%

Source: U.S. Census Bureau, Decennial Census for 2000, 2010 and 2020, respectively.

## EDUCATIONAL CHARACTERISTICS OF PERSONS 25 YEARS AND OLDER

NAME OF ENTITY	HIGH SCHOOL GRADUATES	4 OR MORE YEARS OF COLLEGE
Alsip	88.7%	21.5%
Oak Lawn	89.8%	29.3%
The County	88.2%	41.3%
The State	90.1%	36.7%

Source: U.S. Census Bureau (2018-2022 American Community Survey).

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

**DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)\***

CALENDAR YEAR	SERIES 2013 BONDS <sup>(1)</sup> (DECEMBER 1)	SERIES 2014 BONDS <sup>(2)</sup> (DECEMBER 1)	SERIES 2016A BONDS <sup>(3)</sup> (DECEMBER 1)	SERIES 2016B BONDS <sup>(4)</sup> (DECEMBER 1)	TOTAL OUTSTANDING BONDS
2024	\$1,060,000			\$ 705,000	\$ 1,765,000
2025	1,755,000			125,000 <sup>(5)</sup>	1,880,000
2026	1,890,000			110,000	2,000,000
2027	2,035,000			95,000 <sup>(5)</sup>	2,130,000
2028	2,190,000			70,000 <sup>(5)</sup>	2,260,000
2029	550,000	\$1,650,000		195,000	2,395,000
2030		2,550,000			2,550,000
2031		2,765,000			2,765,000
2032		2,245,000		545,000	2,790,000
2033			\$2,450,000		2,450,000
2034			2,755,000		2,755,000
2035			2,895,000		2,895,000
<b>TOTAL</b>	<b>\$9,480,000</b>	<b>\$9,210,000</b>	<b>\$8,100,000</b>	<b>\$1,845,000</b>	<b>\$28,635,000</b>

\* Does not include alternate revenue bonds, such as the Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerk.

- (1) General Obligation Limited Tax School Bonds, Series 2013, dated December 4, 2013 (the "Series 2013 Bonds").
- (2) General Obligation Limited Tax School Bonds, Series 2014, dated December 2, 2014 (the "Series 2014 Bonds").
- (3) General Obligation Limited Tax School Bonds, Series 2016A, dated June 7, 2016 (the "Series 2016A Bonds").
- (4) General Obligation Limited Tax School Bonds, Series 2016B, dated June 7, 2016 (the "Series 2016B Bonds").
- (5) Mandatory sinking fund payment.

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL AND INTEREST)\*

LEVY YEAR	DEBT SERVICE ON THE SERIES 2013 BONDS	DEBT SERVICE ON THE SERIES 2014 BONDS	DEBT SERVICE ON THE SERIES 2016A BONDS	DEBT SERVICE ON THE SERIES 2016B BONDS	TOTAL DEBT SERVICE ON OUTSTANDING BONDS
2024	\$2,104,905.00	\$ 368,400.00	\$ 256,743.76	\$ 157,575.00	\$2,887,623.76
2025	2,165,317.50	368,400.00	256,743.76	139,450.00	2,929,911.26
2026	2,229,992.50	368,400.00	256,743.76	121,700.00	2,976,836.26
2027	2,298,505.00	368,400.00	256,743.76	93,968.76	3,017,617.52
2028	572,000.00	2,018,400.00	256,743.76	216,956.26	3,064,100.02
2029		2,852,400.00	256,743.76	16,350.00	3,125,493.76
2030		2,965,400.00	256,743.76	16,350.00	3,238,493.76
2031		2,334,800.00	256,743.76	561,350.00	3,152,893.76
2032			2,706,743.76		2,706,743.76
2033			2,935,181.26		2,935,181.26
2034			2,989,087.50		2,989,087.50
TOTAL	\$9,370,720.00	\$11,644,600.00	\$10,684,962.60	\$1,323,700.02	\$33,023,982.62

\* Does not include alternate revenue bonds, such as the Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerk.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2020 BONDS (DECEMBER 1)	PLUS: THE BONDS <sup>(1)</sup> (DECEMBER 1)	TOTAL OUTSTANDING ALTERNATE BONDS <sup>(1)</sup>
2024	\$ 550,000		\$ 550,000
2025	575,000	\$ 15,000	590,000
2026	595,000	20,000	615,000
2027	615,000	25,000	640,000
2028	640,000	25,000	665,000
2029	670,000	25,000	695,000
2030		725,000	725,000
2031		765,000	765,000
2032		805,000	805,000
2033		845,000	845,000
2034		890,000	890,000
2035		935,000	935,000
2036		980,000	980,000
2037		240,000	240,000
TOTAL	\$3,645,000	\$6,295,000	\$9,940,000

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(1) Preliminary, subject to change.



OVERLAPPING GENERAL OBLIGATION BONDS  
(As of August 2, 2024)

TAXING BODY	OUTSTANDING BONDS <sup>(1)</sup>	APPLICABLE TO DISTRICT	
		PERCENT	AMOUNT
The County	\$2,093,131,750	1.642%	\$34,368,591
Cook County Forest Preserve District	52,085,000	1.642%	855,220
Metropolitan Water Reclamation District	1,610,470,000	1.671%	26,912,542
Alsip	7,385,000	99.750%	7,366,551
City of Blue Island	380,000	55.222%	209,845
Village of Calumet Park	57,700,000	98.889%	57,058,915
Village of Chicago Ridge	3,675,000	75.956%	2,791,378
Village of Crestwood	35,915,000	44.140%	15,852,792
Oak Lawn	70,775,000	40.958%	28,988,032
City of Palos Heights	4,155,000	50.815%	2,111,358
Village of Posen	175,000	0.030%	52
Village of Robbins	3,747,874	86.918%	3,257,558
Village of Worth	0	73.806%	0
Chicago Ridge Park District	0	76.022%	0
Oak Lawn Park District	2,318,370	41.214%	955,495
Worth Park District	150,000	8.065%	12,098
Palos Heights Fire Protection District	0	72.608%	0
School District Number 122	26,430,000	17.881%	4,726,077
School District Number 123	15,470,000	38.756%	5,995,619
School District Number 125	14,424,955	100.000%	14,424,955
School District Number 127	10,642,556	76.410%	8,131,935
School District Number 127 1/2	4,075,000	99.908%	4,071,266
School District Number 128	4,680,000	100.125%	4,685,866
School District Number 130	11,415,000	72.946%	8,326,814
School District Number 132	1,456,000	96.310%	1,402,280
School District Number 143	11,235,000	31.075%	3,491,279
School District Number 143 1/2	18,940,000	45.585%	8,633,759
Community College District No. 524	23,165,000	23.181%	<u>5,369,853</u>
TOTAL OVERLAPPING GENERAL OBLIGATION BONDS			\$250,000,132

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping equalized assessed valuation ("EAV"), the Cook County Clerk's Office. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly available sources.

- (1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.

SELECTED FINANCIAL INFORMATION

2023 Estimated Full Value of Taxable Property:	\$10,133,280,186
2023 EAV:	\$3,377,760,062 <sup>(1)</sup>
Population Estimate:	119,098
General Obligation Bonds:	\$ 28,635,000 <sup>(2)</sup>
Other Direct General Obligation Debt:	\$ 1,243,288 <sup>(3)</sup>
Total Direct General Obligation Debt:	\$ 29,878,288
Percentage to Full Value of Taxable Property:	0.29%
Percentage to EAV:	0.88%
Debt Limit (6.9% of EAV):	\$ 233,065,444
Percentage of Debt Limit:	12.82%
Per Capita:	\$ 251
General Obligation Bonds:	\$ 28,635,000 <sup>(2)</sup>
Overlapping General Obligation Bonds:	\$ 250,000,132
General Obligation Bonds and Overlapping General Obligation Bonds:	\$ 278,635,132
Percentage to Full Value of Taxable Property:	2.75%
Percentage to EAV:	8.25%
Per Capita:	\$ 2,340

- (1) Includes Incremental EAV (as hereinafter defined) in the amount of \$99,115,068. See "Tax Increment Financing Districts Located Within the District."
- (2) Does not include alternate revenue bonds, such as the Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection by the County Clerk.
- (3) This amount consists of outstanding lease payments due pursuant to lease agreements.

COMPOSITION OF EAV

	2019	2020	2021	2022	2023
<b>By Property Type</b>					
Residential	\$1,414,386,837	\$1,633,347,518	\$1,489,699,499	\$1,464,788,801	\$2,119,765,221
Farm	15,528	16,853	16,390	16,224	26,689
Commercial	548,649,286	636,420,048	596,764,491	583,280,033	634,841,819
Industrial	357,246,730	449,420,697	410,658,499	393,630,428	516,552,873
Railroad	<u>4,539,102</u>	<u>5,369,605</u>	<u>5,369,604</u>	<u>6,682,532</u>	<u>7,458,392</u>
Total EAV*	\$2,324,837,483	\$2,724,574,721	\$2,502,508,483	\$2,448,398,018	\$3,278,644,994

Source: Cook County Clerk's Office.

\* Does not include Incremental EAV.

TREND OF EAV

LEVY YEAR	EAV <sup>(1)</sup>	% CHANGE IN EAV FROM PREVIOUS YEAR
2019	\$2,324,837,483	-1.73% <sup>(2)</sup>
2020	2,724,574,721	+17.19% <sup>(3)</sup>
2021	2,502,508,483	-8.15%
2022	2,448,398,018	-2.16%
2023	3,278,644,994	+33.91% <sup>(3)</sup>

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Source: Cook County Clerk's Office.

(1) Does not include Incremental EAV.

(2) Based on the District's 2,365,664,233 2018 EAV.

(3) Reassessment year.

NEW PROPERTY

The following chart indicates the EAV of new property (as defined in the Limitation Law (as hereinafter defined)) within the District for each of the last five levy years.

LEVY YEAR	NEW PROPERTY
2019	\$19,651,619
2020	3,595,055
2021	2,475,664
2022	4,410,092
2023	14,313,706

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Source: Cook County Clerk's Office.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District’s EAV is contained in tax increment financing (“TIF”) districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the “Base EAV”). Any incremental increases in property tax revenue produced by the increase in EAV (the “Incremental EAV”) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. On May 28, 2024, the City of Blue Island designated an additional TIF district (Blue Island 8).

LOCATION/ NAME OF TIF	YEAR ESTABLISHED	BASE EAV	2023 EAV	INCREMENTAL EAV <sup>(1)</sup>
City of Blue Island TIF 2	1998	\$4,620,483	\$19,556,790	\$15,975,041
City of Blue Island TIF 4	2007	4,090,525	3,906,913	1,033,118
City of Blue Island TIF 5	2008	11,405,303	19,206,033	8,970,217
City of Blue Island TIF 6	2011	933,560	2,828,774	1,895,214
City of Blue Island TIF 7	2017	1,466,720	3,079,031	1,634,629
City of Palos Heights TIF – 127th St/Harlem	2011	3,873,094	5,298,127	1,636,616
City of Palos Heights TIF - Gateway	2005	804,158	2,938,568	2,134,410
Village of Alsip TIF – 123rd Pl/Cicero Ave	2002	1,514,404	2,001,095	554,104
Village of Alsip TIF - NW Corner Cicero/I-294	2015	696,088	1,329,494	633,406
Village of Alsip TIF - Pulaski Road Corridor	2010	24,138,766	22,475,948	2,813,943
Village of Calumet Park TIF 3	2005	9,302,564	11,484,503	3,447,357
Village of Calumet Park TIF 4	2005	1,510,819	2,708,607	1,346,765
Village of Calumet Park TIF 6 - Train Station	2016	41,164	51,699	10,535
Village of Chicago Ridge TIF - 103Rd/Harlem	2014	12,131,807	23,996,606	11,864,799
Village of Chicago Ridge TIF 3	2006	2,570,009	6,263,115	3,693,106
Village of Chicago Ridge TIF - Town Center	2021	7,255,211	9,757,717	2,580,465
Village of Crestwood TIF – 135th St/Cicero Ave	2002	9,376,134	23,920,138	14,544,004
Village of Crestwood TIF - Route 83	2014	671,451	1,374,057	793,006
Village of Oak Lawn TIF - Cicero Gateway	2014	5,542,128	22,967,157	19,473,755
Village of Robbins TIF	1994	1,914	1,738,143	1,736,229
Village of Worth TIF – 111th St/Toll Rd	2006	3,332,632	5,676,981	2,344,349
		Total Incremental EAV		99,115,068
			2023 EAV	3,278,644,994
			Enterprise Zone EAV	0
			Total EAV	<u>\$3,377,760,062</u>

Source: Cook County Clerk’s Office.

(1) Incremental EAV is the aggregate of the difference between the Base EAV and the 2023 EAV calculated by tax code within the TIF district. Accordingly, if the 2023 EAV for a tax code within a TIF is less than the Base EAV for that same tax code, the increment for that tax code would be zero. The positive increment from other tax codes within the same TIF is not reduced.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED	PERCENT COLLECTED
2018/19	\$79,527,355	\$78,548,032	98.77%
2019/20	88,832,040	87,777,493	98.81%
2020/21	92,826,261	91,626,214	98.71%
2021/22	90,556,782	88,857,390	98.12%
2022/23	97,984,889	95,429,256	97.39%
2023/24 <sup>(1)</sup>	106,555,962	70,407,947	66.08%

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

(1) Collections as of July 31, 2024.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per \$100 EAV)

PURPOSE	2019	2020	2021	2022	2023	MAXIMUM RATE <sup>(1)</sup>
Educational Fund	\$2.7706	\$2.4325	\$2.5190	\$2.7528	\$2.3100	None <sup>(2)</sup>
IMRF	0.0619	0.0483	0.0495	0.0339	0.0136	None
Social Security	0.1050	0.0872	0.0847	0.0724	0.0399	None
Liability Insurance	0.1221	0.1071	0.1266	0.1389	0.1094	None
Transportation	0.1632	0.1431	0.1585	0.1698	0.1641	None
Building	0.4027	0.3530	0.3912	0.4218	0.3322	\$0.5500
Working Cash	0.0077	0.0068	0.0075	0.0082	0.0063	0.0500
Life Safety	0.0008	0.0007	0.0007	0.0008	0.0006	0.1000
Special Education	0.0723	0.0634	0.0702	0.0770	0.0607	0.4000
Lease / Purchase / Rental	0.0684	0.0600	0.0665	0.0729	0.0574	0.1000
Limited Bonds	0.0461	0.1048	0.1158	0.1202	0.0911	None
Revenue Recapture <sup>(3)</sup>	<u>0.0000</u>	<u>0.0000</u>	<u>0.0285</u>	<u>0.1330</u>	<u>0.0638</u>	None
Total	\$3.8208	\$3.4069	\$3.6187	\$4.0017	\$3.2491	

Source: Cook County Clerk's Office.

(1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law.

(2) The District does not have a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District's limiting rate under the Limitation Law.

(3) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the property tax refund revenue recapture provisions of the Limitation Law.

REPRESENTATIVE TOTAL TAX RATES

(Per \$100 EAV)

TAXING AUTHORITY	2019	2020	2021	2022	2023
The District	\$3.821	\$3.407	\$3.619	\$4.002	\$3.249
The County	0.454	0.453	0.446	0.431	0.386
Cook County Forest Preserve District	0.059	0.058	0.058	0.081	0.075
Metro. Water Reclamation District	0.389	0.378	0.382	0.374	0.345
Consolidated Elections	0.030	0.000	0.019	0.000	0.032
Worth Township	0.069	0.060	0.068	0.075	0.059
Worth Township Road and Bridge	0.033	0.029	0.033	0.036	0.027
Worth Township General Assistance	0.017	0.015	0.016	0.018	0.014
So. Cook Mosquito Abatement Dist.	0.018	0.017	0.019	0.021	0.017
Alsip	2.394	2.051	2.311	2.403	1.874
Alsip Park District	0.552	0.465	0.517	0.579	0.454
Alsip Merrionette Park Library Dist.	0.471	0.390	0.428	0.453	0.331
School District Number 126	4.734	4.041	4.414	4.839	3.787
Community College District No. 524	<u>0.393</u>	<u>0.351</u>	<u>0.394</u>	<u>0.425</u>	<u>0.334</u>
TOTAL*	\$13.434	\$11.715	\$12.724	\$13.737	\$10.984

Source: Cook County Clerk's Office.

\* The total of such rates is the property tax rate paid by a typical District resident living in Alsip.

TEN LARGEST TAXPAYERS

TAXPAYER NAME	2023 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Plymouth Industrial	\$23,988,282	0.71%
New Plan Dept 124	21,432,035	0.63%
BCORE Stony Creek LLC	19,060,677	0.56%
Individual	15,941,649	0.47%
Brixmor SPE III LLC	14,832,619	0.44%
Commons of Chicago RID	14,534,530	0.43%
Lone Oak Alsip LLC	12,919,196	0.38%
US Core Logistics Part	11,212,417	0.33%
Affordable Recovery HO	10,521,406	0.31%
Albertsons	<u>10,427,840</u>	<u>0.31%</u>
	\$154,870,651	4.59%

Source: Cook County Clerk's Office.

The above taxpayers represent 4.59% of the District's \$3,377,760,020 2023 EAV. Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the "Department") from retailers within Alsip and Oak Lawn. The table indicates the level of retail activity in Alsip and Oak Lawn.

CALENDAR YEAR	STATE SALES TAX DISTRIBUTION <sup>(1)</sup>	
	ALSIP	OAK LAWN
2019	\$3,765,180	\$11,931,427
2020	3,793,506	11,863,428
2021	4,571,851	14,740,499
2022	4,833,010	14,462,261
2023	4,826,693	14,629,293
2024 <sup>(2)</sup>	1,140,809	3,519,455

Source: The Department.

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

(2) Through First Quarter 2024.

## CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

Corporate Personal Property Replacement Taxes (“*CPPRT*”) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the “*Personal Property Tax*”) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the “*Sharing Act*”) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District over the last five years:

FISCAL YEAR ENDED JUNE 30	CPPRT RECEIPTS
2019	\$ 3,160,648
2020	3,459,741
2021	4,388,326
2022	9,565,400
2023	10,811,075

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Source: The audited financial statements of the District for the fiscal years ended June 30, 2019-June 30, 2023.

In its fiscal year 2024 budget, the District estimated that its CPPRT revenues would decrease to approximately \$8,000,000.



## LARGEST EMPLOYERS

Below is a listing of large employers within or near the District.

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Advocate Christ Medical Center	Teaching hospital & trauma center	Oak Lawn	6,500
Palos Community Hospital	General hospital	Palos Heights	2,480
The District	High School Education	Oak Lawn	1,370
Metrosouth Medical Center	Full-service acute care medical facility	Blue Island	1,300
Anixter, Inc.	Electronic cable & wire	Alsip	800
American Heritage Protective Services, Inc.	Security guard services	Alsip	500
Modern Drop Forge Company	Iron & steel forgings	Blue Island	500
Griffith Foods, Inc.	Corporate headquarters & food seasonings	Alsip	400
GDI Services, Inc.	Food plant sanitation	Alsip	300
Pronger-Smith Medical Associates	Office of Physicians	Blue Island	300
Great Lakes Coca-Cola Distribution, LLC	Distributor of carbonated beverages	Alsip	270
Elim Christian Services	Packaging & assembly	Crestwood	257
RNA Corporation	Contract manufacturing & private label packaging cosmetics	Blue Island	250
Community & Economic Development Association of Cook County	Numerous services for women, children & infants	Blue Island	215
America's Auto Auction Chicago	Automobile auction services	Crestwood	200
Greif, Inc.	Steel drums	Alsip	200
Morrison Security Corp.	Security guard services	Alsip	200
Republic Services, Inc.	Commercial, industrial & residential garbage collection services & recycling waste services	Crestwood	200
Sertoma Centre, Inc.	Contract packaging & assembly	Alsip	200
GC America Inc.	Dental resins, supplies & compounds	Alsip	180
Accord Carton Co.	Folding cartons	Alsip	175
Great Lakes Coca-Cola Distribution, LLC	Soft drinks	Alsip	170
Donson	Company headquarters & precision machining job shop	Alsip	160
Central Contractor Service, Inc.	Crane & lift rentals	Crestwood	150
Experior Transport	Local & long-distance trucking with storage, warehousing	Alsip	150
Chicago Magnesium Casting Co.	Magnesium & aluminum sand castings for aircraft & defense applications	Blue Island	130
Ingersoll-Rand Industrial U.S.	PUMPS	Alsip	125
M & K Truck Centers	Trucks & parts sales, service & leasing	Alsip	125
City of Palos Heights	Municipal services	Palos Heights	125

Source: 2024 Illinois Manufacturers Directory, 2024 Illinois Services Directory and the Illinois Department of Commerce and Economic Opportunity.

## UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for Alsip, Oak Lawn, the County and the State.

	ALSIP	OAK LAWN	THE COUNTY	THE STATE
2019 – Average	4.3%	3.7%	3.9%	4.0%
2020 – Average <sup>(1)</sup>	10.9%	10.1%	10.6%	9.3%
2021 – Average	7.7%	6.3%	6.9%	6.1%
2022 – Average	5.4%	5.1%	5.0%	4.6%
2023 – Average	4.9%	4.2%	4.4%	4.5%
2024 – Average (6 mos.)	N/A	5.0%	5.2%	5.1%

Source: State of Illinois Department of Employment Security.

(1) The District attributes the increase in unemployment rates to the COVID-19 pandemic.

## HOUSING VALUE AND INCOME STATISTICS

The following table sets forth information regarding median home values and various income related statistics for Alsip, Oak Lawn, the County and the State.

	ALSIP	OAK LAWN	THE COUNTY	THE STATE
Median Home Value	\$198,600	\$250,900	\$239,700	\$239,100
Median Household Income	63,131	77,221	78,304	78,433
Median Family Income	93,261	99,577	97,520	99,215
Per Capita Income	33,200	38,432	45,646	43,198

Source: U.S. Census Bureau (2018-2022 American Community Survey).

## SHORT-TERM BORROWING

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

## FUTURE DEBT

In calendar year 2025, the District anticipates issuing approximately \$17 million working cash fund and refunding bonds in order to pay a portion of the costs of Phase Two of the Project and to restructure the District's outstanding debt burden. See "THE PROJECT" herein.

## DEFAULT RECORD

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

## WORKING CASH FUND

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

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

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

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

## WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2019	\$20,990,719
2020	9,662,704
2021	9,992,977
2022	9,572,425
2023	9,654,898

Source: Compiled from the District's audited financial statements for the fiscal years ended June 30, 2019-2023.

## REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

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

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District, except as described under "THE BONDS—Security – Abatement of Pledged Taxes" herein. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

### REAL PROPERTY ASSESSMENT

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Department. For triennial reassessment purposes, Cook County is divided into three Districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The District is located in the South Tri and was last reassessed for the 2023 tax levy year. The District will next be reassessed for the 2026 levy year.

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

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

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

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

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

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

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

#### EQUALIZATION

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

TAX LEVY YEAR	EQUALIZATION FACTOR
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the EAV of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation

of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the “*Assessment Base*”).

## EXEMPTIONS

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

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (“*Residential Property*”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$10,000 for tax years 2017 and thereafter.

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

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years, to the extent the Assessed Valuation is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$8,000 for tax years 2017 and thereafter.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of \$65,000 beginning in assessment year 2017. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) 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. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or \$2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of the Property Tax Code) can apply for

the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

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

Several exemptions are available to veterans of the United States armed forces. The Veterans with Disabilities Exemption for Specially-Adapted Housing exempts up to \$100,000 of the Assessed Valuation of property owned and used exclusively by veterans with a disability, their spouses or unmarried surviving spouses. Qualification for this exemption requires the veteran’s disability to be of such a nature that the federal government has authorized payment for purchase of specially adapted housing under the U.S. Code as certified to annually by the Illinois Department of Veterans Affairs or for housing or adaptations donated by a charitable organization to such disabled veteran.

The Standard Homestead Exemption for Veterans with Disabilities provides an annual homestead exemption to veterans with a service-connected disability based on the percentage of such disability. If the veteran has a (a) service-connected disability of 30% or more but less than 50%, the annual exemption is \$2,500, (b) service-connected disability of 50% or more but less than 70%, the annual exemption is \$5,000, and (c) service-connected disability of 70% or more, the property is exempt from taxation.

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

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



## TAX LEVY

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

## PROPERTY TAX EXTENSION LIMITATION LAW

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

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

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT - School District Tax Rates by Purpose.” The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute, at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing Districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District’s limiting rate computed in accordance with the provisions of the Limitation Law.

If the District's Adequacy Target (as defined under "STATE AID" herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District's voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational purposes for the immediately preceding levy year. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If the voters approve the proposition, the County Clerk will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and Illinois Property Tax Appeal Board (the "PTAB") decisions. For levy year 2023, the additional amount added to the District's tax levy as a result of this change was \$2,091,495.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of "recognition" or "review" according to the Illinois State Board of Education's ("ISBE") School District Financial Profile System, park districts, library districts and community college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The

District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District’s finances.

EXTENSIONS

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

COLLECTIONS

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year’s tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the *corrected* prior year’s tax bill. The second installment covers the balance of the current year’s tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Pursuant to Public Act 102-1112, the first installment penalty date for levy year 2022 was changed from March 1, 2023 to April 1, 2023. The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2014	August 3, 2015
2015	August 1, 2016
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	August 3, 2020
2020	August 2, 2021
2021	December 30, 2022
2022	December 1, 2023
2023	August 1, 2024

As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, for the 2021 tax year (for amounts payable in calendar year 2022), the distribution of amounts related to second installment County property tax bills for calendar year 2022 were delayed. Likewise, such distribution of amounts were delayed in calendar year 2023. The District did not experience any cash flow issues due to such delays.

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

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

#### UNPAID TAXES AND ANNUAL TAX SALES

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 0.75% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, the County Treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale”, which is a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, the tax buyer can secure a court-ordered deed to the home. Tax buyers can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is abandoned, that time frame can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

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

When taxes remain unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

#### SCAVENGER SALES

In the County, if a property’s taxes go unpaid in at least three of the previous 20 years, the property is offered at a biennial “Scavenger Sale,” which like the Annual Tax Sale, is a sale of

unpaid taxes. The winning bidder is not required to pay any of the previous years' unpaid taxes. If the owner, however, does not redeem such back taxes, the winning bidder can seek deed to the property. To obtain the deed, the bidder must pay all unpaid taxes billed on the property between the last year covered by the Scavenger Sale and the date the bidder seeks the deed. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property. As in the Annual Sale, bidders at the Scavenger Sale can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is abandoned, that time frame can be shortened to two years. With a vacant, commercial or industrial property, the winning buyer can seek the deed after six months.

Public Act 103-0555 effective January 1, 2024, eliminates the County's mandatory Scavenger Sale and allows the County or local governments to take control of properties if they are not purchased in the Annual Tax Sale. The County, like all other Illinois counties, can cease selling tax liens and instead work to connect chronically-delinquent, forfeited tax liens to new development opportunities.

#### 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. The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds, except as described under "THE BONDS—Security – Abatement of Pledged Taxes" herein. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution, except as described under "THE BONDS—Security – Abatement of Pledged Taxes" herein.

#### SCHOOL DISTRICT FINANCIAL PROFILE

ISBE utilizes a system for assessing a school district's financial health referred to as the "*School District Financial Profile*" which replaced the Financial Watch List and Financial Assurance and Accountability System. This system identifies those school districts which are moving into financial distress.

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are 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%); and 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.

For each school district, ISBE calculates an original financial profile score (the "*Original Score*") and an adjusted financial profile score (the "*Adjusted Score*"). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the impact on the Original Score of timing differences between such school district's actual and expected receipt of State payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State payments.

The following table sets forth the District's Original Scores and Adjusted Scores, as well as the designation assigned to each score, for each of the last five fiscal years (as released by ISBE in the Spring of the year following the conclusion of each fiscal year):

FISCAL YEAR (JUNE 30)	ORIGINAL SCORE	DESIGNATION BASED ON ORIGINAL SCORE	ADJUSTED SCORE	DESIGNATION BASED ON ADJUSTED SCORE
2018	3.55	Recognition	3.55	Recognition
2019	3.90	Recognition	3.90	Recognition
2020	3.55	Recognition	3.55	Recognition
2021	4.00	Recognition	4.00	Recognition
2022	4.00	Recognition	4.00	Recognition

The Auditor has calculated the District’s Original Score for fiscal year 2023 to be 3.65, which places the District in the Financial Recognition category. Such calculation of the Original Score is preliminary and may be different from the official Original Score released by ISBE. The District expects that ISBE will release its official Original Score and its Adjusted Score in calendar year 2024.

### STATE AID

#### GENERAL

On June 5, 2024, Governor Pritzker (the “*Governor*”) signed the State’s \$53.1 billion general funds budget (Public Act 103-0589) for the fiscal year ending June 30, 2025 (the “*Fiscal Year 2025 Budget*”), which included a \$211 million surplus, additional contributions to the State’s pension system and the State’s Budget Stabilization Fund, commonly referred to as the State’s “rainy day” fund, which is set to surpass \$2.3 billion, and the elimination of the State’s bill backlog. In addition, the Fiscal Year 2025 Budget increased funding for education across early childhood, K-12 and higher education by more than \$500 million.

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, 2023, 22.50% of the District’s General Fund revenue came from State funding sources. See *Exhibit D* to this Official Statement for more information concerning the breakdown of the District’s revenue sources.

#### GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

Beginning with fiscal year 2018, general State funds (“*General State Aid*”) have, pursuant to Public Act 100-0465, been distributed to school districts under the “Evidence-Based Funding Model”. The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the “*Adequacy Target*”) each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education

(based on certain State resources and its expected property tax collections and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts (“*New State Funds*”) will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

The Fiscal Year 2025 Budget, like the prior three State budgets, appropriated General State Aid in an amount \$350 million greater than the appropriation in the prior fiscal year budget.

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district’s “*Base Funding Minimum*”). The Base Funding Minimum for the District for school year 2017-2018 was \$12,345,508 (the “*Initial Base Funding Minimum*”). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

#### EBF FUNDING

FISCAL YEAR	BASE FUNDING MINIMUM	TIER NUMBER	AMOUNT OF NEW STATE FUNDS
2020	\$19,235,423	Two	\$457,825
2021 <sup>(1)</sup>	19,693,248	N/A	0
2022	19,693,248	Two	468,046
2023	24,258,688	Two	513,370
2024	24,772,057	One	858,881

(1) The State did not allocate New State Funds for Fiscal Year 2021.

#### PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “*Property Tax Relief Pool*”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in



order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district's Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above. Of the \$350 million of New State Funds appropriated in the Fiscal Year 2025 Budget, \$50 million was allocated to the Property Tax Relief Pool, as was done in the last three State budgets.

The District received a Fiscal Year 2019 Property Tax Relief Grant in the amount of \$5,788,140 (the "2019 Grant"). The 2019 Grant was paid to the District in May 2019, and the District abated \$6,365,220 from property taxes extended for each of the levy years 2018 and 2019, in order to receive the 2019 Grant. The 2019 Grant has been included in calculations of the District's Base Funding Minimum beginning with fiscal year ended June 30, 2019.

The District received a Fiscal Year 2022 Property Tax Relief Grant in the amount of \$4,050,116 (the "2022 Grant"). The 2022 Grant was paid to the District in May 2022, and the District abated \$4,418,655 from property taxes extended for each of the levy years 2021 and 2022, in order to receive the 2022 Grant. The 2022 Grant has been included in calculations of the District's Base Funding Minimum beginning with fiscal year ended June 30, 2022.

#### 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. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

Prior to fiscal year 2018, the School Code provided for Mandated Categorical State Aid with respect to mandatory school programs relating to: (a) special education, (b) transportation, (c) free and reduced breakfast and lunch, and (d) orphanage tuition. Beginning with fiscal year 2018, Mandated Categorical State Aid is no longer the source of funding for mandatory school programs relating to special education, other than private facility tuition and transportation. Mandated Categorical State Aid received by a district in fiscal year 2017 for special education programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

In addition, although 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 fund fully 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 fund fully 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 each year 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 annually determined separately for each category of aid 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.

#### 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 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 extraordinary 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.

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

#### FEDERAL COVID-19 FUNDS DISTRIBUTED TO THE DISTRICT

The COVID-19 pandemic, along with various governmental measures taken to protect public health in light of the pandemic, has had an adverse impact on global economies, including economic conditions in the United States. In response to the pandemic, federal legislation, particularly the (i) Coronavirus Aid, Relief, and Economic Security Act (commonly known as ESSER I), (ii) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) the American Rescue Plan of 2021 (commonly known as ESSER III), was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The amount of funds the District received from ESSER I was \$1,266,746. The District received additional funds in the amount of \$4,969,527 pursuant to ESSER II. Finally, the District has been allocated \$11,840,561 of ESSER III funds, which amounts are expected to be fully expended by the spring of 2025.

#### RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers’ Retirement System of the State of Illinois (“*TRS*”), which provides retirement benefits to the District’s teaching employees, and (ii) the Illinois Municipal Retirement Fund (the “*IMRF*” and, together with TRS, the “*Pension Plans*”), which provides retirement benefits to the District’s non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans, including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the “*Pension Code*”).

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 6 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

#### BACKGROUND REGARDING PENSION PLANS

##### *The Actuarial Valuation*

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed

to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the “*GASB Standards*”) issued by the Governmental Accounting Standards Board (“*GASB*”), as described below.

In producing an actuarial valuation, the actuary for the Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

### *GASB Standards*

The GASB Standards provide standards for financial reporting and accounting related to pension plans.

The GASB Standards require calculation and disclosure of a “Net Pension Liability” or “Net Pension Asset,” which is the difference between the actuarial present value of projected benefit payments that is attributed to past periods of employee service calculated pursuant to the methods and assumptions set forth in the GASB Standards (referred to in such statements as the “*Total Pension Liability*”) and the fair market value of the pension plan’s assets (referred to as the “*Fiduciary Net Position*”).

Furthermore, the GASB Standards employ a rate, referred to in such statements as the “*Discount Rate*,” which is used to discount projected benefit payments to their actuarial present values. The Discount Rate is a blended rate comprised of (1) a long-term expected rate of return on a pension plan’s investments (to the extent that such assets are projected to be sufficient to pay benefits), and (2) a tax-exempt municipal bond rate meeting certain specifications set forth in the GASB Standards.

Finally, the GASB Standards require that the Net Pension Liability be disclosed in the notes to the financial statements of the pension system and that a proportionate share of the Net Pension Liability be recognized on the balance sheet of the employer, and that an expense be recognized on the income statement of the employer.

### *Pension Plans Remain Governed by the Pension Code*

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

## TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly of the State (the “*General Assembly*”) for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include

all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

The Pension Code sets the benefit provisions of TRS, which can only be amended by the General Assembly. The State 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.

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 6 to the Audit.

*Employer Funding of Teachers’ Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher’s employer, such as the District. For the fiscal years ended June 30, 2019, through June 30, 2023, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR ENDED JUNE 30	TRS CONTRIBUTION
2019	\$437,534
2020	417,128
2021	447,958
2022	554,692
2023	688,634

Source: The audited financial statements of the District for the fiscal years ended June 30, 2019, through June 30, 2023.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 6 to the Audit.

ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the “*IMRF Account*”) along with a unique employer contribution rate determined by the IMRF Board of

Trustees (the “*IMRF Board*”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 6 to the Audit for additional information on the IMRF.

*Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District’s contribution rate for calendar year 2023 was 5.24% of covered payroll.

For the fiscal years ended June 30, 2019, through June 30, 2023, the District contributed the following amounts to IMRF:

FISCAL YEAR ENDED JUNE 30	IMRF CONTRIBUTIONS
2019	\$1,234,260
2020	1,262,798
2021	1,232,729
2022	1,175,197
2023	1,034,405

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Source: The audited financial statements of the District for the fiscal years ended June 30, 2019, through June 30, 2023.

*Measures of Financial Position*

The following table presents the measures of the IMRF Account’s financial position as of December 31 of the years 2018 through 2022, which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2018	\$60,572,873	\$53,441,129	\$7,131,744	88.23%	7.25%
2019	63,221,840	62,040,153	1,181,687	98.13%	7.25%
2020	65,014,859	68,796,307	(3,781,448)	105.82%	7.25%
2021	67,305,376	78,232,816	(10,927,440)	116.24%	7.25%
2022	70,322,420	66,222,727	4,090,693	94.17%	7.25%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2019, through June 30, 2023.

See Note 6 to the Audit, for additional information on the IMRF.

### OTHER POST-EMPLOYMENT BENEFITS

The District administers a single-employer defined benefit healthcare plan (the “*Retirees Health Plan*”). The Retirees Health Plan provides health insurance contributions for eligible retirees and their spouses through the District’s group health insurance plan which covers both active and retired members. The District’s annual other postemployment benefit (“*OPEB*”) cost is calculated based on the annual required contribution of the employer. For fiscal year ended June 30, 2023, the District had an annual OPEB cost of \$336,844, and as of June 30, 2023, the Retirees Health Plan had an unfunded actuarial accrued liability of \$19,036,056. For more information regarding the District’s OPEB obligations, see Note 9 of the Audit.

### TEACHER HEALTH INSURANCE SECURITY FUND

The District participates in the Teacher Health Insurance Security Fund (the “*THIS Fund*”), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired 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 TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For the fiscal year ended June 30, 2023, the District paid \$397,223 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District’s THIS Fund obligation, see Note 9 to the Audit.

### BOND RATING

S&P has assigned the Bonds a rating of “AA” (Stable Outlook). This rating reflects only the views of S&P. An explanation of the methodology for such rating may be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement may have been furnished to S&P by the District. There is no assurance that the rating will be

maintained for any given period of time or that such rating will not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the Bonds.

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

### TAX EXEMPTION

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

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the "*Code*"). Interest on the Bonds may affect the corporate 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.

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 for original issue discount (as further discussed below) and market discount purposes (the "*OID 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 (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The *OID Issue Price* of a maturity of the Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.



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

For an investor who purchases an OID Bond in the initial public offering at the OID 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 excludible 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 includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain 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 Department under State 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 OID 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 OID Issue Price plus accreted original issue discount (the “*Revised Issue Price*”), the purchaser will be treated as having purchased a Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser’s election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Bonds.

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

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

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

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

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

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

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

### **CONTINUING DISCLOSURE**

The District will enter into a Continuing Disclosure Undertaking (the "*Undertaking*") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "*MSRB*") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is

otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

A notice of bond call was not timely filed for the redemption of the District's Series 2010 Bonds. 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. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for the fiscal year ended June 30, 2023 (the "*Audit*"), contained in Appendix A, including the independent auditor's report accompanying the Audit, have been prepared by RSM US LLP, Chicago, 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.

### **BOOK-ENTRY ONLY SYSTEM**

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered 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 Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("*Direct Participants*") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants

include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“DTCC”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has an S&P rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

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

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

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

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

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI 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 securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, 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 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 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 (a) the accuracy of any records maintained by the Securities Depository or any Participant; (b) 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; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

## 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 (“*Chapman and Cutler*”), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler’s engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor. Odelson, Murphey, Frazier & McGrath, Ltd., Evergreen Park, Illinois, will pass on certain matters for the District.

## NO LITIGATION

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

## UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the “*Agreement*”) between the District and Raymond James & Associates, Inc., Chicago, Illinois (the “*Underwriter*”), the Underwriter has agreed to purchase the Bonds at an aggregate purchase price of \$ \_\_\_\_\_. The purchase price will produce an underwriting spread of \_\_\_\_% of principal amount if all Bonds are sold at the initial offering prices. 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 different 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.

## AUTHORIZATION

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

/s/

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Business Manager/CSBO  
Community High School District Number 218,  
Cook County, Illinois

September \_\_, 2024

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**EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2019-2023**

	Ed <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	\$47,975,541	\$2,591,018	\$7,524,152	\$4,721,646	\$2,858,052	\$(7,089,467)	\$20,290,695	\$(1,973,885)	\$56,892	\$76,954,644
Revenues	91,592,016	12,283,146	3,310,176	7,680,927	4,059,342	(238,277)	700,024	2,712,607	20,037	122,119,998
Expenditures	86,351,733	11,759,009	3,476,839	6,638,268	3,050,273	4,368,304	0	2,265,154	0	117,909,580
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/19	\$53,215,824	\$3,115,155	\$7,357,489	\$5,764,305	\$3,867,121	\$(11,696,048)	\$20,990,719	\$(1,526,432)	\$76,929	\$81,165,062
Beginning Balance	\$53,215,824	\$3,115,155	\$7,357,489	\$5,764,305	\$3,867,121	\$(11,696,048)	\$20,990,719	\$(1,526,432)	\$76,929	\$81,165,062
Revenues	92,924,232	9,403,648	1,015,310	4,832,668	3,930,854	0	386,086	2,599,249	19,812	115,111,859
Expenditures	96,918,234	10,241,116	9,756,113	6,096,978	3,162,282	0	0	2,604,888	0	128,779,611
Net Transfers	0	0	0	0	0	11,714,101	(11,714,101)	0	0	0
Other Sources (Uses)	0	0	6,246,707	0	0	0	0	0	0	6,246,707
Ending Balance, 6/30/20	\$49,221,822	\$2,277,687	\$4,863,393	\$4,499,995	\$4,635,693	\$18,053	\$9,662,704	\$(1,532,071)	\$96,741	\$73,744,017
Beginning Balance	\$49,221,822	\$2,277,687	\$4,863,393	\$4,499,995	\$4,635,693	\$18,053	\$9,662,704	\$(1,532,071)	\$96,741	\$73,744,017
Revenues	103,163,257	13,102,238	1,989,713	7,388,865	4,047,501	0	330,273	2,791,474	19,392	132,832,713
Expenditures	94,907,130	12,942,306	3,347,258	4,105,256	3,067,387	0	0	2,537,721	0	120,907,058
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	\$57,477,949	\$2,437,619	\$3,505,848	\$7,783,604	\$5,615,807	\$18,053	\$9,992,977	\$(1,278,318)	\$116,133	\$85,669,672
Beginning Balance	\$57,477,949	\$2,437,619	\$3,505,848	\$7,783,604	\$5,615,807	\$18,053	\$9,992,977	\$(1,278,318)	\$116,133	\$85,669,672
Revenues	103,936,250	12,948,311	3,266,637	5,568,868	3,552,637	0	(420,552)	2,975,822	8,709	131,836,682
Expenditures	97,774,710	14,076,885	3,373,224	6,668,896	3,141,983	0	0	2,882,192	0	127,917,890
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/22	\$63,639,489	\$1,309,045	\$3,399,261	\$6,683,576	\$6,026,461	\$18,053	\$9,572,425	\$(1,184,688)	\$124,842	\$89,588,464
Beginning Balance	\$63,639,489	\$1,309,045	\$3,399,261	\$6,683,576	\$6,026,461	\$18,053	\$9,572,425	\$(1,184,688)	\$124,842	\$89,588,464
Revenues	107,060,818	11,495,300	3,249,795	6,731,556	3,219,034	0	82,473	2,907,168	16,016	134,762,160
Expenditures	108,814,357	10,487,487	3,409,975	8,300,825	3,191,551	0	0	2,730,576	0	136,934,771
Net Transfers	0	0	0	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/23	\$61,885,950	\$2,316,858	\$3,239,081	\$5,114,307	\$6,053,944	\$18,053	\$9,654,898	\$(1,008,096)	\$140,858	\$87,415,853

Source: The audited financial statements of the District for the fiscal years ended June 30, 2019 - June 30, 2023.

(1) Excludes "on-behalf" payments.

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**EXHIBIT B — BUDGET VS ACTUAL, FISCAL YEAR ENDED JUNE 30, 2024**

	BUDGET	ACTUAL
<b>REVENUES</b>		
OPERATING FUNDS		
Educational	\$112,563,168	\$127,656,785
O&M	12,608,296	11,329,277
Transportation	6,422,356	8,361,048
IMRF	3,112,916	3,156,861
Working Cash	344,313	465,259
Tort	3,269,791	3,326,851
<b>TOTAL OPERATING FUNDS</b>	<u>\$138,320,840</u>	<u>\$154,296,081</u>
NON-OPERATING FUNDS		
Debt Service	\$ 3,479,331	\$ 3,629,260
Capital Projects	0	0
Fire Prevention & Safety	22,006	23,842
<b>TOTAL NON-OPERATING FUNDS</b>	<u>\$ 3,501,337</u>	<u>\$ 3,653,102</u>
<b>TOTAL REVENUES</b>	<u>\$141,822,177</u>	<u>\$157,949,183</u>
<b>EXPENDITURES</b>		
OPERATING FUNDS		
Educational	\$114,482,414	\$116,206,333
O&M	11,727,632	14,539,565
Transportation	8,523,565	9,682,108
IMRF	3,293,658	3,012,432
Working Cash	0	0
Tort	3,269,791	3,448,169
<b>TOTAL OPERATING FUNDS</b>	<u>\$141,297,060</u>	<u>\$146,888,607</u>
NON-OPERATING FUNDS		
Debt Service	\$ 3,450,176	\$ 3,450,174
Capital Projects	0	0
Fire Prevention & Safety	0	0
<b>TOTAL NON-OPERATING FUNDS</b>	<u>\$ 3,450,176</u>	<u>\$ 3,450,174</u>
<b>TOTAL EXPENDITURES</b>	<u>\$144,747,236</u>	<u>\$150,338,781</u>
<b>OPERATING SURPLUS/(DEFICIT)</b>	<u>\$ (2,976,220)</u>	<u>\$ 7,407,474</u>
<b>NON-OPERATING SURPLUS</b>	<u>\$ 51,161</u>	<u>\$ 202,928</u>
<b>TOTAL SURPLUS/(DEFICIT)</b>	<u>\$ (2,925,059)</u>	<u>\$ 7,610,402</u>

Source: The District

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**EXHIBIT C — BUDGET, FISCAL YEAR ENDING JUNE 30, 2025**

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
FUND BALANCE AS OF 7/1/24	\$82,055,728	\$(590,972)	\$3,839,799	\$4,241,758	\$6,867,218	\$0	\$10,673,145	\$(1,086,912)	\$178,588	\$106,178,352
ESTIMATED REVENUE	116,520,916	13,129,257	3,461,014	9,829,361	2,160,626	0	388,733	3,477,889	21,244	148,989,040
ESTIMATED EXPENDITURES	113,620,312	11,605,853	3,495,949	9,230,005	3,356,175	37,000,000	0	3,404,736	0	181,713,030
NET TRANSFERS	(30,000,000)	(7,000,000)	0	0	0	37,000,000	0	0	0	0
OTHER SOURCES/(USES)	0	7,000,000 <sup>(2)</sup>	0	0	0	0	0	0	0	7,000,000
ESTIMATED FUND BALANCE 6/30/25	\$54,956,332	\$932,432	\$3,804,864	\$4,841,114	\$5,671,669	\$0	\$11,061,878	\$(1,013,759)	\$199,832	\$80,454,362

Source: Budget for the District for the fiscal year ending June 30, 2025. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District's audited financial statements for the fiscal year ended June 30, 2024.

- (1) Excludes "on-behalf" payments.
- (2) Proceeds of the Bonds.

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**EXHIBIT D — GENERAL FUND REVENUE SOURCES,  
FISCAL YEARS ENDED JUNE 30, 2019-2023**

	YEAR ENDED JUNE 30, 2019	YEAR ENDED JUNE 30, 2020	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023
Local Sources	75.43%	68.09%	71.50%	69.37%	69.57%
State Sources	19.15%	26.09%	23.01%	22.17%	22.50%
Federal Sources	<u>5.42%</u>	<u>5.82%</u>	<u>5.49%</u>	<u>8.46%</u>	<u>7.93%</u>
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

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Source: The audited financial statements of the District for the fiscal years ended June 30, 2019-June 30, 2023. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund. Excludes "on-behalf" payments.

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**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2023**

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# **COMMUNITY HIGH SCHOOL DISTRICT 218**

**Oak Lawn, Illinois**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED JUNE 30, 2023**

Submitted by:

Administration Center

Dr. Josh Barron  
Superintendent

Anthony Corsi  
Business Manager

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## Independent Auditor's Report

RSM US LLP

Members of the Board of Education  
Community High School District 218

### Report on the Audit of the Financial Statements

#### ***Opinions***

We have audited the financial statements of the governmental activities, the major fund, and the aggregate remaining fund information of Community High School District 218, Illinois (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining fund information of the District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

#### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the required supplementary information, such as management's discussion and analysis (pages 4-11), schedules of net pension and other postemployment benefit (OPEB) liabilities, employer contributions and related note (pages 50-59), and budgetary comparison information (page 60) and related notes (page 61), be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information, such as the combining major governmental funds and combining nonmajor governmental funds, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

***Other Information***

Management is responsible for the other information included in the annual report. The other information includes the schedule of property tax rates, extensions and collections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

*RSM US LLP*

Chicago, Illinois  
January 23, 2024



**Management's Discussion and Analysis (MD&A)**

## **Community High School District 218**

### **Management's Discussion and Analysis For the Year Ended June 30, 2023**

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The discussion and analysis of Community High School District 218's (the District) financial performance provides an overall review of the District's financial activities for the year ended June 30, 2023. The management of the District encourages readers to consider the information presented herein in conjunction with the financial statements to enhance their understanding of the District's financial performance.

#### **Financial Highlights**

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the fiscal year by \$52.1 million.
- In total, net position increased by \$8.6 million. This represents a 19.7% increase from the District's opening net position.
- General revenues were \$121.3 million or 79.1% of all revenues. Program specific revenues, in the form of charges for services and grants, were \$32.0 million or 20.9% of total revenues of \$153.3 million.
- Overall, the combined revenues of the District's governmental funds were \$2.1 million less than expenditures. The District's governmental funds' combined fund balance decreased to \$88.2 million from \$90.3 million in the prior year. Of the year-end balance, \$70.5 million is available for spending at the District's discretion (unassigned fund balance).

#### **Overview of the Financial Statements**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements
- Fund financial statements
- Notes to basic financial statements

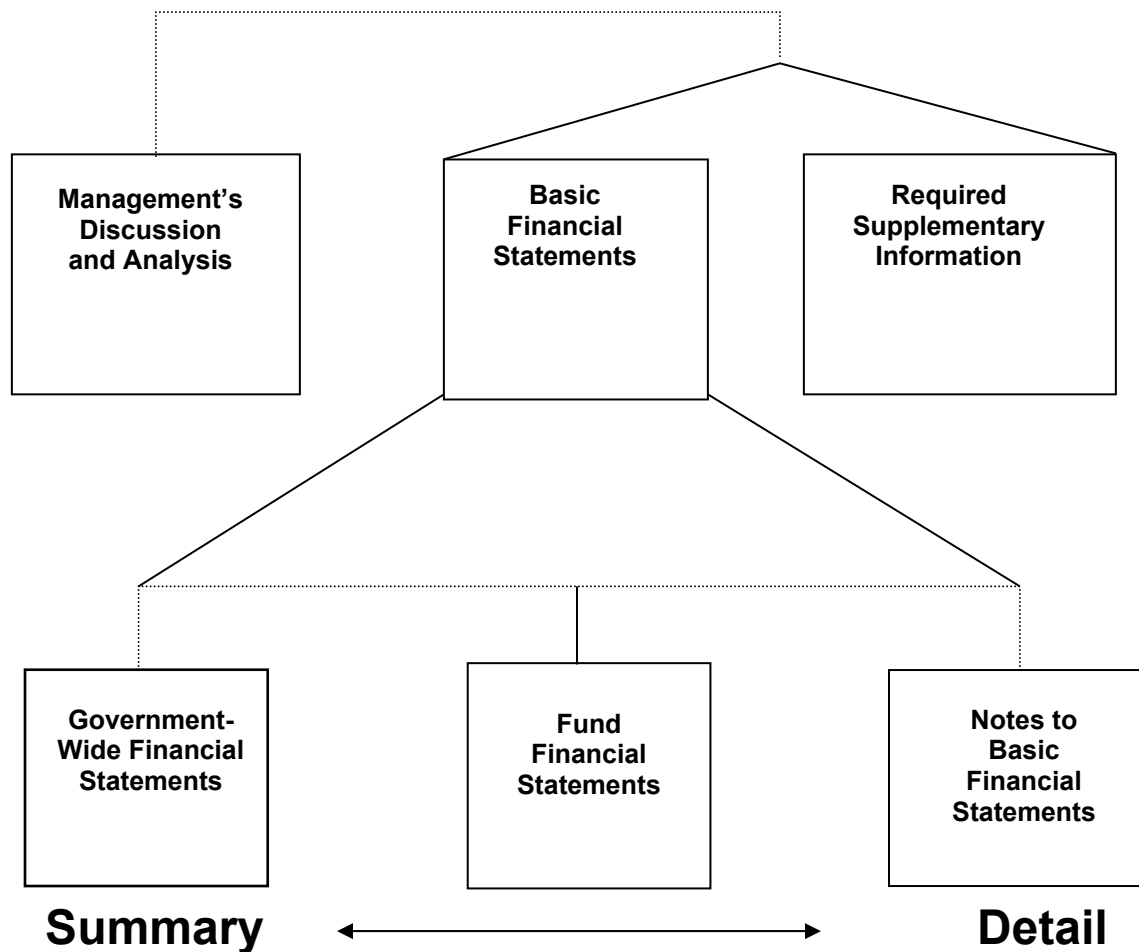
Figure 1 shows how the various parts of this annual report are arranged and relate to one another.

Community High School District 218

Management's Discussion and Analysis  
For the Year Ended June 30, 2023

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**Figure 1**  
**Organization of Community High School District 218 Annual Financial Report**



This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The statement of net position presents information on all District assets and liabilities with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported when revenue is earned and expenses are incurred. Additionally, activity related to the acquisition, depreciation and year-end balances of capital assets, as well as year-end balances and related changes in long-term debt are reported.

## Community High School District 218

### Management's Discussion and Analysis For the Year Ended June 30, 2023

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The government-wide financial statements present the District functions that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, community services and non-programmed charges.

#### ***Fund Financial Statements***

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains six individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances of the General Fund, which is considered to be a major fund. Data from the other five governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison statement has been provided for each fund to demonstrate compliance with this budget.

#### ***Notes to Basic Financial Statements***

The notes to basic financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

#### ***Required Supplementary Information***

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension plans, postemployment healthcare plan, and budgetary comparison information.

## Community High School District 218

### Management's Discussion and Analysis For the Year Ended June 30, 2023

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#### Government-Wide Financial Analysis

**Net position.** The District's net position increased by 19.7% when compared to their opening net position. At year-end, total net position was \$52.1 million (see Table 1).

The District's financial position is the product of many factors.

- The District continues to use monies to finance the cost of improving buildings and equipment. \$8.5 million was spent in the current fiscal year. These capital asset additions were offset by \$4.5 million in depreciation expense.
- The District's deferred outflows of resources increased by \$4.7 million primarily due to year over year increases in the District's deferred inflows of resources – pension amounts and deferred inflows of resources – OPEB amounts.
- The District's deferred inflows of resources increased by \$23.3 million primarily due to year over year increases in the District's deferred inflows of resources – pension amounts and deferred inflows of resources – OPEB amounts.
- The District's long-term liabilities decreased by \$27.0 million primarily due to year over year decreases in the District's other postemployment benefit liabilities.

**Table 1**  
**Condensed Statement of Net Position**  
*(in millions of dollars)*

	<u>2023</u>	<u>2022</u>
Current assets	\$150.9	\$143.7
Noncurrent assets	<u>80.8</u>	<u>87.9</u>
Total assets	<u>231.7</u>	<u>231.6</u>
Deferred outflows	<u>12.1</u>	<u>7.4</u>
Current liabilities	14.1	12.2
Long-term liabilities	<u>78.4</u>	<u>107.3</u>
Total liabilities	<u>92.5</u>	<u>119.5</u>
Deferred inflows	<u>99.2</u>	<u>75.9</u>
Net position:		
Net investment in capital assets	52.6	47.5
Restricted	14.1	21.7
Unrestricted	<u>(14.6)</u>	<u>(25.6)</u>
Total net position	<u>\$52.1</u>	<u>\$43.6</u>

Community High School District 218

Management's Discussion and Analysis  
For the Year Ended June 30, 2023

**Table 2**  
**Changes in Net Position**  
*(in millions of dollars)*

	<u>2023</u>	<u>2022</u>
<b>Revenues:</b>		
Program revenues:		
Charges for services	\$ 1.2	\$ 1.5
Operating grants and contributions	30.8	40.5
General revenues:		
Taxes	94.7	99.4
General state aid	25.0	24.6
Other	<u>1.5</u>	<u>(5.8)</u>
Total revenues	<u>153.2</u>	<u>160.2</u>
<b>Expenses:</b>		
Instruction	79.0	84.9
Support services	56.7	55.5
Payments to other governments	7.5	6.9
Other	<u>1.5</u>	<u>1.5</u>
Total expenses	<u>144.7</u>	<u>148.8</u>
<b>Change in net position</b>	<u>8.5</u>	<u>11.4</u>
Beginning net position	<u>43.6</u>	<u>32.2</u>
Ending net position	<u>\$ 52.1</u>	<u>\$ 43.6</u>

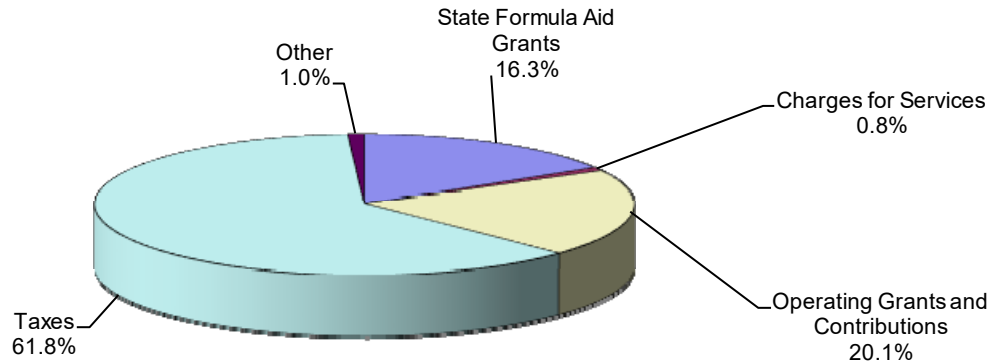
**Changes in net position.** The District's total revenues were \$153.2 million. Taxes and general state aid were 78.1% of the total or \$119.7 million (see Figure 2). Taxes decreased by 4.7% from the prior year, for a total decrease of \$4.7 million.

State and federal aid for specific programs brought in an additional \$30.8 million of the total revenues, a decrease of \$9.7 million from the prior year.

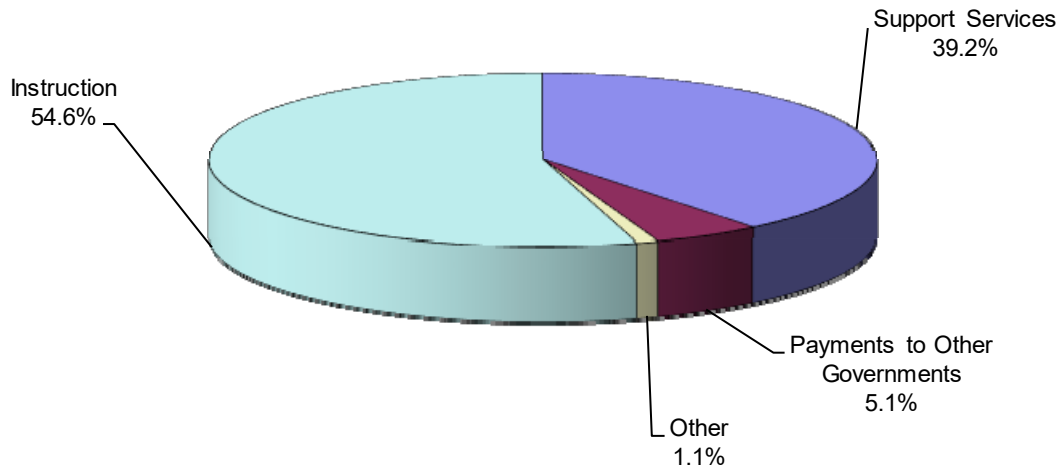
The total cost of all programs and services was \$144.7 million. The District's expenses are predominantly related to instruction and support services (caring for and transportation of students, etc.). These expenses accounted for 93.8% of the total (see Figure 3). The District's other activities were 11.7% of total costs.

Total revenues exceeds expenses, increasing net position by \$8.5 million over last year.

**Figure 2: Source of Revenues for Fiscal Year 2023**



**Figure 3: Expenses for Fiscal Year 2023**



## Community High School District 218

### Management's Discussion and Analysis For the Year Ended June 30, 2023

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#### Financial Analysis of the District's Funds

As the District completed the year, its governmental funds reported combined fund balances of \$88.2 million. Revenues for the District's governmental funds were \$141.6 million, while total expenditures were \$144.8 million.

#### General Fund Budgetary Highlights

While the District's budget for the General Fund anticipated that the fund would have a surplus of \$1.3 million, the actual result for the year was a deficit of \$406 thousand.

#### Capital Asset and Debt Administration

##### Capital Assets

By the end of 2023, the District had invested \$176.5 million (before accumulated depreciation of \$95.6 million) in a broad range of capital assets, including buildings (both school and administration facilities), equipment (computer, audio-visual, transportation and maintenance equipment, and furniture), and land and improvements. (See Table 3.) (More detailed information about capital assets can be found in Note 4 to the financial statements.)

Depreciation expense for the year was \$4.8 million. Additions to land improvements, building and improvements, and equipment (including transfers from construction in progress) approximated \$8.6 million.

	2023	2022	Total Percentage Change
Land	\$ 0.5	\$ 0.5	0.0%
Construction in progress	1.7	8.8	(80.7)%
Land improvements	8.2	0.7	1071.4%
Building and improvements	65.5	63.7	2.8%
Equipment	4.9	3.3	48.5%
<b>TOTAL</b>	<b>\$ 80.8</b>	<b>\$ 77.0</b>	<b>4.9%</b>



## Community High School District 218

### Management's Discussion and Analysis For the Year Ended June 30, 2023

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#### **Long-Term Debt**

At year-end, the District had \$36.9 million in general obligation bonds and other long-term debt outstanding, as shown in Table 4. (More detailed information about the District's long-term debt is presented in Note 5 to the financial statements.)

	2023		2022		Total Percentage Change
General obligation bonds	\$	34.4	\$	36.5	(5.8)%
Financed purchase		0.5		-	N/A
Bond premiums		2.0		2.1	(4.8)%
Bond discounts		-		(0.1)	(100.0)%
<b>TOTAL</b>	<b>\$</b>	<b>36.9</b>	<b>\$</b>	<b>38.5</b>	<b>(4.2)%</b>

- The state limits the amount of general obligation debt the District can issue to 13.8% of the assessed value of all taxable property within the District's limits. As of June 30, 2023, the statutory debt limit for the District was \$345.9 million providing a debt margin of \$311.4 million.

#### **Factors Bearing on the District's Future**

At the time these financial statements were prepared and audited, the District was aware of the following existing circumstance that could significantly affect its financial health in the future.

- The District's certified staff are under contract through the 2024 fiscal year.

#### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Manager, Community High School District 218 Administrative Center, 10701 South Kilpatrick Avenue, Oak Lawn, Illinois 60453-6203.

**Basic Financial Statements**

**Government-Wide Financial Statements (GWFS)**

Community High School District 218

Statement of Net Position  
June 30, 2023

	Governmental Activities
<b>Assets</b>	
Current assets:	
Cash and investments	\$ 96,293,644
Receivables:	
Property taxes, net	50,040,406
Due from other governmental units	4,558,310
<b>Total current assets</b>	<u>150,892,360</u>
Noncurrent assets:	
Capital assets not being depreciated	2,216,744
Capital assets being depreciated, net	78,593,254
<b>Total noncurrent assets</b>	<u>80,809,998</u>
<b>Deferred Outflows of Resources</b>	
Deferred loss on refundings	343,444
Deferred outflows due to other postemployment benefits - Teachers' Health Insurance Security Fund	826,102
Deferred outflows due to other postemployment benefits - District Plan	4,385,087
Deferred outflows due to pensions - Illinois Municipal Retirement Fund	5,971,194
Deferred outflows due to pensions - Teachers' Retirement System	616,552
<b>Total deferred outflows of resources</b>	<u>12,142,379</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 243,844,737</u>

(Continued)

**Community High School District 218**

**Statement of Net Position (Continued)**  
**June 30, 2023**

	Governmental Activities
<b>Liabilities</b>	
Current liabilities:	
Accounts payable	\$ 2,062,640
Accrued liabilities	9,323,928
General obligation bonds	2,170,000
Financed purchase	274,063
Compensated absences	304,031
<b>Total current liabilities</b>	<u>14,134,662</u>
Long-term liabilities, net of current maturities:	
General obligation bonds, net of premiums and discounts	34,190,961
Financed purchase	548,126
Compensated absences	1,722,841
Net pension liability - Illinois Municipal Retirement Fund	4,099,693
Collective net pension liability - Teachers' Retirement System	4,661,084
Net OPEB liability - District Plan	19,036,056
Net OPEB liability - Teachers' Health Insurance Security Fund	14,147,415
<b>Total long-term liabilities</b>	<u>78,406,176</u>
<b>Total liabilities</b>	<u>92,540,838</u>
<b>Deferred Inflows of Resources</b>	
Deferred inflows due to other postemployment benefits -	
Teachers' Health Insurance Security Fund	45,861,044
Deferred inflows due to other postemployment benefits - District Plan	3,172,421
Deferred inflows due to pensions - Illinois Municipal Retirement Fund	35,519
Deferred inflows due to pensions - Teachers' Retirement System	1,015,912
Deferred property taxes	49,082,767
<b>Total deferred inflows of resources</b>	<u>99,167,663</u>
<b>Net Position</b>	
Net investment in capital assets	52,636,055
Restricted for:	
Student activity funds	808,941
Operations and maintenance	2,316,858
Transportation	7,531,080
Debt service	3,239,081
Capital projects	158,911
Unrestricted	(14,554,690)
<b>Total net position</b>	<u>52,136,236</u>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<u>\$ 243,844,737</u>

See notes to basic financial statements.

**Community High School District 218**

**Statement of Activities  
Year Ended June 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
<b>Governmental activities:</b>				
<b>Instruction:</b>				
Regular programs	\$ 48,670,296	\$ 1,133,143	\$ 20,152,732	\$ (27,384,421)
Special programs	19,098,909	22,413	5,528,247	(13,548,249)
Other instructional programs	11,198,114	-	908,668	(10,289,446)
<b>Support services:</b>				
Pupils	13,537,858	-	(23,714)	(13,561,572)
Instructional staff	6,392,220	-	-	(6,392,220)
General administration	8,022,846	-	-	(8,022,846)
School administration	5,452,663	-	-	(5,452,663)
Business	3,113,479	(81,912)	1,948,870	(1,246,521)
Transportation	8,565,910	-	2,277,751	(6,288,159)
Operations and maintenance	10,407,778	159,196	-	(10,248,582)
Central	1,224,411	-	-	(1,224,411)
Other support services	4,471	-	-	(4,471)
Community services	263,257	-	-	(263,257)
Payments to other governments	7,515,588	-	-	(7,515,588)
Interest and charges	1,264,994	-	-	(1,264,994)
<b>Total governmental activities</b>	<b>\$ 144,732,794</b>	<b>\$ 1,232,840</b>	<b>\$ 30,792,554</b>	<b>(112,707,400)</b>
<b>General revenues:</b>				
<b>Taxes:</b>				
Property taxes, general purposes				81,328,728
Property taxes, debt service				2,596,960
Corporate property replacement taxes				10,811,075
General state aid				25,051,949
Interest				285,988
Miscellaneous				1,214,737
<b>Total general revenues</b>				<b>121,289,437</b>
Change in net position				8,582,037
<b>Net position</b>				
July 1, 2022				43,554,199
June 30, 2023				<b>\$ 52,136,236</b>

See notes to basic financial statements.

**Fund Financial Statements (FFS)**

Community High School District 218

Balance Sheet  
Governmental Funds  
June 30, 2023

	Major Fund		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>			
Cash and investments	\$ 82,042,846	\$ 14,250,798	\$ 96,293,644
Receivables:			
Property taxes, net	45,632,226	4,408,180	50,040,406
Due from other governmental units	1,638,725	2,919,585	4,558,310
<b>Total assets</b>	<b>\$ 129,313,797</b>	<b>\$ 21,578,563</b>	<b>\$ 150,892,360</b>
<b>Liabilities</b>			
Accounts payable	\$ 1,790,915	\$ 271,725	\$ 2,062,640
Accrued liabilities	8,832,481	-	8,832,481
<b>Total liabilities</b>	<b>10,623,396</b>	<b>271,725</b>	<b>10,895,121</b>
<b>Deferred Inflows of Resources</b>			
Deferred property taxes	44,758,946	4,323,822	49,082,768
Deferred intergovernmental revenues	272,904	2,416,773	2,689,677
<b>Total deferred inflows of resources</b>	<b>45,031,850</b>	<b>6,740,595</b>	<b>51,772,445</b>
<b>Fund Balances</b>			
Restricted for:			
Operations and maintenance	2,316,858	-	2,316,858
Student activity funds	808,941	-	808,941
Transportation	-	5,114,307	5,114,307
Retirement benefits	-	6,053,944	6,053,944
Debt service	-	3,239,081	3,239,081
Capital projects	-	158,911	158,911
Unassigned	70,532,752	-	70,532,752
<b>Total fund balances</b>	<b>73,658,551</b>	<b>14,566,243</b>	<b>88,224,794</b>
<b>Total liabilities, deferred inflows     of resources, and fund balances</b>	<b>\$ 129,313,797</b>	<b>\$ 21,578,563</b>	<b>\$ 150,892,360</b>

See notes to basic financial statements.



**Community High School District 218**

**Reconciliation of the Governmental Funds  
Balance Sheet to the Statement of Net Position  
June 30, 2023**

Total fund balances - governmental funds	\$ 88,224,794
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds.	80,809,998
Premiums on bonds that are other financing sources in the fund financial statements are liabilities that are amortized over the life of the bonds in the government-wide financial statements.	(1,960,495)
Discounts on bonds that are other financing uses in the fund financial statements are assets that are amortized over the life of the bonds in the government-wide financial statements.	49,534
Deferred losses on debt refundings are not considered to represent a financial resource and therefore are not reported in the funds.	343,444
Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.	
Deferred outflows of resources - Illinois Municipal Retirement Fund	5,971,194
Deferred outflows of resources - Teachers' Retirement System	616,552
Deferred outflows of resources - Teachers' Health Insurance Security Fund	826,102
Deferred outflows of resources - District OPEB Plan	4,385,087
Certain pension related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.	
Deferred inflows of resources - Illinois Municipal Retirement Fund	(35,519)
Deferred inflows of resources - Teachers' Retirement System	(1,015,912)
Deferred inflows of resources - Teachers' Health Insurance Security Fund	(45,861,044)
Deferred inflows of resources - District OPEB Plan	(3,172,421)
Certain grant revenue is reported as deferred inflows of resources in the fund financial statements because it is not available but is recognized as revenue in the government-wide financial statements:	
State grants	2,689,678
Some liabilities reported in the statement of net position do not require the use of current financial resources and therefore are not reported as liabilities in the governmental fund. These liabilities consist of:	
General obligation bonds	(34,450,000)
Financed purchase	(822,189)
Net pension liability - Illinois Municipal Retirement Fund	(4,099,693)
Net pension liability - Teachers' Retirement System	(4,661,084)
Other postemployment benefits liability - Teachers' Health Insurance Security Fund	(14,147,415)
Other postemployment benefits liability - District plan	(19,036,056)
Claims incurred but not yet reported	(491,447)
Compensated absences	(2,026,872)
Net position of governmental activities	<u>\$ 52,136,236</u>

See notes to basic financial statements.

**Community High School District 218**

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
Year Ended June 30, 2023**

	<u>Major Fund</u>		
	General Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues:</b>			
Property taxes	\$ 75,591,966	\$ 8,333,722	\$ 83,925,688
Corporate property replacement taxes	7,961,156	2,849,919	10,811,075
Charges for services	1,470,026	46,928	1,516,954
Unrestricted state aid	15,821,085	-	15,821,085
Restricted state aid	16,838,168	2,121,839	18,960,007
Restricted federal aid	9,402,369	-	9,402,369
Interest	421,995	(136,007)	285,988
Other revenues	930,623	-	930,623
<b>Total revenues</b>	<b>128,437,388</b>	<b>13,216,401</b>	<b>141,653,789</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	39,095,231	662,332	39,757,563
Special programs	17,273,270	614,662	17,887,932
Other instructional programs	13,581,863	278,715	13,860,578
<b>Support services:</b>			
Pupils	9,618,808	309,677	9,928,485
Instructional staff	5,993,881	91,869	6,085,750
General administration	7,639,576	77,642	7,717,218
School administration	5,096,004	162,424	5,258,428
Business	3,198,691	53,016	3,251,707
Transportation	-	8,290,369	8,290,369
Operations and maintenance	10,772,602	865,588	11,638,190
Central	1,124,931	60,295	1,185,226
Other support services	3,284	-	3,284
Community services	232,616	25,787	258,403
Payments to other governments	7,515,588	-	7,515,588
Capital outlay	8,520,159	-	8,520,159
<b>Debt service:</b>			
Principal	274,063	2,030,000	2,304,063
Interest and charges	-	1,379,975	1,379,975
<b>Total expenditures</b>	<b>129,940,567</b>	<b>14,902,351</b>	<b>144,842,918</b>
<b>Other financing sources (uses):</b>			
Proceeds from financed purchase	1,096,252	-	1,096,252
<b>Net change in fund balances</b>	<b>(406,927)</b>	<b>(1,685,950)</b>	<b>(2,092,877)</b>
<b>Fund balances:</b>			
July 1, 2022	74,065,478	16,252,193	90,317,671
June 30, 2023	<u>\$ 73,658,551</u>	<u>\$ 14,566,243</u>	<u>\$ 88,224,794</u>

See notes to basic financial statements.

**Community High School District 218**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2023**

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Net change in fund balances - total governmental funds	\$	(2,092,877)
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Amounts reported for governmental activities in the statement of activities are different because:

Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide statement of activities:

Prior-year deferred balance		(2,380,373)
Current-year deferred balance		2,689,678

Governmental funds report capital outlays as expenditures paid while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which capital outlays exceeded depreciation expense in the current period.

Capital outlays		8,628,643
Depreciation expense		(4,793,280)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General obligation bond principal retirement		2,030,000
Financed purchases		274,063

In governmental funds, long-term debt issued is considered an other financing source, but in the statement of net position long-term debt is reported as a liability.

Proceeds from financed purchase		(1,096,252)
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Items related to other postemployment benefits and pension expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements but not on the fund financial statements.

Deferred outflows of resources - Illinois Municipal Retirement Fund		5,435,385
Deferred outflows of resources - Teachers' Retirement System		57,193
Deferred outflows of resources - Teachers' Health Insurance Security Fund		(261,162)
Deferred outflows of resources - District OPEB Plan		(418,082)
Deferred inflows of resources - Illinois Municipal Retirement Fund		9,131,880
Deferred inflows of resources - Teachers' Retirement System		710,355
Deferred inflows of resources - Teachers' Health Insurance Security Fund		(25,554,824)
Deferred inflows of resources - District OPEB Plan		90,560

Losses on refunding of bonds are not reflected in the fund financial statements but are recorded as part of liabilities in the statement of net position.

Amortization of all losses on refunding		(28,950)
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Premiums and discounts on bonds are recorded as other financing sources (uses) in the fund financial statements but are recorded as an asset or liability in the statement of net position and are amortized over the life of the bonds. This is the amount in the current period.

Amortization of bond discounts		(7,720)
Amortization of bond premiums		151,651

(Continued)

**Community High School District 218**

**Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities (Continued)  
Year Ended June 30, 2023**

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Some revenues and expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

These activities consist of:

State on-behalf contribution revenue for TRS and THIS	\$ (12,566,787)
State on-behalf contribution expense for TRS and THIS	12,566,787
Increase in claims incurred but not yet reported	(172,740)
Increase in compensated absences	38,802
Decrease in net pension liability - Teachers' Retirement System	99,231
Increase in net pension liability - Illinois Municipal Retirement Fund	(15,027,133)
Decrease in other postemployment benefits liability - Teachers' Health Insurance Security Fund	32,317,572
Decrease in other postemployment benefits liability - District	<u>(1,239,583)</u>
 Change in net position of governmental activities	 <u><u>\$ 8,582,037</u></u>

See notes to basic financial statements.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies

##### **Nature of Activities**

Community High School District 218 (the District) operates as a public school system under the direction of its Board of Education in Oak Lawn, Illinois. The District is organized under The School Code of the State of Illinois, as amended. The District serves the communities of Oak Lawn, Chicago Ridge, Worth, Palos Heights, Alsip, Garden Homes, Crestwood, Robbins, Blue Island, Calumet Park, and Merrionette Park.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

##### **Financial Reporting Entity**

As defined by generally accepted accounting principles established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

- 1) Appointment of a voting majority of the component unit's board, and either (a) the ability to impose will by the primary government, or (b) the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government; or
- 2) Fiscal dependency on the primary government and the possibility that the component unit will provide a financial benefit to or impose a financial burden on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

- 1) The primary government is legally entitled to or has access to the component unit's resources.
- 2) The primary government is legally required or has assumed the obligation to finance the deficits of or provide support to the component unit.
- 3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been included within the reporting entity.

**Government-Wide Financial Statements:** The government-wide statement of net position and statement of activities report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and inter-governmental revenues.

The statement of net position presents the District's non-fiduciary assets and liabilities with the difference reported in three categories:

**Net investment in capital assets** consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt, that are attributable to the acquisition, construction, or improvement of those assets.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

**Restricted net position** results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

**Unrestricted net position** consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

The statement of activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

**Fund Financial Statements:** Separate financial statements are provided for governmental funds. The fund financial statements provide information about the District's funds. The District has the following major governmental fund – General Fund. All remaining governmental special revenue, debt service, and capital projects funds are aggregated and reported as nonmajor governmental funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District administers the following major governmental fund:

**General Fund** – This is the District's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund.

#### Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the District has a legal claim to the resources. Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

## Community High School District 218

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures are generally recorded when the liability is incurred, as under accrual accounting; however, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

#### ***Significant Accounting Policies***

##### **Property Taxes**

Property taxes receivable represent the uncollected 2022 property tax levy and were recognized as a receivable at the time they were levied. The 2022 tax levy was passed by the Board of Education on December 15, 2022 and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and September 2023 and are collected by the county collector, who in turn remits to the District its respective share. The District receives the remittances from the county treasurer approximately one month after collection. The first distribution of March collections from the County is based on a factor of 55% of the prior-year levy; the District therefore budgets to recognize no more than 55% (net 4% reserve) of its prior-year levy as revenue in the current fiscal year from the 2022 levy, with the remainder of the 2022 levy to be recognized in the following fiscal year. Accordingly, the remaining amount is reflected as deferred revenue this year. This methodology conforms to the measurable and available criteria for revenue recognition. An allowance for the estimated uncollectible taxes has been provided based on prior year collection experiences. Due to property tax collection through 60 days being sufficient to meet the availability criteria, the District was able to recognize its budgeted amount of 55% (net 4% reserve) of the prior year as revenue from the 2022 levy in the current fiscal year on the fund financial statements.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lesser of 5% or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

##### **Cash and Investments**

Cash and investments consist of cash held by the District and pooled cash and investments held by the Worth Township Trustees.

Investments are valued at fair value if maturity is greater than one year at the time of purchase; at amortized cost if maturity is less than one year at the time of purchase. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Changes in the carrying value of investments resulting in unrealized gains or losses are reported as a component of investment earnings.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

##### Interfund Receivables, Payables, and Activity

**Loans** – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are eliminated in the government-wide statement of net position.

**Transfers** – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

##### Capital Assets

Capital assets which include land, buildings and improvements, land improvements, equipment, and construction in progress are reported in the statement of net position. Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the statement of activities with accumulated depreciation reflected in the statement of net position and is provided on the straight-line basis over the following estimated useful lives:

Buildings and improvements	40 years
Equipment	5 - 20 years
Land improvements	20 years

##### Deferred Inflows of Resources and Deferred Outflows of Resources

The District reports deferred inflows of resources and deferred outflows of resources in its financial statements. Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods.

Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the "measurable" and "available" criteria for recognition in the current period.

For pension and other postemployment benefit plans, the net difference between projected and actual experience, changes in actuarial assumptions, changes in benefits, the net difference between projected and actual earnings on plan investments and changes in the District's proportionate share of the net liability are reported as deferred outflows or inflows of resources on the government-wide financial statements. The District's pension and other postemployment benefit payments made subsequent to the plans' liability measurement dates are also considered to be deferred outflows of resources on the government-wide financial statements.



## Community High School District 218

### Notes to Basic Financial Statements

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#### **Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)**

##### **Compensated Absences**

Certified employees working less than 12 months a year do not earn vacation days; however, noncertified, full-time employees earn and accrue from five vacation days for every year of service up to 20 vacation days for 15 years of service.

All full-time employees receive 13 to 15 sick days and two emergency days per year, and these days may accumulate to a maximum of 385 days for certified employees and 240 days for noncertified employees. All other noncertified employees may receive up to 13 sick days and one emergency day and may accumulate these days to a maximum of 240 days. These accumulated sick days become vested for certified staff upon reaching retirement requirements at a maximum of 30 days at a rate of \$75 per day.

For noncertified employees, the sick days become vested upon reaching 8 or 10 years of service at a maximum of 30 days at a rate equal to half of their current daily rate. For noncertified custodial employees, they may apply all days to IMRF or may request to have their accumulated sick days paid out as insurance coverage, Medicare supplement, or in cash up to 50% at the end of each fiscal year. Compensated absences are expended in the year they are paid or are payable. The General Fund is typically used to liquidate these liabilities.

##### **Long-Term Obligations**

In the government-wide financial statements, long-term debt and other long-term obligations, including pension liabilities, compensated absences, postemployment benefits other than pension benefits, are reported as liabilities in the statement of net position. Items such as premiums, discounts, and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether withheld from the actual debt proceeds received or not, are reported as debt service expenditures.

##### **Net Pension Liability and Assets**

The District participates in two pension plans, the Teachers' Retirement System (TRS) and the Illinois Municipal Retirement Fund (IMRF), which are provided by the State. For purposes of measuring the District's pension liability, pension asset, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the TRS and IMRF Plan and additions to/deductions from the TRS or IMRF Plan's fiduciary net position have been determined on the same basis as they are reported by the TRS or IMRF Plan. For this purpose, the THIS Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

##### **Postemployment Benefits Other Than Pensions (OPEB)**

The District participates in two OPEB plans, the Teachers' Health Insurance Security Fund (THIS) plan provided by the State and an OPEB plan provided by the District. For purposes of measuring the District's collective OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the THIS OPEB Plan and additions to/deductions from the THIS Plan's fiduciary net position have been determined on the same basis as they are reported by the THIS Plan. For this purpose, the THIS Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments, if any, are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

##### Fund Balances

Within the governmental fund types, the District's fund balances are reported in one of the following classifications:

**Nonspendable** – 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. As of June 30, 2023, the District has no nonspendable fund balance amounts.

**Restricted** – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances. As of June 30, 2023, the District has no committed fund balance amounts.

**Assigned** – includes amounts that are constrained by the District's *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: (a) the District's Board of Education itself; or (b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned. As of June 30, 2023, the District has no assigned fund balance amounts.

**Unassigned** – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e., committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code (School Code), the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These Working Cash funds may be lent to other District governmental funds in need but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the educational account of the General Fund, or abate the fund to any fund of the District most in need. At June 30, 2023, the District had working cash stabilization fund balances of \$9,654,898 that have been classified as unassigned fund balances in the General Fund.

##### Eliminations and Reclassifications

In the process of aggregating data for the government-wide statement of activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 1. Nature of Activities and Summary of Significant Accounting Policies (Continued)

##### Use of Estimates

The preparation of the financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures/expenses during the period. Actual results could differ from these estimates.

#### Note 2. Cash and Investments

##### Deposits

State statutes authorize the District to make deposits directly or through its township trustees in interest bearing depository accounts in federally insured and/or state-chartered banks, savings and loan associations and credit unions. As of June 30, 2023, the District had deposits with federally insured financial institutions of \$5,062,682, with bank balances totaling \$5,090,283.

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the Trustees' deposits may not be returned to it. The District does not have a policy for custodial credit risk. As of June 30, 2023, all of the District's bank balances were insured or collateralized.

##### Investments

As of June 30, 2023, the District had the following investments:

Investment Type	Fair Value	Investment Maturities (in Years)
Pooled cash and investments held by the Worth Township Trustees	\$ 91,230,962	N/A

The fair value of pooled cash and investments held by the Worth Township Trustees is based on the net asset value per unit based on the amortized cost of the underlying securities at June 30, 2023, as determined by the Worth Township Trustees. The fair value is derived daily based on the net asset value of the underlying securities. There are no redemption restrictions or unfunded commitments related to the District's pooled cash and investments held by the Worth Township Trustees.

Of the total pooled cash and investments held by the Worth Township Trustees, maturities are approximately as follows: less than one year (13.5%), one to five years (42.8%), 6 to 10 years (21.3%), and greater than 10 years (22.2%). The pooled accounts hold the following types of investments: U.S. Treasury Securities, Federal National Mortgage Association (FNMA), Federal Home Loan Bank (FHLB), Federal Farm Credit Bank (FFCB), Federal Home Loan Mortgage Corporation (Freddie Mac), Government National Mortgage Association (Ginnie Mae), U.S. Department of Housing and Urban Development, Municipal Bonds, Corporate Notes, Certificates of Deposit, Commercial Paper, Money Market Mutual Funds and Money Market Accounts.

*Interest Rate Risk* - The District's investment policy does not limit its investment portfolio to specific maturities.

*Credit Risk* - State statutes authorize the District to invest directly or through its township trustees in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States and short-term obligations of corporations organized in the United States with assets exceeding \$500,000,000.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

The District is also authorized to invest directly or through its township trustees in the Illinois School District Liquid Asset Fund Plus and the Illinois Funds, which invests member deposits, on a pooled basis, primarily in short-term certificates of deposit and in high-rated, short-term obligations of major United States corporations and banks. As of June 30, 2023, the Illinois District Liquid Asset Fund Plus and the Illinois Funds are rated AAAM by Standard & Poor's. The Worth Township Trustees of Schools is not rated.

*Concentration of Credit Risk* - The District has no investment policy related to the concentration of credit risk.

*Custodial Credit Risk – Investments* - For an investment, this 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. The investments held by the Worth Township Trustees are not subject to custodial credit risk.

Information related to the interest rate risk, credit risk, concentration of credit risk, and custodial credit risk of the other cash and investments held by the Worth Township Trustees can be obtained from the Worth Township Trustees at 10720 South Kenton, Oak Lawn, Illinois 60453, which issues a financial report that includes financial statements and required supplementary information.

#### Note 3. Property Taxes Receivable

Property taxes receivable, reduced for estimated uncollectible amounts as of June 30, 2023, were as follows:

<u>Fund</u>	Gross Tax Levy Receivable	Estimated Uncollectible Allowance	Net Receivable
General	\$ 47,766,659	\$ 2,134,433	\$ 45,632,226
Nonmajor Governmental	4,614,275	206,095	4,408,180
	<u>\$ 52,380,934</u>	<u>\$ 2,340,528</u>	<u>\$ 50,040,406</u>

**Community High School District 218**

**Notes to Basic Financial Statements**

**Note 4. Capital Assets**

Capital asset balances and activity for the year ended June 30, 2023, are as follows:

	Balance July 1, 2022	Additions	Retirements	Balance June 30, 2023
Governmental Activities:				
Capital assets, not being depreciated:				
Land	\$ 452,732	\$ -	\$ -	\$ 452,732
Construction in progress	8,820,045	5,282,104	(12,338,137)	1,764,012
Total capital assets not being depreciated	<u>9,272,777</u>	<u>5,282,104</u>	<u>(12,338,137)</u>	<u>2,216,744</u>
Capital assets, being depreciated:				
Land improvements	5,047,792	7,940,386	-	12,988,178
Buildings and improvements	135,385,160	4,581,824	-	139,966,984
Equipment	18,187,250	3,162,466	(17,735)	21,331,981
Total capital assets being depreciated	<u>158,620,202</u>	<u>15,684,676</u>	<u>(17,735)</u>	<u>174,287,143</u>
Less accumulated depreciation:				
Land improvements	(4,303,526)	(474,679)	-	(4,778,205)
Buildings and improvements	(71,679,647)	(2,824,567)	-	(74,504,214)
Equipment	(14,935,171)	(1,494,034)	17,735	(16,411,470)
Total accumulated depreciation	<u>(90,918,344)</u>	<u>(4,793,280)</u>	<u>17,735</u>	<u>(95,693,889)</u>
Total capital assets being depreciated, net	<u>67,701,858</u>	<u>10,891,396</u>	<u>-</u>	<u>78,593,254</u>
Governmental activities:				
Capital assets, net	<u>\$ 76,974,635</u>	<u>\$ 16,173,500</u>	<u>\$ (12,338,137)</u>	<u>\$ 80,809,998</u>

Depreciation expense was charged to governmental activities as follows:

Regular programs	\$ 1,475,552
Special programs	694,552
Other instructional programs	562,798
Support services - pupils	390,582
Support services - instructional staff	257,545
Support services - general administration	308,463
Support services - school administration	193,792
Support services - business	124,550
Support services - operations and maintenance	468,994
Support services - transportation	270,899
Support services - central	39,462
Support services - other support services	1,202
Support services - community services	4,889
	<u>\$ 4,793,280</u>

## Community High School District 218

### Notes to Basic Financial Statements

#### Note 5. Long-Term Obligations

General long-term obligations as of June 30, 2023, and a summary of activity for the year then ended are as follows:

	Outstanding Debt as of July 1, 2022	Additions	Reductions	Outstanding Debt as of June 30, 2023	Due Within One Year
General obligation bonds	\$ 36,480,000	\$ -	\$ 2,030,000	\$ 34,450,000	\$ 2,170,000
Premiums on bonds	2,112,146	-	151,651	1,960,495	-
Discount on bonds	(57,254)	-	(7,720)	(49,534)	-
Financed purchase	-	1,096,252	274,063	822,189	274,063
Compensated absences	2,065,674	2,026,872	2,065,674	2,026,872	304,031
Net pension liability:					
Illinois Municipal Retirement Fund	(10,927,440)	15,027,133	-	4,099,693	-
Teachers' Retirement System	4,760,315	-	99,231	4,661,084	-
Total OPEB liability:					
District Plan	17,796,473	1,239,583	-	19,036,056	-
Teachers' Health Insurance Security Fund	46,464,987	-	32,317,572	14,147,415	-
	<u>\$ 98,694,901</u>	<u>\$ 19,389,840</u>	<u>\$ 36,930,471</u>	<u>\$ 81,154,270</u>	<u>\$ 2,748,094</u>

Interest rates range from 3% to 5% on the outstanding general obligation bonds. As of June 30, 2023, the future annual debt service requirements on the outstanding debt excluding compensated absences are as follows:

Year Ending June 30,	General Obligation Bonds		Total
	Principal	Interest	
2024	\$ 2,170,000	\$ 1,278,274	\$ 3,448,274
2025	2,315,000	1,179,047	3,494,047
2026	2,455,000	1,081,068	3,536,068
2027	2,595,000	977,274	3,572,274
2028	2,745,000	866,927	3,611,927
2029 - 2033	14,070,000	2,641,163	16,711,163
2034 - 2036	8,100,000	402,641	8,502,641
	<u>\$ 34,450,000</u>	<u>\$ 8,426,394</u>	<u>\$ 42,876,394</u>

The District's legal debt limitation of \$345,887,436, based on 13.8% of the 2022 equalized assessed valuation of \$2,506,430,698 less outstanding bond debt of \$34,450,000, results in a legal debt margin of \$311,437,436 as of June 30, 2023.

On January 25, 2023, the District entered in a financed purchase agreement with a vendor to purchase staff and student equipment. The total cost of the agreement is \$1,096,252 bearing an interest rate of 0 percent. The financing agreement requires the District to make 4 annual payments equal to \$274,063 commencing on February 25, 2023 and maturing on February 25, 2026.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments

##### Teachers' Retirement System

*Plan Description.* The District participates in the Teachers' Retirement System of the state of Illinois (TRS or the System). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. 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 TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at [www.trsil.org](http://www.trsil.org); by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

*Benefits Provided.* TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2% of final average salary up to a maximum of 75% with 34 years of service. Disability and death benefits are also provided.

Tier II members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3% increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of 3% of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2021. One program allows retiring Tier 1 members to receive a partial lump sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs began in 2019 and are funded by bonds issued by the state of Illinois.

*Contributions.* The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90% of the total actuarial liabilities of the System by the end of fiscal year 2045.

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2023, was 9% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

*On behalf contributions to TRS.* The state of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2023, state of Illinois contributions recognized by the District were based on the state's proportionate share of the collective net pension liability associated with the District, and the District recognized revenue and expenses of \$31,759,726 in the governmental activities based on the economic resources measurement basis and revenues and expenditures of \$29,366,947 in the General Fund based on the current financial resources measurement basis.

*2.2 formula contributions.* Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2023, were \$343,836 and are deferred because they were paid after the June 30, 2022 measurement date.

*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 Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost.

For the year ended June 30, 2023, the District pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, salaries totaling \$2,334,531 were paid from federal and special trust funds that required District contributions of \$244,892 and are deferred because they were paid after the June 30, 2022 measurement date.

*Employer retirement cost contributions.* Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. Additionally, PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$205,700). The amount charged to the employer is the employer normal cost, or 10.49%.

For the year ended June 30, 2023, the District paid \$65,584 and \$34,322 to TRS for salary increases greater than 6% and member salaries in excess of the governor's statutory salary, respectively. The District was not required to make any payments for sick leave days granted in excess of the normal annual allotment.

#### **Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$	4,661,084
The State's proportionate share of the net pension liability associated with the District		404,318,154
	\$	<u>408,979,238</u>



## Community High School District 218

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2022, the District's proportion was 0.0056%, which was a decrease of 0.0006% from its proportion measure as of June 30, 2021.

For the year ended June 30, 2023, the District recognized the following pension revenue and expense/expenditure pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contribution - pension revenue and expense/expenditure	\$ 31,759,726	\$ 29,366,947
District pension expense/expenditure	(189,521)	581,427
Total pension expense/expenditure	<u>\$ 31,570,205</u>	<u>\$ 29,948,374</u>

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,369	\$ 25,699
Net difference between projected and actual earnings on pension plan investments	4,264	-
Changes of assumptions	21,492	8,899
Changes in proportion and differences between District contributions and proportionate share of contributions	-	981,314
Total deferred amounts to be recognized in pension expense in future periods	35,125	1,015,912
District contribution subsequent to the measurement date	581,427	-
	<u>\$ 616,552</u>	<u>\$ 1,015,912</u>

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

\$581,427 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:		
2024	\$	(499,960)
2025		(202,514)
2026		(193,188)
2027		(49,340)
2028		(35,785)
	\$	<u>(980,787)</u>

#### Actuarial Assumptions

The total pension liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

<b>Inflation</b>	2.50%
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.00%, net of pension plan investment expense, including inflation

In the June 30, 2022 actuarial valuation, mortality rates were based on the Society of Actuaries PubT-2010 mortality tables, adjusted for TRS experience, with generational improvement based on scale MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with adjustments appropriate TRS experience, with generational improvement based on scale MP-2020.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.3 %	5.73 %
U.S. equities small / mid cap	1.9	6.78
International equities developed	14.1	6.56
Emerging market equities	4.7	8.55
U.S. bonds core	6.9	1.15
Cash equivalents	1.2	(0.32)
International debt developed	1.2	6.56
TIPS	0.5	0.33
Emerging international debt	3.7	3.76
Real estate	16.0	5.42
Hedge funds (absolute return)	4.0	3.48
Infrastructure	2.0	5.86
Private equity	15.0	10.04
Private debt	12.5	5.29
	<u>100.0 %</u>	

#### Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.00%, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily required rates.

Based on those assumptions, TRS' fiduciary net position at June 30, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

##### Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or one percentage point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 5,700,547	\$ 4,661,084	\$ 3,799,126

*Payables to TRS.* As of June 30, 2023, the District reported no payables due to TRS.

*TRS Fiduciary Net Position.* Detailed information about TRS' fiduciary net position as of June 30, 2022 is available in the separately issued *TRS Annual Comprehensive Financial Report*.

#### Illinois Municipal Retirement

*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 managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. 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 Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at [www.imrf.org](http://www.imrf.org).

*Benefits Provided.* The District participates in the Regular Plan (RP). Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 employees who retire at age 55 (at reduced benefits) or after age 60 (at full benefits) with eight years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under Tier 1, the pension is increased by 3% of the original amount on January 1 every year after retirement.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

Employees hired *on or after* January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after 10 years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with 10 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

- 3% of the original pension amount, or
- 1/2 of the increase in the Consumer Price Index of the original pension amount.

*Employees Covered by Benefit Terms.* As of December 31, 2022, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	445
Inactive plan members entitled to but not yet receiving benefits	534
Active plan members	388
Total	<u><u>1,367</u></u>

*Contributions.* As set by statute, the District's Regular Plan Members are required to contribute 4.5% 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 District's annual contribution rates for calendar years 2023 and 2022 were 5.24% and 7.04%, respectively. For the fiscal year ended June 30, 2023, the District contributed \$1,034,405 to the plan. 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 IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

*Net Pension Asset.* The District's net pension asset was measured as of December 31, 2022. The total pension liability used to calculate the net pension asset was determined by an actuarial valuation as of that date.

## Community High School District 218

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total pension liability at December 31, 2022:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was market value of assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-Based Table of Rates, specific to the type of eligibility condition, last updated for the 2020 valuation according to an experience study from years 2017 to 2019.
- For **Non-disabled retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106 percent) and Female (adjusted 105 percent) tables, and future mortality improvements projected using scale MP-2020.
- For **Disabled Retirees**, the Pub 2010, amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- For **Active Members**, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
- The **Long-Term Expected Rate of Return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	One Year Arithmetic	Ten Year Geometric
Domestic equity	35.5 %	7.82%	6.50%
International equity	18.0	9.23%	7.60%
Fixed income	25.5	5.01%	4.90%
Real estate	10.5	7.10%	6.20%
Alternative investments	9.5		
Private equity		13.43%	9.90%
Commodities		7.42%	6.25%
Cash equivalents	1.0	4.00%	4.00%
	100.0 %		

## Community High School District 218

### Notes to Basic Financial Statements

#### Note 6. Retirement Plan Commitments (Continued)

*Discount Rate.* A Single Discount Rate of 7.25% was used to measure the total pension liability. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. The Single Discount Rate reflects:

1. The long-term expected rate of return (7.25%) on pension plan investments during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
2. The tax-exempt municipal bond rate (4.05%) based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

IMRF's fiduciary net position at December 31, 2022 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate, and the resulting single discount rate is 7.25%.

*Changes in the Net Pension Liability (Asset).* The following table shows the components of the District's annual pension liability (asset) and related plan fiduciary net position for the calendar year ended December 31, 2022:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balances at December 31, 2021	\$ 67,305,376	\$ 78,232,816	\$ (10,927,440)
Changes for the year:			
Service cost	1,485,624	-	1,485,624
Interest on the total pension liability	4,803,781	-	4,803,781
Differences between expected and actual experience of the total pension liability	305,911	-	305,911
Contributions - employer	-	1,126,364	(1,126,364)
Contributions - employees	-	721,749	(721,749)
Net investment income	-	(9,570,346)	9,570,346
Benefit payments, including refunds of employee contributions	(3,578,272)	(3,578,272)	-
Other (net transfer)	-	(709,584)	709,584
Net changes	3,017,044	(12,010,089)	15,027,133
Balances at December 31, 2022	\$ 70,322,420	\$ 66,222,727	\$ 4,099,693

*Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate.* The following presents the plan's net pension liability (asset), calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability (asset) would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

**Community High School District 218**

**Notes to Basic Financial Statements**

**Note 6. Retirement Plan Commitments (Continued)**

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability (asset)	\$ 11,963,483	\$ 4,099,693	\$ (2,210,289)

*Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions.* For the year ended June 30, 2023, the District recognized pension benefit of \$1,495,776. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 192,665	\$ 34,853
Changes of assumptions	-	666
Net difference between projected and actual earnings on pension plan investments	5,333,176	-
Total deferred amounts to be recognized in pension expense in future periods	5,525,841	35,519
District contribution subsequent to the measurement date	445,353	-
Total deferred amounts related to pensions	<u>\$ 5,971,194</u>	<u>\$ 35,519</u>

The District reported \$445,353 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date and will be recognized as an increase of the net pension asset in the reporting year ended June 30, 2024. Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense in future periods as follows:

	Net Deferred Outflows of Resources
Year ended June 30:	
2024	\$ (243,266)
2025	971,372
2026	1,731,460
2027	3,030,756
	<u>\$ 5,490,322</u>

**Note 7. Retirement Savings Plan**

The District offers its employees a tax-advantaged retirement savings plan created in accordance with Internal Revenue Code Section 403(b). The plan allows all employees to make salary-deferral contributions. For the fiscal year ended 2023, the District made \$10,000 in contributions.



## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District carries commercial insurance for risks of loss with the exception of workers' compensation insurance, and employee health and dental benefits. Premiums have been recorded as expenditures in the appropriate funds. There has been no significant reduction in insurance coverage from the coverage in the prior year.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in the past three years.

The District is self-insured for its workers' compensation insurance and employee health and dental benefit coverages. The self-insurance program is administered by Blue Cross Blue Shield of Illinois for the employee health and dental coverages and employers claim service for workers' compensation insurance is administered by PMA Management Group, who evaluates claims and makes payment of the claims in accordance with the benefit plan. The District reports its self-insurance and insurance pool activities in the General Fund. A purchased insurance policy limits the aggregate claims the District may potentially pay for employee health benefits to \$150,000 per individual and \$8.1 million in aggregate per policy year. The District's dental policy limits the District's liability to \$1,200 per covered individual per calendar year. As of June 30, 2023, the District has made provisions for all known claims and for those claims incurred but not reported based on historical experience as accrued liabilities in the government-wide financial statements as follows:

	2023	2022
Claims payable, beginning of year	\$ 1,121,005	\$ 1,476,354
Current year claims and changes in estimate	16,500,554	16,062,179
Actual claims paid	(16,753,497)	(16,417,528)
Claims payable, end of year	<u>\$ 868,062</u>	<u>\$ 1,121,005</u>

Known claims expected to be liquidated with expendable available financial resources are recognized as accrued liabilities on the fund financial statements, to the extent that they are incurred and reported each period. Claims reported as accrued liabilities in the fund financial statements amounted to \$376,615 as of June 30, 2023.

**Community High School District 218**

**Notes to Basic Financial Statements**

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**Note 9. Post-Employment Benefit Plans Other Than Pensions**

**District Plan**

*Plan Description.* The District provides paid pre- and post-Medicare medical coverage (including prescription drugs) to eligible retirees and their spouses and dependents. The current eligibility criteria for retirees is as follows: IMRF employees are eligible at age 60 with 10 years of service or at any age with 30 years of service. TRS employees are eligible for normal retirement at age 60 with 10 years of service or age 62 with 5 years of service. TRS employees are eligible for early retirement at age 55 with 20 years of service. This is a single-employer plan. The plan does not issue a publicly available financial report.

*Benefits Provided.* Administrative and Certified teachers receiving retiree healthcare benefits from the Teachers' Retirement Insurance Program (TRIP) receive a fixed benefit of \$4,200 from the District per year to Medicare age to help defray the retirees' share of the TRIP premium. Non-certified employees may continue healthcare coverage after retirement through the District's healthcare plan and receive a \$2,500 fixed benefit from the District to defray the retiree's share of the premium.

*Employees Covered by Benefit Terms.* At June 30, 2023, the following employees were covered by the benefit terms:

Total active employees	791
Inactive employees currently receiving benefit payments	28
Inactive employees entitled to but not yet receiving benefit payments	-
Total	<u>819</u>

*Total OPEB Liability.* The District's total OPEB liability was measured as of June 30, 2022, and rolled forward to June 30, 2023.

	<u>Total OPEB Liability</u>
Balance at June 30, 2022	<u>\$ 17,796,473</u>
Changes for the year:	
Service cost	1,123,233
Interest on the total OPEB liability	624,033
Difference between expected and actual experience of the total OPEB liability	-
Changes of assumptions	(170,839)
Benefit payments	<u>(336,844)</u>
Net changes	<u>1,239,583</u>
Balance at June 30, 2023	<u>\$ 19,036,056</u>

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total OPEB liability at June 30, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** was assumed to be 2.50%, including inflation.
- For **Healthcare Cost Trend Rates**, actual trend rate used for fiscal year 2023. For fiscal years on and after 2023, for retirees eligible for the District's medical plan, the trend starts at 6.00% and gradually decreases to an ultimate trend of 5.00%. For retirees eligible for THIS, the trend rate is 5% for all years.
- For **Retirement, Termination, Disability and Mortality Rates**, the rates used were those from the 2020 IMRF and 2021 TRS valuations as applicable.

The following actuarial assumptions changed from the prior year.

- The discount rate was changed from 3.54% to 3.65% to reflect the change in the high quality 20-year tax-exempt general obligation bond rate between years.

*Discount Rate.* Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was the S&P Municipal Bond 20-Year High Grade Rate Index as of June 30, 2022). The projection of cash flows used to determine the discount rate assumed that employee and employer contributions would be made at the current rates. Based on those assumptions, the Plan's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

*Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Single Discount Rate.* The following presents the plan's OPEB liability, calculated using a Single Discount Rate of 3.65%, as well as what the plan's net OPEB liability would be if it were calculated using a Single Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (2.65)%	Current Discount Rate (3.65)%	1% Increase (4.65)%
Other postemployment benefit liability	\$ 20,623,865	\$ 19,036,056	\$ 17,529,904

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

**Community High School District 218**

**Notes to Basic Financial Statements**

**Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)**

	Healthcare Cost Trend Rates		
	1% Decrease (a)	Assumption	1% Increase (b)
Other postemployment benefit liability	\$ 16,453,522	\$ 19,036,056	\$ 22,096,797

- (a) One percentage point decrease in healthcare trend rates are 5% in 2023 decreasing to an ultimate trend rate of 4.00% in 2027.
- (b) One percentage point increase in healthcare trend rates are 7% in 2023 decreasing to an ultimate trend rate of 6.00% in 2027.

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2023, the District recognized OPEB expense of \$1,903,949. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 829,786	\$ 317,669
Changes of assumptions	3,555,301	2,854,752
	<u>\$ 4,385,087</u>	<u>\$ 3,172,421</u>

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Fiscal year ending June 30:

2024	\$ 156,683
2025	156,683
2026	156,683
2027	156,683
2028	156,683
Thereafter	429,251
	<u>\$ 1,212,666</u>

**Teachers' Health Insurance Security Fund**

*Plan Description.* The District participates in the Teachers' Health Insurance Security Fund (THIS) of the state of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the City of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable services with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan and amendments to the Plan can be made only by legislative action with the Governor's approval. The Plan is administered by the Illinois Department of Central Management Services. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.nauditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

*Benefits Provided.* THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the TRS. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75% subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) plan if a managed care plan is either not available or only partially available. Members receive approximately a 50% subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2023, required contributions are as follows:

- Active members contribute 0.90% of covered payroll.
- Employers contribute 0.67% of covered payroll. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2023, the District paid \$397,223 to the THIS Fund, which was 100% of the required contribution and are deferred because they were paid after the June 30, 2022 measurement date.
- The state of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The state contributed 0.90% of covered payroll. For the year ended June 30, 2023, the District recognized revenue and expense of (\$14,425,983) in the governmental activities based on the economic resources measurement basis and revenue and expenditures of \$533,583 in the General Fund based on the current financial resources measurement.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0% per year by statute. The Federal Government provides a Medicare Part D subsidy.

*OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources.* At June 30, 2023, the employer reported a liability for its proportionate share of the collective net OPEB liability that reflected a reduction for state pension support provided for the District. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

Employer's proportionate share of the collective net OPEB liability	\$ 14,147,415
The state's proportionate share of the collective net OPEB liability associated with the employer	46,082,732
Total THIS net collective OPEB liability associated with the employer	<u>\$ 60,230,147</u>

**Community High School District 218**

**Notes to Basic Financial Statements**

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**Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)**

The collective net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2021 and rolled forward to June 30, 2022.

The District's proportionate share of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2022, relative to the contributions of all participating employers and the State during that period. At June 30, 2022, the District's proportion was 0.2067%, which was a decrease of 0.004% from its proportion measured as of June 30, 2021.

For the year ended June 30, 2023, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
State on-behalf contribution - OPEB revenue and expense/expenditure	\$ (14,425,983)	\$ 533,583
District OPEB expense/expenditure	(6,104,935)	397,223
Total OPEB expense/expenditure	<u>\$ (20,530,918)</u>	<u>\$ 930,806</u>

At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ 9,253,105
Changes in proportion and differences between employer contributions and proportionate share of contributions	414,397	1,710,031
Net difference between projected and actual investment earnings	1,719	-
Changes of assumptions	12,763	34,897,908
Total deferred amounts to be recognized in expense in future periods	<u>428,879</u>	<u>45,861,044</u>
Employer contributions subsequent to the measurement date	397,223	-
	<u>\$ 826,102</u>	<u>\$ 45,861,044</u>

**Community High School District 218**

**Notes to Basic Financial Statements**

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**Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)**

The District reported \$397,223 as deferred outflows of resources resulting from employer contributions subsequent to the measurement date that will be recognized as a reduction of the collective net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Fiscal year ending June 30:

2024	\$ (7,407,150)
2025	(6,924,030)
2026	(6,196,076)
2027	(6,004,414)
2028	(5,930,462)
Thereafter	(12,970,033)
	<u>\$ (45,432,165)</u>

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2022, based on the entry age normal cost method and using the following actuarial assumptions:

Actuarial cost method	Entry Age Normal
Inflation	2.25%
Salary increases	Ultimate salary increases used to project payroll is 3.50%
Investment rate of return	0%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2023. For fiscal years on and after 2024, the trend starts at 8.00% for non-Medicare costs and post-Medicare costs and gradually decreases to an ultimate trend of 4.25% in 2039.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the PubNS-2010 Non-safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Retiree Employee Table. All tables reflect future mortality improvements using Projection Scale MP-2020

## Community High School District 218

### Notes to Basic Financial Statements

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#### Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)

##### Participation

Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Seventy percent of current deferred vested participants with at least seven years of service and younger than 70 as of June 30, 2020, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2020, are assumed to be eligible under SEDIP or TRIP before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

The actuarial assumptions used in the June 30, 2021 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

The following OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2021:

- The discount rate was changed from 1.92% at June 30, 2021 to 3.69% at June 30, 2022;
- The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2021, projected plan cost for plan year end June 30, 2022, premium changes through plan year end 2023, and expectation of future trend increases after June 30, 2022;
- Per capita claim costs for plan year end June 30, 2022, were updated based on projected claims and enrollment experience through June 30, 2022, and updated premium rates through plan year 2023;
- Healthcare plan participation rates by plan were updated based on observed experience; and
- Effective as of January 1, 2023, projected per capita costs reflect the newly established zero premium MAPD plan. Based on discussions with CMS, the MAPD costs are zero for calendar years 2023 through 2027, increase to \$42 per member per month in calendar year 2028, and increases ratably to \$102 per member per month in calendar year 2032. After 2032, costs increase according to the assumed trend rates.

The long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

*Discount Rate.* Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index's 20-year municipal GO AA Index). The discount rate as of June 30, 2022 was 3.69%, which was an increase from the June 30, 2021 rate of 1.92%. The projection of cash flows used to determine the discount rate assumed that employee, employer, and state contributions would be made at the current statutorily required rates. Based on those assumptions, THIS's fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

*Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Single Discount Rate.* The following presents the plan's net OPEB liability, calculated using a Single Discount Rate of 3.69%, as well as what the plan's net OPEB liability would be if it were calculated using a Single



**Community High School District 218**

**Notes to Basic Financial Statements**

**Note 9. Post-Employment Benefit Plans Other Than Pensions (Continued)**

Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (2.69)%	Current Discount Rate (3.69)%	1% Increase (4.69)%
District's proportionate share of the collective net OPEB liability	\$ 15,722,976	\$ 14,147,415	\$ 12,528,619

*Sensitivity of Net OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the plan's net OPEB liability, calculated using the healthcare cost trend rates as well as what the plan's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease (a)	Healthcare Cost Trend Rates Assumption	1% Increase (b)
Employer's proportionate share of the collective net OPEB liability	\$ 11,954,970	\$ 14,147,415	\$ 16,553,614

- (a) One percentage point decrease in healthcare trend rates are 7.00% in 2023 decreasing to an ultimate trend rate of 3.25% in 2039, for non-Medicare coverage and post-Medicare coverage.
- (b) One percentage point decrease in healthcare trend rates are 9.00% in 2022 decreasing to an ultimate trend rate of 5.25% in 2039, for non-Medicare coverage and post-Medicare coverage.

*OPEB plan fiduciary net position.* Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

*Payable to the OPEB plan.* The District had no outstanding amount of contributions to the THIS plan for the year ended June 30, 2023.

**Note 10. Commitments and Contingencies**

The District is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the District's management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the District's net position at June 30, 2023.

As of June 30, 2023, the District has certain construction commitments totaling approximately \$2,020,000.

**Note 11. Tax Abatements**

*Cook County Economic Incentives*

The Cook County Assessor's Office, in conjunction with municipalities located within Cook County and within the District's boundaries, encourage certain industrial and commercial development by offering real estate tax incentive programs (such as Class 6a, 6b, 7, 8 and 9) for the development of new industrial facilities, the rehabilitation of existing industrial structures, and industrial utilization of abandoned buildings or areas experiencing severe stagnation. These programs offer qualified properties a reduced equalized assessed valuation for up to 12 years. The District estimates its portion of annual abatement of property taxes to various local companies under this development incentive approximates \$3,939,000.

## Community High School District 218

### Notes to Basic Financial Statements

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#### **Note 12. Authoritative Pronouncements Issued But Not Yet Adopted**

GASB Statement No. 99, *Omnibus 2022*, will enhance comparability in the application of accounting and financial reporting requirements and will improve the consistency of authoritative literature. Consistent authoritative literature enables governments and other stakeholders to more easily locate and apply the correct accounting and financial reporting provisions, which improves the consistency with which such provisions are applied. The comparability of financial statements also will improve as a result of this statement. Better consistency and comparability improve the usefulness of information for users of state and local government financial statements. The statement will be effective for the District at various times between upon issuance and with its year ending June 30, 2024.

GASB Statement No. 100, *Accounting Changes and Error Corrections*, will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision useful, understandable, and comprehensive information for users about accounting changes and error corrections. The statement will be effective for the District with its year ending June 30, 2024.

GASB Statement No. 101, *Compensated Absences*, will through its unified recognition and remeasurement model, result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. In addition, the model can be applied consistently to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. The model also will result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences. The statement will be effective for the District with its year ending June 30, 2024.

The District's management has not yet determined the effect, if any, these statements will have on the District's financial statements and related disclosures.

## **Required Supplementary Information**

**Community High School District 218**

**Schedule of the Employer's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System**

<b>For the fiscal year ending*</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Employer's proportion of the net pension liability	0.0056%	0.0061%	0.0064%
Employer's proportion share of the net pension liability	\$ 4,661,084	\$ 4,760,315	\$ 5,497,251
State's proportionate share of the net pension liability associated with the employer	404,318,154	398,964,982	430,573,222
<b>Total</b>	<b>\$ 408,979,238</b>	<b>\$ 403,725,297</b>	<b>\$ 436,070,473</b>
Employer's covered-employee payroll	\$ 57,131,585	\$ 54,617,088	\$ 53,639,157
Employer's proportionate share of the net pension liability as a percentage of its covered employee payroll	8.2%	8.7%	10.2%
Plan fiduciary net position as a percentage of the total pension liability	45.1%	45.1%	37.8%

*\*The amounts presented were determined as of the prior fiscal year-end.*

**Schedule of Employer Contributions  
Teachers' Retirement System**

<b>For the fiscal year ending</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Contractually-required contribution	\$ 588,728	\$ 529,965	\$ 426,461
Contributions in relation to the contractually-required contribution	588,728	523,706	419,456
Contribution deficiency (excess)	\$ -	\$ 6,259	\$ 7,005
Employer's covered-employee payroll	\$ 59,286,973	\$ 57,131,585	\$ 54,617,088
Contributions as a percentage covered-employee payroll	0.99%	0.92%	0.77%

**Notes to Schedules**

**Changes of Assumptions**

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2017 through 2021 measurement years, the assumed investment rate of return was of 7.0%, including an inflation rate of 2.25% and a real return of 4.75%. Salary increases were assumed to vary by service credit. The assumptions used for the 2016-2017 and 2018-2020 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.5%, including an inflation rate of 3.0% and a real return of 4.5%. Salary increases were assumed to vary by service credit. Various other changes in assumptions were adopted based on the experience analysis for the three-year period ending June 30, 2014.

These schedules are presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, information is presented for those years which information is available.

2020	2019	2018	2017	2016	2015
0.0067%	0.0071%	0.0117%	0.0113%	0.0134%	0.0124%
\$ 5,415,615	\$ 5,504,486	\$ 8,917,920	\$ 8,953,743	\$ 8,807,310	\$ 7,531,928
385,423,392	377,080,400	364,841,979	381,345,627	304,258,793	278,860,058
<u>\$ 390,839,007</u>	<u>\$ 382,584,886</u>	<u>\$ 373,759,899</u>	<u>\$ 390,299,370</u>	<u>\$ 313,066,103</u>	<u>\$ 286,391,986</u>
\$ 49,226,727	\$ 48,088,710	\$ 49,226,727	\$ 48,088,710	\$ 46,985,129	\$ 45,197,382
11.0%	11.4%	18.1%	18.6%	18.7%	16.7%
39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

2020	2019	2018	2017	2016	2015
\$ 391,422	\$ 374,671	\$ 346,288	\$ 439,283	\$ 471,084	\$ 471,056
393,896	374,672	346,288	439,283	471,084	471,056
<u>\$ (2,474)</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 53,639,157	\$ 49,226,727	\$ 48,088,710	\$ 46,985,129	\$ 45,197,382	\$ 46,985,129
0.73%	0.76%	0.72%	0.93%	1.04%	1.00%

**Community High School District 218**

**Schedule of Changes in the Net Pension Liability (Asset) and Related Ratios  
Illinois Municipal Retirement Fund**

Calendar Year Ended December 31	2022	2021	2020
<b>Total Pension Liability</b>			
Service Cost	\$ 1,439,777	\$ 1,439,777	\$ 1,578,736
Interest on the Total Pension Liability	4,633,152	4,633,152	4,525,380
Changes of Benefit Terms	-	-	-
Differences Between Expected and Actual Experience of the Total Pension Liability	(123,998)	(123,998)	(459,804)
Changes of Assumptions	-	-	(666,933)
Benefit Payments, Including Refunds of Employee Contributions	(3,658,414)	(3,658,414)	(3,184,360)
<b>Net Change in Total Pension Liability</b>	<b>2,290,517</b>	<b>2,290,517</b>	<b>1,793,019</b>
Total Pension Liability - Beginning	67,305,376	65,014,859	63,221,840
<b>Total Pension Liability - Ending (A)</b>	<b>\$ 69,595,893</b>	<b>\$ 67,305,376</b>	<b>\$ 65,014,859</b>
<b>Plan Fiduciary Net Position</b>			
Contributions - Employer	\$ 1,242,963	\$ 1,242,963	\$ 1,201,094
Contributions - Employees	660,837	660,837	602,708
Net Investment Income	11,412,585	11,412,585	8,627,602
Benefit Payments, Including Refunds of Employee Contributions	(3,658,414)	(3,658,414)	(3,184,360)
Other (Net Transfer)	(221,462)	(221,462)	(490,890)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>9,436,509</b>	<b>9,436,509</b>	<b>6,756,154</b>
Plan Fiduciary Net Position - Beginning	78,232,816	68,796,307	62,040,153
<b>Plan Fiduciary Net Position - Ending (B)</b>	<b>\$ 87,669,325</b>	<b>\$ 78,232,816</b>	<b>\$ 68,796,307</b>
<b>Net Pension Liability (Asset) (A) - (B)</b>	<b>\$ (18,073,432)</b>	<b>\$ (10,927,440)</b>	<b>\$ (3,781,448)</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>125.97%</b>	<b>116.24%</b>	<b>105.82%</b>
<b>Covered Valuation Payroll</b>	<b>\$ 15,999,488</b>	<b>\$ 14,554,599</b>	<b>\$ 15,239,800</b>
<b>Net Pension Liability (Asset) as a Percentage of Covered Valuation Payroll</b>	<b>-112.96%</b>	<b>-75.08%</b>	<b>-24.81%</b>

**Notes to Schedule:**

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled, information is presented for those years which information is available.

**Significant Changes in Assumptions:**

- 2018 IMRF decreased the long-term rate of return by a quarter point from 7.50% to 7.25%
- 2017 IMRF updated the actuarial assumptions used in the 2017 valuation results based on an experience study completed in 2017. A summary of the changes include; a decrease in wage growth and price inflation by a quarter point, decreases in the salary increase assumption and updated mortality tables based on plan experience.

	2019	2018	2017	2016	2015	2014
\$	1,582,855	\$ 1,426,535	\$ 1,457,839	\$ 1,434,323	\$ 1,423,961	\$ 1,411,500
	4,339,304	4,122,340	4,041,445	3,873,080	3,729,293	3,412,010
	-	-	-	-	-	-
	(249,523)	631,598	340,094	(352,945)	(650,236)	(231,273)
	-	1,628,162	(1,873,182)	(63,007)	61,564	2,081,318
	(3,023,669)	(2,974,047)	(2,769,846)	(2,684,736)	(2,482,581)	(2,416,102)
	2,648,967	4,834,588	1,196,350	2,206,715	2,082,001	4,257,453
	60,572,873	55,738,285	54,541,935	52,335,220	50,253,219	45,995,766
\$	63,221,840	\$ 60,572,873	\$ 55,738,285	\$ 54,541,935	\$ 52,335,220	\$ 50,253,219
\$	1,123,435	\$ 1,342,600	\$ 1,274,662	\$ 1,257,179	\$ 1,249,010	\$ 1,216,156
	681,273	662,237	662,166	587,525	582,130	559,747
	9,892,334	(2,941,737)	8,678,064	3,263,451	241,086	2,816,852
	(3,023,669)	(2,974,047)	(2,769,846)	(2,684,736)	(2,482,581)	(2,416,102)
	(74,349)	965,944	(1,221,830)	(295,059)	(498,082)	(131,658)
	8,599,024	(2,945,003)	6,623,216	2,128,360	(908,437)	2,044,995
	53,441,129	56,386,132	49,762,916	47,634,556	48,542,993	46,497,998
\$	62,040,153	\$ 53,441,129	\$ 56,386,132	\$ 49,762,916	\$ 47,634,556	\$ 48,542,993
\$	1,181,687	\$ 7,131,744	\$ (647,847)	\$ 4,779,019	\$ 4,700,664	\$ 1,710,226
	98.13%	88.23%	101.16%	91.24%	91.02%	96.60%
\$	14,900,806	\$ 14,455,974	\$ 13,691,148	\$ 12,913,859	\$ 12,616,162	\$ 12,469,782
	7.93%	49.33%	-4.73%	37.01%	37.26%	13.71%

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**Community High School District 218**

**Schedule of Employer Contributions - Illinois Municipal Retirement Fund**

Calendar Year Ended December 31,	Actuarially Determined Contribution*	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation Payroll
2022	\$ 1,126,364	\$ 1,126,364	\$ -	\$ 15,999,488	7.04%
2021	1,242,963	1,242,963	-	14,554,599	8.54%
2020	1,354,818	1,201,094	153,724	15,239,800	7.88%
2019	1,123,521	1,123,435	86	14,900,806	7.54%
2018	1,342,960	1,342,600	360	14,455,974	9.29%
2017	1,274,646	1,274,662	(16)	13,691,148	9.31%
2016	1,250,062	1,257,179	(7,117)	12,913,859	9.74%
2015	1,243,954	1,249,010	(5,056)	12,616,162	9.90%
2014	1,253,213	1,216,156	37,057	12,469,782	9.75%

**Notes to Schedule:**

\*Estimated based on contribution rate of 8.54% and covered valuation payroll of \$14,554,599.

**Valuation Date:**

Notes Actuarially determined contribution rates are calculated as of December 31 each year, which is 12 months prior to the beginning of the fiscal year in which contributions are reported.

**Methods and Assumptions Used to Determine 2022 Contribution Rates:**

Actuarial Cost Method: Aggregate entry age normal  
 Amortization Method: Level percentage of payroll, closed  
 Remaining Amortization Period: 22-year closed period.  
 Asset Valuation Method: 5-year smoothed market; 20% corridor  
 Wage Growth: 3.25%  
 Price Inflation: 2.50%  
 Salary Increases: 3.35% to 14.25%, including inflation  
 Investment Rate of Return 7.25%  
 Retirement Age: Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2017 valuation pursuant to an experience study of the period 2014 to 2016.  
 Mortality: For non-disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Blue Collar Health Annuitant Mortality Table with adjustments to match current IMRF experience. For disabled retirees, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Disabled Retirees Mortality Table applying the same adjustment that were applied for non-disabled lives. For active members, an IMRF specific mortality table was used with fully generational projection scale MP-2017 (base year 2015). The IMRF specific rates were developed from the RP-2014 Employee Mortality Table with adjustments to match current IMRF experience.

**Other Information:**

Notes: There were no benefit changes during the year.

This schedule is presented to illustrate the requirement to show information for 10 years; however, until a full 10-year trend is compiled information is presented for those years for which information is available.

**Community High School District 218**

**Schedule of Changes in the Total OPEB Liability and Related Ratios  
Postemployment Benefit Plan - District Plan**

For the fiscal year ending June 30,	2023	2022	2021
Total OPEB Liability			
Service Cost	\$ 1,123,233	\$ 1,389,014	\$ 1,349,280
Interest on the Total OPEB Liability	624,033	419,770	396,527
Differences Between Expected and Actual Experience of the Total OPEB Liability	-	(369,493)	-
Changes of Assumptions	(170,839)	(2,894,808)	77,323
Benefit Payments	(336,844)	(363,613)	(299,837)
Net Change in Total OPEB Liability	1,239,583	(1,819,130)	1,523,293
Total OPEB Liability - Beginning	17,796,473	19,615,603	18,092,310
Total OPEB Liability - Ending	<u>\$ 19,036,056</u>	<u>\$ 17,796,473</u>	<u>\$ 19,615,603</u>
Covered Valuation Payroll	\$ 72,712,181	\$ 70,938,714	\$ 69,208,501
Total OPEB liability as a Percentage of Covered Valuation Payroll	26.18%	25.09%	28.34%

**Notes to Schedules**

There is no actuarially determined contribution or employer contribution in relation to the actuarially determined contribution as there is no Trust that exists for funding the OPEB liabilities. However, the District did make contributions from other District resources in the current year in the amount of \$336,844.

Changes to actuarial assumptions - 2023

- The discount rate was increased from 3.54% in 2022 to 3.65% in 2023 to better reflect the change in the rate on high quality 20-year tax exempt general obligation bonds

Changes to actuarial assumptions - 2022

- The discount rate was changed from 2.16% in 2021 to 3.54% in 2021 to reflect the change in the rate on high quality 20-year tax exempt general obligation bonds
- Assumptions for IMRF employees were updated to reflect those based on the IMRF Experience Study Report dated December 14, 2020; assumptions for TRS employees were updated to reflect those based on the TRS Experience Study dated September 31, 2021

Changes to actuarial assumptions - 2021

- The discount rate was changed from 2.21% in 2020 to 2.16% in 2021 to reflect the change in the rate on high quality 20-year tax exempt general obligations bonds

Changes to actuarial assumptions - 2020

- The discount rate was changed from 3.50% in 2019 to 2.21% in 2020 to reflect the change in the rate on high quality 20-year tax exempt general obligations bonds
- Trend rates were updated to better reflect current market conditions
- Assumptions for TRS employees were updated to reflect with the assumptions used in the TRS actuarial valuation
- Assumptions for IMRF employees were updated to reflect those based on the IMRF Experience Study Report dated November 8, 2017; assumptions for TRS employees were updated to reflect those based on the TRS Experience Study dated September 18, 2018

Changes to actuarial assumptions - 2019

- The discount rate was changed from 3.87% in 2018 to 3.50% in 2019 to reflect the change in the rate on high quality 20-year tax exempt general obligation bonds

The information on this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75. Information is presented for those years for which information is available.

	2020	2019	2018
\$	572,964	\$ 579,402	\$ 557,815
	409,649	411,928	407,180
	1,147,962	-	-
	4,411,781	442,473	(330,114)
	(299,837)	(456,307)	(409,418)
	6,242,519	977,496	225,463
	11,849,791	10,872,295	10,646,832
\$	18,092,310	\$ 11,849,791	\$ 10,872,295
\$	70,102,770	\$ 60,479,831	\$ 60,479,831
	25.81%	19.59%	17.98%

**Community High School District 218**

**Schedule of the Employer's Proportionate Share of the Collective Total OPEB Liability  
Postemployment Benefit Plan - Teachers' Health Insurance Security Fund**

For the fiscal year ending June 30,	2023	2022	2021	2020	2019	2018
Employer's proportion of the collective total OPEB liability	0.2067%	0.2107%	0.2119%	0.2122%	0.2132%	0.2140%
Employer's proportionate share of the collective total OPEB liability	\$ 14,147,415	\$ 46,464,987	\$ 56,649,115	\$ 58,744,762	\$ 56,181,867	\$ 55,532,274
The State's proportionate share of the collective total OPEB liability associated with the employer	46,082,732	76,342,492	76,744,086	79,548,006	75,439,935	66,965,850
<b>Total</b>	<b>\$ 60,230,147</b>	<b>\$ 122,807,479</b>	<b>\$ 133,393,201</b>	<b>\$ 138,292,768</b>	<b>\$ 131,621,802</b>	<b>\$ 122,498,124</b>
Employee covered payroll	\$ 57,131,585	\$ 54,617,088	\$ 53,639,157	\$ 49,226,727	\$ 48,088,710	\$ 49,226,727
Collective total OPEB liability as a percentage of the employee covered payroll	24.76%	85.07%	105.61%	119.34%	116.83%	112.81%
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

\* The amounts presented for each fiscal year were determined as of the prior fiscal-year-end.

- The following assumptions were changed for :	2023	2022	2021	2020	2019	2018
Discount rate	3.69%	1.92%	2.45%	3.13%	3.62%	3.56%
Prior year discount rate	1.92%	3.13%	3.13%	3.62%	3.56%	N/A
Inflation rate	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%

- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.
- With the repeal of the Excise Tax during 2021, the excise trend rate adjustment was removed. Prior to 2021, the excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.
- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year
- Healthcare plan participation rates by plan were updated based on observed experience

The information in this schedule will accumulate until a full 10-year trend is presented as required by GASB Statement No. 75.

**Community High School District 218**

**Schedule of Employer Contributions  
Teachers' Health Insurance Security Fund**

<b>For the fiscal year ending</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Contractually-required contribution	\$ 397,223	\$ 382,782	\$ 502,477	\$ 493,480	\$ 479,077	\$ 445,616	\$ 413,505	\$ 384,710	\$ 357,087	\$ 325,421
Contributions in relation to the contractually-required contribution	397,223	382,782	502,477	493,480	479,077	445,616	413,505	384,710	357,087	325,421
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

See accompanying note to schedule of contributions.

## Community High School District 218

### Note to Schedule of Contributions Teachers' Health Insurance Security Fund

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Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Fiscal Year-End	June 30, 2023

#### Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy	Benefits are financed on a pay-as-you go basis. Contribution rates are defined by statute. For fiscal year-end June 30, 2022, contribution rates are 1.24% of pay for active members, 0.92% of pay for school districts and 1.24% of pay for the state. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method	Market value
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation, for all plan years
Inflation	2.25%
Salary Increases	Depends on service and ranges from 8.50% at less than 1 year of service to 3.50% at 20 or more years of service.
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the June 30, 2021 actuarial valuation.
Mortality	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates	Actual trend used for fiscal year 2023. For fiscal years on and after 2024, trend starts at 8.00% and gradually decreases to an ultimate trend of 4.25%.
Aging Factors	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Community High School District 218

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
General Fund  
Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 75,300,934	\$ 75,591,966	\$ 291,032
Corporate property replacement taxes	7,442,800	7,961,156	518,356
Charges for services	1,487,000	1,470,026	(16,974)
Unrestricted state aid	14,980,506	15,821,085	840,579
Restricted state aid	16,265,115	16,838,168	573,053
Restricted federal aid	11,220,908	9,402,369	(1,818,539)
Interest	1,413,741	421,995	(991,746)
Other revenues	790,000	930,623	140,623
<b>Total revenues</b>	<b>128,901,004</b>	<b>128,437,388</b>	<b>(463,616)</b>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	38,034,302	39,095,231	(1,060,929)
Special programs	15,871,637	17,273,270	(1,401,633)
Other instructional programs	13,785,383	13,581,863	203,520
<b>Support services:</b>			
Pupils	9,961,722	9,618,808	342,914
Instructional staff	7,066,976	5,993,881	1,073,095
General administration	7,202,618	7,639,576	(436,958)
School administration	4,597,368	5,096,004	(498,636)
Business	4,424,571	3,198,691	1,225,880
Operations and maintenance	10,445,770	10,772,602	(326,832)
Central	966,884	1,124,931	(158,047)
Other support services	1,500	3,284	(1,784)
Community services	233,364	232,616	748
Payments to other governments	7,097,657	7,515,588	(417,931)
<b>Debt service</b>			
Principal payment	-	274,063	(274,063)
Capital outlay	7,892,634	8,520,159	(627,525)
<b>Total expenditures</b>	<b>127,582,386</b>	<b>129,940,567</b>	<b>(2,358,181)</b>
Excess (deficiency) of revenues			
(Deficiency) of revenues (under) expenditures	1,318,618	(1,503,179)	(2,821,797)
<b>Other financing uses:</b>			
Proceeds from financed purchase	-	1,096,252	1,096,252
<b>Change in fund balance</b>	<b>\$ 1,318,618</b>	<b>(406,927)</b>	<b>\$ (1,725,545)</b>
<b>Fund balance:</b>			
July 1, 2022		74,065,478	
June 30, 2023		\$ 73,658,551	

See note to required supplementary information.

## Community High School District 218

### Note to Required Supplementary Information

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#### Note 1. Budgetary Information

##### Budgets and Budgetary Information

Annual budgets are adopted for all governmental fund types. The annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America at the fund level. All budgets lapse at fiscal year-end.

On or before July 1 of each year, the superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and by function. The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10% of the total of such fund and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. No supplemental budget was required, and there were no transfers between functions during the year.



## **Supplementary Information**

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**Community High School District 218**

**Combining Balance Sheet  
General Fund, by Accounts  
June 30, 2023**

	Educational Account	Operations and Maintenance Account	Tort Account	Working Cash Account	Eliminations	Total
<b>Assets</b>						
Cash and investments	\$ 70,962,366	\$ 2,393,158	\$ -	\$ 8,687,322	\$ -	\$ 82,042,846
Receivables:						
Property taxes, net	38,492,873	5,293,359	1,742,588	103,406	-	45,632,226
Due from other funds and accounts	-	-	-	965,594	(965,594)	-
Due from other governmental units	1,638,725	-	-	-	-	1,638,725
<b>Total assets</b>	<b>\$ 111,093,964</b>	<b>\$ 7,686,517</b>	<b>\$ 1,742,588</b>	<b>\$ 9,756,322</b>	<b>\$ (965,594)</b>	<b>\$ 129,313,797</b>
<b>Liabilities</b>						
Accounts payable	\$ 1,537,469	\$ 177,599	\$ 75,847	\$ -	\$ -	\$ 1,790,915
Accrued liabilities	8,832,481	-	-	-	-	8,832,481
Due to other funds and accounts	-	-	965,594	-	(965,594)	-
<b>Total liabilities</b>	<b>10,369,950</b>	<b>177,599</b>	<b>1,041,441</b>	<b>-</b>	<b>(965,594)</b>	<b>10,623,396</b>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	37,756,219	5,192,060	1,709,243	101,424	-	44,758,946
Deferred intergovernmental revenues	272,904	-	-	-	-	272,904
<b>Total deferred inflows of resources</b>	<b>38,029,123</b>	<b>5,192,060</b>	<b>1,709,243</b>	<b>101,424</b>	<b>-</b>	<b>45,031,850</b>
<b>Fund Balances</b>						
Restricted for:						
Operations and maintenance	-	2,316,858	-	-	-	2,316,858
Student activity accounts	808,941	-	-	-	-	808,941
Unassigned	61,885,950	-	(1,008,096)	9,654,898	-	70,532,752
<b>Total fund balances (deficit)</b>	<b>62,694,891</b>	<b>2,316,858</b>	<b>(1,008,096)</b>	<b>9,654,898</b>	<b>-</b>	<b>73,658,551</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 111,093,964</b>	<b>\$ 7,686,517</b>	<b>\$ 1,742,588</b>	<b>\$ 9,756,322</b>	<b>\$ (965,594)</b>	<b>\$ 129,313,797</b>

**Community High School District 218**

**Combining Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual  
General Fund, by Accounts  
Year Ended June 30, 2023**

	Educational Account		Operations and Maintenance Account	
	Budget	Actual	Budget	Actual
<b>Revenues:</b>				
Property taxes	\$ 62,081,771	\$ 63,511,620	\$ 10,132,818	\$ 8,970,992
Corporate property replacement taxes	6,442,800	6,961,156	1,000,000	1,000,000
Charges for services	1,392,000	1,357,758	95,000	112,268
Unrestricted state aid	13,480,506	14,321,085	1,500,000	1,500,000
Restricted state aid	16,265,115	16,838,168	-	-
Restricted federal aid	11,220,908	9,402,369	-	-
Interest	1,197,673	629,668	54,783	(87,960)
Other revenues	790,000	930,623	-	-
<b>Total revenues</b>	<b>112,870,773</b>	<b>113,952,447</b>	<b>12,782,601</b>	<b>11,495,300</b>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	38,034,302	39,095,231	-	-
Special programs	15,864,606	17,270,121	-	-
Other instructional programs	13,785,383	13,581,863	-	-
Support services:				
Pupils	9,961,722	9,618,808	-	-
Instructional staff	7,066,976	5,993,881	-	-
General administration	5,814,475	6,723,604	-	-
School administration	4,597,368	5,096,004	-	-
Business	4,424,571	3,198,691	-	-
Operations and maintenance	-	-	9,082,501	8,961,147
Central	966,884	1,124,931	-	-
Other support services	1,500	3,284	-	-
Community services	233,364	232,616	-	-
Payments to other governments	7,097,657	7,515,588	-	-
Debt Service:				
Principal payment	-	274,063	-	-
Capital outlay	4,468,134	6,993,819	3,424,500	1,526,340
<b>Total expenditures</b>	<b>112,316,942</b>	<b>116,722,504</b>	<b>12,507,001</b>	<b>10,487,487</b>
Excess (deficiency) of revenues over (under) expenditures	553,831	(2,770,057)	275,600	1,007,813
Other financing (uses):				
Proceeds from financed purchase	-	1,096,252	-	-
<b>Change in fund balance</b>	<b>\$ 553,831</b>	<b>(1,673,805)</b>	<b>\$ 275,600</b>	<b>1,007,813</b>
Fund balance (deficit):				
July 1, 2022		<u>64,368,696</u>		<u>1,309,045</u>
June 30, 2023		<u>\$ 62,694,891</u>		<u>\$ 2,316,858</u>

Tort Account		Working Cash Account		Total	
Budget	Actual	Budget	Actual	Budget	Actual
\$ 2,905,238	\$ 2,935,073	\$ 181,107	\$ 174,281	\$ 75,300,934	\$ 75,591,966
-	-	-	-	7,442,800	7,961,156
-	-	-	-	1,487,000	1,470,026
-	-	-	-	14,980,506	15,821,085
-	-	-	-	16,265,115	16,838,168
-	-	-	-	11,220,908	9,402,369
(29,626)	(27,905)	190,911	(91,808)	1,413,741	421,995
-	-	-	-	790,000	930,623
<u>2,875,612</u>	<u>2,907,168</u>	<u>372,018</u>	<u>82,473</u>	<u>128,901,004</u>	<u>128,437,388</u>

-	-	-	-	38,034,302	39,095,231
7,031	3,149	-	-	15,871,637	17,273,270
-	-	-	-	13,785,383	13,581,863
-	-	-	-	9,961,722	9,618,808
-	-	-	-	7,066,976	5,993,881
1,388,143	915,972	-	-	7,202,618	7,639,576
-	-	-	-	4,597,368	5,096,004
-	-	-	-	4,424,571	3,198,691
1,363,269	1,811,455	-	-	10,445,770	10,772,602
-	-	-	-	966,884	1,124,931
-	-	-	-	1,500	3,284
-	-	-	-	233,364	232,616
-	-	-	-	7,097,657	7,515,588
-	-	-	-	-	274,063
-	-	-	-	7,892,634	8,520,159
<u>2,758,443</u>	<u>2,730,576</u>	<u>-</u>	<u>-</u>	<u>127,582,386</u>	<u>129,940,567</u>

117,169	176,592	372,018	82,473	1,318,618	(1,503,179)
-	-	-	-	-	1,096,252
<u>\$ 117,169</u>	<u>176,592</u>	<u>\$ 372,018</u>	<u>82,473</u>	<u>\$ 1,318,618</u>	<u>(406,927)</u>

<u>(1,184,688)</u>	<u>9,572,425</u>	<u>74,065,478</u>
<u>\$ (1,008,096)</u>	<u>\$ 9,654,898</u>	<u>\$ 73,658,551</u>

Community High School District 218

Combining Balance Sheet - by Fund Type  
 Nonmajor Governmental Funds  
 June 30, 2023

	Special Revenue Fund		Capital Projects Fund			Total Nonmajor Governmental Funds
	IMRF/ Social Security Fund	Transportation Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Debt Service Fund	
<b>Assets</b>						
Cash and investments	\$ 6,028,413	\$ 4,853,457	\$ 18,053	\$ 140,657	\$ 3,210,218	\$ 14,250,798
Receivables:						
Property taxes, net	1,334,288	1,554,876	-	10,601	1,508,415	4,408,180
Due from other governmental units	-	2,919,585	-	-	-	2,919,585
<b>Total assets</b>	<b>\$ 7,362,701</b>	<b>\$ 9,327,918</b>	<b>\$ 18,053</b>	<b>\$ 151,258</b>	<b>\$ 4,718,633</b>	<b>\$ 21,578,563</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 271,725	\$ -	\$ -	\$ -	\$ 271,725
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	1,308,757	1,525,113	-	10,400	1,479,552	4,323,822
Deferred intergovernmental revenues	-	2,416,773	-	-	-	2,416,773
<b>Total deferred inflows of resources</b>	<b>1,308,757</b>	<b>3,941,886</b>	<b>-</b>	<b>10,400</b>	<b>1,479,552</b>	<b>6,740,595</b>
<b>Fund Balances</b>						
Restricted for:						
Transportation	-	5,114,307	-	-	-	5,114,307
Retirement benefits	6,053,944	-	-	-	-	6,053,944
Debt service	-	-	-	-	3,239,081	3,239,081
Capital projects	-	-	18,053	140,858	-	158,911
<b>Total fund balances</b>	<b>6,053,944</b>	<b>5,114,307</b>	<b>18,053</b>	<b>140,858</b>	<b>3,239,081</b>	<b>14,566,243</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 7,362,701</b>	<b>\$ 9,327,918</b>	<b>\$ 18,053</b>	<b>\$ 151,258</b>	<b>\$ 4,718,633</b>	<b>\$ 21,578,563</b>

Community High School District 218

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
by Fund Type  
Nonmajor Governmental Funds  
Year Ended June 30, 2023

	Special Revenue Fund		Capital Projects Funds		Debt Service Fund	Total Nonmajor Governmental Funds
	IMRF/ Social Security Fund	Transportation Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund		
Revenues:						
Property taxes	\$ 2,624,175	\$ 3,090,940	\$ -	\$ 17,641	\$ 2,600,966	\$ 8,333,722
Corporate property replacement taxes	662,719	1,500,000	-	-	687,200	2,849,919
Charges for services	-	46,928	-	-	-	46,928
Restricted state aid	-	2,121,839	-	-	-	2,121,839
Interest	(67,860)	(28,151)	-	(1,625)	(38,371)	(136,007)
<b>Total revenues</b>	<b>3,219,034</b>	<b>6,731,556</b>	<b>-</b>	<b>16,016</b>	<b>3,249,795</b>	<b>13,216,401</b>
Expenditures:						
Current:						
Instruction:						
Regular programs	662,332	-	-	-	-	662,332
Special programs	614,662	-	-	-	-	614,662
Other instructional programs	278,715	-	-	-	-	278,715
Support services:						
Pupils	309,677	-	-	-	-	309,677
Instructional staff	91,869	-	-	-	-	91,869
General administration	77,642	-	-	-	-	77,642
School administration	162,424	-	-	-	-	162,424
Business	46,494	6,522	-	-	-	53,016
Transportation	2,231	8,288,138	-	-	-	8,290,369
Operations and maintenance	865,588	-	-	-	-	865,588
Central	60,295	-	-	-	-	60,295
Community services	19,622	6,165	-	-	-	25,787
Debt service:						
Principal	-	-	-	-	2,030,000	2,030,000
Interest and charges	-	-	-	-	1,379,975	1,379,975
<b>Total expenditures</b>	<b>3,191,551</b>	<b>8,300,825</b>	<b>-</b>	<b>-</b>	<b>3,409,975</b>	<b>14,902,351</b>
<b>Change in fund balances</b>	<b>27,483</b>	<b>(1,569,269)</b>	<b>-</b>	<b>16,016</b>	<b>(160,180)</b>	<b>(1,685,950)</b>
Fund balances:						
July 1, 2022	6,026,461	6,683,576	18,053	124,842	3,399,261	16,252,193
June 30, 2023	\$ 6,053,944	\$ 5,114,307	\$ 18,053	\$ 140,858	\$ 3,239,081	\$ 14,566,243

**Community High School District 218**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
IMRF/Social Security Fund  
Year Ended June 30, 2023**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 3,520,128	\$ 2,624,175	\$ (895,953)
Corporate property replacement taxes	370,000	662,719	292,719
Interest	90,395	(67,860)	(158,255)
<b>Total revenues</b>	<u>3,980,523</u>	<u>3,219,034</u>	<u>(761,489)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Instruction:</b>			
Regular programs	953,141	662,332	290,809
Special programs	673,600	614,662	58,938
Other instructional programs	276,759	278,715	(1,956)
<b>Support services:</b>			
Pupils	309,209	309,677	(468)
Instructional staff	126,858	91,869	34,989
General administration	16,759	77,642	(60,883)
School administration	124,936	162,424	(37,488)
Business	29,077	46,494	(17,417)
Transportation	474	2,231	(1,757)
Operations and maintenance	380,026	865,588	(485,562)
Central	30,788	60,295	(29,507)
Community services	13,200	19,622	(6,422)
<b>Total expenditures</b>	<u>2,934,827</u>	<u>3,191,551</u>	<u>(256,724)</u>
<b>Change in fund balance</b>	<u>\$ 1,045,696</u>	27,483	<u>\$ (1,018,213)</u>
<b>Fund balance:</b>			
July 1, 2022		<u>6,026,461</u>	
June 30, 2023		<u>\$ 6,053,944</u>	



**Community High School District 218**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Transportation Fund  
Year Ended June 30, 2023**

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 3,817,607	\$ 3,090,940	\$ (726,667)
Corporate property replacement taxes	1,500,000	1,500,000	-
Charges for services	-	46,928	46,928
Restricted state aid	2,056,166	2,121,839	65,673
Interest	98,647	(28,151)	(126,798)
<b>Total revenues</b>	<u>7,472,420</u>	<u>6,731,556</u>	<u>(740,864)</u>
<b>Expenditures:</b>			
<b>Current:</b>			
<b>Support services:</b>			
Transportation	7,222,650	8,288,138	(1,065,488)
Business	33,765	6,522	27,243
Community services	5,305	6,165	(860)
<b>Total expenditures</b>	<u>7,261,720</u>	<u>8,300,825</u>	<u>(1,039,105)</u>
<b>Change in fund balance</b>	<u>\$ 210,700</u>	<u>(1,569,269)</u>	<u>\$ (1,779,969)</u>
<b>Fund balance:</b>			
July 1, 2022		<u>6,683,576</u>	
June 30, 2023		<u>\$ 5,114,307</u>	

**Community High School District 218**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Capital Projects Fund  
Year Ended June 30, 2023**

	Original and Final Budget	Actual	Variance
Revenues:	\$ -	\$ -	\$ -
Expenditures:	-	-	-
<b>Change in fund balance</b>	<u>\$ -</u>	-	<u>\$ -</u>
Fund balance:			
July 1, 2022		<u>18,053</u>	
June 30, 2023		<u>\$ 18,053</u>	

Community High School District 218

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Fire Prevention and Life Safety Fund  
 Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 17,236	\$ 17,641	\$ 405
Interest	1,763	(1,625)	(3,388)
<b>Total revenues</b>	<u>18,999</u>	<u>16,016</u>	<u>(2,983)</u>
<b>Expenditures</b>			
	<u>-</u>	<u>-</u>	<u>-</u>
<b>Change in fund balance</b>	<u>\$ 18,999</u>	<u>16,016</u>	<u>\$ (2,983)</u>
<b>Fund balance:</b>			
July 1, 2022		<u>124,842</u>	
June 30, 2023		<u>\$ 140,858</u>	

Community High School District 218

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 Debt Service Fund  
 Year Ended June 30, 2023

	Original and Final Budget	Actual	Variance
<b>Revenues:</b>			
Property taxes	\$ 2,634,148	\$ 2,600,966	\$ (33,182)
Corporate property replacement taxes	687,200	687,200	-
Interest	145,454	(38,371)	(183,825)
<b>Total revenues</b>	<u>3,466,802</u>	<u>3,249,795</u>	<u>(217,007)</u>
<b>Expenditures:</b>			
Debt service:			
Principal	2,030,000	2,030,000	-
Interest and charges	1,379,977	1,379,975	2
<b>Total expenditures</b>	<u>3,409,977</u>	<u>3,409,975</u>	<u>2</u>
<b>Change in fund balance</b>	<u>\$ 56,825</u>	(160,180)	<u>\$ (217,005)</u>
<b>Fund balance:</b>			
July 1, 2022		<u>3,399,261</u>	
June 30, 2023		<u>\$ 3,239,081</u>	

**Community High School District 218**

**Schedule of Debt Service Requirements  
Year Ended June 30, 2023**

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Financed Purchase Agreement	2024	\$ 274,063	\$ -	\$ 274,063
Issue Date: January 25, 2023	2025	274,063	-	274,063
Original Amount: 1,096,252	2026	274,063	-	274,063
Principal payable on February 25th beginning on February 25, 2023				
Interest rate: 0%				
Paying Agent: Apple Inc.		\$ 822,189	\$ -	\$ 822,189
Total outstanding bonded debt	2024	\$ 2,170,000	\$ 1,278,274	\$ 3,448,274
	2025	2,315,000	1,179,047	3,494,047
	2026	2,455,000	1,081,068	3,536,068
	2027	2,595,000	977,274	3,572,274
	2028	2,745,000	866,927	3,611,927
	2029	2,900,000	752,959	3,652,959
	2030	3,065,000	635,697	3,700,697
	2031	2,550,000	524,494	3,074,494
	2032	2,765,000	418,194	3,183,194
	2033	2,790,000	309,819	3,099,819
	2034	2,450,000	218,463	2,668,463
	2035	2,755,000	137,134	2,892,134
	2036	2,895,000	47,044	2,942,044
	2037	-	-	-
		\$ 34,450,000	\$ 8,426,394	\$ 42,876,394

(Continued)

**Community High School District 218**

**Schedule of Debt Service Requirements (Continued)  
Year Ended June 30, 2023**

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
<b>General obligation refunding bonds:</b>				
Issue of April 22, 2020 (2020)	2024	\$ 530,000	\$ 156,400	\$ 686,400
Original amount: \$5,630,000	2025	550,000	134,800	684,800
Principal payable December 1 beginning December 1, 2020	2026	575,000	112,300	687,300
	2027	595,000	88,900	683,900
Interest payable June 1	2028	615,000	64,700	679,700
and December 1 of each year	2029	640,000	39,600	679,600
Interest rate 4.00%	2030	670,000	13,400	683,400
Paying agent: Amalgamated Bank of Chicago		<u>\$ 4,175,000</u>	<u>\$ 610,100</u>	<u>\$ 4,785,100</u>
<b>General obligation bonds:</b>				
Issue of December 4, 2013 (2013)	2024	\$ -	\$ 394,955	\$ 394,955
Original amount: \$9,480,000	2025	1,060,000	372,428	1,432,428
Principal payable December 1 beginning December 1, 2024	2026	1,755,000	312,611	2,067,611
	2027	1,890,000	235,155	2,125,155
Interest payable June 1	2028	2,035,000	151,749	2,186,749
and December 1 of each year	2029	2,190,000	65,253	2,255,253
Interest rates 3.95% - 4.25%	2030	550,000	11,000	561,000
Paying agent: The Depository Trust Company		<u>\$ 9,480,000</u>	<u>\$ 1,543,151</u>	<u>\$ 11,023,151</u>
<b>General obligation bonds:</b>				
Issue of December 4, 2014 (2014)	2024	\$ -	\$ 368,400	\$ 368,400
Original amount: \$9,210,000	2025	-	368,400	368,400
Principal payable December 1 beginning December 1, 2029	2026	-	368,400	368,400
	2027	-	368,400	368,400
Interest payable June 1	2028	-	368,400	368,400
and December 1 of each year	2029	-	368,400	368,400
Interest rates 3.95% - 4.25%	2030	1,650,000	335,400	1,985,400
Paying agent: The Depository Trust Company	2031	2,550,000	251,400	2,801,400
	2032	2,765,000	145,100	2,910,100
	2033	2,245,000	44,900	2,289,900
		<u>\$ 9,210,000</u>	<u>\$ 2,987,200</u>	<u>\$ 12,197,200</u>

(Continued)

**Community High School District 218**

**Schedule of Debt Service Requirements (Continued)  
Year Ended June 30, 2023**

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
General obligation bonds:				
Issue of June 7, 2016 (Series 2016A)	2024	\$ -	\$ 256,744	\$ 256,744
Original amount: \$8,100,000	2025	-	256,744	256,744
Principal payable December 1	2026	-	256,744	256,744
beginning December 1, 2033	2027	-	256,744	256,744
Interest payable June 1	2028	-	256,744	256,744
and December 1 of each year	2029	-	256,744	256,744
Interest rates 3.5% - 5.00%	2030	-	256,744	256,744
Paying agent: The Depository Trust	2031	-	256,744	256,744
Company	2032	-	256,744	256,744
	2033	-	256,744	256,744
	2034	2,450,000	218,463	2,668,463
	2035	2,755,000	137,134	2,892,134
	2036	2,895,000	47,044	2,942,044
		<u>\$ 8,100,000</u>	<u>\$ 2,970,081</u>	<u>\$ 11,070,081</u>
General obligation bonds:				
Issue of June 7, 2016 (Series 2016B)	2024	\$ 1,640,000	\$ 101,775	\$ 1,741,775
Original amount: \$10,110,000	2025	705,000	46,675	751,675
Principal payable December 1	2026	125,000	31,013	156,013
beginning December 1, 2019	2027	110,000	28,075	138,075
Interest payable June 1	2028	95,000	25,334	120,334
and December 1 of each year	2029	70,000	22,962	92,962
Interest rates 2.50% - 5.00%	2030	195,000	19,153	214,153
Paying agent: The Depository Trust	2031	-	16,350	16,350
Company	2032	-	16,350	16,350
	2033	545,000	8,175	553,175
		<u>\$ 3,485,000</u>	<u>\$ 315,862</u>	<u>\$ 3,800,862</u>

**Community High School District 218**

**Schedule of Property Tax Rates, Extensions and Collections \*  
Last Ten Levy Years**

Tax Levy Year	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
<b>Rates extended:</b>										
Educational	2.7202	2.3106	2.4325	2.7706	2.5473	2.5866	2.9311	3.0340	2.9030	2.7062
Tort immunity	0.1356	0.1160	0.1071	0.1221	0.1205	0.1141	0.1251	0.1244	0.1145	0.0726
Special education	0.0752	0.0644	0.0634	0.0723	0.0713	0.0676	0.0756	0.0751	0.0692	0.0626
Ed Fund (PA 102-0519)	0.1299	0.0261	-	-	-	-	-	-	-	-
Operations and maintenance	0.4121	0.3585	0.3530	0.4027	0.3405	0.3792	0.4286	0.4411	0.4198	0.3906
Facility leasing	0.0712	0.0609	0.0600	0.0684	0.0675	0.0640	0.0715	0.0711	0.0655	0.0592
Life safety	0.0008	0.0007	0.0007	0.0008	0.0008	0.0007	0.0008	0.0008	0.0007	0.0030
Transportation	0.1211	0.1453	0.1431	0.1632	0.0994	0.1262	0.1150	0.1293	0.1328	0.1753
Illinois municipal retirement	0.0331	0.0454	0.0483	0.0619	0.0610	0.0578	0.0647	0.0643	0.0592	0.0536
Social security	0.0708	0.0776	0.0872	0.1050	0.1036	0.0981	0.1097	0.1091	0.1004	0.0820
Bond and interest	0.1174	0.1061	0.1048	0.0461	0.0416	0.2201	0.2400	0.1954	0.1821	0.1679
Working cash	0.0081	0.0069	0.0068	0.0077	0.0045	0.0042	0.0019	0.0018	0.0017	0.0015
<b>Total rates extended</b>	<b>3.8955</b>	<b>3.3185</b>	<b>3.4069</b>	<b>3.8208</b>	<b>3.4580</b>	<b>3.7186</b>	<b>4.1640</b>	<b>4.2464</b>	<b>4.0489</b>	<b>3.7745</b>
<b>Levies extended:</b>										
Educational	\$ 68,179,925	\$ 63,097,622	\$ 66,276,581	\$ 64,411,486	\$ 58,583,169	\$ 61,191,050	\$ 60,184,518	\$ 59,746,559	\$ 59,193,407	\$ 58,125,033
Tort immunity	3,399,947	3,168,657	2,917,121	2,839,502	2,771,125	2,700,000	2,569,352	2,449,228	2,334,822	1,558,458
Special education	1,885,747	1,757,464	1,726,954	1,681,003	1,640,523	1,598,417	1,551,819	1,479,267	1,410,169	1,344,298
Ed Fund (PA 102-0519)	3,256,222	712,434	-	-	-	-	-	-	-	-
Operations and maintenance	10,328,243	9,788,734	9,618,802	9,362,865	7,830,976	8,970,756	8,799,892	8,685,452	8,559,454	8,389,858
Facility leasing	1,784,987	1,663,559	1,634,679	1,591,183	1,552,866	1,513,010	1,468,902	1,400,227	1,334,821	1,272,470
Life safety	20,061	18,696	18,371	17,882	17,451	17,003	16,507	15,735	15,000	64,158
Transportation	3,034,194	3,966,882	3,898,016	3,794,297	2,285,731	2,986,239	2,360,327	2,546,954	2,707,693	3,764,728
Illinois municipal retirement	829,881	1,239,413	1,316,161	1,438,504	1,403,864	1,367,832	1,327,956	1,265,870	1,206,740	1,150,372
Social security	1,773,371	2,118,719	2,376,730	2,440,785	2,382,009	2,320,871	2,253,212	2,147,868	2,047,539	1,761,238
Bond and interest	2,943,018	2,896,818	2,855,343	1,071,104	957,756	5,207,080	4,929,725	3,848,443	3,713,392	3,606,262
Working cash	201,925	188,189	184,921	180,000	102,634	100,000	38,101	36,320	34,625	33,010
<b>Total levies extended</b>	<b>\$ 97,637,521</b>	<b>\$ 90,617,187</b>	<b>\$ 92,823,679</b>	<b>\$ 88,828,611</b>	<b>\$ 79,528,104</b>	<b>\$ 87,972,258</b>	<b>\$ 85,500,311</b>	<b>\$ 83,621,923</b>	<b>\$ 82,557,662</b>	<b>\$ 81,069,885</b>
<b>Total collections</b>	<b>\$ 45,257,127</b>	<b>\$ 87,064,084</b>	<b>\$ 87,306,275</b>	<b>\$ 82,788,513</b>	<b>\$ 75,805,420</b>	<b>\$ 85,892,296</b>	<b>\$ 39,076,848</b>	<b>\$ 81,751,085</b>	<b>\$ 80,831,637</b>	<b>\$ 77,824,762</b>
Percentage collected	46.35%	96.08%	94.06%	93.20%	95.32%	97.64%	45.70%	97.76%	97.91%	96.00%

\* Tax rates are expressed in dollars per \$100 of assessed valuations.



**APPENDIX B**

**PROPOSED FORM OF OPINION OF BOND COUNSEL**

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

**[TO BE DATED CLOSING DATE]**

Community High School District Number 218  
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of Community High School District Number 218, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds (Alternate Revenue Source), Series 2024 (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2024, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2025	\$	%
2026		%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%

the Bonds due on or after December 1, 20\_\_, being subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on December 1, 20\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date, as provided in the Proceedings, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and is payable (i) together with the District’s outstanding General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2020, from taxes, grants, state aid, including amounts distributed to the District pursuant to Section 18-8.15 of the School

Code of the State of Illinois, as amended, and substitute distributions therefor as provided by the State of Illinois in the future, interest earnings and other revenues received by the District and available to be expended for the improvement, maintenance, repair and benefit of school buildings and property (the "*Pledged Revenues*"), and (ii) from ad valorem property taxes 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.

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

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

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

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

## APPENDIX C

### PROPOSED FORM OF 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 High School District Number 218, Cook County, Illinois (the “*District*”), in connection with the issuance of \$\_\_\_\_\_ General Obligation School Bonds (Alternate Revenue Source), Series 2024 (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 19th day of September, 2024 (as supplemented by a notification of sale, the “*Resolution*”).

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

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

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

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

THE BONDS—Alternate Revenue Bonds (Debt Service Coverage)  
FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT  
—Direct General Obligation Bonds (Principal Only)  
—Direct General Obligation Bonds (Principal and Interest)  
—Alternate Revenue Bonds (Principal Only)  
—Selected Financial Information (only as it relates to direct debt)  
—Composition of EAV  
—Trend of EAV  
—Taxes Extended and Collected  
—School District Tax Rates by Purpose  
WORKING CASH FUND—Working Cash Fund Summary  
Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance  
Exhibit C—Budget  
Exhibit D—General Fund Revenue Sources

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

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

*Commission* means the Securities and Exchange Commission.

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

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

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

*Financial Obligation* of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Final Official Statement, dated \_\_\_\_\_, 2024, 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*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding, to the extent the District remains legally liable for the payment of such Bonds; provided, however, that the District will not be required to make such filings under new CUSIP Numbers unless the District has been notified in writing by the Participating Underwriter or the District's financial advisor that new CUSIP Numbers have been assigned to the Bonds. The District will not make any filings pursuant to this Agreement under new CUSIP Numbers assigned to any of the Bonds after the date hereof for any reason other than a refunding, as described in the previous sentence, including, but not limited to, new CUSIP Numbers assigned to the Bonds as a result of a holder of the Bonds obtaining a bond insurance policy or other credit enhancement with respect to some or all of the outstanding Bonds in the secondary market.

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

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

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

to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

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

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

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

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

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

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

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

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

8. **TERMINATION OF UNDERTAKING.** The Undertaking of the District shall be terminated hereunder if the District shall no longer have any legal liability for any obligation on or relating to repayment of the Bonds under the Resolution.

9. **FUTURE CHANGES TO THE RULE.** As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

10. **DISSEMINATION AGENT.** The District may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Agreement, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent.

11. **ADDITIONAL INFORMATION.** Nothing in this Agreement shall be deemed to prevent the District from disseminating any other information, using the means of dissemination set forth in this Agreement or any other means of communication, or including any other information in any Annual Financial Information Disclosure or notice of occurrence of a 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.

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

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

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

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

COMMUNITY HIGH SCHOOL DISTRICT NUMBER  
218, COOK COUNTY, ILLINOIS

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

Date: \_\_\_\_\_, 2024



## **EXHIBIT I**

### **ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS**

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

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 210 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ended June 30, 2024. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

If any change is made to the Annual Financial Information as permitted by Section 4 of the Agreement, the District will disseminate a notice of such change as required by Section 4.

**EXHIBIT II**  
**EVENTS WITH RESPECT TO THE BONDS FOR WHICH**  
**REPORTABLE EVENTS DISCLOSURE IS REQUIRED**

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

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\* 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 (215705)
2025	
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	

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# CHSD 218



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