

NEW ISSUES – BOOK-ENTRY ONLY
– BANK QUALIFIED – 2026A ONLY

RATINGS⁺: BAM INSURED
S&P RATING: “AA” (STABLE OUTLOOK)
MOODY’S UNDERLYING RATING: “A2”

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 2026A 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 2026A Bonds may affect the corporate alternative minimum tax for certain corporations. The 2026A 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. Interest on the 2026B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS” herein for a more complete discussion.

**SCHOOL DISTRICT NUMBER 144
COOK COUNTY, ILLINOIS
(PRAIRIE HILLS)**

**\$2,625,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026A
\$2,645,000* TAXABLE GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B**

Dated: Date of Issuance

Due: December 1, as Shown on the Inside Cover Page

The General Obligation School Bonds, Series 2026A (the “2026A Bonds”), and Taxable General Obligation School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Bonds”), of School District Number 144, Cook County, Illinois (the “District”), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York (“DTC”). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on June 1 and December 1 of each year, with June 1, 2027, as the first interest payment date. UMB Bank, N.A., St. Louis, Missouri, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the 2026A Bonds will be used to (i) pay claims against the District, the same being certain of the District’s outstanding General Obligation Refunding School Bonds, Series 2016C and Taxable General Obligation Refunding School Bonds, Series 2016D (the “2016D Bonds”), and (ii) pay costs associated with the issuance of the 2026A Bonds. See “USE OF PROCEEDS” herein.

Proceeds of the 2026B Bonds will be used to (i) pay claims against the District, the same being certain of the District’s outstanding Capital Appreciation Refunding School Bonds, Series 2011C, Taxable General Obligation School Bonds, Series 2014B, and 2016D Bonds and (ii) pay costs associated with the issuance of the 2026B Bonds. See “USE OF PROCEEDS” herein.

The Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the 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 and Payment” herein.

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company (“BAM”). See “BOND INSURANCE” and Appendix D - Specimen Municipal Bond Insurance Policy.



The Bonds are offered when, as and if issued by the District and received by Raymond James & Associates, Inc., Chicago, Illinois (the “Underwriter”), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about December 1, 2026.

RAYMOND JAMES
AS UNDERWRITER



The date of this Official Statement is November __, 2026.

*Preliminary, subject to change.
+See “BOND RATINGS” herein.

MATURITY SCHEDULES, AMOUNTS, INTEREST RATES, YIELDS AND CUSIP NUMBERS

\$2,625,000* General Obligation School Bonds, Series 2026A

Maturity				CUSIP ⁽¹⁾
<u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>(215021)</u>
2036	2,625,000			

\$2,645,000* Taxable General Obligation School Bonds, Series 2026B

Maturity				CUSIP ⁽¹⁾
<u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>(215021)</u>
2036	2,645,000			

*Preliminary, subject to change.

(1) CUSIP data herein is provided by 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.

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

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies 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.

PMA Securities, LLC, Naperville, Illinois, is serving as municipal advisor (the “Municipal Advisor”) to the District in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor’s knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Any statements made in this Official Statement, including the 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 provided the following sentence for inclusion in this Official Statement. 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.

This Official Statement should be considered in its entirety and no one factor considered less important than any other by reason of its position in this Official Statement. Where statutes, resolutions, reports or other documents are referred to herein, reference should be made to such statutes, resolutions, 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.

Upon issuance, the Bonds will not be registered under the Securities Act of 1933, as amended, and will not be listed on any stock or other securities exchange and neither the Securities and Exchange Commission nor any other Federal, State, Municipal or other governmental entity, other than the District, shall have passed upon the accuracy or adequacy of this Official Statement.

Build America Mutual Assurance Company (“BAM”) makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM supplied by BAM and presented under the heading “BOND INSURANCE” and Appendix D - Specimen of Municipal Bond Insurance Policy.

**School District Number 144
Cook County, Illinois
(Prairie Hills)
3015 West 163rd Street
Markham, Illinois 60428
(708) 210-2888**

* * * * *

Board of Education

Carlene Matthews, President
Sharron Davis, Vice President
Auberette Crain, Secretary
Juanita Jordan
Dr. Sylinda Musaindapo
Joyce Ratliff
Vicki Walker

Bremen Township School Treasurer

Robert A. Grossi

Interim Superintendent

Dr. Kay Giles

Assistant Superintendent

Dr. Jamie Crosen

Director of Business Affairs

Dr. Alicia Evans

* * * * *

Paying Agent/Registrar/Escrow Agent

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Independent Auditors

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Bond and Disclosure Counsel

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Municipal Advisor

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- B. Financial Statements for Fiscal Year Ended June 30, 2025
- C. Form of Continuing Disclosure Undertaking
- D. Specimen Municipal Bond Insurance Policy

**School District Number 144
Cook County, Illinois
(Prairie Hills)
\$2,625,000* General Obligation School Bonds, Series 2026A
\$2,645,000* Taxable General Obligation School Bonds, Series 2026B**

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 144, Cook County, Illinois (the “District”), in connection with the offering and sale of its \$2,625,000* General Obligation School Bonds, Series 2026A (the “2026A Bonds”), and \$2,645,000* Taxable General Obligation School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Bonds”). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

The Bonds will be issued in fully-registered form, without coupons, in denominations of \$5,000 each or authorized integral multiples thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“DTC”). Principal of and interest on the Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by UMB Bank, N.A., St. Louis, Missouri, as paying agent and registrar (the “Registrar”).

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 1 and December 1, beginning June 1, 2027. 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 in St. Louis, Missouri. 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”).

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

*Preliminary, subject to change.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar, and such registration shall be at the expense of the District; provided, however, that 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.

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

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.

Authority and Purpose

The Bonds are 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 (the “Board”) of the District on October 19, 2026, as supplemented by a notification of sale (together, the “Bond Resolution”).

Proceeds of the 2026A Bonds will be used to (i) pay claims against the District, the same being certain of the District’s outstanding General Obligation Refunding School Bonds, Series 2016C (the “2016C Bonds” and said portion of the 2016C Bonds being paid, the “Refunded 2016C Bonds”), and Taxable General Obligation Refunding School Bonds, Series 2016D (the “2016D Bonds”), and (ii) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (i) pay claims against the District, the same being certain of the District’s outstanding Capital Appreciation Refunding School Bonds, Series 2011C (the “2011C Bonds” and said portion of the 2011C Bonds being paid, the “Refunded 2011C Bonds”), Taxable General Obligation School Bonds, Series 2014B (the “2014B Bonds” and said portion of the 2014 Bonds being paid, the “Refunded 2014B Bonds”), and 2016D Bonds (the portion of the 2016D Bonds being paid by the 2026A Bonds and 2026B Bonds being referred to herein as the “Refunded 2016D Bonds” and, together with the Refunded 2011C Bonds, Refunded 2014B

Bonds and Refunded 2016C Bonds, the “Refunded Bonds”), and (ii) pay costs associated with the issuance of the 2026B Bonds. See “USE OF PROCEEDS” herein.

Security and Payment

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois (“Bond Counsel”), are valid and legally binding upon the District and are payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The 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. The Bond Resolution will be filed with the County Clerk of The County of Cook, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed forms of legal opinions of Bond Counsel.

USE OF PROCEEDS

Payment of the Claims

Proceeds of the 2026A Bonds and the 2026B Bonds will be used to pay and cancel claims against the District, the same being the Refunded Bonds. The purpose of paying the Refunded Bonds is to reduce the annual debt service burden of the District. The Refunded Bonds are further described below.

2016C Bonds (Dated Date: April 11, 2016)

CUSIP (215021)	Maturities (December 1)	Original Outstanding Amount	Amount Paid by the 2026A Bonds*	Remaining Amount*	Redemption Price ⁽¹⁾	Redemption Date
	2034	\$ 1,945,000 ⁽²⁾	\$ -	\$ 1,945,000	N/A	N/A
QK5	2035	4,480,000	1,230,000	3,250,000	100.00%	December 3, 2026
		<u>\$ 6,425,000</u>	<u>\$ 1,230,000</u>	<u>\$ 5,195,000</u>		

*Preliminary, subject to change.

(1) Expressed as a percentage of par.

(2) Mandatory sinking fund payment.

2016D Bonds
(Dated Date: April 11, 2016)

CUSIP (215021)	Maturities (December 1)	Original Outstanding Amount	Amount Paid by the 2026A Bonds*	Amount Paid by the 2026B Bonds*	Remaining Amount*	Redemption Price ⁽¹⁾	Redemption Date
	2032	\$ 490,000 ⁽²⁾	\$ 215,000	\$ 30,000	\$ 245,000	100.00%	December 3, 2026
	2033	485,000 ⁽²⁾	215,000	270,000	-	100.00%	December 3, 2026
QN9	2034	2,325,000	1,040,000	125,000	1,160,000	100.00%	December 3, 2026
		<u>\$ 3,300,000</u>	<u>\$ 1,470,000</u>	<u>\$ 425,000</u>	<u>\$ 1,405,000</u>		

*Preliminary, subject to change.

(1) Expressed as a percentage of par.

(2) Mandatory sinking fund payment.

2014B Bonds
(Dated Date: June 25, 2014)

CUSIP (215021)	Maturities (December 1)	Outstanding Amount	Amount Paid by the 2026B Bonds*	Remaining Amount*	Redemption Price ⁽¹⁾	Redemption Date
	2031	\$ 670,000	\$ 640,000	\$ 30,000	100.00%	December 3, 2026
	2032	640,000	-	640,000	N/A	N/A
SB3	2033	680,000	380,000	300,000	100.00%	December 3, 2026
		<u>\$ 1,990,000</u>	<u>\$ 1,020,000</u>	<u>\$ 970,000</u>		

*Preliminary, subject to change.

(1) Expressed as a percentage of par.

Proceeds of the 2026A Bonds and a portion of the proceeds of the 2026B Bonds will be deposited with the paying agent (the “Prior Paying Agent”) for the 2016C Bonds, 2016D Bonds, and 2014B Bonds (the “2026A Refunded Bonds”) and will be used by the Prior Paying Agent to make all payments of the principal of and interest on the 2026A Refunded Bonds upon redemption prior to maturity.

2011C Bonds
(Dated Date: September 20, 2011)

CUSIP (215021)	Maturities (December 1)	Original Outstanding Amount	Amount Paid by the 2026B Bonds*	Remaining Amount*	Redemption Price ⁽¹⁾	Redemption Date
LU8	2027	\$ 1,067,618	\$ 5,659	\$ 1,061,959	N/A	Not Callable
LV6	2028	988,632	234,058	754,574	N/A	Not Callable
LW4	2029	915,335	135,845	779,490	N/A	Not Callable
LX2	2030	845,972	52,313	793,659	N/A	Not Callable
		<u>\$ 3,817,557</u>	<u>\$ 427,874</u>	<u>\$ 3,389,683</u>		

*Preliminary, subject to change.

(1) Expressed as a percentage of par.

Proceeds of the 2026B Bonds will be used to fund an irrevocable escrow account (the “Escrow Account”) consisting of cash and direct obligations of the United States of America (the “Government Obligations”). The Escrow Account will be held by UMB Bank, N.A., St. Louis, Missouri (the “Escrow Agent”), and will be used to pay the principal of and interest on the Refunded 2011C Bonds when due. The Escrow Account will be held by the Escrow Agent pursuant to an escrow agreement between the District and the Escrow Agent which irrevocably directs the Escrow Agent to (i) make all payments of the principal of and interest on the Refunded 2011C Bonds when due. The Escrow Account will be funded in such amounts so that the initial cash deposit and the principal and interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Refunded 2011C Bonds when due.

Verification

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Obligations together with the initial cash deposit in the Escrow Account to pay the debt service on the Refunded 2011C Bonds will be verified by Robert Thomas CPA, LLC, Overland Park, Kansas (the “Verifier”). Such verification will be based upon information supplied by PMA Securities, LLC, Naperville, Illinois (“PMA” or the “Municipal Advisor”).

SOURCES AND USES

Estimated Sources of Funds

	<u>2026A Bonds</u>	<u>2026B Bonds</u>
Par Amount of the Bonds.....		
[Net] Original Issue Premium/(Discount).....		
Total Sources	<u>\$ -</u>	<u>\$ -</u>

Estimated Uses of Funds

	<u>2026A Bonds</u>	<u>2026B Bonds</u>
Deposit with the Prior Paying Agent.....		
Deposit into the Escrow Account.....		
Costs of Issuance. ⁽¹⁾		
Total Uses	<u>\$ -</u>	<u>\$ -</u>

(1) Includes Underwriter's discount, Bond and Disclosure Counsel fees, Municipal Advisor's fee, Registrar's fee, Escrow Agent fee, Verifier fee, rating agency fee, bond insurance premium and other costs of issuance.

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("BAM") will issue its Municipal Bond Insurance Policy for the Bonds (the "Policy"). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, California, Connecticut or Florida insurance law.

Build America Mutual Assurance Company

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended. No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: www.bambonds.com.

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

Capitalization of BAM

BAM's total admitted assets, total liabilities, and total capital and surplus, as of June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$505.6 million, \$295.6 million and \$210.0 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at www.bambonds.com, is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE".

Additional Information Available from BAM

Credit Insights Videos. For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors

BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Credit Profiles. Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide information about the sector designation (e.g. general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

Disclaimers. The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

BOOK-ENTRY 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 each series of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million

issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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 affect 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 (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by

the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (iii) the delivery of any notice by the Securities Depository or any Participant; (iv) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (v) any other action taken by the Securities Depository or any Participant.

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION 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. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Cook County, Illinois (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 Illinois Department of Revenue (the "Department"). For triennial reassessment purposes, the 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 Cook County (the “Circuit Court”) or the Illinois Appellate Court under the Illinois Administrative Review Law.

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

Equalization

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

Tax Levy Year	Equalization Factor
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163
2024	3.0355
2025	3.0300

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the “EAV”) of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body’s jurisdiction, plus the valuation of property assessed directly by the Department, 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 Property Tax Extension Limitation Law, as amended (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, are bonds issued for school fire prevention and safety purposes, or are for certain refunding purposes (such as the Bonds).

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

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION – Tax Rates.” 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 PTAB decisions. For levy year 2025, the additional amount added to the District's tax levy as a result of this change was \$465,771.

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. Due to delays in the second penalty installment date with respect to levy years 2021 and 2024, the subsequent first installment penalty date for levy years 2022 and 2025 was changed by legislation enacted by the General Assembly of the State (the "General Assembly") from, with respect to levy year 2022, March 1, 2023 to April 1, 2023, and, with respect to levy year 2025, March 1, 2026, to April 1, 2026. The District did not experience any cash flow issues due to such change with respect to levy years 2022 and 2025.

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
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
2024	December 15, 2025
2025	October 1, 2026

The distribution of the County’s property tax bills has been delayed several times in recent years. 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, the distribution of amounts related to the second installment for each of the 2021 and 2022 tax years (for amounts payable in calendars 2022 and 2023, respectively), were delayed. Due to further efforts to modernize the County’s property tax system, the County’s second installment property tax distributions were delayed again for tax years 2024 and 2025 (collectible in calendar years 2025 and 2026, respectively). 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.

Federal Court Decisions Regarding Tax Sale Systems

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that the County’s tax sale system is likewise unconstitutional based on those earlier rulings. In response to these rulings, Public Act 104-0553, which became law on July 10, 2026, makes significant amendments to the Property Tax Code, including: (i) requiring that properties subject to tax deed proceedings be sold at a judicial tax deed auction to the highest bidder, rather than directly to the tax purchaser; (ii) entitling former property owners to receive any surplus proceeds from such auctions that exceed the amount of the tax deed judgment; (iii) establishing a surplus equity fund to compensate former owners who sustained losses from tax deeds recorded in the two years prior to the effective date of the legislation or from outstanding tax certificates issued prior to the effective date; (iv) enhancing notice requirements to property owners regarding tax sales, redemption rights, and tax deed auctions, including multilingual notice requirements in counties with 3,000,000 or more inhabitants; and (v) establishing a pilot program in the County under which the County may acquire tax certificates for up to 100 homestead properties with the lowest tax amounts. These provisions apply to tax certificates issued on or after July 10, 2026. The District makes no prediction as to the effect of such rulings or legislation on the State’s tax sale process or on the District’s receipt of property tax revenues.

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 Tax 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. The District also covenanted that it 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.

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 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.

Finances of the State of Illinois

State funding sources constituted 59.24% of the District's combined Educational Fund and Operations and Maintenance Fund (the "General Fund") revenue sources for the fiscal year ended June 30, 2025. While the finances of 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%.

Federal Revenues

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States (“Congress”). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District’s financial condition and operations. The District makes no prediction as to the effect of these actions on the District’s federal revenues, which constituted 11.64% of the District’s General Fund revenue sources for the fiscal year ended June 30, 2025, or the District’s ability to comply with federal laws and regulations in the future.

Local Economy

The financial health of the District is in part dependent on the strength of the local economy. Many factors impact 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.

Unemployment

Unemployment rates are not specifically compiled for the District. However, the City of Markham (the “City”) and the Village of Hazel Crest (the “Village”) located within the District have had higher unemployment rates as compared to the County and the State for the last five years. See “SOCIO-ECONOMIC CHARACTERISTICS – Historical Unemployment Statistics” herein. Unemployed workers who reside within the District may lack the financial resources to pay taxes owed to the District in a timely manner or at all. The high number of unemployed workers residing within the District could increase the likelihood that the District will not be able to collect the full amount of taxes levied, both to pay the Bonds and to fund the District’s operations, which could adversely affect the District’s ability to repay or the timing of repayment of the Bonds.

Concentration of Taxpayers

Based on the District’s 2024 EAV, the District’s ten largest taxpayers own 20.38% of the total current EAV of taxable property in the District. See “FINANCIAL INFORMATION – Largest Taxpayers” herein. If one or more of these taxpayers were to relocate from the District or cease

operations, would be unable to pay its tax bills or was successful in challenging its assessed valuation, the timely receipt of tax dollars by the District could be affected. Furthermore, the District could experience a significant reduction in EAV which could limit the amount of taxes that the District can extend for operating purposes. The District has the authority to levy deficiency taxes if debt service tax collections are inadequate. Notwithstanding, the value of the Bonds, the District's ability to repay the Bonds or the timing of repayment could be adversely affected.

Tax Collections

The District has historically collected less than 92% of its taxes levied. See "FINANCIAL INFORMATION – Tax Extensions and Collections" herein. While the District has the right to file a deficiency levy assessed against all the taxable property in the District if tax collections ultimately remain low, the ability of the District to pay principal and interest on the Bonds could be adversely affected. In addition, delays in recovering delinquent taxes create risks for purchasers of the Bonds. Recovery of taxes is subject to the procedures of the County for providing notice to record holders of the property of a pending tax sale. During any period of time in which property offered for sale remains unsold or is later abandoned, delinquent taxes will likely continue to be unpaid. A description of the remedies of the District in the event of nonpayment of taxes is contained in the section entitled "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES."

Loss or Change of Bond Ratings

The Bonds have received an underlying credit rating from Moody's Ratings, New York, New York ("Moody's") and are expected to receive an insured credit rating from S&P. The ratings 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.

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 viruses, 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.

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 Commission under 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 2026A 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 MATTERS – The 2026A Bonds” herein, interest on the 2026A Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the 2026A 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 2026A Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the 2026A Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the 2026A 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 2026A 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 2026A 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 2026A Bonds, regardless of the ultimate outcome.

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 the southern portion of the County, approximately 25 miles from downtown Chicago. The District serves the Village (32.84% of the District’s 2024 EAV), the City (34.30% of the District’s 2024 EAV), the City of Oak Forest (11.59% of the District’s 2024 EAV) and the City of Country Club Hills (20.10% of the District’s 2024 EAV). The District is located near Interstates 294, 80 and 57. Air transportation is provided at Chicago Midway International Airport which is located within 15 miles of the District.

District students attend Bremen High School District Number 228. Higher education is available at South Suburban Community College District No. 510 and various colleges and universities located throughout the Chicago metropolitan area.

Educational Facilities

The District operates nine facilities.

<u>Facility</u>	<u>Grades</u>	<u>Current Enrollment</u>	<u>Capacity Enrollment</u>	<u>Constructed</u>	<u>Years of Additions/Renovations</u>
Chateaux Elementary School.....	PK-5	218	488	1972	N/A
Fieldcrest Elementary School.....	PK-5	205	455	1972	N/A
Highlands Elementary School.....	PK-5	255	545	1962	1966
Mae Jemison Elementary School.....	PK-5	307	650	2001	N/A
Markham Park Elementary School.....	PK-5	278	442	1930	1953, 1954
Nob Hill Elementary School.....	PK-5	158	308	1971	N/A
Primary Learning Center.....	PK	37	200	1993	N/A
Prairie Hills Junior High School.....	6-8	681	1,026	2012	N/A
Prairie Hills S.T.E.A.M. Academy.....	K-5	123	1,634	1957	1960, 1964, 1968

Source: The District

Enrollments

The table below includes historical enrollment utilizing the Fall Housing Count (Housed) which reflects students enrolled as of the last school day in September and the projected enrollment for the next five years. The projected enrollment figures are based on historical enrollment data.

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2022-2023	2,511	2027-2028	2,304
2023-2024	2,542	2028-2029	2,264
2024-2025	2,473	2029-2030	2,224
2025-2026	2,479	2030-2031	2,184
2026-2027	2,344 ⁽¹⁾	2031-2032	2,145

(1) The enrollment count includes outplaced students.

Source: The District

Information Related to Potential Community Reinvestment Act Credit

The National School Lunch Program (the “NSLP”) provides free or reduced-price school meals to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program), or whose median household incomes fall below certain federal poverty thresholds. The table below includes the participation of District students in the NSLP. The District makes no representation as to the status of any investment in the Bonds under the Community Reinvestment Act.

<u>Facility</u>	<u>Eligibility Percent</u> ⁽¹⁾
Chateaux Elementary School.....	100.00%
Fieldcrest Elementary School.....	100.00%
Highlands Elementary School.....	100.00%
Mae Jemison Elementary School.....	100.00%
Markham Park Elementary School.....	100.00%
Nob Hill Elementary School.....	100.00%
Primary Learning Center.....	100.00%
Prairie Hills Junior High School.....	100.00%
Prairie Hills S.T.E.A.M. Academy.....	100.00%

(1) Program Year 2026 Eligibility Data.
Source: ISBE

Board of Education

The District is governed by the Board, whose members are elected for staggered terms of office. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property and facilities of the District. The Board elects a President, Vice President and Secretary from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Carlene Matthews	2029
Vice President.....	Sharron Davis	2029
Secretary.....	Auberette Crain	2027
Member.....	Juanita Jordan	2029
Member.....	Dr. Sylinda Musaindapo	2027
Member.....	Joyce Ratliff	2027
Member.....	Vicki Walker	2027
Bremen Township School Treasurer.....	Robert A. Grossi	Appointed

Administration

The District's Assistant Superintendent is Dr. Jamie Crosen, who joined the District in 2024. Prior to joining the District, Dr. Crosen served as the Principal of Eglin High School. The District's Director of Business Affairs is Dr. Alicia Evans who joined the District in 2026. Dr. Evans also serves as the Assistant Superintendent of Business Affairs for Bloom Township High School District Number 206. The District currently has an Interim Superintendent, Dr. Kay Giles. The Board is conducting a search for a permanent superintendent, who would begin on July 1, 2027.

Employees

The District has approximately 425 employees of whom 177 are certified employees and 159 are non-certified. Of the total number, the District 144 Education Association represents 177 members and the Prairie-Hills Support Personnel Association, IEA/NEA represents 159 members. The contracts expire on June 30, 2030 and June 30, 2028 respectively. The District considers its relationship with its employees to be favorable.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, the City, the Village, the County and the State.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010-2020</u>
The District.....	N/A	22,015	21,091	-4.20
The City.....	12,620	12,508	11,661	-6.77
The Village	14,816	14,100	13,382	-5.09
The County	5,376,741	5,194,675	5,275,541	+1.56
The State	12,419,293	12,830,632	12,812,508	-0.14

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

Income and Housing

The following table sets forth the comparative income and home value levels for the District, the County, the State and the United States.

	<u>The District</u>	<u>The County</u>	<u>The State</u>	<u>United States</u>
Median Home Value.....	\$188,000	\$324,500	\$263,300	\$332,700
Median Household Income....	76,238	83,498	83,390	80,734
Median Family Income.....	80,885	104,836	106,018	99,999
Per Capita Income.....	35,141	49,329	46,406	44,673

Source: 2020-2024 American Community Survey 5-year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau on January 29, 2026

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the City and the Village for the last five calendar years and through the second quarter of 2026.

<u>Calendar Year</u>	<u>The City</u>	<u>The Village</u>
2021	\$ 118,463,456	\$ 95,253,975
2022	206,997,521	90,944,293
2023	156,359,066	104,333,283
2024	355,568,003	100,297,831
2025 ⁽¹⁾	453,300,228	118,613,340
2026 ⁽²⁾	280,697,573	55,883,264

(1) Significant increase is due to a change in State Law. Effective January 1, 2025, Public Act 103-0983 changed the tax treatment of certain retail sales. Retail sales originating outside the State but made by retailers with a physical presence in the State, are now subject to destination-based Retailers' Occupation Tax (ROT) rather than Use Tax (UT). ROT collections and allocations are based on the jurisdiction where the item is shipped, delivered or received by the purchaser. As a result, each unit of local government may be affected differently and may experience fluctuations in allocations.

(2) Through the second quarter of 2026.

Source: The Department

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 during fiscal year ended June 30, 2022, through the most recently completed fiscal year ended June 30, 2026, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2027:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>CPPRT</u> <u>Receipts</u>
2022	\$ 533,421
2023	602,886
2024	397,101
2025	263,314
2026	257,557
2027 ⁽¹⁾	314,025

(1) Estimated.

Source: The District's Financial Statement for the fiscal years ended June 30, 2022-2025 and the Department for fiscal years 2026 and 2027.

Largest Area Employers

The following table reflects the major employers in the area surrounding the District by the products manufactured or services performed and approximate number of employees.

<u>Company Name</u>	<u>Product or Service</u>	<u>Location</u>	<u>Approximate employees at location</u>
Amazon Distribution Center.....	Distribution center.....	Markham	1,500-3,000 ⁽¹⁾
Wind Creek Casino.....	Casino resort.....	East Hazel Crest	1,133
The District.....	Education.....	Markham	425
Mi-Jack Products, Inc.....	Corporate headquarters & manufacturer of rubber tire gantry cranes.....	Hazel Crest	350
Heniff Transportation Systems, LLC.....	Long-distance bulk chemical trucking & terminal services.....	Hazel Crest	200
Meany, Inc.....	Commercial & industrial electrical contractors.....	Hazel Crest	150
International Code Council.....	Membership organization concerned with building safety codes.....	Country Club Hills	100
Larry's Cartage Co., Inc.....	Intermodal trucking in the Midwest area.....	Hazel Crest	65
Wille Brothers Company.....	Company headquarters & ready-mixed concrete.....	Oak Forest	65
Auburn Supply Co., Inc.....	Wholesaler of plumbing equipment & supplies.....	Markham	55

(1) Per Amazon's LinkedIn profile, the typical Amazon Distribution Center employees a number of people in this range.

Source: 2026 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories and District employee information provided by the District

Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for August 2025 and August 2026 for the City and the Village compared with the County and the State.

	<u>The City</u>	<u>The Village</u>	<u>The County</u>	<u>The State</u>
Average, 2021..... ⁽¹⁾	14.0%	14.5%	7.0%	6.1%
Average, 2022.....	8.3	8.6	5.0	4.6
Average, 2023.....	7.4	7.5	4.5	4.5
Average, 2024.....	8.5	8.7	5.4	5.0
Average, 2025.....	7.8	8.1	4.8	4.6
August, 2025.....	N/A ⁽²⁾	N/A ⁽²⁾	4.7	4.6
August, 2026.....	N/A ⁽²⁾	N/A ⁽²⁾	5.9	4.9

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

(2) There is no monthly data available for the City and the Village since they are communities with a population of less than 25,000.

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

(Estimated 33-1/3% of Fair Market Value)

The following table reflects the EAV trend of the District by property type, growth rate and new property.

<u>Property Type</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	\$ 150,938,784	\$ 146,895,931	\$ 277,454,165	\$ 263,780,783	\$ 260,846,344
Farm	161,164	117,907	278,226	44,931	44,931
Commercial	85,153,945	83,778,180	90,441,296	89,787,209	89,705,600
Industrial	29,359,196	25,659,446	27,801,960	28,595,745	28,007,120
Total..... ⁽¹⁾	<u>\$ 265,613,089</u>	<u>\$ 256,451,464</u>	<u>\$ 395,975,647</u>	<u>\$ 382,208,668</u>	<u>\$ 378,603,995</u>
Percent of Change.....	-8.38% ⁽²⁾	-3.45%	+ 54.41% ⁽³⁾	-3.48%	-0.94%
New Property Amounts...	\$4,880,605	\$47,122	\$163,329	\$24,109,306	\$1,842,777

(1) Excludes tax increment financing ("TIF") incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.

(2) Based on the District's 2020 EAV of \$289,919,448.

(3) Triennial reassessment.

Source: County Clerk's Office

Tax Increment Financing Districts Located within the District

A portion of the District's EAV is contained in 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 (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in 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. The 159th Street Corridor is going through the approval process and the new TIF district will include 159th Street between Kedzie and Pulaski where there is some commercial and residential property. The City expects to enter into a redevelopment agreement and to use TIF funds to help with the development of the area.

<u>Location</u>	<u>Year Established</u>	<u>Adjusted Base EAV</u>	<u>2025 EAV</u>	<u>Incremental EAV</u>
The City of Country Club Hills-175th/Cicero.....	2008	\$ 631,224	\$ 16,886,002	\$ 16,254,778
Village of Hazelcrest-183rd St/Kedzie Ave.....	1999 ⁽¹⁾	1,881,409	4,635,664	2,754,255
Village of Hazelcrest-167th St Corridor.....	2002 ⁽¹⁾	1,191,941	6,692,247	5,500,306
City of Markham.....	1990 ⁽²⁾	2,000,671	7,594,292	5,593,621
City of Markham-2.....	1992 ⁽³⁾	115,525	717,941	602,416
City of Markham-Interstate Crossings.....	2017	1,064,623	4,547,048	3,482,425
City of Markham-159th St/Spaulding.....	2022	78,428	135,671	57,243
City of Oak Forest-Business Park East.....	2013	6,146,977	11,102,910	4,955,933
City of Oak Forest-8 Cicero/I-57.....	2022	1,129,981	25,520,678	24,390,697
Total.....		<u>\$ 14,240,779</u>	<u>\$ 77,832,453</u>	<u>\$ 63,591,674</u>

(1) Will sunset by the end of 2026.

(2) Extended to December 31, 2026.

(3) Extended to December 31, 2027.

Source: County Clerk's Office

Tax Rates
(Per \$100 EAV)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	Statutory <u>Maximum Rate</u> ⁽¹⁾
IMRF.....	\$ 0.156	\$ 0.160	\$ 0.076	\$ 0.096	\$ 0.052	N/A
Social Security.....	0.156	0.160	0.202	0.228	0.124	N/A
Transportation.....	0.338	0.458	0.379	0.427	0.465	N/A
Education.....	3.643	3.934	2.565	2.937	3.147	N/A ⁽²⁾
Operations and Maintenance.....	0.499	0.501	0.324	0.367	0.400	\$0.550
Bond & Interest (Building Bonds).....	1.113	1.148	0.817	0.831	0.832	N/A
Working Cash Funds.....	0.000	0.000	0.000	0.000	0.045	0.050
Limited Bonds.....	0.882	0.906	0.588	0.600	0.606	N/A
Levy Adjustment..... ⁽³⁾	0.064	0.185	0.090	0.096	0.123	N/A
Total..... ⁽⁴⁾	<u>\$ 6.851</u>	<u>\$ 7.451</u>	<u>\$ 5.041</u>	<u>\$ 5.583</u>	<u>\$ 5.794</u>	

(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.

(4) Under the Limitation Law, the limiting rate increases if the annual increase in the District’s EAV is less than the lesser of CPI or 5%. This occurred in levy years 2021, 2022, 2024 and 2025. As detailed above, the District’s EAV declined in levy years 2021, 2022, 2024 and 2025. As a result, the District’s fund rates increased to capture new tax revenues permitted by the Limitation Law. Because of the significant increase in the District’s 2023 EAV, the District’s 2023 tax rates were significantly reduced

Source: County Clerk’s Office

Representative Tax Rates for Property within the District
(Per \$100 EAV)

The following table of representative tax rates is for a resident of the District living in the City.

<u>Taxing Body</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
The District.....	\$ 6.851	\$ 7.451	\$ 5.041	\$ 5.583	\$ 5.794
The County.....	0.446	0.431	0.386	0.390	0.356
Cook County Forest Preserve District.....	0.058	0.081	0.075	0.069	0.067
Metropolitan Water Reclamation District.....	0.382	0.374	0.345	0.340	0.337
Consolidated Elections.....	0.019	0.000	0.032	0.000	0.029
Bremen Township ⁽¹⁾	0.148	0.163	0.123	0.131	0.055
Bremen General Assistance.....	0.021	0.023	0.018	0.019	0.022
The City.....	11.946	12.654	8.263	8.591	8.749
City of Markham Library Fund.....	0.807	0.841	0.550	0.567	0.608
Markham Park District.....	0.507	0.561	0.364	0.388	0.416
South Cook County Mosquito Abatement.....	0.019	0.021	0.017	0.017	0.018
Community High School District Number 228....	4.520	4.638	3.408	3.865	4.202
Community College District No. 510.....	0.634	0.696	0.533	0.574	0.603
Total.....	<u>\$ 26.358</u>	<u>\$ 27.934</u>	<u>\$ 19.155</u>	<u>\$ 20.535</u>	<u>\$ 21.256</u>

(1) Includes road and bridge.

Source: County Clerk's Office

Tax Extensions and Collections

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Extensions	\$18,199,809	\$19,108,233	\$19,965,092	\$21,336,883	\$21,937,432
Collections	16,613,003	17,550,368	17,470,054	9,250,848 ⁽¹⁾	⁽¹⁾ -
% Collected ⁽²⁾	91.28%	91.85%	87.50%	43.36%	0.00%

(1) The Cook County Treasurer's system reflects collections of \$9,250,848 through October 2026. The District has received tax collections totaling \$19,353,000 in fiscal year 2026 and \$1,149,000 in fiscal year 2027; however, the County Treasurer has not indicated the levy years to which the collections apply (e.g. levy year 2024 or 2025). Therefore, a tax collection rate for levy year 2024 and 2025 cannot be calculated at this time.

(2) The District has historically collected less than 92% of its taxes levied due to unpaid taxes and property tax refunds after successful appeals. The District budgets accordingly.

Source: Cook County Treasurer's Office

Largest Taxpayers

The taxpayers listed below represent 20.38% of the District's 2024 EAV which is \$382,208,668 (which excludes TIF incremental EAV totaling \$63,655,434). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included. The 2024 EAV for largest taxpayers is the most current available.

<u>Taxpayer</u>	<u>Description</u>	<u>2024 EAV</u>	<u>% of EAV</u>
LPC Oak Forest LP.....	Industrial.....	\$ 25,535,925	6.45%
LPC CCH I LLC.....	Real estate.....	16,916,653	4.27%
Walmart	Retail.....	9,418,932	2.38%
Canterbury Plaza Property.....	Shopping mall.....	6,804,030	1.72%
Pine Crest Realty.....	Real estate.....	4,228,597	1.07%
SVM Management LLC.....	Apartments.....	4,001,943	1.01%
2400 Markham Prop LLC.....	Construction services.....	3,967,932	1.00%
MidAmerica Co.....	Commercial.....	3,580,294	0.90%
Heniff Transportation.....	Transportation service.....	3,181,862	0.80%
Extra Space Storage.....	Real estate investment.....	3,063,105	0.77%
Total.....		<u>\$ 80,699,273</u>	<u>20.38%</u>

Source: County Clerk's Office, other than the taxpayer descriptions, which are derived from publicly-available sources.

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Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded debt of the District as of the closing of the Bonds and the payment of the Refunded Bonds.

Issue Description	Dated Date	Original Amount Of Issue	Current Amount Outstanding	Final Maturity Date
Limited School Bonds, Series 2011A.....	09/15/11	\$ 22,525,000	\$ 5,510,000	12/01/30
Limited School Bonds, Series 2011B.....	09/15/11	2,120,000	220,000	09/01/31
The 2011C Bonds.....	09/20/11	18,198,607	3,389,683 *	12/01/30
The 2014B Bonds.....	06/25/14	10,430,000	970,000 *	12/01/33
GO Limited School Bonds, Series 2016A.....	04/11/16	6,000,000	6,000,000	12/01/35
Taxable GO Limited School Bonds, Series 2016B.....	04/11/16	4,065,000	2,600,000	12/01/32
The 2016C Bonds.....	04/11/16	6,425,000	5,195,000 *	12/01/35
The 2016D Bonds.....	04/11/16	3,300,000	1,405,000 *	12/01/34
GO Limited Refunding School Bonds, Series 2022A.....	06/07/22	1,230,000	485,000	12/01/29
GO Refunding School Bonds, Series 2024 (the "2024 Bonds").	09/24/24	7,810,000	7,810,000	12/01/33
The 2026A Bonds.....	12/01/26	2,625,000 *	2,625,000 *	12/01/36 *
The 2026B Bonds.....	12/01/26	2,645,000 *	2,645,000 *	12/01/36 *
Total			<u>\$ 38,854,683</u> *	

*Preliminary, subject to change.

Debt Repayment Schedule

Shown below is the maturity schedule for the outstanding bonded debt of the District as of the closing of the Bonds and the payment of the Refunded Bonds.

Fiscal Year	Principal Outstanding	Less: The 2011C Bonds*	Less: The 2014B Bonds*	Less: The 2016C Bonds*	Less: The 2016D Bonds*	The 2026A Bonds*	The 2026B Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2028	\$ 2,462,618	\$ (5,659)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,456,959	\$ 2,456,959	6.32%
2029	2,443,632	(234,058)	-	-	-	-	-	2,209,574	4,666,533	12.01
2030	2,445,335	(135,845)	-	-	-	-	-	2,309,490	6,976,024	17.95
2031	2,460,972	(52,313)	-	-	-	-	-	2,408,659	9,384,683	24.15
2032	5,025,000	-	(640,000)	-	-	-	-	4,385,000	13,769,683	35.44
2033	4,850,000	-	-	-	(245,000)	-	-	4,605,000	18,374,683	47.29
2034	5,710,000	-	(380,000)	-	(485,000)	-	-	4,845,000	23,219,683	59.76
2035	6,235,000	-	-	-	(1,165,000)	-	-	5,070,000	28,289,683	72.81
2036	6,525,000	-	-	(1,230,000)	-	-	-	5,295,000	33,584,683	86.44
2037	-	-	-	-	-	2,625,000	2,645,000	5,270,000	38,854,683	100.00
	<u>\$ 38,157,557</u>	<u>\$ (427,874)</u>	<u>\$ (1,020,000)</u>	<u>\$ (1,230,000)</u>	<u>\$ (1,895,000)</u>	<u>\$ 2,625,000</u>	<u>\$ 2,645,000</u>	<u>\$ 38,854,683</u>		

*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt
(As of August 20, 2026)

<u>Taxing Body</u>	<u>Bonded Debt</u> ⁽¹⁾	<u>Allocated to the District</u>	
		<u>Percent</u>	<u>Amount</u>
The County.....	\$ 1,760,191,750	0.18%	\$ 3,221,151
Forest Preserve District of Cook County.....	39,410,000	0.18%	72,120
Metropolitan Water Reclam. Dist. of Greater Chicago.....	1,763,710,000	0.19%	3,280,501
City of Country Club Hills.....	22,140,000	26.72%	5,914,922
City of Harvey.....	27,932,000	0.71%	198,038
The City.....	15,465,000	74.71%	11,554,365
City of Oak Forest.....	10,035,000	6.92%	694,322
The Village.....	7,995,000	59.47%	4,754,786
Harvey Public Library District.....	3,435,000	0.71%	24,354
Country Club Hills Park District.....	735,120	26.45%	194,461
Harvey Park District.....	400,000	0.71%	2,836
Hazel Crest Park District.....	1,020,000	59.88%	610,725
Markham Park District.....	104,305	74.51%	77,719
Oak Forest Park District.....	3,380,000	7.44%	251,404
Bremen Community High School District Number 228.....	36,425,000 ⁽²⁾	21.05%	7,665,641
South Suburban Community College District No. 510.....	20,892,941	8.96%	1,871,172
Total.....			<u>\$ 40,388,518</u>

(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.

(2) Does not include \$13,575,000 that Bremen Community High School District Number 228 has irrevocably deposited to a sinking fund account for the purpose of paying principal when due at a future maturity date.

Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerk's Office. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Bonded Debt.....	\$38,157,557
Less: The 2011C Bonds.....	(\$427,874) *
Less: The 2014B Bonds.....	(\$1,020,000) *
Less: The 2016C Bonds.....	(\$1,230,000) *
Less: The 2016D Bonds.....	(\$1,895,000) *
The 2026A Bonds.....	\$2,625,000 *
The 2026B Bonds.....	\$2,645,000 *
Net Direct Debt	\$38,854,683 *
Overlapping Bonded Debt.....	\$40,388,518
Net Direct Debt and Overlapping Bonded Debt.....	\$79,243,201 *
EAV (2025) ⁽¹⁾	\$378,603,995
Statutory Debt Limit (6.9% of EAV).....	\$26,123,675
Statutory Debt Margin ⁽²⁾	(\$12,731,008) *

(1) Excludes TIF incremental EAV. See “Tax Increment Financing Districts Located within the District” herein.

(2) The School Code provides that bonds issued by school districts, such as the District, for the purpose of paying claims against such school district may be issued in excess of the 6.9% statutory debt limitation applicable to the District (the “Debt Limitation”). Therefore, the Bonds, which are being issued to pay claims against the District, may be issued despite the amount of the District’s outstanding debt exceeding the Debt Limitation.

*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation (2025).....	\$1,135,811,985
EAV (2025) ⁽¹⁾	\$378,603,995
2020-2024 American Community Survey Population Estimate.....	19,583
Net Direct Debt to EAV.....	10.26% *
Net Direct Debt to Estimated Market Valuation	3.42% *
Net Direct Debt and Overlapping Bonded Debt to EAV	20.93% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	6.98% *
Net Direct Debt Per Capita	\$1,984.10 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$4,046.53 *

(1) Excludes TIF incremental EAV. See “Tax Increment Financing Districts Located within the District” herein.

*Preliminary, subject to change.

Short-Term Financing Record

In the last five years, the District has not issued any tax anticipation warrants or revenue anticipation notes and has no plans to issue tax anticipation warrants or revenue anticipation notes in the foreseeable future.

Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

Default Record

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

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources

(Years Ended June 30)

Below is a summary of the General Fund revenue sources exclusive of “on-behalf” payments made by the State to TRS, as defined herein. This summary is provided since Moody’s combines these funds as the “General Fund” in its report. However, the District’s general fund in its Financial Statements includes the Educational Fund and Working Cash Fund.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Local Sources.....	28.28 %	30.03 %	28.62 %	25.86 %	29.12 %
State Sources.....	63.45	50.06	51.13	57.86	59.24
Federal Sources.....	<u>8.26</u>	<u>19.91 ⁽¹⁾</u>	<u>20.25 ⁽¹⁾</u>	<u>16.28 ⁽¹⁾</u>	<u>11.64</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

(1) Increase in Federal Sources due in large part to the District’s receipt of federal COVID-19 funds. See “STATE AID—Federal COVID-19 Funds Distributed to the District” herein.

Source: Compiled from the District’s Annual Financial Reports filed with ISBE for fiscal years ended June 30, 2021-2025.

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Management Discussion

Recent Results

In the fiscal year ended June 30, 2025, the District's four operating funds (Educational, Operations & Maintenance, Transportation and Working Cash) recorded expenditures of \$54.1 million against revenues of \$43.6 million. The resulting \$10.5 million deficit reduced their combined fund balance from \$25.2 million to \$14.7 million; the Educational Fund accounted for \$10.9 million of it. The deficit reflected higher salary, benefit and purchased services costs, a \$1.7 million increase in transportation costs, and lower revenue, including the expiration of Elementary and Secondary School Emergency Relief (ESSER) funding (see “Federal COVID-19 Funds Distributed to the District” herein) and the allocation of a portion of Evidence-Based Funding (EBF) totaling \$3.8 million to capital projects. See “STATE AID” herein.

Projected Results

The District projects a combined surplus in each of fiscal years 2026 through 2028, increasing the combined operating fund balance from \$14.7 million at the end of fiscal year 2025 to \$18.7 million at the end of fiscal year 2028. The projections build on unaudited fiscal year 2026 results (revenues of \$52.8 million, expenditures of \$51.3 million and a surplus of \$1.5 million) and follow the Deficit Reduction Plan the Board adopted on July 20, 2026.

<u>Fiscal Year</u>	<u>Revenues</u>	<u>Expenditures</u>	<u>Surplus / (Deficit)</u>	<u>Ending Combined Balance</u>
2025 (actual, Annual Financial Report)	\$43.6M	\$54.1M	\$(10.5M)	\$14.7M
2026 (unaudited)	\$52.8M	\$51.3M	\$1.5M	\$16.2M
2027 (projected)	\$54.9M	\$53.2M	\$1.7M	\$17.9M
2028 (projected)	\$56.2M	\$55.4M	\$0.8M	\$18.7M

The projected ending balance is about 33.9% of annual expenditures in fiscal year 2028, up from about 27.2% in fiscal year 2025. These figures cover only the four operating funds above.

Key Assumptions

The projections assume the following:

- EBF increases 2% annually.
- EAV increases steadily.
- Staff salaries increase 4% annually, supported by limiting stipends and extra-duty spending and by evaluating positions vacated through attrition.
- Non-maintenance type capital projects are discontinued.

- Inflationary pressure on utilities and other operating costs continues.
- The District maximizes grant funding and with the issuance of the Bonds is restructuring its long-term debt to reduce the annual debt service burden on taxpayers.

The District also participates in shared service arrangements covering curriculum planning, energy management, insurance, professional development, investments and joint purchasing.

Fund-Level Outlook

The Educational Fund balance is projected to grow from \$2.9 million at the end of fiscal year 2025 to \$6.2 million at the end of fiscal year 2028, though projected surpluses narrow over time and are nearly break-even in fiscal year 2028. The Operations & Maintenance Fund is projected to rebuild from \$2.7 million at the end of fiscal year 2026 to \$4.5 million at the end of fiscal year 2028. The Transportation Fund is projected to run annual deficits, reducing its balance from \$2.1 million at the end of fiscal year 2025 to \$1.5 million at the end of fiscal year 2028. However, the levy or EBF funds can be redirected to the Transportation Fund if needed in the future. The Working Cash Fund balance is projected to grow modestly to \$6.6 million.

Local Revenue

Educational Fund local revenue is projected to increase from \$10.9 million in fiscal year 2026 to \$13.6 million in fiscal year 2027 (approximately 25%), and total local revenue across the four operating funds from \$14.2 million to \$17.0 million (approximately 19.5%). The increase is attributable to two factors. In fiscal year 2026, the County school districts did not receive all of the property tax revenue owed to them because of a software conversion issue at the County, and the District anticipates collecting these taxes in fiscal year 2027. The District also expects higher interest income. Over the remainder of the Deficit Reduction Plan, the District expects property tax revenue to grow modestly as EAV increases.

State and Federal Revenue

The District anticipates that EBF will increase steadily, at 2% annually for planning purposes. Total state revenue is projected to grow from \$31.3 million in fiscal year 2026 to \$31.9 million in fiscal year 2027 and \$32.7 million in fiscal year 2028. Federal revenue is projected to decline from \$7.4 million in fiscal year 2026 to \$6.0 million in fiscal year 2027 and \$6.1 million in fiscal year 2028. In fiscal year 2025, the District reallocated a portion of its EBF and federal funds to capital projects. Going forward, EBF will be allocated to the Educational, Transportation, and Operations & Maintenance Funds as needed to support routine maintenance and general operating expenditures. The District has no known capital projects pending.

Expenditure Outlook

Total expenditures are projected to rise from \$51.3 million in fiscal year 2026 to \$53.2 million in fiscal year 2027 and \$55.4 million in fiscal year 2028, driven mainly by 4% annual salary increases and inflation in utilities and other operating costs. In fiscal year 2025, the District increased spending on purchased services, including consultants, substitute teachers and

instructional leaders, because of a shortage of certified teachers, and paid stipends to administrators and other staff. Since fiscal year 2026, the District has recruited certified teachers, which is expected to reduce purchased services costs, and has discontinued the stipend practice.

Forward-Looking Statements

The projections are based on the District's assumptions as of the date of adoption of the Deficit Reduction Plan and are not guaranteed. Actual results will vary and could be affected by state funding levels, enrollment, federal grant availability, collective bargaining outcomes, inflation, property tax collections and other factors.

Conclusion

The District's unaudited fiscal year 2026 results show a combined operating fund surplus after the deficit in fiscal year 2025. The District projects that combined operating fund balances will continue to grow through fiscal year 2028, reaching \$18.7 million, as revenues grow and expenditure growth stays within planned levels. The Board and administration will monitor results against these projections and adjust expenditures as needed to maintain the projected fund balances.

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Summary of Operating Funds and Debt Service Fund (Years Ended June 30)

Below is a combined summary of the operating funds of the District (consisting of the Educational Fund, Operations and Maintenance Fund, Transportation Fund, Working Cash Fund and IMRF/Social Security Fund) in addition to the Debt Service Fund exclusive of “on-behalf” payments made by the State to TRS. The District’s general fund in its Financial Statements includes the Educational Fund and Working Cash Fund.

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund ⁽¹⁾	IMRF/Social Security Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2022								
Receipts.....	\$ 34,760,798	\$ 3,673,599	\$ 38,434,397	\$ 2,528,227	\$ 18,758	\$ 1,782,300	\$ 5,456,887	\$ 48,220,569
Disbursements.....	30,906,054	3,771,569	34,677,623	2,226,620	-	1,022,799	5,329,183	43,256,225
Net Surplus (Deficit).....	3,854,744	(97,970)	3,756,774	301,607	18,758	759,501	127,704	4,964,344
Transfer.....	-	-	-	-	-	-	-	-
Other Sources (Uses).....	(382,412)	-	(382,412)	-	-	-	379,156	(3,256)
Beginning Fund Balance.....	6,816,128	1,994,647	8,810,775	2,982,570	5,412,417	284,746	1,301,992	18,792,500
Ending Fund Balance.....	<u>\$ 10,288,460</u>	<u>\$ 1,896,677</u>	<u>\$ 12,185,137</u>	<u>\$ 3,284,177</u>	<u>\$ 5,431,175</u>	<u>\$ 1,044,247</u>	<u>\$ 1,808,852</u>	<u>\$ 23,753,588</u>
2023								
Receipts.....	\$ 35,045,018	\$ 3,081,255	\$ 38,126,273	\$ 2,245,928	\$ 44,701	\$ 702,418	\$ 4,331,846	\$ 45,451,166
Disbursements.....	35,008,663	4,065,853	39,074,516	2,706,672	-	1,039,878	5,107,967	47,929,033
Net Surplus (Deficit).....	36,355	(984,598)	(948,243)	(460,744)	44,701	(337,460)	(776,121)	(2,477,867)
Transfer.....	-	-	-	-	-	-	-	-
Other Sources (Uses).....	(347,828)	-	(347,828)	-	-	-	347,828	-
Beginning Fund Balance.....	10,288,460	1,896,677	12,185,137	3,284,177	5,431,175	1,044,247	1,808,852	23,753,588
Ending Fund Balance.....	<u>\$ 9,976,987</u>	<u>\$ 912,079</u>	<u>\$ 10,889,066</u>	<u>\$ 2,823,433</u>	<u>\$ 5,475,876</u>	<u>\$ 706,787</u>	<u>\$ 1,380,559</u>	<u>\$ 21,275,721</u>
2024								
Receipts.....	\$ 40,161,936	\$ 6,213,034	\$ 46,374,970	\$ 3,745,651	\$ 147,298	\$ 1,481,767	\$ 5,109,650	\$ 56,859,336
Disbursements.....	35,390,414	4,892,867	40,283,281	3,012,689	-	1,079,825	5,054,752	49,430,547
Net Surplus (Deficit).....	4,771,522	1,320,167	6,091,689 ⁽²⁾	732,962	147,298	401,942	54,898	7,428,789
Other Sources (Uses).....	(291,916)	-	(291,916)	-	-	-	291,916	-
Beginning Fund Balance.....	9,976,987	912,079	10,889,066	2,823,433	5,475,876	706,787	1,380,559	21,275,721
Ending Fund Balance.....	<u>\$ 14,456,593</u>	<u>\$ 2,232,246</u>	<u>\$ 16,688,839</u>	<u>\$ 3,556,395</u>	<u>\$ 5,623,174</u>	<u>\$ 1,108,729</u>	<u>\$ 1,727,373</u>	<u>\$ 28,704,509</u>
2025								
Receipts.....	\$ 33,310,076	\$ 6,787,949	\$ 40,098,025	\$ 3,272,327	\$ 205,189	\$ 1,494,914	\$ 4,668,429	\$ 49,738,884
Disbursements.....	44,225,726	5,174,770	49,400,496	4,719,109	-	1,336,086	14,203,165 ⁽³⁾	69,658,856
Net Surplus (Deficit).....	(10,915,650) ⁽⁴⁾	1,613,179	(9,302,471)	(1,446,782) ⁽⁴⁾	205,189	158,828	(9,534,736)	(19,919,972)
Other Sources (Uses).....	(575,000) ⁽⁵⁾	-	(575,000)	-	-	-	9,322,685 ⁽³⁾	8,747,685
Beginning Fund Balance.....	14,456,593	2,232,246	16,688,839	3,556,395	5,623,174	1,108,729	1,727,373	28,704,509
Ending Fund Balance.....	<u>\$ 2,965,943</u>	<u>\$ 3,845,425</u>	<u>\$ 6,811,368</u>	<u>\$ 2,109,613</u>	<u>\$ 5,828,363</u>	<u>\$ 1,267,557</u>	<u>\$ 1,515,322</u>	<u>\$ 17,532,222</u>
Preliminary 2026								
Receipts.....	\$ 43,666,591	\$ 4,606,301	\$ 48,272,891	\$ 4,387,808	\$ 249,918	\$ 1,644,779	\$ 5,301,230	\$ 59,856,627
Disbursements.....	41,993,060	5,985,704	47,978,764	4,488,960	-	1,400,661	4,921,058	58,789,443
Net Surplus (Deficit).....	1,673,531	(1,379,403)	294,128	(101,152)	249,918	244,118	380,173	1,067,185
Other Sources (Uses).....	-	-	-	-	-	-	-	-
Beginning Fund Balance.....	2,920,684	3,845,426	6,766,111	2,109,612	5,828,363	1,267,689	1,515,322	17,487,096
Ending Fund Balance.....	<u>\$ 4,594,215</u>	<u>\$ 2,466,023</u> ⁽⁶⁾	<u>\$ 7,060,238</u>	<u>\$ 2,008,460</u>	<u>\$ 6,078,281</u>	<u>\$ 1,511,807</u>	<u>\$ 1,895,495</u>	<u>\$ 18,554,281</u>
Fund Balance as % of Disbursements.....			14.72%					31.56%

See footnotes on the following page.

- (1) See “WORKING CASH FUND” herein for a description of the Working Cash Fund.
 - (2) The larger surplus is due in large part to the District implementing a 3% expenditure decrease.
 - (3) Includes proceeds of the 2024 Bonds which were used to refund certain of the District’s outstanding bonds.
 - (4) See the “MANAGEMENT DISCUSSION” for a discussion of the deficit.
 - (5) Transfer to Debt Service Fund for principal and interest payments on bond obligations.
 - (6) Of available fund balance, \$910,000 will be used to pay debt service on the 2011C Bonds on December 1, 2027.
- Source: Compiled from the District’s Financial Reports for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

On-Behalf Payments Summary

(Years Ended June 30)

Below is a history of “on-behalf payments” made by the State to TRS with respect to the pension costs associated with the pensions of current and former District employees. At present, the State maintains the primary responsibility for funding TRS with respect to the District’s employees, however, such payments by the State on-behalf of the District are treated in the District’s financial statements as flowing through the District to the State. As such, the District’s financial statements recognize revenues and expenditures each in an amount equal to the amount paid by the State to TRS on the District’s behalf. The amount of on-behalf payments may vary significantly from year to year as a result of factors entirely outside the District’s control, including, but not limited to, changes in the law governing the State’s contributions to TRS, investment returns on TRS assets and changes in actuarial assumptions and methods used in calculating TRS’s liability.

As noted in the paragraphs preceding the tables titled “General Fund Revenue Sources” (the “Revenue Sources Table”) and “Summary of Operating Funds and Debt Service Fund” (the “Fund Summary Table” and, together with the Revenue Sources Table, the “Financial Summary Tables”) above, the on-behalf payments have been excluded from the Financial Summary Tables for the purpose of isolating the revenues and expenditures derived from the District’s operations. However, as a result of this practice, the revenue and expenditure amounts used to make the calculations necessary to produce the Revenue Sources Table and the revenue and expenditure amounts set forth in the Fund Summary Table are inconsistent with the amount of revenues and expenditures set forth in the District’s respective audited financial statements for any fiscal year. For each fiscal year, the amount set forth in the table below constitutes the difference between the revenue and expenditure amounts in the financial statements and those used in, or used to produce, the Financial Summary Tables.

See the District’s Financial Statements for the fiscal year ended June 30, 2025 (the “Audit”), attached hereto as Appendix B, for additional information regarding the District’s on-behalf payments.

<u>Fiscal Year</u>	<u>On-Behalf Payments</u>
2021	\$ 6,214,691
2022	6,900,682
2023	7,160,022
2024	7,233,701
2025	7,767,517

Source: Compiled from the District’s Annual Financial Reports for fiscal years ended June 30, 2021-2025.

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 \$0.05 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.

Budget Summary

Below is the District's budget summary for the fiscal year ending June 30, 2027.

<u>Fund</u>	<u>Fund Balances July 1, 2026</u>	<u>FY27 Revenue</u>	<u>FY27 Expenditures</u>	<u>FY27 Other Sources/ (Uses)</u>	<u>Estimated Fund Balances June 30, 2027</u>
Educational.....	\$ 4,594,215	\$ 40,584,291	\$ 40,412,792	\$ -	\$ 4,765,714
Operations & Maintenance.....	2,466,023	6,098,427	6,003,150	-	2,561,300
Transportation.....	2,008,460	4,607,198	4,384,448	-	2,231,210
IMRF/Social Security.....	1,511,807	1,703,326	1,468,045	-	1,747,088
Working Cash.....	6,078,281	249,918	-	-	6,328,199
Total Operating Funds	<u>\$ 16,658,786</u>	<u>\$ 53,243,160</u>	<u>\$ 52,268,435</u>	<u>\$ -</u>	<u>\$ 17,633,511</u>
Debt Service.....	\$ 1,895,495	\$ 5,400,445	\$ 5,005,371	\$ 1,545,953	\$ 3,836,522
Fire Prevention & Safety.....	201,831	8,299	-	-	210,130
Capital Projects.....	-	-	-	-	-
Tort.....	-	-	-	-	-
Total All Funds	<u>\$ 18,756,112</u>	<u>\$ 58,651,904</u>	<u>\$ 57,273,806</u>	<u>\$ 1,545,953</u>	<u>\$ 21,680,163</u>

Source: The District

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such State aid as a significant part of their budgets. For the fiscal year ended June 30, 2025, 59.24% of the District's General Fund revenue came from State funding sources. See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein 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, its “Local Capacity Target”) 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.

On June 16, 2026, Governor Pritzker signed the State’s \$55.9 billion general funds budget (Public Act 104-0464) for the fiscal year ending June 30, 2027 (the “Fiscal Year 2027 Budget”). The Fiscal Year 2027 Budget increased mandated categorical state aid by approximately \$68 million. The Fiscal Year 2027 Budget also appropriated General State Aid in an amount \$350 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model 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 that district’s “Base Funding Minimum”). The Base Funding Minimum for the District for school year 2017-2018 was \$15,374,222 (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.

The following table sets forth the amounts received by the District pursuant to the Evidence-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in fiscal year ending June 30, 2027.

<u>Fiscal Year</u>	<u>Base Funding Minimum</u>	<u>Tier Number</u>	<u>Amount of New State Funds</u>	<u>Total Evidence- Based Funding</u>
2022	\$ 19,552,358	1	\$ 1,835,718	\$ 21,388,076
2023	21,388,075	1	1,842,457	23,230,532
2024	23,230,532	1	1,534,162	24,764,694
2025	24,764,694	1	852,533	25,617,227
2026	25,617,227	1	585,812	26,203,039
2027 ⁽¹⁾	26,203,039	1	884,903	27,087,942

(1) Projected.
Source: ISBE

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 for each of the two succeeding levy years. 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.

In the Fiscal Year 2027 Budget, \$50 million of General State Aid was allocated to the Property Tax Relief Pool.

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 Mandated 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 “SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources” herein 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, 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) Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) 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 District received \$1,279,967 pursuant to ESSER I, \$5,085,920 pursuant to ESSER II and \$13,091,698 pursuant to ESSER III. Most of the ESSER funds were spent on purchased services, supplies, materials, capital outlay, construction services, learning loss initiatives and attendance and social work services. All ESSER funds have been spent.

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 (FAAS). 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 calendar year following the conclusion of each fiscal year):

<u>Fiscal Year</u> <u>(June 30)</u>	<u>Original</u> <u>Score</u>	<u>Designation</u> <u>Based on</u> <u>Original Score</u>	<u>Adjusted</u> <u>Score</u>	<u>Designation</u> <u>Based on</u> <u>Adjusted Score</u>
2021	3.60	Financial Recognition	3.60	Financial Recognition
2022	3.70	Financial Recognition	3.70	Financial Recognition
2023	3.25	Financial Review	3.25	Financial Review
2024	3.70	Financial Recognition	3.70	Financial Recognition
2025	2.55	Financial Watch	2.55	Financial Watch

Source: ISBE

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 10 to the Audit, attached hereto as Appendix B.

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 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 10 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, 2021 through June 30, 2025, all amounts contributed by the District to TRS were as follows:

Fiscal Year Ended June 30	TRS Contribution
2021	\$ 79,198
2022	86,272
2023	295,264 ⁽¹⁾
2024	89,620
2025	92,615

(1) Includes \$191,841 of required contributions that were made for contributions to TRS for certified salaries paid with federal funds.

Source: The District's audited financial statements for the fiscal years ended June 30, 2021-2025.

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 10 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 10 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

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 2025 was 5.16% of covered payroll.

For the calendar years ended December 31, 2021 through December 31, 2025, the District contributed the following amounts to IMRF:

Calendar Year Ended December 31	IMRF Contribution
2021	\$ 434,027
2022	363,230
2023	323,077
2024	448,020
2025	446,086

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2021-2025.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2021 through December 31, 2025, which are presented pursuant to the GASB Standards.

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as a % of Total Pension Liability	Discount Rate
2021	\$ 21,718,237	\$ 25,640,896	\$ (3,922,659)	118.06%	7.25%
2022	23,331,143	21,858,266	1,472,877	93.69%	7.25%
2023	23,697,714	23,738,713	(40,999)	100.17%	7.25%
2024	25,874,009	24,986,969	887,040	96.57%	7.25%
2025	27,238,938	28,243,197	(1,004,259)	103.69%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2021-2025.

See Note 10 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on

the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

Post-Employment Benefit Trust

The District participates in the Teacher Health Insurance Security (“THIS”) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the General Assembly for the benefit of the State’s retired public school teachers employed outside the City of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the TRS. Annuitants may participate in the State administered participating provider option plan or choose from several managed care options.

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2025, 0.67% during the year ended June 30, 2024 and 0.67% during the year ended June 30, 2023. For the year ended June 30, 2025, the District paid \$107,561 to the THIS Fund. For the years ended June 30, 2024 and June 30, 2023, the District paid \$103,526 and \$100,817 respectively, to the THIS Fund, which was 100% of the required contribution.

TAX MATTERS

The 2026A Bonds

Federal tax law contains a number of requirements and restrictions which apply to the 2026A 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 2026A 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 2026A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2026A Bonds.

Subject to the District’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2026A 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 2026A 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 2026A 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 2026A 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 2026A Bonds is the price at which a substantial amount of such maturity of the 2026A 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 2026A 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 2026A 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 2026A Bonds who dispose of 2026A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2026A Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2026A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2026A Bond is purchased at any time for a price that is less than the 2026A 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 2026A 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 2026A 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 2026A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2026A Bonds.

An investor may purchase a 2026A 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 2026A 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 2026A Bond. Investors who purchase a 2026A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2026A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2026A 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 2026A 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 2026A 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 2026A Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2026A 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 2026A 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 2026A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2026A 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 2026A 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 2026A Bonds is not exempt from present State income taxes. Ownership of the 2026A 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 2026A Bonds. Prospective purchasers of the 2026A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

The 2026B Bonds

Interest on the 2026B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the 2026B Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the 2026B Bonds should consult their tax advisors with respect to the inclusion of interest on the 2026B Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the 2026B Bonds is not exempt from present State income taxes. Ownership of the 2026B 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 2026B Bonds. Prospective purchasers of the 2026B 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 2026A 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.

LITIGATION

There is no controversy or litigation of any nature now pending or threatened restraining or enjoining the issuance, sale, execution or delivery of the Bonds or in any way contesting or affecting the validity of the Bonds or any proceedings of the District taken with respect to the issuance or sale thereof.

BOND RATINGS

S&P is expected to assign its municipal bond rating of "AA" (Stable Outlook) to the Bonds with the understanding that upon delivery of the Bonds the Policy will be issued by BAM. See "BOND INSURANCE" above. Moody's has assigned its municipal underlying rating of "A2" to the Bonds.

The ratings reflect only the views of such rating agencies and any explanation of the significance of such ratings may only be obtained from such rating agencies. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's and BAM by the District. There is no assurance that the ratings will be

maintained for any given period of time or that such ratings may not be changed by such rating agencies, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

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 "Appendix C – Form of Continuing Disclosure Undertaking."

The District implemented the March, 2019 update (Issue 100) of the Illinois Association of School Boards' Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as Section 4.40–AP, Preparing and Updating Disclosures. The policies specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

The District did not timely file its audited financial statements for fiscal years ending June 30, 2022, through June 30, 2025. The District did not timely file notices with respect to insurers' rating changes relating to certain outstanding debt obligations of the District. The District has retained PMA to act as the District's Dissemination Agent for its continuing disclosure filings. 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.

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.

UNDERWRITING

Raymond James & Associates, Inc., Chicago, Illinois (the "Underwriter"), has agreed, subject to the terms of a purchase contract (the "Purchase Contract") to purchase the Bonds from the District at a price of \$_____. The Purchase Contract provides, in part, 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 Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals ____ percent of the par amount of the Bonds.

MUNICIPAL ADVISOR

The Municipal Advisor has been retained as municipal advisor in connection with the issuance of the Bonds. In preparing this Official Statement, the Municipal Advisor has relied upon the District, and other sources, having access to relevant data to provide accurate information for this Official Statement. To the best of the Municipal Advisor's knowledge, the information contained in this Official Statement is true and accurate. However, the Municipal Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the "Affiliates." Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds. PMA's compensation for serving as municipal advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

This Official Statement includes the cover page, reverse thereof and the Appendices hereto.

All references to material not purporting to be quoted in full are only summaries of certain provisions thereof and do not purport to summarize or describe all the provisions thereof. Reference is hereby made to such instruments, documents and other materials for the complete provisions thereof, copies of which will be furnished upon request to the District.

Accuracy and Completeness of the Official Statement

This Official Statement has been approved by the District for distribution to the Underwriter.

The District's officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain any 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/

Director of Business Affairs
School District Number 144
Cook County, Illinois

November __, 2026

Appendix A

Forms of Legal Opinions of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL -- 2026A BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 144
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of School District Number 144, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026A (the "*Bonds*"), to the amount of \$_____, dated _____, 2026, due on December 1, 20____, and bearing interest at the rate of ____% per annum, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

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

PROPOSED FORM OF OPINION OF BOND COUNSEL -- 2026B BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 144
Cook County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Education of School District Number 144, Cook County, Illinois (the "*District*"), passed preliminary to the issue by the District of its fully registered Taxable General Obligation School Bonds, Series 2026B (the "*Bonds*"), to the amount of \$_____, dated _____, 2026, due on December 1, 20____, and bearing interest at the rate of _____% per annum, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Bondholders should consult their own tax advisors concerning tax consequences of ownership of the Bonds.

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

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

Appendix B

Financial Statements for Fiscal Year Ended June 30, 2025

The Financial Statements of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Baker Tilly US, LLP, Oak Brook, Illinois (the “Auditor”), and approved by formal action of the Board of Education of the District. 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.

Prairie-Hills Elementary School District 144

Financial Statements

June 30, 2025

Prairie-Hills Elementary School District 144

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June 30, 2025

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Independent Auditors' Report

To the Board of Education of
Prairie-Hills Elementary School District 144

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying modified cash basis financial statements of the governmental activities and each major fund of the Prairie-Hills Elementary School District 144 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's 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 modified cash basis financial position of the governmental activities and each major fund of the District as of June 30, 2025 and the respective changes in modified cash basis financial position thereof for the year then ended in accordance with the modified cash basis of accounting described in Note 1.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditors' 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.

Emphasis of Matter - Basis of Accounting

We draw attention to Note 1 to the financial statements, which describes the basis of accounting. The financial statements are prepared on the modified cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1; and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible 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.

Auditors' 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 auditors' 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 and *Government Auditing Standards* 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 and *Government Auditing Standards*, 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.

Other Information

Management is responsible for the other information the financial statements. The other information comprises the other information as listed in the table of contents but does not include the financial statements and our auditors' report thereon. Our opinions on the financial statements do 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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.

Report on Summarized Comparative Information

We have previously audited the District's 2024 financial statements, and we expressed unmodified audit opinions on the respective modified cash basis financial statements of the governmental activities and each major fund in our report dated September 18, 2025. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2024, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 10, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Baker Tilly US, LLP". The signature is written in a cursive, flowing style.

Oak Brook, Illinois
June 10, 2026

Prairie-Hills Elementary School District 144

Statement of Net Position—Modified Cash Basis

June 30, 2025

	Governmental Activities
Assets and Deferred Outflows of Resources	
Assets	
Cash and investments	\$ 19,939,857
Student activity cash	54,372
Capital assets:	
Land	251,294
Construction in progress	12,744,068
Capital assets being depreciated/amortized, net of accumulated depreciation/amortization	<u>59,476,738</u>
Total assets	<u>92,466,329</u>
Deferred Outflows of Resources	
Deferred charge on refunding	<u>2,554,035</u>
Total deferred outflows of resources	<u>2,554,035</u>
Liabilities, Deferred Inflows of Resources and Net Position	
Liabilities	
Salaries and wages payable	1,964,064
Payroll deductions payable	304,409
Long-term liabilities:	
Other long-term liabilities, due within one year	2,123,891
Other long-term liabilities, due after one year	<u>41,471,249</u>
Total liabilities	<u>45,863,613</u>
Deferred Inflows of Resources	
Deferred charge on refunding	<u>107,973</u>
Total deferred inflows of resources	<u>107,973</u>
Net Position	
Net investment in capital assets	43,103,504
Restricted for:	
Operations and maintenance	3,845,425
Student transportation	2,109,613
Retirement benefits	1,267,557
Debt service	1,515,322
Capital projects	193,553
Unrestricted	<u>(2,986,196)</u>
Total net position	<u><u>\$ 49,048,778</u></u>

See notes to basic financial statements

Prairie-Hills Elementary School District 144

Statement of Activities—Modified Cash Basis
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue		Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities				
Instruction:				
Regular programs	\$ 20,085,138	\$ 390,809	\$ 777,871	\$ (18,916,458)
Special programs	5,665,686	-	3,829,132	(1,836,554)
Other instructional programs	2,347,272	-	560	(2,346,712)
Student activities	15,237	10,745	-	(4,492)
State retirement contributions	6,195,789	-	6,195,789	-
Support services:				
Pupils	3,093,711	-	190,751	(2,902,960)
Instructional staff	1,895,954	-	190,715	(1,705,239)
General administration	3,814,938	-	-	(3,814,938)
School administration	3,016,303	-	-	(3,016,303)
Business	3,927,773	-	2,048,001	(1,879,772)
Transportation	4,720,942	-	1,836,154	(2,884,788)
Operations and maintenance	5,629,989	-	-	(5,629,989)
Central	2,609,773	-	-	(2,609,773)
Other supporting services	36,248	-	-	(36,248)
Community services	706,956	-	-	(706,956)
Payments to other districts and gov't units, excluding special education	1,240,948	-	-	(1,240,948)
Interest and fees	5,584,889	-	-	(5,584,889)
Total governmental activities	\$ 70,587,546	\$ 401,554	\$ 15,068,973	(55,117,019)

General Revenues

Taxes:

Real estate taxes, levied for general purposes	9,228,788
Real estate taxes, levied for specific purposes	3,404,720
Real estate taxes, levied for debt service	4,619,419
Personal property replacement taxes	263,314
State aid-formula grants	25,647,625
Investment income	1,130,433

Total general revenues 44,294,299

Change in net position (10,822,720)

Net Position, Beginning 59,871,498

Net Position, Ending \$ 49,048,778

See notes to basic financial statements

Prairie-Hills Elementary School District 144

Balance Sheet—Modified Cash Basis -
Governmental Funds
June 30, 2025
With Comparative Totals as of June 30, 2024

	<u>General Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Transportation Fund</u>	<u>Municipal Retirement/ Social Security Fund</u>
Assets				
Cash and investments	\$ 10,940,264	\$ 3,865,445	\$ 2,110,638	\$ 1,314,655
Student activity cash	54,372	-	-	-
Total assets	<u>\$ 10,994,636</u>	<u>\$ 3,865,445</u>	<u>\$ 2,110,638</u>	<u>\$ 1,314,655</u>
Liabilities				
Salaries and wages payable	\$ 1,964,064	\$ -	\$ -	\$ -
Payroll deductions payable	236,266	20,020	1,025	47,098
Total liabilities	<u>2,200,330</u>	<u>20,020</u>	<u>1,025</u>	<u>47,098</u>
Fund Balance				
Restricted	-	3,845,425	2,109,613	1,267,557
Assigned	54,372	-	-	-
Unassigned	8,739,934	-	-	-
Total fund balance	<u>8,794,306</u>	<u>3,845,425</u>	<u>2,109,613</u>	<u>1,267,557</u>
Total liabilities and fund balance	<u>\$ 10,994,636</u>	<u>\$ 3,865,445</u>	<u>\$ 2,110,638</u>	<u>\$ 1,314,655</u>

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total	
			2025	2024
\$ 1,515,322	\$ -	\$ 193,533	\$ 19,939,857	\$ 28,832,365
-	-	-	54,372	58,864
<u>\$ 1,515,322</u>	<u>\$ -</u>	<u>\$ 193,533</u>	<u>\$ 19,994,229</u>	<u>\$ 28,891,229</u>
\$ -	\$ -	\$ -	\$ 1,964,064	\$ -
-	-	-	304,409	-
-	-	-	2,268,473	-
1,515,322	-	193,533	8,931,450	8,811,462
-	-	-	54,372	58,864
-	-	-	8,739,934	20,020,903
<u>1,515,322</u>	<u>-</u>	<u>193,533</u>	<u>17,725,756</u>	<u>28,891,229</u>
<u>\$ 1,515,322</u>	<u>\$ -</u>	<u>\$ 193,533</u>	<u>\$ 19,994,229</u>	<u>\$ 28,891,229</u>

See notes to basic financial statements

Prairie-Hills Elementary School District 144

Reconciliation of the Governmental Funds

Balance Sheet—Modified Cash Basis to the Statement of Net Position—Modified Cash Basis
June 30, 2025

Total Fund Balances, Governmental Funds—Modified Cash Basis	\$ 17,725,756
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Amounts reported for governmental activities in the Statement of Net Position—Modified Cash Basis are different because:

Net capital assets used in governmental activities and included in the Statement of Net Position—Modified Cash Basis do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet—Modified Cash Basis.	72,472,100
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Long-term liabilities included in the Statement of Net Position—Modified Cash Basis are not due and payable in the current period and, therefore, are not reported in the Governmental Funds Balance Sheet—Modified Cash Basis.	(43,595,140)
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Deferred charge on refunding included in the Statement of Net Position—Modified Cash Basis is not available to pay for current period expenditures and, therefore, is not included in the Governmental Funds Balance Sheet—Modified Cash Basis.	<u>2,446,062</u>
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Net Position of Governmental Activities—Modified Cash Basis	<u><u>\$ 49,048,778</u></u>
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Prairie-Hills Elementary School District 144

Statement of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis -

Governmental Funds

Year Ended June 30, 2025

With Comparative Totals for the Year Ended June 30, 2024

	General Fund	Operations and Maintenance Fund	Transportation Fund	Municipal Retirement/ Social Security Fund
Revenues				
Property taxes	\$ 9,228,788	\$ 1,122,408	\$ 1,307,344	\$ 974,968
Corporate personal property replacement taxes	234,175	-	-	29,139
State aid	25,946,128	5,576,661	1,836,154	440,000
Federal aid	4,666,044	-	-	-
Investment income	806,093	88,880	128,829	50,807
Student activities	10,745	-	-	-
Other	390,809	-	-	-
Total revenues	<u>41,282,782</u>	<u>6,787,949</u>	<u>3,272,327</u>	<u>1,494,914</u>
Expenditures				
Current:				
Instruction:				
Regular programs	16,308,969	-	-	256,907
Special programs	4,224,529	-	-	79,720
Other instructional programs	2,266,531	-	-	75,165
Student activities	15,237	-	-	-
State retirement contributions	7,767,517	-	-	-
Support services:				
Pupils	3,051,943	-	-	41,768
Instructional staff	1,835,931	-	-	60,023
General administration	3,779,574	-	-	19,494
School administration	2,836,358	-	-	128,637
Business	3,698,214	-	-	216,984
Transportation	-	-	4,719,109	1,833
Operations and maintenance	293	5,158,340	-	314,250
Central	2,469,854	-	-	109,247
Other supporting services	18,861	16,430	-	957
Community services	675,855	-	-	31,101
Payments to other districts and government units	2,562,446	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	481,131	-	-	-
Total expenditures	<u>51,993,243</u>	<u>5,174,770</u>	<u>4,719,109</u>	<u>1,336,086</u>
Excess (deficiency) of revenues over expenditures	<u>(10,710,461)</u>	<u>1,613,179</u>	<u>(1,446,782)</u>	<u>158,828</u>
Other Financing Sources (Uses)				
Transfers in	-	-	-	-
Transfers (out)	-	-	-	-
Principal on bonds sold	-	-	-	-
Premium on bonds sold	-	-	-	-
Transfer from general fund	-	-	-	-
Transfer to debt service fund	(575,000)	-	-	-
Total other financing sources (uses)	<u>(575,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(11,285,461)	1,613,179	(1,446,782)	158,828
Fund Balance, Beginning	<u>20,079,767</u>	<u>2,232,246</u>	<u>3,556,395</u>	<u>1,108,729</u>
Fund Balance, Ending	<u>\$ 8,794,306</u>	<u>\$ 3,845,425</u>	<u>\$ 2,109,613</u>	<u>\$ 1,267,557</u>

See notes to basic financial statements

Debt Service Fund	Capital Projects Fund	Fire Prevention and Life Safety Fund	Total	
			2025	2024
\$ 4,619,419	\$ -	\$ -	\$ 17,252,927	\$ 18,291,129
-	-	-	263,314	397,101
-	3,823,339	-	37,622,282	36,900,132
-	-	-	4,666,044	14,635,476
49,010	-	6,814	1,130,433	648,096
-	-	-	10,745	50,791
-	-	-	390,809	233,724
<u>4,668,429</u>	<u>3,823,339</u>	<u>6,814</u>	<u>61,336,554</u>	<u>71,156,449</u>
-	-	-	16,565,876	13,369,407
-	-	-	4,304,249	2,690,229
-	-	-	2,341,696	2,189,081
-	-	-	15,237	63,801
-	-	-	7,767,517	7,233,701
-	-	-	3,093,711	2,266,805
-	-	-	1,895,954	2,040,710
-	-	-	3,799,068	2,491,970
-	-	-	2,964,995	2,357,867
-	-	-	3,915,198	3,298,289
-	-	-	4,720,942	3,138,480
-	80,449	-	5,553,332	5,034,393
-	-	-	2,579,101	2,217,707
-	-	-	36,248	153,585
-	-	-	706,956	277,329
-	-	-	2,562,446	2,085,129
11,696,282	-	-	11,696,282	3,126,721
2,506,883	-	-	2,506,883	1,928,031
-	3,742,890	-	4,224,021	8,182,682
<u>14,203,165</u>	<u>3,823,339</u>	<u>-</u>	<u>81,249,712</u>	<u>64,145,917</u>
<u>(9,534,736)</u>	<u>-</u>	<u>6,814</u>	<u>(19,913,158)</u>	<u>7,010,532</u>
-	-	-	-	291,916
-	-	-	-	(291,916)
7,810,000	-	-	7,810,000	-
937,685	-	-	937,685	-
575,000	-	-	575,000	-
-	-	-	(575,000)	-
<u>9,322,685</u>	<u>-</u>	<u>-</u>	<u>8,747,685</u>	<u>-</u>
(212,051)	-	6,814	(11,165,473)	7,010,532
<u>1,727,373</u>	<u>-</u>	<u>186,719</u>	<u>28,891,229</u>	<u>21,880,697</u>
<u>\$ 1,515,322</u>	<u>\$ -</u>	<u>\$ 193,533</u>	<u>\$ 17,725,756</u>	<u>\$ 28,891,229</u>

See notes to basic financial statements

Prairie-Hills Elementary School District 144

Reconciliation of the Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis to the Statement of Activities—Modified Cash Basis

Year Ended June 30, 2025

Net Change in Fund Balances, Total Governmental Funds—Modified Cash Basis

\$ (11,165,473)

Amounts reported for governmental activities in the Statement of
Activities—Modified Cash Basis are different because:

Governmental funds report capital outlay as expenditures. However, in
the Statement of Activities—Modified Cash Basis, the cost of these
assets is allocated over their estimated useful lives and reported as
depreciation expense. This is the amount by which capital outlay
exceeds depreciation expense in the current period.

472,162

The issuance of long-term debt (bonds, installment contracts payable,
leases, etc.) provides current financial resources to the governmental
funds, while its principal repayment consumes current financial
resources of the governmental funds. Neither transaction, however,
has any effect on net position. This is the amount by which current
year principal payments exceed current year debt issuances and
accretion on long-term debt.

2,868,182

Governmental funds report the effects of premiums, discounts and
similar items when the debt is issued. However, these amounts are
deferred and amortized in the Statement of Activities—Modified Cash
Basis. This is the amount of the current year, net effect of these
differences.

(2,997,591)

In the Statement of Activities—Modified Cash Basis, operating
expenses are measured by the amounts incurred during the year.
However, certain of these items are included in the governmental
funds only to the extent that they require the expenditure of current
financial resources:

State on-behalf contribution revenue

\$ (1,571,728)

State on-behalf contribution expense

1,571,728

Change in Net Position of Governmental Activities—Modified Cash Basis

\$ (10,822,720)

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

1. Summary of Significant Accounting Policies

Prairie-Hills Elementary School District 144 (the District) operates as a public school system governed by a seven-member board. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the modified cash basis of accounting as applicable to the local governmental units of this type. This modified basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The following is a summary of the more significant accounting policies of the District:

Basis of Presentation

Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct cash disbursements of a given function are offset by program receipts. Direct cash disbursement are those that are clearly identifiable with a specific function. Program receipts include (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program receipts are reported instead as general receipts.

Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental activities. Fund accounting segregates funds according to their intended purpose, and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements and the fund financial statements are reported using the modified cash basis of accounting. Assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures are recognized when they result from cash transactions with a provision for depreciation in the government-wide statements. This basis is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In the government-wide financial statements, governmental activities are presented using the economic resources measurement focus, within the limitations of the modified cash basis of accounting, as described above. In the governmental fund financial statements, the current financial resources measurement focus is used. Only current financial assets, deferred outflows of resources, liabilities and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

As a result of the use of the modified cash basis of accounting, certain assets and deferred outflows of resources and their related revenues, (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and deferred inflows of resources and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

As of June 30, 2025 the District reported \$1,964,064 in salaries and wages payable that relates to summer payroll for certified staff that was recorded as an expenditure within the financial statements but cash disbursements to employees had not yet occurred as of fiscal year end. These cash disbursements to employees were processed in July and August of fiscal year 2026. The District has modified the cash basis financial statements for the transactions associated with the summer payroll for certified staff.

If the District utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Major Governmental Funds

General Fund - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. This fund is primarily used for most of the instructional and administrative aspects of the District's operations. Revenues consist largely of local property taxes and state government aid.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel and administrative involvement of the Board of Education.

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

Operations and Maintenance Fund - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes.

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

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

Debt Service Fund - accounts for the accumulation of resources that are restricted, committed or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements

June 30, 2025

Capital Project Funds - accounts for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Capital Projects Fund - accounts for construction projects and renovations financed through debt instruments and transfers from other funds.

Fire Prevention and Life Safety Fund - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

Deposits and Investments

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

Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2024 levy resolution was approved during the December 19, 2024 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt). PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The PTELL limits applicable to the 2024 and 2023 tax levies were 3.4% and 5.0%, respectively.

Property taxes are collected by the Cook County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two installments: the first due on March 1 and the second due on the later of August 1 or 30 days after the second installment tax bill is mailed. The first installment is an estimated bill, and is 55% of the prior year's tax bill. The second installment is based on the current levy, assessment and equalization and any changes from the prior year will be reflected in the second installment bill. Property taxes are normally collected by the District within 60 days of the due date.

Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Capital Assets

Capital assets, which include land, land improvements, buildings, building improvements, equipment and fixtures are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life of more than 1 year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. In addition, all computer hardware with an original unit cost of \$300 or more shall be considered a capital asset and shall be placed in the district's inventory. Donated capital assets are recorded at acquisition value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Land improvements	15-20
Buildings and building improvements	20-40
Equipment and fixtures	5-20

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

A deferred charge on refunding arise from advance refunding of debt. The difference between the cost of the securities placed in trust for future payment of refunded debt and the net carrying value of that debt is deferred and amortized as a component of interest expense over the shorter of the term of the refunding issue or the original term of the refunded debt. The unamortized amount is reported as a deferred outflow of resources in the government-wide statements.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

Equity Classifications

Equity is classified as net position in the government-wide financial statements and displayed in three components:

Net Investment in Capital Assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets less than any unspent debt proceeds.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Restricted Net Position - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

Unrestricted Net Position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

Nonspendable - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

Restricted - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

Committed - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

Assigned - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

Unassigned - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended in the General Fund is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance. In all other funds (Special Revenue, Debt Service, Capital Projects), assigned fund balance will be spent first, followed by committed fund balance and then restricted fund balance.

The restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

The assigned fund balance in the General Fund consists of \$54,372 for student activity purposes.

Comparative Data

The financial statements include summarized prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2024, from which such summarized information was derived.

Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

2. Stewardship, Compliance and Accountability

Budgetary Data

Except for the exclusion of on-behalf payments from other governments, discussed below, the budgeted amounts for the Governmental Funds are adopted on the modified cash basis, which is consistent with the modified cash basis of accounting prescribed by the program accounting manual for Illinois school districts.

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

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements

June 30, 2025

Budget Reconciliations

The Statement of Revenues, Expenditures and Changes in Fund Balance - Governmental Funds (GAAP basis) includes "on-behalf" payments received and made for the amounts contributed by the State of Illinois for the employer's share of the Teachers Retirement System pension. The District does not budget for these amounts. The differences between the budget and modified cash basis are as follows:

	<u>Revenues</u>	<u>Expenditures</u>
General Fund Budgetary Basis	\$ 33,515,265	\$ 44,225,726
To adjust for on-behalf payments received	7,767,517	-
To adjust for on-behalf payments made	-	7,767,517
	<u> </u>	<u> </u>
General Fund Modified Cash Basis	<u>\$ 41,282,782</u>	<u>\$ 51,993,243</u>

Excess of Expenditures Over Budget

For the year ended June 30, 2025, expenditures exceeded budget in the General Fund, Operations and Maintenance Fund, Debt Service Fund, and Transportation Fund by \$1,422,479, \$723,235, \$9,489,935 and \$1,752,698, respectively. These excesses were funded by available financial resources.

3. Deposits and Investments

Cash and Investments Under the Custody of the Township Treasurer

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

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

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

The Treasurer's Office operates as a non-rated, external investment pool. The fair value of the District's investment in the Treasurer's pool is determined by the District's proportionate share of the fair value of the investments held by the Treasurer's office.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

The weighted average maturity of all marketable pooled investments held by the Treasurer was 1.82 years at June 30, 2025. The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2025, the cost of all investments held by the Treasurer's office was \$239,349,510 and the cost of the District's proportionate share of the pool was \$19,919,631.

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

Cash & Investments in the Custody of the District

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions. The following is a summary of such deposits:

	<i>Carrying Value</i>	<i>Bank Balance</i>
Deposits with financial institutions	\$ 74,597	\$ 59,036
Total	<u>\$ 74,597</u>	<u>\$ 59,036</u>

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2025, the bank balance of the District's deposit with financial institutions totaled \$59,036 and was fully insured.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

4. Interfund Transfers

During the year, the District transferred \$575,000 from the General Fund to the Debt Service Fund for principal and interest payments on bond obligations.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

5. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated / amortized:				
Land	\$ 251,294	\$ -	\$ -	\$ 251,294
Construction in progress	9,597,207	3,146,861	-	12,744,068
Total capital assets not being depreciated / amortized	9,848,501	3,146,861	-	12,995,362
Capital assets being depreciated / amortized:				
Land improvements	2,136,778	-	-	2,136,778
Buildings	88,096,145	92,399	-	88,188,544
Equipment	11,691,815	892,532	-	12,584,347
Equipment, right-to-use lease asset	624,043	-	-	624,043
Total capital assets being depreciated	102,548,781	984,931	-	103,533,712
Less accumulated depreciation / amortization for:				
Land improvements	1,242,932	101,376	-	1,344,308
Buildings	29,709,153	2,187,665	-	31,896,818
Equipment	8,907,498	1,284,307	-	10,191,805
Equipment, right-to-use lease asset	537,761	86,282	-	624,043
Total accumulated depreciation / amortization	40,397,344	3,659,630	-	44,056,974
Net capital assets being depreciated / amortized	62,151,437	(2,674,699)	-	59,476,738
Net governmental activities capital assets	\$ 71,999,938	\$ 472,162	\$ -	\$ 72,472,100

Depreciation/amortization expense was recognized in the operating activities of the District as follows:

Governmental Activities	Depreciation
Regular programs	\$ 3,518,124
Special programs	39,939
District administration	15,870
School administration	47,609
Business	12,696
Operations and maintenance	25,392
Total depreciation expense, governmental activities	\$ 3,659,630

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

6. Long-Term Liabilities

Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2025:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
General obligation bonds	\$ 8,455,000	\$ -	\$ 475,000	\$ 7,980,000	\$ 1,100,000
Capital appreciation bonds	6,355,191	1,018,100	1,935,000	5,438,291	838,891
Refunding bonds, private placement	1,045,000	-	185,000	860,000	185,000
Refunding bonds	29,905,000	7,810,000	9,015,000	28,700,000	-
Unamortized premium	-	937,685	93,769	843,916	-
Unamortized discount	(343,297)	-	(116,230)	(227,067)	-
Total bonds payable	<u>45,416,894</u>	<u>9,765,785</u>	<u>11,587,539</u>	<u>43,595,140</u>	<u>2,123,891</u>
Lease liabilities	<u>86,282</u>	<u>-</u>	<u>86,282</u>	<u>-</u>	<u>-</u>
Total long-term liabilities, governmental activities	<u><u>\$ 45,503,176</u></u>	<u><u>\$ 9,765,785</u></u>	<u><u>\$ 11,673,821</u></u>	<u><u>\$ 43,595,140</u></u>	<u><u>\$ 2,123,891</u></u>

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements

June 30, 2025

General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District.

General obligation bonds currently outstanding are as follows:

Purpose	Interest Rates	Original Indebtedness	Face Amount	Carrying Amount
Series 2011A Limited Refunding School Bonds dated September 20, 2012 are due in annual installments through December 1, 2030	2.00%-5.00%	\$ 22,525,000	\$ 8,235,000	\$ 7,760,000
Series 2011B Limited Refunding School Bonds dated September 20, 2012 are due in annual installments through December 1, 2030	5.00%	2,120,000	220,000	220,000
Series 2011C Capital Appreciation Bonds dated September 20, 2012 are due in annual installments through December 1, 2030	1.25%-6.39%	18,198,607	6,355,191	5,438,291
Series 2014A General Obligation Limited School Refunding Bonds dated June 25, 2014 are due in annual installments through December 1, 2033	0.75%-5.25%	11,140,000	1,150,000	575,000
Series 2014B General Obligation Limited School Refunding Bonds dated June 25, 2014 are due in annual installments through December 1, 2033	5.25%	10,430,000	10,430,000	1,990,000
Series 2016A General Obligation Limited School Bonds dated April 11, 2016 are due in annual installments through December 1, 2035	4.00%-4.125%	6,000,000	6,000,000	6,000,000
Series 2016B Taxable General Obligation Limited School Bonds dated April 11, 2016 are due in annual installments through December 1, 2032	1.25%-5.75%	4,065,000	2,600,000	2,600,000
Series 2016C General Obligation Refunding School Bonds dated April 11, 2016 are due in annual installments through December 1, 2035	4.125%	6,425,000	6,425,000	6,425,000
Series 2016D Taxable General Obligation Refunding School Bonds dated April 11, 2016 are due in annual installments through December 1, 2034	5.88%	3,300,000	3,300,000	3,300,000
Series 2024 General Obligation Refunding School Bonds dated September 24, 2024 are due in annual installments through December 1, 2033	5.00%	7,810,000	7,810,000	7,810,000
Total		<u>\$ 92,013,607</u>	<u>\$ 52,525,191</u>	<u>\$ 42,118,291</u>

At June 30, 2025, \$24,126,715 of bonds outstanding are considered defeased.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

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

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,938,891	\$ 2,830,601	\$ 4,769,492
2027	1,931,843	2,848,149	4,779,992
2028	2,267,618	3,419,188	5,686,806
2029	2,303,632	3,442,673	5,746,305
2030	2,295,335	3,450,220	5,745,555
2031-2035	24,855,972	6,688,273	31,544,245
2036	6,525,000	134,578	6,659,578
Total	<u>\$ 42,118,291</u>	<u>\$ 22,813,682</u>	<u>\$ 64,931,973</u>

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2025, the statutory debt limit for the District was \$28,985,862, net of applicable debt of \$6,298,291, providing a debt margin of \$22,687,571.

Private Placement Bonds

Private placement bonds are direct obligations and pledge the full faith and credit of the District. Private placement bonds are bonds sold directly to pre-selected investors or institutions rather than on the open market. Private placement bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>	<u>Face Amount</u>	<u>Carrying Amount</u>
Series 2022A General Obligation Limited Refunding School Bonds dated June 7, 2022 are due in annual installments through December 1, 2029	2.74%	\$ 1,145,000	\$ 1,145,000	\$ 860,000
Total		<u>\$ 1,145,000</u>	<u>\$ 1,145,000</u>	<u>\$ 860,000</u>

Annual debt service requirements to maturity for private placement bonds are as follows for governmental type activities:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 185,000	\$ 21,030	\$ 206,030
2027	190,000	15,892	205,892
2028	195,000	10,618	205,618
2029	140,000	6,028	146,028
2030	150,000	2,055	152,055
Total	<u>\$ 860,000</u>	<u>\$ 55,623</u>	<u>\$ 915,623</u>

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Leases

The District has entered into lease agreements as a lessee for financing the temporary acquisition of copiers and technology equipment. These agreements qualify as leases for accounting purposes and, therefore, the assets and obligations have been recorded at the present value of the future minimum lease payments as of the inception date. The obligations for the leases will be repaid from the Debt Service Fund and funded by a transfer of resources from the General Fund (Educational Accounts).

<u>Description</u>	<u>Date of Issue</u>	<u>Final Maturity</u>	<u>Interest Rates</u>	<u>Original Indebtedness</u>
Smart Board Lease	08/01/2020	08/01/2024	3.98%	\$ 415,530
Total				<u>\$ 415,530</u>

7. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. To protect from such risks, the District participates in the following public entity risk pool: CLIC for workers' compensation and liability insurance coverage. The District pays annual premiums to the pools for insurance coverage. The arrangements with the pool provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool. There have been no significant reductions in insurance coverage from coverage in any of the past three fiscal years.

The District is self-insured for medical and dental coverage that is provided to District personnel. A third party administrator administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of employee health claims and administration fees. The District's liability will not exceed \$75,000 per covered person as provided by stop-loss provisions incorporated in the plan.

8. Joint Agreements

The District is a member of SPEED, a joint agreement that provides certain special education services to residents of many school districts. The District believes that because it does not control the selection of the governing authority, and because of the control over employment of management personnel, operations, scope of public service and special financing relationships exercised by the joint agreement governing boards, these are not included as component units of the District.

9. Other Postemployment Benefits

Teachers' Health Insurance Security

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit postemployment healthcare plan that was established by the Illinois legislature for the benefit of 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 the Teachers' Retirement System (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 publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: <http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp>. The current reports are listed under "Central Management Services."

Benefits Provided

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS. Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund.

On Behalf Contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2025. State of Illinois contributions of \$144,485 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(1,945,174) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

Contributions

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2025. 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, 2025, the District paid \$107,561 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

THIS Fiduciary Net Position

Detailed information about the THIS Fund's fiduciary net position as of June 30, 2024 is available in the separately issued THIS Annual Financial Report.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements

June 30, 2025

Net OPEB Liability

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance 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 OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 4,097,493
State's proportionate share of the collective net OPEB liability associated with the District	<u>5,564,581</u>
Total	<u>\$ 9,662,074</u>

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.051798% and 0.053748%, respectively.

Actuarial Assumptions

The net OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.50% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates, Initial	8.00%
Healthcare Cost Trend Rates, Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2041

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 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Discount Rate

At June 30, 2024, the discount rate used to measure the total OPEB liability was a blended rate of 3.97%, which was a change from the June 30, 2023 rate of 3.86%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 4,572,811	\$ 4,097,493	\$ 3,678,498

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 3,527,946	\$ 4,097,493	\$ 4,775,245

OPEB Expense

District OPEB expense, as part of the June 30, 2024 valuation, was \$(1,446,655). For the year ended June 30, 2025, the District recognized on-behalf revenue and expense of \$(1,945,174) for support provided by the state.

10. Retirement Systems

The retirement plans of the District include the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF). Most funding for TRS is provided through payroll withholdings of certified employees and contributions made by the State of Illinois on-behalf of the District. IMRF is funded through property taxes and a perpetual lien of the District's corporate personal property replacement tax. Each retirement system is discussed below.

Teachers' Retirement System

Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. 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 <https://www.trsil.org/financial/acfrs/fy2023>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Benefits Provided

TRS provides retirement, disability and death benefits. *Tier 1* members have TRS or reciprocal system service prior to January 1, 2011. *Tier 1* 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.

Tier 2 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 highest four. Disability provisions for *Tier 2* are identical to those of *Tier 1*. Death benefits are payable under a formula that is different from *Tier 1*.

Essentially all *Tier 1* 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 2* 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, 2024. 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, 2024 was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the District, is submitted to TRS by the District.

On Behalf Contributions to TRS

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2025, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$8,140,963 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$7,623,032 in the General Fund based on the current financial resources measurement basis.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

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, 2025, were \$92,615.

TRS Fiduciary Net Position

Detailed information about the TRS's fiduciary net position as of June 30, 2024 is available in the separately issued TRS Annual Comprehensive Financial Report.

Net Pension Liability

At June 30, 2025, the District has 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 allocated to 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 collective net pension liability	\$ 1,219,696
State's proportionate share of the collective net pension liability associated with the District	<u>101,696,513</u>
Total	<u>\$ 102,916,209</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024. 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, 2024, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.00142047% and 0.00143840%, respectively.

Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2024 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit and (c) inflation of 2.5%.

Mortality

The assumed mortality rates are based on the Society of Actuaries PubT-2010 mortality tables, adjusted for TRS experience, with generational improvement based on Scale MP-2020. The actuarial assumptions used were based on the results of an experience study dated September 30, 2021.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements

June 30, 2025

Long-Term Expected Real Rate of Return

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
Global equity	37.00 %	5.35 %
Private equity	15.00	8.03
Income	26.00	4.32
Real assets	18.00	4.60
Diversifying strategies	4.00	3.40

Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. 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's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. *Tier 1's* liability is partially funded by *Tier 2* members, as the *Tier 2* member contribution is higher than the cost of *Tier 2* 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.

Discount Rate Sensitivity

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 (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
District's proportionate share of the collective net pension liability	\$ 1,506,359	\$ 1,219,696	\$ 982,065

Pension Expense

District pension expense, as part of the June 30, 2024 valuation, was \$251,504. For the year ended June 30, 2025, the District recognized TRS-related pension expense of \$92,615 and on-behalf revenue and expense of \$8,140,963 for support provided by the state.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Illinois Municipal Retirement Fund

Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, postretirement 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 pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at www.imrf.org.

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 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 *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 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 *Regular 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. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

Plan Membership

At December 31, 2024, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	296
Inactive, nonretired members	266
Active members	244
Total	<u>806</u>

Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2024 was 5.66% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2024 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75% and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables and future mortality improvements projected using scale MP-2021 were used. 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-2021 were used. 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-2021 were used.

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Long-Term Expected Real Rate of Return

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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	34.50 %	6.35 %	5.00 %
International equities	18.00	8.00	6.35
Fixed income	24.50	4.85	4.75
Real estate	10.50	7.20	6.30
Alternatives	11.50		
Private equity		12.35	8.65
Hedge funds		-	-
Commodities		7.20	6.05
Cash equivalents	1.00	3.80	3.80

Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits payments to determine the total pension liability.

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease	Current Discount Rate	1% Increase
Total pension liability	\$ 29,047,815	\$ 25,874,009	\$ 23,306,166
Plan fiduciary net position	24,986,969	24,986,969	24,986,969
Net pension liability/(asset)	<u>\$ 4,060,846</u>	<u>\$ 887,040</u>	<u>\$ (1,680,803)</u>

Prairie-Hills Elementary School District 144

Notes to Basic Financial Statements
June 30, 2025

Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2024 was as follows:

	Increase (Decrease)		Net Pension
	Total Pension Liability	Plan Fiduciary Net Position	Liability/ (Asset)
	(a)	(b)	(a) - (b)
Balances at December 31, 2023	\$ 23,697,714	\$ 23,738,713	\$ (40,999)
Service cost	622,568	-	622,568
Interest on total pension liability	1,704,295	-	1,704,295
Differences between expected and actual experience of the total pension liability	852,402	-	852,402
Benefit payments, including refunds of employee contributions	(1,002,970)	(1,002,970)	-
Contributions, employer	-	448,020	(448,020)
Contributions, employee	-	356,202	(356,202)
Net investment income	-	2,355,485	(2,355,485)
Other (net transfer)	-	(908,481)	908,481
Balances at December 31, 2024	<u>\$ 25,874,009</u>	<u>\$ 24,986,969</u>	<u>\$ 887,040</u>

Pension Expense

District pension expense, as part of the December 31, 2024 valuation, was \$1,216,797. For the year ended June 30, 2025, the District recognized pension expense of \$464,882.

11. Contingent Liabilities

The District is a participant in various lawsuits, although the outcome of these lawsuits is not presently determinable. In the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

12. State and Federal Aid Contingencies

The District has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies. Such audits could lead to requests for reimbursements to the grantor agency for expenditures disallowed under the terms of the grants. Management believes such disallowance, if any, would be immaterial.

13. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

When they become effective, application of these standards may restate portions of these financial statements.

Prairie-Hills Elementary School District 144

Illinois Municipal Retirement Fund

Schedule of Changes in the District's Net Pension Liability/(Asset)
and Related Ratios

Ten Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Total Pension Liability			
Service cost	\$ 622,568	\$ 574,302	\$ 550,775
Interest	1,704,295	1,673,201	1,555,544
Changes of benefit terms	-	-	-
Differences between expected and actual experience	852,402	(801,728)	582,274
Changes of assumptions	-	110	-
Benefit payments, including refunds of member contributions	<u>(1,002,970)</u>	<u>(1,079,314)</u>	<u>(1,075,687)</u>
Net change in total pension liability	2,176,295	366,571	1,612,906
Total Pension Liability, Beginning	<u>23,697,714</u>	<u>23,331,143</u>	<u>21,718,237</u>
Total Pension Liability, Ending (a)	<u>\$ 25,874,009</u>	<u>\$ 23,697,714</u>	<u>\$ 23,331,143</u>
Plan Fiduciary Net Position			
Employer contributions	\$ 448,020	\$ 323,077	\$ 363,230
Employee contributions	356,202	292,877	284,687
Net investment income	2,355,485	2,405,468	(3,196,409)
Benefit payments, including refunds of member contributions	(1,002,970)	(1,079,314)	(1,075,687)
Other (net transfer)	<u>(908,481)</u>	<u>(61,661)</u>	<u>(158,451)</u>
Net change in plan fiduciary net position	1,248,256	1,880,447	(3,782,630)
Plan Fiduciary Net Position, Beginning	<u>23,738,713</u>	<u>21,858,266</u>	<u>25,640,896</u>
Plan Fiduciary Net Position, Ending (b)	<u>\$ 24,986,969</u>	<u>\$ 23,738,713</u>	<u>\$ 21,858,266</u>
Employer's Net Pension Liability/(Asset), Ending (a) - (b)	<u>\$ 887,040</u>	<u>\$ (40,999)</u>	<u>\$ 1,472,877</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	96.57%	100.17%	93.69%
Covered Payroll	\$ 7,915,562	\$ 6,542,689	\$ 6,002,416
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	11.21%	-0.63%	24.54%

Notes to Schedule:

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

2022	2021	2020	2019	2018	2017	2016
\$ 503,720	\$ 510,071	\$ 477,327	\$ 440,848	\$ 489,859	\$ 446,050	\$ 431,985
1,483,972	1,441,574	1,404,380	1,365,104	1,378,853	1,360,139	1,297,335
-	-	-	-	-	-	-
87,389	(6,586)	(244,061)	(25,243)	(328,477)	(603,287)	57,453
-	(221,390)	-	535,817	(617,205)	(22,177)	21,602
<u>(1,147,125)</u>	<u>(1,124,262)</u>	<u>(1,157,728)</u>	<u>(1,173,054)</u>	<u>(990,638)</u>	<u>(964,009)</u>	<u>(943,617)</u>
927,956	599,407	479,918	1,143,472	(67,608)	216,716	864,758
<u>20,790,281</u>	<u>20,190,874</u>	<u>19,710,956</u>	<u>18,567,484</u>	<u>18,635,092</u>	<u>18,418,376</u>	<u>17,553,618</u>
<u>\$ 21,718,237</u>	<u>\$ 20,790,281</u>	<u>\$ 20,190,874</u>	<u>\$ 19,710,956</u>	<u>\$ 18,567,484</u>	<u>\$ 18,635,092</u>	<u>\$ 18,418,376</u>
\$ 434,027	\$ 386,791	\$ 266,681	\$ 353,774	\$ 394,798	\$ 374,004	\$ 363,702
276,911	241,126	221,897	199,998	205,130	184,566	174,557
3,836,600	2,986,500	3,462,861	(1,149,418)	3,203,786	1,180,082	86,753
(1,147,125)	(1,124,262)	(1,157,728)	(1,173,054)	(990,638)	(964,009)	(943,617)
<u>(466,631)</u>	<u>(363,760)</u>	<u>(535,864)</u>	<u>(13,235)</u>	<u>(658,181)</u>	<u>(211,586)</u>	<u>152,261</u>
2,933,782	2,126,395	2,257,847	(1,781,935)	2,154,895	563,057	(166,344)
<u>22,707,114</u>	<u>20,580,719</u>	<u>18,322,872</u>	<u>20,104,807</u>	<u>17,949,912</u>	<u>17,386,855</u>	<u>17,553,199</u>
<u>\$ 25,640,896</u>	<u>\$ 22,707,114</u>	<u>\$ 20,580,719</u>	<u>\$ 18,322,872</u>	<u>\$ 20,104,807</u>	<u>\$ 17,949,912</u>	<u>\$ 17,386,855</u>
<u>\$ (3,922,659)</u>	<u>\$ (1,916,833)</u>	<u>\$ (389,845)</u>	<u>\$ 1,388,084</u>	<u>\$ (1,537,323)</u>	<u>\$ 685,180</u>	<u>\$ 1,031,521</u>
118.06%	109.22%	101.93%	92.96%	108.28%	96.32%	94.40%
\$ 5,788,818	\$ 5,140,362	\$ 4,875,348	\$ 4,433,272	\$ 4,553,619	\$ 4,080,796	\$ 3,852,781
-67.76%	-37.29%	-8.00%	31.31%	-33.76%	16.79%	26.77%

See notes to required supplementary information

Prairie-Hills Elementary School District 144

Illinois Municipal Retirement Fund
Schedule of Employer Contributions
Ten Most Recent Fiscal Years

	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 448,021	\$ 325,826	\$ 355,943	\$ 427,215	\$ 387,069
Contributions in relation to the actuarially determined contribution	(448,020)	(323,077)	(363,230)	(434,027)	(386,791)
Contribution deficiency (excess)	\$ 1	\$ 2,749	\$ (7,287)	\$ (6,812)	\$ 278
Covered payroll	\$ 7,915,562	\$ 6,542,689	\$ 6,002,416	\$ 5,788,818	\$ 5,140,362
Contributions as a percentage of covered payroll	5.66%	4.94%	6.05%	7.50%	7.52%
	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 266,682	\$ 353,775	\$ 394,799	\$ 373,393	\$ 384,893
Contributions in relation to the actuarially determined contribution	(266,681)	(353,774)	(394,798)	(374,004)	(363,702)
Contribution deficiency (excess)	\$ 1	\$ 1	\$ 1	\$ (611)	\$ 21,191
Covered payroll	\$ 4,875,348	\$ 4,433,272	\$ 4,553,619	\$ 4,080,796	\$ 3,852,781
Contributions as a percentage of covered payroll	5.47%	7.98%	8.67%	9.16%	9.44%

Notes to Schedule:

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2020

Other information:

There were no benefit changes during the year.

Prairie-Hills Elementary School District 144

Teachers' Retirement System

Schedule of District's Proportionate Share of the Collective Net Pension Liability and District Contributions

Ten Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability	0.00142047%	0.00143841%	0.00132512%	0.00152579%
District's proportionate share of the net pension liability	\$ 1,219,696	\$ 1,222,369	\$ 1,110,989	\$ 1,190,285
State's proportionate share of the net pension liability	<u>101,696,513</u>	<u>105,491,076</u>	<u>96,370,924</u>	<u>99,758,508</u>
Total net pension liability	<u>\$ 102,916,209</u>	<u>\$ 106,713,445</u>	<u>\$ 97,481,913</u>	<u>\$ 100,948,793</u>
Covered payroll	\$ 15,451,690	\$ 14,932,836	\$ 13,595,714	\$ 13,208,700
District's proportionate share of the net pension liability as a percentage of covered payroll	7.89%	8.19%	8.17%	9.01%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%
Contractually required contribution	\$ 93,113	\$ 89,620	\$ 278,452	\$ 78,855
Contributions in relation to the contractually required contribution	<u>(92,615)</u>	<u>(89,620)</u>	<u>(278,451)</u>	<u>(79,136)</u>
Contribution deficiency (excess)	<u>\$ 498</u>	<u>\$ -</u>	<u>\$ 1</u>	<u>\$ (281)</u>
Covered payroll	\$ 16,053,900	\$ 15,451,690	\$ 14,932,836	\$ 13,595,714
Contributions as a percentage of covered payroll	0.5769%	0.5800%	1.8647%	0.5821%

Notes to Schedule:

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

Key Assumptions:

Long-term expected rate of return	7.00%	7.00%	7.00%	7.00%
Municipal bond index	3.93%	3.65%	3.54%	2.16%
Single equivalent discount rate	7.00%	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%	2.25%
Projected salary increases	4.00% to 8.50%	3.75% to 8.75%	3.75% to 8.75%	3.50% to 8.50%
	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
0.00147143%	0.00167304%	0.00180660%	0.00324557%	0.00372730%	0.00254374%
\$ 1,268,598	\$ 1,356,973	\$ 1,408,151	\$ 2,479,557	\$ 2,942,185	\$ 1,666,406
<u>99,363,194</u>	<u>96,574,264</u>	<u>96,464,242</u>	<u>92,124,960</u>	<u>97,899,560</u>	<u>80,148,852</u>
<u>\$ 100,631,792</u>	<u>\$ 97,931,237</u>	<u>\$ 97,872,393</u>	<u>\$ 94,604,517</u>	<u>\$ 100,841,745</u>	<u>\$ 81,815,258</u>
\$ 12,946,044	\$ 12,587,167	\$ 12,715,836	\$ 12,610,618	\$ 12,313,165	\$ 12,379,591
9.80%	10.78%	11.07%	19.66%	23.89%	13.46%
37.8%	39.6%	40.0%	39.3%	36.4%	41.5%
\$ 79,115	\$ 99,774	\$ 126,367	\$ 112,989	\$ 135,884	\$ 144,226
<u>(79,115)</u>	<u>(99,774)</u>	<u>(87,239)</u>	<u>(99,389)</u>	<u>(136,188)</u>	<u>(144,390)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 39,128</u>	<u>\$ 13,600</u>	<u>\$ (304)</u>	<u>\$ (164)</u>
\$ 13,208,700	\$ 12,946,044	\$ 12,587,167	\$ 12,715,836	\$ 12,610,618	\$ 12,313,165
0.5990%	0.7707%	0.6931%	0.7816%	1.0799%	1.1726%
7.00%	7.00%	7.00%	7.00%	7.00%	7.50%
2.21%	3.50%	3.87%	3.58%	2.85%	3.73%
7.00%	7.00%	7.00%	7.00%	6.83%	7.47%
2.50%	2.50%	2.50%	2.50%	2.50%	3.00%
4.00% to 9.50%	4.00% to 9.50%	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%
varying by service	varying by service	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

Prairie-Hills Elementary School District 144

Teachers' Health Insurance Security Fund
Schedule of District's Proportionate Share
of the Collective Net OPEB Liability and District Contributions
Eight Most Recent Fiscal Years

	2025	2024	2023
District's proportion of the net OPEB liability	0.051798%	0.053748%	0.049443%
District's proportionate share of the net OPEB liability	\$ 4,097,493	\$ 3,830,790	\$ 3,384,220
State's proportionate share of the net OPEB liability	5,564,581	5,180,449	4,603,898
Total net OPEB liability	\$ 9,662,074	\$ 9,011,239	\$ 7,988,118
Covered payroll	\$ 15,451,690	\$ 14,932,836	\$ 13,595,714
District's proportionate share of the net OPEB liability as a percentage of covered payroll	26.52%	25.65%	24.89%
Plan fiduciary net position as a percentage of the total pension liability	7.43%	6.21%	5.24%
Contractually required contribution	\$ 107,561	\$ 103,526	\$ 100,050
Contributions in relation to the contractually required contribution	(107,561)	(103,526)	(100,817)
Contribution deficiency (excess)	\$ -	\$ -	\$ (767)
Covered payroll	\$ 16,053,900	\$ 15,451,690	\$ 14,932,836
Contributions as a percentage of covered payroll	0.6700%	0.6700%	0.6751%

Notes to Schedule:

The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

Key Assumptions:

Long-term expected rate of return	2.75%	2.75%	2.75%
Municipal bond index	3.97%	3.86%	3.69%
Single equivalent discount rate	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare -	Medicare and Non-Medicare -	Medicare and Non-Medicare -
	8.00%	8.00%	8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010

See notes to required supplementary information

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
0.052712%	0.048874%	0.053237%	0.054569%	0.054416%
\$ 11,625,836	\$ 13,066,945	\$ 14,734,737	\$ 14,376,643	\$ 14,120,798
<u>15,762,937</u>	<u>17,702,152</u>	<u>19,952,714</u>	<u>19,304,731</u>	<u>18,544,117</u>
<u>\$ 27,388,773</u>	<u>\$ 30,769,097</u>	<u>\$ 34,687,451</u>	<u>\$ 33,681,374</u>	<u>\$ 32,664,915</u>
\$ 13,208,700	\$ 12,946,044	\$ 12,587,167	\$ 12,715,836	\$ 12,610,618
88.02%	100.93%	117.06%	113.06%	111.98%
1.40%	0.70%	0.25%	-0.07%	-0.17%
\$ 91,091	\$ 121,520	\$ 119,104	\$ 115,802	\$ 111,899
<u>(91,858)</u>	<u>(122,323)</u>	<u>(99,774)</u>	<u>(131,683)</u>	<u>(116,952)</u>
<u>\$ (767)</u>	<u>\$ (803)</u>	<u>\$ 19,330</u>	<u>\$ (15,881)</u>	<u>\$ (5,053)</u>
\$ 13,595,714	\$ 13,208,700	\$ 12,946,044	\$ 12,587,167	\$ 12,715,836
0.6756%	0.9261%	0.7707%	1.0462%	0.9197%
2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See notes to required supplementary information

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
General levy	\$ 11,126,703	\$ 9,228,788	\$ (1,897,915)	\$ 9,772,566
Corporate personal property replacement taxes	325,000	234,175	(90,825)	373,393
Investment income	376,000	806,093	430,093	512,870
Sales to pupils, lunch	1,000	-	(1,000)	-
Sales to pupils, other	500	-	(500)	-
Student activities	-	10,745	10,745	50,791
Rentals, regular textbook	5,000	(262)	(5,262)	3,312
Contributions and donations from private sources	2,000	-	(2,000)	2,500
Other	315,000	391,071	76,071	167,251
Total local sources	12,151,203	10,670,610	(1,480,593)	10,882,683
State Sources				
Evidence based funding	18,438,000	15,807,625	(2,630,375)	19,341,908
Special education, private facility tuition	36,000	118,370	82,370	40,751
Special education, orphanage, individual	36,000	-	(36,000)	34,449
State free lunch and breakfast	37,000	23,384	(13,616)	32,503
Early childhood, block grant	1,389,000	1,694,613	305,613	1,873,166
Chicago general education block grant	2,200	-	(2,200)	-
Other restricted revenue from state sources	46,775	534,619	487,844	551,639
Total state sources	19,984,975	18,178,611	(1,806,364)	21,874,416
Federal Sources				
National school lunch program	1,575,000	1,430,487	(144,513)	1,744,177
School breakfast program	490,000	504,992	14,992	552,639
Summer food service admin/program	26,422	-	(26,422)	26,423
Fresh fruits and vegetables	83,000	-	(83,000)	15,657
Food service, other	-	89,138	89,138	54,753
Title I, low income	345,148	664,455	319,307	1,657,344
Title I, other	-	248,308	248,308	16,476
Title IV, safe and drug free schools, formula	33,918	190,751	156,833	27,606
Federal, special education, preschool flow-through	28,280	35,434	7,154	28,000
Federal, special education, IDEA, flow-through/low incident	628,000	1,067,952	439,952	540,614
Title III, english language acquisition	5,000	560	(4,440)	4,822
Title II, teacher quality	96,646	190,715	94,069	93,077
Medicaid matching funds, administrative outreach	14,000	-	(14,000)	34,910
Medicaid matching funds, fee-for-service program	68,000	-	(68,000)	30,389
Other restricted revenue from federal sources	8,131,393	243,252	(7,888,141)	2,725,248
Total federal sources	11,524,807	4,666,044	(6,858,763)	7,552,135
Total revenues	43,660,985	33,515,265	(10,145,720)	40,309,234

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 13,171,218	\$ 12,339,452	\$ 831,766	\$ 9,311,858
Employee benefits	1,267,627	1,951,588	(683,961)	1,393,466
Purchased services	449,033	1,181,428	(732,395)	1,248,285
Supplies and materials	1,306,621	783,959	522,662	1,185,316
Capital outlay	89,240	1,138	88,102	51,029
Other objects	-	41,627	(41,627)	2,738
Non-capitalized equipment	-	10,915	(10,915)	-
Total	16,283,739	16,310,107	(26,368)	13,192,692
Pre-K Programs				
Salaries	2,461,760	1,412,089	1,049,671	964,347
Employee benefits	103,123	202,539	(99,416)	113,653
Purchased services	189,150	24,848	164,302	95,598
Supplies and materials	248,006	192,520	55,486	147,225
Capital outlay	35,890	16,316	19,574	40,164
Other objects	-	-	-	381,221
Total	3,037,929	1,848,312	1,189,617	1,742,208
Special Education Programs				
Salaries	19,088	1,664,729	(1,645,641)	1,417,239
Employee benefits	284	279,181	(278,897)	227,053
Purchased services	-	1,321,133	(1,321,133)	973,411
Supplies and materials	29,100	3,088	26,012	7,363
Other objects	-	111,251	(111,251)	750
Total	48,472	3,379,382	(3,330,910)	2,625,816
Special Education Programs Pre-K				
Salaries	2,139,610	10,500	2,129,110	-
Employee benefits	173,261	2	173,259	-
Purchased services	753,690	-	753,690	-
Supplies and materials	4,850	-	4,850	-
Other objects	130,950	-	130,950	-
Total	3,202,361	10,502	3,191,859	-
Interscholastic Programs				
Salaries	204,750	11,973	192,777	1,061
Employee benefits	6,291	949	5,342	130
Purchased services	38,800	23,420	15,380	49,551
Supplies and materials	8,730	117,642	(108,912)	39,400
Capital outlay	48,500	8,910	39,590	-
Other objects	4,365	385	3,980	4,381
Total	311,436	163,279	148,157	94,523

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			
	Original and Final Budget	Actual	Variance With Final Budget	2024 Actual
Summer School Programs				
Salaries	\$ 696,362	\$ 277,001	\$ 419,361	\$ 327,977
Employee benefits	57,967	2,577	55,390	9,257
Purchased services	97,000	-	97,000	-
Supplies and materials	9,700	-	9,700	-
Total	861,029	279,578	581,451	337,234
Bilingual Programs				
Salaries	-	588	(588)	-
Total	-	588	(588)	-
Special Education Programs K-12 - Private Tuition				
Other objects	-	834,645	(834,645)	-
Total	-	834,645	(834,645)	-
Student Activities				
Other objects	-	15,237	(15,237)	63,801
Total	-	15,237	(15,237)	63,801
Total instruction	23,744,966	22,841,630	903,336	18,056,274
Support Services				
Pupils				
Attendance and Social Work Services				
Salaries	605,014	468,756	136,258	451,612
Employee benefits	89,199	156,330	(67,131)	100,367
Purchased services	288,866	602,538	(313,672)	258,342
Supplies and materials	-	20,465	(20,465)	-
Total	983,079	1,248,089	(265,010)	810,321
Health Services				
Salaries	144,604	145,433	(829)	101,298
Employee benefits	7,957	21,976	(14,019)	7,377
Purchased services	956,527	1,184,385	(227,858)	779,418
Supplies and materials	29,100	6,419	22,681	3,362
Total	1,138,188	1,358,213	(220,025)	891,455
Psychological Services				
Salaries	123,638	101,967	21,671	98,125
Employee benefits	3,983	1,349	2,634	1,292
Purchased services	-	3,675	(3,675)	-
Supplies and materials	14,550	-	14,550	-
Total	142,171	106,991	35,180	99,417

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Speech Pathology and Audiology Services			
Salaries	\$ 104,740	\$ 16,602	\$ 88,138
Employee benefits	14,024	208	13,816
Purchased services	275,480	299,130	(23,650)
Total	394,244	315,940	78,304
Other Support Services - Pupils			
Salaries	1,575	22,710	(21,135)
Employee benefits	151	-	151
Total	1,726	22,710	(20,984)
Total pupils	2,659,408	3,051,943	(392,535)
Instructional Staff			
Improvement of Instructional Services			
Salaries	884,047	538,257	345,790
Employee benefits	246,370	87,118	159,252
Purchased services	998,667	689,270	309,397
Supplies and materials	53,350	168,232	(114,882)
Other objects	72,750	-	72,750
Total	2,255,184	1,482,877	772,307
Educational Media Services			
Salaries	256,940	284,764	(27,824)
Employee benefits	46,391	62,030	(15,639)
Supplies and materials	17,945	1,909	16,036
Capital outlay	-	40,298	(40,298)
Total	321,276	389,001	(67,725)
Assessment and Testing			
Supplies and materials	-	4,351	(4,351)
Total	-	4,351	(4,351)
Total instructional staff	2,576,460	1,876,229	700,231
General Administration			
Board of Education Services			
Salaries	2,100	-	2,100
Employee benefits	-	-	-
Purchased services	323,495	473,559	(150,064)
Supplies and materials	19,400	14,018	5,382
Capital outlay	9,700	-	9,700
Other objects	30,070	24,042	6,028
Total	384,765	511,619	(126,854)

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Executive Administration Services			
Salaries	\$ 479,289	\$ 257,277	\$ 222,012
Employee benefits	107,931	37,155	70,776
Purchased services	16,490	330,157	(313,667)
Supplies and materials	44,620	93,640	(49,020)
Other objects	9,700	1,202	8,498
Total	658,030	719,431	(61,401)
Special Area Administration Services			
Salaries	757,058	1,026,958	(269,900)
Employee benefits	85,273	318,801	(233,528)
Purchased services	6,790	7,270	(480)
Supplies and materials	-	23,878	(23,878)
Capital outlay	-	-	-
Other objects	16,490	-	16,490
Total	865,611	1,376,907	(511,296)
Tort Immunity Services			
Purchased services	684,820	1,171,617	(486,797)
Total	684,820	1,171,617	(486,797)
Total general administration	2,593,226	3,779,574	(1,186,348)
School Administration			
Office of the Principal Services			
Salaries	1,616,876	1,798,713	(181,837)
Employee benefits	234,026	469,321	(235,295)
Purchased services	7,760	1,115	6,645
Supplies and materials	91,180	80,267	10,913
Capital outlay	54,805	13,437	41,368
Other objects	8,051	200	7,851
Total	2,012,698	2,363,053	(350,355)
Other Support Services - School Administration			
Salaries	466,546	428,161	38,385
Employee benefits	58,849	58,581	268
Total	525,395	486,742	38,653
Total school administration	2,538,093	2,849,795	(311,702)

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Business			
Direction of Business Support Services			
Salaries	\$ 144,830	\$ 118,910	\$ 25,920
Employee benefits	19,610	32,869	(13,259)
Purchased services	1,940	-	1,940
Supplies and materials	5,335	174	5,161
Other objects	4,850	-	4,850
Total	176,565	151,953	24,612
Fiscal Services			
Salaries	412,595	516,180	(103,585)
Employee benefits	40,498	78,601	(38,103)
Purchased services	4,850	3,617	1,233
Supplies and materials	2,910	2,502	408
Capital outlay	9,700	-	9,700
Other objects	2,910	-	2,910
Total	473,463	600,900	(127,437)
Operation and Maintenance of Plant Services			
Purchased services	-	293	(293)
Total	-	293	(293)
Pupil Transportation Services			
Purchased services	-	-	-
Total	-	-	-
Food Services			
Salaries	1,179,701	1,185,010	(5,309)
Employee benefits	95,188	202,815	(107,627)
Purchased services	38,800	45,821	(7,021)
Supplies and materials	1,263,910	1,506,198	(242,288)
Capital outlay	19,400	(121)	19,521
Other objects	-	205	(205)
Total	2,596,999	2,939,928	(342,929)
Internal Services			
Purchased services	8,730	3,789	4,941
Supplies and materials	20,370	1,523	18,847
Other objects	3,880	-	3,880
Total	32,980	5,312	27,668
Total business	3,280,007	3,698,386	(418,379)

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Central			
Staff Services			
Salaries	\$ 690,647	\$ 208,508	\$ 482,139
Employee benefits	105,191	44,680	60,511
Purchased services	61,110	69,336	(8,226)
Supplies and materials	12,610	46,978	(34,368)
Capital outlay	4,850	-	4,850
Other objects	159,080	9,083	149,997
Total	1,033,488	378,585	654,903
Data Processing Services			
Salaries	651,842	690,048	(38,206)
Employee benefits	98,494	155,414	(56,920)
Purchased services	489,074	814,567	(325,493)
Supplies and materials	356,475	431,240	(74,765)
Capital outlay	811,890	401,153	410,737
Total	2,407,775	2,492,422	(84,647)
Total central	3,441,263	2,871,007	570,256
Other Supporting Services			
Salaries	134,483	7,500	126,983
Employee benefits	6,545	1,105	5,440
Purchased services	970	10,229	(9,259)
Supplies and materials	13,580	27	13,553
Total	155,578	18,861	136,717
Total support services	17,244,035	18,145,795	(901,760)
Community Services			
Salaries	449,373	246,761	202,612
Employee benefits	13,466	53,171	(39,705)
Purchased services	107,049	244,686	(137,637)
Supplies and materials	57,883	131,237	(73,354)
Total community services	627,771	675,855	(48,084)

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - General Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Payments to Other Districts and Governmental Units				
Payments for Regular Programs - Tuition				
Other objects	\$ 507,475	\$ 263,488	\$ 243,987	\$ 745,586
Total	507,475	263,488	243,987	745,586
Payments for Special Education Programs - Tuition				
Other objects	679,000	1,321,498	(642,498)	1,339,543
Total	679,000	1,321,498	(642,498)	1,339,543
Other Payments to In-State Govt. Units - Transfers				
Other objects	-	977,460	(977,460)	-
Total	-	977,460	(977,460)	-
Total payments to other districts and governmental units	1,186,475	2,562,446	(1,375,971)	2,085,129
Total expenditures	42,803,247	44,225,726	(1,422,479)	35,390,414
Excess (deficiency) of revenues over expenditures	857,738	(10,710,461)	(11,568,199)	4,918,820
Other Financing Sources (Uses)				
Transfer for principal on leases and installment contracts payable	-	-	-	(276,721)
Transfer for interest on leases and installment contracts payable	-	-	-	(15,195)
Transfer to capital projects fund	(1,628,909)	-	1,628,909	-
Transfer to debt service fund	-	(575,000)	(575,000)	-
Total other financing sources (uses)	(1,628,909)	(575,000)	1,053,909	(291,916)
Net change in fund balance	<u>\$ (771,171)</u>	(11,285,461)	<u>\$ (10,514,290)</u>	4,626,904
Fund Balance, Beginning		20,079,767		15,452,863
Fund Balance, Ending		<u>\$ 8,794,306</u>		<u>\$ 20,079,767</u>

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -
Operations and Maintenance Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

		2025		
	Original and Final Budget	Actual	Variance With Final Budget	2024 Actual
Revenues				
Local Sources				
General levy	\$ 1,242,283	\$ 1,122,408	\$ (119,875)	\$ 1,248,376
Investment income	11,000	88,880	77,880	6,198
Rentals	7,000	-	(7,000)	863
Total local sources	1,260,283	1,211,288	(48,995)	1,255,437
State Sources				
Evidence based funding	9,400,000	5,576,661	(3,823,339)	4,957,597
Total state sources	9,400,000	5,576,661	(3,823,339)	4,957,597
Total revenues	10,660,283	6,787,949	(3,872,334)	6,213,034
Expenditures				
Support Services				
Business				
Operation and Maintenance of Plant Services				
Salaries	2,152,438	2,454,050	(301,612)	2,015,911
Employee benefits	335,817	261,972	73,845	388,123
Purchased services	505,370	723,318	(217,948)	806,573
Supplies and materials	1,263,910	1,659,956	(396,046)	1,503,631
Capital outlay	194,000	-	194,000	178,629
Noncapitalized equipment	-	59,044	(59,044)	-
Total	4,451,535	5,158,340	(706,805)	4,892,867
Total business	4,451,535	5,158,340	(706,805)	4,892,867
Other Supporting Services				
Purchased services	-	16,430	(16,430)	-
Total	-	16,430	(16,430)	-
Total support services	4,451,535	5,174,770	(723,235)	4,892,867
Total expenditures	4,451,535	5,174,770	(723,235)	4,892,867
Net change in fund balance	\$ 6,208,748	1,613,179	\$ (4,595,569)	1,320,167
Fund Balance, Beginning		2,232,246		912,079
Fund Balance, Ending		\$ 3,845,425		\$ 2,232,246

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Transportation Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
General levy	\$ 1,210,572	\$ 1,307,344	\$ 96,772	\$ 1,267,838
Investment income	75,000	128,829	53,829	79,357
Other local fees	55,000	-	(55,000)	59,798
Total local sources	1,340,572	1,436,173	95,601	1,406,993
State Sources				
Transportation, regular/vocational	1,000,000	1,404,085	404,085	1,224,218
Transportation, special education	876,000	432,069	(443,931)	1,114,440
Total state sources	1,876,000	1,836,154	(39,846)	2,338,658
Federal Sources				
Other restricted revenue from federal sources	5,698	-	(5,698)	-
Total federal sources	5,698	-	(5,698)	-
Total revenues	3,222,270	3,272,327	50,057	3,745,651
Expenditures				
Support Services				
Business				
Pupil Transportation Services				
Salaries	13,308	14,949	(1,641)	12,773
Employee benefits	3,415	4,368	(953)	4,887
Purchased services	2,949,688	4,699,792	(1,750,104)	2,995,029
Total	2,966,411	4,719,109	(1,752,698)	3,012,689
Total business	2,966,411	4,719,109	(1,752,698)	3,012,689
Total support services	2,966,411	4,719,109	(1,752,698)	3,012,689
Total expenditures	2,966,411	4,719,109	(1,752,698)	3,012,689
Net change in fund balance	\$ 255,859	(1,446,782)	\$ (1,702,641)	732,962
Fund Balance, Beginning		3,556,395		2,823,433
Fund Balance, Ending		\$ 2,109,613		\$ 3,556,395

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
General levy	\$ 215,000	\$ 278,664	\$ 63,664	\$ 347,584
Social security/medicare only levy	645,000	696,304	51,304	566,066
Corporate personal property replacement taxes	-	29,139	29,139	23,708
Investment income	20,000	50,807	30,807	23,829
Total local sources	880,000	1,054,914	174,914	961,187
State Sources				
Evidence based funding	440,000	440,000	-	495,760
Total state sources	440,000	440,000	-	495,760
Federal Sources				
Other restricted revenue from federal sources	8,000	-	(8,000)	24,820
Total federal sources	8,000	-	(8,000)	24,820
Total revenues	1,328,000	1,494,914	166,914	1,481,767
Expenditures				
Instruction				
Regular programs	939,839	256,907	682,932	227,744
Pre-K programs	143,837	63,645	80,192	46,726
Special education programs	170	78,363	(78,193)	64,413
Special education programs Pre-K	163,913	1,357	162,556	-
Interscholastic programs	141	410	(269)	14
Summer school programs	44,652	11,035	33,617	8,540
Bilingual programs	-	75	(75)	-
Total instruction	1,292,552	411,792	880,760	347,437
Support Services				
Pupils				
Attendance and social work services	34,405	29,645	4,760	28,058
Health services	13,707	8,024	5,683	5,258
Psychological services	2,355	1,473	882	1,418
Speech pathology and audiology services	1,992	240	1,752	1,135
Other support services, pupils	1,579	2,386	(807)	1,510
Total pupils	54,038	41,768	12,270	37,379
Instructional Staff				
Improvement of instructional staff	41,430	23,691	17,739	20,956
Educational media services	30,527	36,332	(5,805)	25,309
Total instructional staff	71,957	60,023	11,934	46,265

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
General Administration				
Board of education services	\$ 1,020	\$ -	\$ 1,020	\$ 739
Executive administration services	3,740	4,048	(308)	13,462
Special area administration services	40,802	15,446	25,356	9,197
Total general administration	45,562	19,494	26,068	23,398
School Administration				
Office of the principal services	110,704	84,662	26,042	63,060
Other support services, school administration	2,625	43,975	(41,350)	31,534
Total school administration	113,329	128,637	(15,308)	94,594
Business				
Direction of business support services	2,419	1,707	712	1,721
Fiscal services	53,039	63,942	(10,903)	28,382
Operations and maintenance of plant services	-	314,250	(314,250)	253,192
Pupil transportation services	-	1,833	(1,833)	1,550
Food services	133,563	151,335	(17,772)	121,106
Total business	189,021	533,067	(344,046)	405,951
Central				
Staff services	7,829	21,071	(13,242)	30,105
Data processing services	71,309	88,176	(16,867)	70,943
Total central	79,138	109,247	(30,109)	101,048
Other Supporting Services	93	957	(864)	53
Total support services	553,138	893,193	(340,055)	708,688
Community Services	20,788	31,101	(10,313)	23,700
Total expenditures	1,866,478	1,336,086	530,392	1,079,825
Net change in fund balance	<u>\$ (538,478)</u>	158,828	<u>\$ 697,306</u>	401,942
Fund Balance, Beginning		1,108,729		706,787
Fund Balance, Ending		<u>\$ 1,267,557</u>		<u>\$ 1,108,729</u>

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Debt Service Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Revenues			
Local Sources			
General levy	\$ 4,735,908	\$ 4,619,419	\$ (116,489)
Investment income	21,000	49,010	28,010
Total local sources	4,756,908	4,668,429	(88,479)
Total revenues	4,756,908	4,668,429	(88,479)
Expenditures			
Debt Services			
Payments on Long-Term Debt			
Interest on long-term debt	2,747,040	2,336,693	410,347
Principal payments on long-term debt	1,966,190	11,696,282	(9,730,092)
Total	4,713,230	14,032,975	(9,319,745)
Other Debt Service			
Purchased services	-	170,190	(170,190)
Total	-	170,190	(170,190)
Total debt services	4,713,230	14,203,165	(9,489,935)
Total expenditures	4,713,230	14,203,165	(9,489,935)
Excess (deficiency) of revenues over expenditures	43,678	(9,534,736)	(9,578,414)
Other Financing Sources (Uses)			
Principal on bonds sold	-	7,810,000	7,810,000
Premium on bonds sold	-	937,685	937,685
Transfer for principal on leases and installment contracts payable	-	-	-
Transfer for interest on leases and installment contracts payable	-	-	-
Transfer from debt service fund	-	575,000	575,000
Total other financing sources (uses)	-	9,322,685	9,322,685
Net change in fund balance	\$ 43,678	(212,051)	(255,729)
Fund Balance, Beginning		1,727,373	1,380,559
Fund Balance, Ending		\$ 1,515,322	\$ 1,727,373

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -
 Capital Projects Fund
 Year Ended June 30, 2025
 With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Revenues			
State Sources			
Evidence based funding	\$ -	\$ 3,823,339	\$ 3,823,339
Total state sources	-	3,823,339	3,823,339
Federal Sources			
Other restricted revenue from federal sources	1,028,000	-	(1,028,000)
Total federal sources	1,028,000	-	(1,028,000)
Total revenues	1,028,000	3,823,339	2,795,339
Expenditures			
Support Services			
Business			
Facilities Acquisition and Construction Service			
Purchased services	-	80,449	(80,449)
Capital outlay	4,285,819	3,742,890	542,929
Total	4,285,819	3,823,339	462,480
Total business	4,285,819	3,823,339	462,480
Total support services	4,285,819	3,823,339	462,480
Total expenditures	4,285,819	3,823,339	462,480
Net change in fund balance	\$ (3,257,819)	-	\$ 3,257,819
Fund Balance, Beginning		-	423,148
Fund Balance, Ending		\$ -	\$ -

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Fire Prevention and Life Safety Fund

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	Original and Final Budget	2025 Actual	Variance With Final Budget	2024 Actual
Revenues				
Local Sources				
Investment income	\$ 3,000	\$ 6,814	\$ 3,814	\$ 4,891
Total local sources	3,000	6,814	3,814	4,891
Total revenues	3,000	6,814	3,814	4,891
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 3,000	6,814	\$ 3,814	4,891
Fund Balance, Beginning		186,719		181,828
Fund Balance, Ending		\$ 193,533		\$ 186,719

Prairie-Hills Elementary School District 144

Combining Balance Sheet—Modified Cash Basis -
General Fund
June 30, 2025

	<u>Educational Accounts</u>	<u>Working Cash Accounts</u>	<u>Total</u>
Assets			
Cash and investments	\$ 5,111,901	\$ 5,828,363	\$ 10,940,264
Student activity cash	<u>54,372</u>	<u>-</u>	<u>54,372</u>
Total assets	<u><u>\$ 5,166,273</u></u>	<u><u>\$ 5,828,363</u></u>	<u><u>\$ 10,994,636</u></u>
Liabilities and Fund Balance			
Liabilities			
Salaries and wages payable	\$ 1,964,064	\$ -	\$ 1,964,064
Payroll deductions payable	<u>236,266</u>	<u>-</u>	<u>236,266</u>
Total liabilities	<u>2,200,330</u>	<u>-</u>	<u>2,200,330</u>
Fund Balance			
Assigned	54,372	-	54,372
Unassigned	<u>2,911,571</u>	<u>5,828,363</u>	<u>8,739,934</u>
Total fund balance	<u>2,965,943</u>	<u>5,828,363</u>	<u>8,794,306</u>
Total liabilities and fund balance	<u><u>\$ 5,166,273</u></u>	<u><u>\$ 5,828,363</u></u>	<u><u>\$ 10,994,636</u></u>

Prairie-Hills Elementary School District 144

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis -

General Fund

Year Ended June 30, 2025

	Educational Accounts	Working Cash Accounts	Total
Revenues			
Property taxes	\$ 9,228,788	\$ -	\$ 9,228,788
Corporate personal property replacement taxes	234,175	-	234,175
State aid	25,946,128	-	25,946,128
Federal aid	4,666,044	-	4,666,044
Investment income	600,904	205,189	806,093
Student activities	10,745	-	10,745
Other	390,809	-	390,809
Total revenues	41,077,593	205,189	41,282,782
Expenditures			
Current:			
Instruction:			
Regular programs	16,308,969	-	16,308,969
Special programs	4,224,529	-	4,224,529
Other instructional programs	2,266,531	-	2,266,531
Student activities	15,237	-	15,237
State retirement contributions	7,767,517	-	7,767,517
Support services:			
Pupils	3,051,943	-	3,051,943
Instructional staff	1,835,931	-	1,835,931
General administration	3,779,574	-	3,779,574
School administration	2,836,358	-	2,836,358
Business	3,698,214	-	3,698,214
Operations and maintenance	293	-	293
Central	2,469,854	-	2,469,854
Other supporting services	18,861	-	18,861
Community services	675,855	-	675,855
Payments to other districts and gov't units	2,562,446	-	2,562,446
Capital outlay	481,131	-	481,131
Total expenditures	51,993,243	-	51,993,243
Excess (deficiency) of revenues over expenditures	(10,915,650)	205,189	(10,710,461)
Other Financing Sources (Uses)			
Transfer to debt service fund	(575,000)	-	(575,000)
Total other financing sources (uses)	(575,000)	-	(575,000)
Net change in fund balance	(11,490,650)	205,189	(11,285,461)
Fund Balance, Beginning	14,456,593	5,623,174	20,079,767
Fund Balance, Ending	\$ 2,965,943	\$ 5,828,363	\$ 8,794,306

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Revenues				
Local Sources				
General levy	\$ 11,126,703	\$ 9,228,788	\$ (1,897,915)	\$ 9,772,566
Corporate personal property replacement taxes	325,000	234,175	(90,825)	373,393
Investment income	321,000	600,904	279,904	365,572
Sales to pupils, lunch	1,000	-	(1,000)	-
Sales to pupils, other	500	-	(500)	-
Student activities	-	10,745	10,745	50,791
Rentals, regular textbook	5,000	(262)	(5,262)	3,312
Contributions and donations from private sources	2,000	-	(2,000)	2,500
Other	315,000	391,071	76,071	167,251
Total local sources	12,096,203	10,465,421	(1,630,782)	10,735,385
State Sources				
Evidence based funding	18,438,000	15,807,625	(2,630,375)	19,341,908
Special education, private facility tuition	36,000	118,370	82,370	40,751
Special education, orphanage, individual	36,000	-	(36,000)	34,449
State free lunch and breakfast	37,000	23,384	(13,616)	32,503
Early childhood, block grant	1,389,000	1,694,613	305,613	1,873,166
Chicago general education block grant	2,200	-	(2,200)	-
Other restricted revenue from state sources	46,775	534,619	487,844	551,639
Total state sources	19,984,975	18,178,611	(1,806,364)	21,874,416
Federal Sources				
National school lunch program	1,575,000	1,430,487	(144,513)	1,744,177
School breakfast program	490,000	504,992	14,992	552,639
Summer food service admin/program	26,422	-	(26,422)	26,423
Fresh fruits and vegetables	83,000	-	(83,000)	15,657
Food service, other	-	89,138	89,138	54,753
Title I, low income	345,148	664,455	319,307	1,657,344
Title I, other	-	248,308	248,308	16,476
Title IV, safe and drug free schools, formula	33,918	190,751	156,833	27,606
Federal, special education, preschool flow-through	28,280	35,434	7,154	28,000
Federal, special education, IDEA, flow-through/low incident	628,000	1,067,952	439,952	540,614
Title III, english language acquisition	5,000	560	(4,440)	4,822
Title II, teacher quality	96,646	190,715	94,069	93,077
Medicaid matching funds, administrative outreach	14,000	-	(14,000)	34,910
Medicaid matching funds, fee-for-service program	68,000	-	(68,000)	30,389
Other restricted revenue from federal sources	8,131,393	243,252	(7,888,141)	2,725,248
Total federal sources	11,524,807	4,666,044	(6,858,763)	7,552,135
Total revenues	43,605,985	33,310,076	(10,295,909)	40,161,936

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Expenditures				
Instruction				
Regular Programs				
Salaries	\$ 13,171,218	\$ 12,339,452	\$ 831,766	\$ 9,311,858
Employee benefits	1,267,627	1,951,588	(683,961)	1,393,466
Purchased services	449,033	1,181,428	(732,395)	1,248,285
Supplies and materials	1,306,621	783,959	522,662	1,185,316
Capital outlay	89,240	1,138	88,102	51,029
Other objects	-	41,627	(41,627)	2,738
Non-capitalized equipment	-	10,915	(10,915)	-
Total	16,283,739	16,310,107	(26,368)	13,192,692
Pre-K Programs				
Salaries	2,461,760	1,412,089	1,049,671	964,347
Employee benefits	103,123	202,539	(99,416)	113,653
Purchased services	189,150	24,848	164,302	95,598
Supplies and materials	248,006	192,520	55,486	147,225
Capital outlay	35,890	16,316	19,574	40,164
Other objects	-	-	-	381,221
Total	3,037,929	1,848,312	1,189,617	1,742,208
Special Education Programs				
Salaries	19,088	1,664,729	(1,645,641)	1,417,239
Employee benefits	284	279,181	(278,897)	227,053
Purchased services	-	1,321,133	(1,321,133)	973,411
Supplies and materials	29,100	3,088	26,012	7,363
Other objects	-	111,251	(111,251)	750
Total	48,472	3,379,382	(3,330,910)	2,625,816
Special Education Programs Pre-K				
Salaries	2,139,610	10,500	2,129,110	-
Employee benefits	173,261	2	173,259	-
Purchased services	753,690	-	753,690	-
Supplies and materials	4,850	-	4,850	-
Other objects	130,950	-	130,950	-
Total	3,202,361	10,502	3,191,859	-
Interscholastic Programs				
Salaries	204,750	11,973	192,777	1,061
Employee benefits	6,291	949	5,342	130
Purchased services	38,800	23,420	15,380	49,551
Supplies and materials	8,730	117,642	(108,912)	39,400
Capital outlay	48,500	8,910	39,590	-
Other objects	4,365	385	3,980	4,381
Total	311,436	163,279	148,157	94,523

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Summer School Programs			
Salaries	\$ 696,362	\$ 277,001	\$ 419,361
Employee benefits	57,967	2,577	55,390
Purchased services	97,000	-	97,000
Supplies and materials	9,700	-	9,700
Total	861,029	279,578	581,451
Bilingual Programs			
Salaries	-	588	(588)
Total	-	588	(588)
Special Education Programs K-12 - Private Tuition			
Other objects	-	834,645	(834,645)
Total	-	834,645	(834,645)
Student Activities			
Other objects	-	15,237	(15,237)
Total	-	15,237	(15,237)
Total instruction	23,744,966	22,841,630	903,336
Support Services			
Pupils			
Attendance and Social Work Services			
Salaries	605,014	468,756	136,258
Employee benefits	89,199	156,330	(67,131)
Purchased services	288,866	602,538	(313,672)
Supplies and materials	-	20,465	(20,465)
Total	983,079	1,248,089	(265,010)
Health Services			
Salaries	144,604	145,433	(829)
Employee benefits	7,957	21,976	(14,019)
Purchased services	956,527	1,184,385	(227,858)
Supplies and materials	29,100	6,419	22,681
Total	1,138,188	1,358,213	(220,025)
Psychological Services			
Salaries	123,638	101,967	21,671
Employee benefits	3,983	1,349	2,634
Purchased services	-	3,675	(3,675)
Supplies and materials	14,550	-	14,550
Total	142,171	106,991	35,180

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Speech Pathology and Audiology Services			
Salaries	\$ 104,740	\$ 16,602	\$ 88,138
Employee benefits	14,024	208	13,816
Purchased services	275,480	299,130	(23,650)
Total	394,244	315,940	78,304
Other Support Services - Pupils			
Salaries	1,575	22,710	(21,135)
Employee benefits	151	-	151
Total	1,726	22,710	(20,984)
Total pupils	2,659,408	3,051,943	(392,535)
Instructional Staff			
Improvement of Instructional Services			
Salaries	884,047	538,257	345,790
Employee benefits	246,370	87,118	159,252
Purchased services	998,667	689,270	309,397
Supplies and materials	53,350	168,232	(114,882)
Other objects	72,750	-	72,750
Total	2,255,184	1,482,877	772,307
Educational Media Services			
Salaries	256,940	284,764	(27,824)
Employee benefits	46,391	62,030	(15,639)
Supplies and materials	17,945	1,909	16,036
Capital outlay	-	40,298	(40,298)
Total	321,276	389,001	(67,725)
Assessment and Testing			
Supplies and materials	-	4,351	(4,351)
Total	-	4,351	(4,351)
Total instructional staff	2,576,460	1,876,229	700,231
General Administration			
Board of Education Services			
Salaries	2,100	-	2,100
Employee benefits	-	-	-
Purchased services	323,495	473,559	(150,064)
Supplies and materials	19,400	14,018	5,382
Capital outlay	9,700	-	9,700
Other objects	30,070	24,042	6,028
Total	384,765	511,619	(126,854)

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			
	Original and Final Budget	Actual	Variance With Final Budget	2024 Actual
Executive Administration Services				
Salaries	\$ 479,289	\$ 257,277	\$ 222,012	\$ 274,717
Employee benefits	107,931	37,155	70,776	68,455
Purchased services	16,490	330,157	(313,667)	20,247
Supplies and materials	44,620	93,640	(49,020)	51,645
Other objects	9,700	1,202	8,498	7,181
Total	658,030	719,431	(61,401)	422,245
Special Area Administration Services				
Salaries	757,058	1,026,958	(269,900)	664,659
Employee benefits	85,273	318,801	(233,528)	177,022
Purchased services	6,790	7,270	(480)	4,112
Supplies and materials	-	23,878	(23,878)	13,395
Capital outlay	-	-	-	1,093
Other objects	16,490	-	16,490	1,324
Total	865,611	1,376,907	(511,296)	861,605
Tort Immunity Services				
Purchased services	684,820	1,171,617	(486,797)	455,293
Total	684,820	1,171,617	(486,797)	455,293
Total general administration	2,593,226	3,779,574	(1,186,348)	2,469,665
School Administration				
Office of the Principal Services				
Salaries	1,616,876	1,798,713	(181,837)	1,391,650
Employee benefits	234,026	469,321	(235,295)	360,012
Purchased services	7,760	1,115	6,645	2,016
Supplies and materials	91,180	80,267	10,913	97,427
Capital outlay	54,805	13,437	41,368	-
Other objects	8,051	200	7,851	-
Total	2,012,698	2,363,053	(350,355)	1,851,105
Other Support Services - School Administration				
Salaries	466,546	428,161	38,385	353,214
Employee benefits	58,849	58,581	268	58,954
Total	525,395	486,742	38,653	412,168
Total school administration	2,538,093	2,849,795	(311,702)	2,263,273
Business				
Direction of Business Support Services				
Salaries	144,830	118,910	25,920	120,950
Employee benefits	19,610	32,869	(13,259)	34,958
Purchased services	1,940	-	1,940	338
Supplies and materials	5,335	174	5,161	861
Other objects	4,850	-	4,850	1,574
Total	176,565	151,953	24,612	158,681

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
			2024 Actual
Fiscal Services			
Salaries	\$ 412,595	\$ 516,180	\$ (103,585)
Employee benefits	40,498	78,601	(38,103)
Purchased services	4,850	3,617	1,233
Supplies and materials	2,910	2,502	408
Capital outlay	9,700	-	9,700
Other objects	2,910	-	2,910
Total	473,463	600,900	(127,437)
Operation and Maintenance of Plant Services			
Purchased services	-	293	(293)
Total	-	293	(293)
Pupil Transportation Services			
Purchased services	-	-	-
Total	-	-	-
Food Services			
Salaries	1,179,701	1,185,010	(5,309)
Employee benefits	95,188	202,815	(107,627)
Purchased services	38,800	45,821	(7,021)
Supplies and materials	1,263,910	1,506,198	(242,288)
Capital outlay	19,400	(121)	19,521
Other objects	-	205	(205)
Total	2,596,999	2,939,928	(342,929)
Internal Services			
Purchased services	8,730	3,789	4,941
Supplies and materials	20,370	1,523	18,847
Other objects	3,880	-	3,880
Total	32,980	5,312	27,668
Total business	3,280,007	3,698,386	(418,379)
Central			
Staff Services			
Salaries	690,647	208,508	482,139
Employee benefits	105,191	44,680	60,511
Purchased services	61,110	69,336	(8,226)
Supplies and materials	12,610	46,978	(34,368)
Capital outlay	4,850	-	4,850
Other objects	159,080	9,083	149,997
Total	1,033,488	378,585	654,903

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Data Processing Services				
Salaries	\$ 651,842	\$ 690,048	\$ (38,206)	\$ 575,868
Employee benefits	98,494	155,414	(56,920)	120,123
Purchased services	489,074	814,567	(325,493)	541,594
Supplies and materials	356,475	431,240	(74,765)	285,258
Capital outlay	811,890	401,153	410,737	277,818
Total	2,407,775	2,492,422	(84,647)	1,800,661
Total central	3,441,263	2,871,007	570,256	2,406,871
Other Supporting Services				
Salaries	134,483	7,500	126,983	700
Employee benefits	6,545	1,105	5,440	-
Purchased services	970	10,229	(9,259)	152,832
Supplies and materials	13,580	27	13,553	-
Total	155,578	18,861	136,717	153,532
Total support services	17,244,035	18,145,795	(901,760)	14,995,382
Community Services				
Salaries	449,373	246,761	202,612	192,703
Employee benefits	13,466	53,171	(39,705)	21,586
Purchased services	107,049	244,686	(137,637)	11,841
Supplies and materials	57,883	131,237	(73,354)	27,499
Total community services	627,771	675,855	(48,084)	253,629
Payments to Other Districts and Governmental Units				
Payments for Regular Programs - Tuition				
Other objects	507,475	263,488	243,987	745,586
Total	507,475	263,488	243,987	745,586
Payments for Special Education Programs - Tuition				
Other objects	679,000	1,321,498	(642,498)	1,339,543
Total	679,000	1,321,498	(642,498)	1,339,543
Other Payments to In-State Govt. Units - Transfers				
Other objects	-	977,460	(977,460)	-
Total	-	977,460	(977,460)	-
Total payments to other districts and governmental units	1,186,475	2,562,446	(1,375,971)	2,085,129
Total expenditures	42,803,247	44,225,726	(1,422,479)	35,390,414
Excess (deficiency) of revenues over expenditures	802,738	(10,915,650)	(11,718,388)	4,771,522

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -

Non-GAAP Budgetary Basis - Educational Accounts

Year Ended June 30, 2025

With Comparative Actual Amounts for the Year Ended June 30, 2024

	2025			2024
	Original and Final Budget	Actual	Variance With Final Budget	Actual
Other Financing Sources (Uses)				
Transfer for principal on leases and installment contracts payable	\$ -	\$ -	\$ -	\$ (276,721)
Transfer for interest on leases and installment contracts payable	-	-	-	(15,195)
Transfer to capital projects fund	(1,628,909)	-	1,628,909	-
Transfer to debt service fund	-	(575,000)	(575,000)	-
Total other financing sources (uses)	(1,628,909)	(575,000)	1,053,909	(291,916)
Net change in fund balance	<u>\$ (826,171)</u>	(11,490,650)	<u>\$ (10,664,479)</u>	4,479,606
Fund Balance, Beginning		14,456,593		9,976,987
Fund Balance, Ending		<u>\$ 2,965,943</u>		<u>\$ 14,456,593</u>

Prairie-Hills Elementary School District 144

Schedule of Revenues, Expenditures and Changes in Fund Balances—Modified Cash Basis - Budget to Actual -
Working Cash Accounts
Year Ended June 30, 2025
With Comparative Actual Amounts for the Year Ended June 30, 2024

	Original and Final Budget	2025 Actual	Variance With Final Budget	2024 Actual
Revenues				
Local Sources				
Investment income	\$ 55,000	\$ 205,189	\$ 150,189	\$ 147,298
Total local sources	55,000	205,189	150,189	147,298
Total revenues	55,000	205,189	150,189	147,298
Expenditures				
Total expenditures	-	-	-	-
Net change in fund balance	\$ 55,000	205,189	\$ 150,189	147,298
Fund Balance, Beginning		5,623,174		5,475,876
Fund Balance, Ending		\$ 5,828,363		\$ 5,623,174

Form of Continuing Disclosure Undertaking

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

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by School District Number 144, Cook County, Illinois (the “*District*”), in connection with the issuance of \$_____ General Obligation School Bonds, Series 2026A (the “*Series 2026A Bonds*”), and \$_____ Taxable General Obligation School Bonds, Series 2026B (the “*Series 2026B Bonds*” and, together with the Series 2026A Bonds, 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 October, 2026 (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 the Official Statement:

FINANCIAL INFORMATION

Trend of EAV

Tax Rates

Tax Extensions and Collections

Summary of Outstanding Bonded Debt

Debt Repayment Schedule

Debt Statement (with respect to the District’s debt only)

Debt Ratios (with respect to the District’s debt only)

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources

Summary of Operating Funds and Debt Service Fund

On-Behalf Payments Summary (table only)

Budget Summary

SCHOOL DISTRICT FINANCIAL PROFILE (last paragraph only)

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 Official Statement, dated _____, 2026, 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.

SCHOOL DISTRICT NUMBER 144, COOK COUNTY,
ILLINOIS

By _____
President, Board of Education

Date: _____, 2026

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 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2026. 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 mandated by the Illinois State Board of Education.

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 of the District, 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

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

EXHIBIT III
CUSIP NUMBERS

SERIES 2026A BONDS

MATURITY (DEC. 1)	CUSIP NUMBER (215021)
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SERIES 2026B BONDS

MATURITY (DEC. 1)	CUSIP NUMBER (215021)
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Appendix D

Specimen Municipal Bond Insurance Policy



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

BONDS: \$ _____ in aggregate principal
amount of [NAME OF TRANSACTION]
[and maturing on]

Effective Date: _____

Risk Premium: \$ _____

Member Surplus Contribution: \$ _____

Total Insurance Payment: \$ _____

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

BAM may appoint a fiscal agent (the "Insurer's Fiscal Agent") for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer's Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer's Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer's Fiscal Agent on behalf of BAM. The Insurer's Fiscal Agent is the agent of BAM only, and the Insurer's Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer's Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:

claims@buildamerica.com

Address:

28 Liberty Street, 59th Floor
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

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