

SALE DATE AND TIME:

October 28, 2024

10:00 A.M. CDT

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

RATING⁺: MOODY’S “Aa2”

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

\$6,520,000*

SCHOOL DISTRICT NUMBER 63

COOK COUNTY, ILLINOIS

(EAST MAINE)

GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2024

Dated: Date of Issuance

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

The General Obligation Limited Tax School Bonds, Series 2024 (the “Bonds”), of School District Number 63, 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, 2025, as the first interest payment date. Amalgamated Bank of Chicago, Chicago, Illinois, 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 Bonds will be used to (i) increase the District’s working cash fund and (ii) pay costs associated with the issuance of the 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. The amount of said taxes that may be extended to pay the Bonds is limited as provided by law. See “THE BONDS – Limited Bonds” and “– Security and Payment” herein.

The Bonds are subject to optional redemption prior to maturity on the dates and at the redemption price described herein under “THE BONDS – Optional Redemption.”

The Bonds are offered at public sale, subject 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 November 18, 2024.



The date of this Official Statement is October __, 2024.

*Preliminary, subject to change.

+See “BOND RATING” herein.

This Preliminary Official Statement and the information contained herein are subject to completion and amendment. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

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

\$6,520,000* General Obligation Limited Tax School Bonds, Series 2024

<u>Maturity</u> <u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP</u> <u>(213651)</u> ⁽¹⁾
2025	85,000			
2026	175,000			
2027	210,000			
***	***			
2038	1,425,000			
2039	1,480,000			
2040	1,540,000			
2041	1,605,000			

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(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.

**School District Number 63
Cook County, Illinois
(East Maine)
10150 Dee Road
Des Plaines, Illinois 60016
(847) 299-1900**

* * * * *

Board of Education

Alexandra Brook, President
Thomas Simmons, Vice President
Katie Anderson
Maria Kuhlman
Jaini Mody
Ankit Patel
Sheila Urban

Superintendent

Dr. Shawn Schleizer

Assistant Superintendent of Business Services

Jordi Camps

* * * * *

Paying Agent/Registrar

Amalgamated Bank of Chicago
30 North LaSalle Street, 38th Floor
Chicago, Illinois 60602

Independent Auditors

Wipfli LLP
3957 75th Street
Aurora, Illinois 60504

Bond and Disclosure Counsel

Chapman and Cutler LLP
320 South Canal Street
Chicago, Illinois 60606

Municipal Advisor

PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

Underwriter

TABLE OF CONTENTS

PAGE

INTRODUCTION	1
THE BONDS	1
General Description	1
Registration and Exchange	1
Authority and Purpose	2
Security and Payment	2
Limited Bonds	3
Optional Redemption	5
Redemption Procedures	5
USE OF PROCEEDS	7
SOURCES AND USES	7
BOOK-ENTRY SYSTEM	7
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES	10
Summary of Property Assessment, Tax Levy and Collection Procedures	10
Real Property Assessment	10
Equalization	12
Exemptions	13
Tax Levy	15
Property Tax Extension Limitation Law	15
Extensions	17
Collections	17
Unpaid Taxes and Annual Tax Sales	18
Scavenger Sales	19
Truth in Taxation Law	19
RISK FACTORS	20
Construction Risks	20
Finances of the State of Illinois	20
Local Economy	20
Concentration of Taxpayers	21
Bond Rating	21
Cybersecurity	21
Secondary Market for the Bonds	21
Continuing Disclosure	22
Suitability of Investment	22
Future Changes in Laws	22
Factors Relating to Tax Exemption	22
Bankruptcy	23
THE DISTRICT	23
General Description	23
Educational Facilities	24
Enrollments	24
Information Related to Potential Community Reinvestment Act Credit	25
Board of Education	25
Administration	25
Employees	26
SOCIO-ECONOMIC CHARACTERISTICS	26
Population Trend	26
Income and Housing	26
Residential Housing Building Permits	27
Retail Sales	27
Corporate Personal Property Replacement Taxes	28
Largest Area Employers	29
Historical Unemployment Statistics	29
FINANCIAL INFORMATION	30
Trend of EAV	30

Tax Increment Financing Districts Located within the District.....	30
Tax Rates	31
Representative Tax Rates for Property within the District.....	32
Tax Extensions and Collections.....	32
Largest Taxpayers.....	33
Summary of Outstanding Bonded Debt	34
Debt Repayment Schedule	35
Overlapping General Obligation Bonds Debt.....	36
Debt Statement	36
Debt Ratios.....	37
Short-Term Financing Record.....	37
Future Financing.....	37
Default Record	37
SUMMARY OF OPERATING RESULTS.....	38
Combined Educational Fund and Operations and Maintenance Fund Revenue Sources	38
Summary of Operating Funds and Debt Service Fund.....	39
On-Behalf Payments Summary	40
Working Cash Fund.....	41
Budget Summary	42
STATE AID	43
General.....	43
General State Aid - Evidence-Based Funding Model	43
Property Tax Relief Pool Funds	44
Mandated Categorical State Aid.....	45
Competitive Grant State Aid	45
Payment for Mandated Categorical State Aid and Competitive Grant State Aid.....	46
Federal COVID-19 Funds Distributed to the District	46
SCHOOL DISTRICT FINANCIAL PROFILE.....	47
RETIREMENT PLANS.....	48
Background Regarding Pension Plans	49
Teachers' Retirement System of the State of Illinois.....	50
Illinois Municipal Retirement Fund.....	51
Post-Employment Benefit Trust	52
TAX EXEMPTION	52
QUALIFIED TAX-EXEMPT OBLIGATIONS.....	55
LITIGATION	55
BOND RATING.....	55
CONTINUING DISCLOSURE.....	56
CERTAIN LEGAL MATTERS	56
UNDERWRITING	57
MUNICIPAL ADVISOR.....	57
THE OFFICIAL STATEMENT.....	58
Accuracy and Completeness of the Official Statement.....	58

Appendices:

- A. Form of Legal Opinion of Bond Counsel
- B. Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023
- C. Form of Continuing Disclosure Undertaking
- D. Official Notice of Sale and Bid Form

\$6,520,000*
School District Number 63
Cook County, Illinois
(East Maine)
General Obligation Limited Tax School Bonds, Series 2024

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 63, Cook County, Illinois (the “District”), in connection with the offering and sale of its \$6,520,000* General Obligation Limited Tax School Bonds, Series 2024 (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 Amalgamated Bank of Chicago, Chicago, Illinois, 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, 2025. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in Chicago, Illinois. 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 subject to optional redemption prior to maturity as discussed under “Optional Redemption” herein.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar (the “Register”), 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

*Preliminary, subject to change.

cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, except in the case of the issuance of a Bond or Bonds for the unredeemed portion of a Bond surrendered for redemption.

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 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 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 maturity authenticated by the Registrar shall not exceed the authorized principal amount of Bonds for such 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, nor to transfer or exchange any Bond after notice calling such Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Bonds.

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 September 5, 2024, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the District’s working cash fund (the “Working Cash Fund”), and (ii) pay costs associated with the issuance of the 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, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the

Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”). See “Limited Bonds” herein.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, principal of and interest on the Bonds to the amount of the Base (as hereinafter defined), as determined for the 2024 levy year, less taxes previously levied to pay the Outstanding Limited Bonds (as hereinafter defined). 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 form of legal opinion of Bond Counsel.

Limited Bonds

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

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the “Base”), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law, the “CPI”) during the 12-month calendar year preceding the levy year (the “Annual Increase”). The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

As of the closing of the Bonds, the Bonds will constitute one of six series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District’s outstanding General Obligation Limited School Bonds, Series 2017, dated December 19, 2017 (the “2017 Bonds”), General Obligation Limited School Bonds, Series 2018, dated March 20, 2018 (the “2018 Bonds”), General Obligation Limited School Bonds, Series 2019, dated February 21, 2019 (the “2019 Bonds”), General Obligation Limited School Bonds, Series 2020, dated October 15, 2020 (the “2020 Bonds”) and General Obligation Limited School Bonds, Series 2022, dated November 9, 2022 (the “2022 Bonds”) (together, the “Outstanding Limited Bonds”). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District’s limited

bonds. The amount of the Base for the 2024 levy year has been determined to be \$5,070,344.41, which is calculated as follows:

Levy Year	The Base	Annual Increase or 5% ⁽¹⁾	Annual Increase	New Base
2009	\$ 3,584,382.00	0.10%	\$ 3,584.38	\$ 3,587,966.38
2010	3,587,966.38	2.70%	96,875.09	3,684,841.47
2011	3,684,841.47	1.50%	55,272.62	3,740,114.09
2012	3,740,114.09	3.00%	112,203.42	3,852,317.51
2013	3,852,317.51	1.70%	65,489.39	3,917,806.90
2014	3,917,806.90	1.50%	58,767.10	3,976,574.00
2015	3,976,574.00	0.80%	31,812.59	4,008,386.59
2016	4,008,386.59	0.70%	28,058.70	4,036,445.29
2017	4,036,445.29	2.10%	84,765.35	4,121,210.64
2018	4,121,210.64	2.10%	86,545.42	4,207,756.06
2019	4,207,756.06	1.90%	79,947.36	4,287,703.42
2020	4,287,703.42	2.30%	98,617.17	4,386,320.59
2021	4,386,320.59	1.40%	61,408.48	4,447,729.07
2022	4,447,729.07	5.00%	222,386.45	4,670,115.52
2023	4,670,115.52	5.00%	233,505.77	4,903,621.29
2024	4,903,621.29	3.40%	166,723.12	5,070,344.41

The following chart shows the Base of the District, the debt service on the District's Outstanding Limited Bonds and the Bonds, and the available Base after the issuance of the Bonds.

Levy Year	Debt Service on the		Total Limited Bonds Debt Service*	Available	
	Outstanding Limited Bonds	Debt Service on the Bonds*		Base ⁽¹⁾	Base*
2024	\$ 4,705,686	\$ 364,513	\$ 5,070,199	\$ 5,070,344	\$ 146
2025	4,732,181	436,250	5,168,431	5,171,751	3,320
2026	4,811,196	462,500	5,273,696	5,275,186	1,490
2027	4,659,511	242,000	4,901,511	5,380,690	479,179
2028	4,697,011	242,000	4,939,011	5,488,304	549,293
2029	3,850,606	242,000	4,092,606	5,598,070	1,505,464
2030	3,856,206	242,000	4,098,206	5,710,031	1,611,825
2031	3,851,906	242,000	4,093,906	5,824,232	1,730,326
2032	3,859,556	242,000	4,101,556	5,940,717	1,839,160
2033	3,857,956	242,000	4,099,956	6,059,531	1,959,575
2034	3,932,544	242,000	4,174,544	6,180,722	2,006,178
2035	3,940,919	242,000	4,182,919	6,304,336	2,121,417
2036	3,936,400	242,000	4,178,400	6,430,423	2,252,023
2037	-	1,667,000	1,667,000	6,559,031	4,892,031
2038	-	1,665,000	1,665,000	6,690,212	5,025,212
2039	-	1,665,800	1,665,800	6,824,016	5,158,216
2040	-	1,669,200	1,669,200	6,960,496	5,291,296
	<u>\$ 54,691,680</u>	<u>\$ 10,350,263</u>	<u>\$ 65,041,943</u>		

*Preliminary, subject to change.

(1) Pursuant to Public Act 96-0501, the District's Base will increase by the lesser of CPI or 5% each year. In this chart, the applicable CPI increase has been applied to levy year 2024, and is assumed to be 2% per year thereafter.

Note: Amounts are rounded.

Optional Redemption

The Bonds due on or after December 1, 2038, are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Registrar), on December 1, 2034, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

Redemption Procedures

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of Bonds to be redeemed. For purposes of

any redemption of less than all of the outstanding Bonds of a single maturity, the particular Bonds or portions of Bonds to be redeemed shall be selected by lot by the Registrar from the Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Bonds are held in a book-entry system, in which case the selection of Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

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

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding Bonds are to be redeemed, the identification (and, in the case of partial redemption of Bonds, the respective principal amounts) of the Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

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

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

USE OF PROCEEDS

After proper abatement and transfer from the Working Cash Fund, proceeds of the Bonds will be used to pay the costs of capital projects throughout the District. Specifically, such proceeds will be used to pay the costs of funding “Priority A” projects in the District’s updated Life Safety Survey (including all fire alarms, etc.); updating all stair guard rails; restoring the roof, replacing the HVAC system, and restoring the parking lot at Mark Twain Elementary School; updating the original bathrooms at Gemini Middle School to match updated bathrooms built during the 2020 addition; repairing the underground storm/sewer system at the Family Resource Center; and potentially updating the courtyards at Gemini Middle School with maintenance free materials (collectively, the “Project”). The District expects to complete such construction projects by the end of the 2026 Summer.

SOURCES AND USES

Estimated Sources of Funds

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

Estimated Uses of Funds

Deposit into the Working Cash Fund.....	
Costs of Issuance..... ⁽¹⁾	
Total Uses	<u>\$ _____</u> -

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Municipal Advisor’s fee, Registrar’s fee, rating agency fee and other costs of issuance.

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 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 Global Ratings 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, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The District is located in the North Tri and was last reassessed for the 2022 tax levy year. The District will next be reassessed for the 2025 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
2014	2.7253
2015	2.6685
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the 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 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 EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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

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

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

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

Tax Levy

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

Property Tax Extension Limitation Law

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

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

The District has the authority to levy taxes for many different purposes. See “FINANCIAL INFORMATION – 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 (such as the Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS - Limited Bonds" herein.

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 2023, the additional amount added to the District's tax levy as a result of this change was \$419,729.

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

Illinois legislators have introduced several proposals to further modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

Extensions

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

Collections

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Pursuant to Public Act 102-1112, the first installment penalty date for levy year 2022 was changed from March 1, 2023 to April 1, 2023. The District did not experience any cash flow issues due to such change.

The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

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

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

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

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

Unpaid Taxes and Annual Tax Sales

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

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

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

Scavenger Sales

In the County, if a property’s taxes go unpaid in at least three of the previous 20 years, the property is offered at a biennial “Scavenger Sale,” which like the Annual Tax Sale, is a sale of unpaid taxes. The winning bidder is not required to pay any of the previous years’ unpaid taxes. If the owner, however, does not redeem such back taxes, the winning bidder can seek deed to the property. To obtain the deed, the bidder must pay all unpaid taxes billed on the property between the last year covered by the Scavenger Sale and the date the bidder seeks the deed. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property. As in the Annual Sale, bidders at the Scavenger Sale can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is abandoned, that time frame can be shortened to two years. With a vacant, commercial or industrial property, the winning buyer can seek the deed after six months.

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

Truth in Taxation Law

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

The provisions of the Law do not apply to levies made to pay principal of and interest on the Bonds. The District covenanted in the Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. 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.

Construction Risks

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

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

Finances of the State of Illinois

State funding sources constituted 16.37% of the District's General Fund revenue sources for the fiscal year ended June 30, 2023. 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%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Local Economy

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

Concentration of Taxpayers

Based on the District's 2023 EAV, the District's ten largest taxpayers own 13.17% 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.

Bond Rating

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

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

Future Changes in Laws

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

Factors Relating to Tax Exemption

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

There are or may be pending in the Congress of the United States (“Congress”) legislative proposals relating to the federal tax treatment of interest on the Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if

enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the "Service") is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the Bonds, regardless of the ultimate outcome.

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 approximately 16 miles northwest of Chicago's "Loop", and six miles northeast of O'Hare International Airport. The District serves portions of the Village of Morton Grove ("Morton Grove") (14.74% of the District's 2023 EAV) and the Village of Niles ("Niles") (45.13% of the District's 2023 EAV), and small portions of the Village of Glenview ("Glenview") (4.38% of the District's 2023 EAV), the City of Park Ridge (3.73% of the District's 2023 EAV) and unincorporated Des Plaines.

The area's extensive transportation network includes Interstate 294 and Interstate 90, which are conveniently located near the District. Metra also serves communities within the District with its Pacific Northwest and North Line rail lines. The Pace bus system is also available within the District to transport residents to other communities.

District students attend Maine Township High School District Number 207. Higher education is available at Oakton Community College District No. 535 as well as numerous universities in the Chicago metro area.

Educational Facilities

The District serves grades PreK-8 and operates seven facilities.

Facility	Grades	2024-2025	Capacity	Constructed	Years of Additions/Renovations
		Enrollment	Enrollment		
Apollo Elementary School.....	K-5	566	800	1970	1975, 1976
Melzer Elementary School.....	K-5	394	500	1956	1958, 1963, 1966, 1998, 2010
Nelson Elementary School.....	K-5	483	800	1961	1962, 1963, 1966, 1998, 2010
Twain Elementary School.....	K-5	446	500	1962	1963, 1964, 2010
Washington Elementary School.....	K-5	397	400	1959	1963, 1967, 2010
Gemini Junior High School.....	6-8	1,082	1,900	1959	1961, 1964, 2003, 2019
Early Learning Center.....	PreK	256	400	2020	2020

Note: Stevenson Elementary School, no longer being used as a school and now called the Family Resource Center, is used for after school activities.

Source: The District

The District is projecting enrollment growth, so capacity issues may occur. To deal with this issue, the District’s Family Resource Center, a former school that hosts after school programs, could be reopened (with some necessary renovations) as a new school.

The District completed a Long Range Facilities Assessment Plan in May of 2024 and is currently prioritizing projects and revisiting its demographic projections. The District’s last 10-year Life Safety Survey was completed in May of 2024. The District will start addressing some of the items with proceeds of the Bonds. The District expects to continue to issue its bonds on a three-year cycle and the next bond issue will continue to fund the Plan.

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 a demographic study performed in April 2024.

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	Projected
			<u>Enrollment</u>
2020-2021	3,477	2025-2026	3,706
2021-2022	3,478	2026-2027	3,755
2022-2023	3,543	2027-2028	3,790
2023-2024	3,648	2028-2029	3,808
2024-2025 ⁽¹⁾	3,624	2029-2030	3,806

(1) As of August 31, 2024.

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⁾
Apollo Elementary School.....	72.35%
Nelson Elementary School.....	66.67%
Gemini Junior High School.....	64.29%
Twain Elementary School.....	62.69%
Washington Elementary School.....	53.54%
Melzer Elementary School.....	42.12%

(1) Program Year 2024 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 and Vice President from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Alexandra Brook	April 2025
Vice President.....	Thomas Simmons	April 2027
Member.....	Katie Anderson	April 2027
Member.....	Maria Kuhlman	April 2025
Member.....	Jaini Mody	April 2025
Member.....	Ankit Patel	April 2027
Member.....	Sheila Urban	April 2025

Administration

The District’s Superintendent is Dr. Shawn Schleizer, who has been with the District since July 1, 2010. He became Superintendent on July 1, 2022. Mr. Jordi Camps joined the District on July 1, 2016 as the Assistant Superintendent of Business Services.

Employees

The District currently has 549 employees, of whom 377 are certified and 172 are non-certified. Of the total number, 30 are represented by the East Maine Educational Support Personnel Association, 86 are represented by the East Maine Teachers Assistants Association, 30 are represented by the East Maine Custodial & Maintenance Association and 353 are represented by the East Maine Teacher’s Association. The contracts with the unions expire on August 15, 2028, August 15, 2025, June 30, 2026 and August 15, 2029, respectively. The District considers its relationship with its employees to be cooperative.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, Glenview, Morton Grove and Niles (collectively, the “Villages”), 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	46,468	47,739	+ 2.74
Glenview.....	41,847	44,692	48,705	+ 8.98
Morton Grove.....	22,451	23,270	25,297	+ 8.71
Niles.....	30,068	29,803	30,912	+ 3.72
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</u> <u>District</u>	<u>The</u> <u>County</u>	<u>The</u> <u>State</u>	<u>United</u> <u>States</u>
Median Home Value.....	\$318,700	\$293,700	\$239,100	\$281,900
Median Household Income.....	77,388	78,304	78,433	75,149
Median Family Income.....	94,842	97,520	99,215	92,646
Per Capita Income.....	39,622	45,646	43,198	41,261

Source: 2018-2022 American Community Survey 5-year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau on December 7, 2023

Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in the Villages for each of the years listed.

Year	<u>Glenview</u>		Year	<u>Morton Grove</u>	
	Reported Number of <u>Building Permits</u>	Construction <u>Cost</u>		Reported Number of <u>Building Permits</u>	Construction <u>Cost</u>
2019.....	21	\$10,186,500	2019.....	14	\$3,265,998
2020.....	48	26,967,481	2020.....	13	3,032,712
2021.....	63	36,970,540	2021.....	1	635,000
2022.....	38	23,552,956	2022.....	3	1,300,000
2023.....	23	16,210,000	2023.....	2	1,275,000
2024..... ⁽¹⁾	20	15,800,000	2024..... ⁽¹⁾	3	1,504,166

Year	<u>Niles</u>	
	Reported Number of <u>Building Permits</u>	Construction <u>Cost</u>
2019.....	2	\$935,868
2020.....	0	0
2021.....	3	1,651,500
2022.....	0	0
2023.....	3	2,119,341
2024..... ⁽¹⁾	not available	not available

(1) Through August.
Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Villages for the last five calendar years and through the second quarter of 2024.

Calendar Year	<u>Glenview</u>	<u>Morton Grove</u>	<u>Niles</u>
2019	\$ 1,792,857,410	\$ 477,182,194	\$ 1,565,558,059
2020	1,820,650,903	411,452,303	1,537,451,173
2021	2,172,776,614	548,889,850	1,738,182,453
2022	2,292,140,496	561,769,050	1,854,879,444
2023	2,371,513,514	597,389,748	1,934,070,411
2024 ⁽¹⁾	1,155,831,159	292,665,032	934,655,825

(1) Through the second quarter of 2024.
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 in the fiscal years ended June 30, 2020-2024, and an estimate for the fiscal year ending June 30, 2025:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>CPPRT</u> <u>Receipts</u>
2020	\$ 688,681
2021	873,521
2022	1,904,046
2023	2,152,005
2024 ⁽¹⁾	1,417,454
2025 ⁽²⁾	955,047

(1) Preliminary.

(2) Estimated.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2020-2023 and the Department for fiscal years 2024 and 2025.

Going forward, the District expects that CPPRT revenues will continue to be in amounts similar to pre-fiscal year 2022 levels.

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.

Company Name	Product or Service	Location	Approximate employees at location
Advocate Lutheran General Hospital.....	Health care institution.....	Park Ridge	4,500
Abt Electronics, Inc	Retail consumer electronics & major household appliances	Glenview	1,800
UOP, LLC.....	Divisional headquarters & research development laboratory.....	Des Plaines	1,500
Oakton Community College No. 535.....	Community college.....	Des Plaines	1,482
Amazon.....	Fulfillment center and grocery store.....	Des Plaines	1,200
Woodward, Inc.....	Aerospace electromechanical assemblies.....	Niles	1,000
Anixter, Inc.....	Corporate headquarters & distributor of voice, data & video.....	Glenview	1,000
Kraft Heinz Foods Co, Technology Ctr.....	Food products research, development & kitchen testing.....	Glenview	1,000
Swissport USA, Inc.....	International airline cargo services.....	Des Plaines	1,000
Wheels, Inc.....	Fleet management services.....	Des Plaines	800
Ascension Holy Family.....	Long-term acute care hospital.....	Des Plaines	606

Source: 2024 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories

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 2023 and August 2024 for the Villages compared with the County and the State.

	<u>Glenview</u>	<u>Morton Grove</u>	<u>Niles</u>	<u>The County</u>	<u>The State</u>
Average, 2019.....	2.8%	3.1%	3.4%	3.9%	4.0%
Average, 2020..... ⁽¹⁾	7.9	9.7	10.9	10.6	9.3
Average, 2021.....	4.3	5.2	5.9	7.0	6.1
Average, 2022.....	3.4	3.8	4.1	4.9	4.6
Average, 2023.....	3.3	3.7	3.6	4.4	4.5
August, 2023.....	4.1	4.6	4.1	5.2	5.1
August, 2024.....	4.7	5.3	4.9	6.0	5.5

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

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</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Residential	\$ 924,307,395	\$ 887,628,821	\$ 814,919,410	\$ 1,081,314,405	\$ 1,115,044,016
Commercial	329,538,517	341,971,652	328,494,522	332,499,371	349,075,274
Industrial	2,024,433	2,237,846	2,084,624	2,738,319	2,825,049
Total ⁽¹⁾	<u>\$ 1,255,870,345</u>	<u>\$ 1,231,838,319</u>	<u>\$ 1,145,498,556</u>	<u>\$ 1,416,552,095</u>	<u>\$ 1,466,944,339</u>
Percent of Change.....	+ 18.47% ⁽²⁾⁽³⁾	-1.91%	-7.01%	+ 23.66% ⁽³⁾	+ 3.56%
New Property Amounts.....	\$3,142,415	\$1,182,394	\$1,488,679	\$1,478,935	\$5,221,116

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

(2) Based on the District’s 2018 EAV of \$1,060,088,349.

(3) The District was reassessed for the tax levy years 2019 and 2022.

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 TIF districts are not expected to expire in the near future and the District is not aware of any new TIF districts planned in the immediate future.

<u>Location</u>	<u>Year</u>		<u>2023 EAV</u>	<u>Incremental EAV</u>
	<u>Established</u>	<u>Base EAV</u>		
Vil of Niles - Milwaukee-Dempster.....	2018	\$ 86,360,526	\$ 107,499,109	\$ 21,138,583
Vil of Niles - Milwaukee-Oakton	2018	5,852,025	7,015,117	1,163,092
Total.....		<u>\$ 92,212,551</u>	<u>\$ 114,514,226</u>	<u>\$ 22,301,675</u>

Source: County Clerk’s Office

Tax Rates
(Per \$100 EAV)

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	Statutory ⁽¹⁾ <u>Maximum Rate</u>
Education	\$ 2.196	\$ 2.264	\$ 2.468	\$ 2.068	\$ 2.111	N/A ⁽²⁾
Tort.....	0.021	0.033	0.045	0.040	0.039	N/A
Special Education.....	0.041	0.042	0.045	0.040	0.039	\$0.400
O&M	0.353	0.376	0.414	0.364	0.386	0.550
Transportation	0.139	0.167	0.180	0.160	0.140	N/A
IMRF	0.057	0.054	0.054	0.052	0.053	N/A
Social Security	0.074	0.073	0.081	0.070	0.077	N/A
Working Cash.....	0.005	0.004	0.005	0.004	0.004	0.050
Limited Bonds	0.358	0.374	0.402	0.341	0.334	N/A
Revenue Recapture..... ⁽³⁾	0.000	0.000	0.077	0.037	0.029	N/A
Total.....	<u>\$ 3.244</u>	<u>\$ 3.388</u>	<u>\$ 3.770</u>	<u>\$ 3.176</u>	<u>\$ 3.211</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.

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 Niles.

<u>Taxing Body</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
The District.....	\$ 3.244	\$ 3.388	\$ 3.770	\$ 3.177	\$ 3.211
The County.....	0.454	0.453	0.446	0.431	0.386
Cook County Forest Preserve District.....	0.059	0.058	0.058	0.081	0.075
Metropolitan Water Reclamation District.....	0.389	0.378	0.382	0.374	0.345
Consolidated Elections.....	0.030	0.000	0.019	0.000	0.032
Maine Township.....	0.033	0.022	0.075	0.064	0.066
Maine Township Road & Bridge.....	0.053	0.054	0.058	0.047	0.045
Maine Township General Assistance.....	0.000	0.000	0.015	0.013	0.013
Northwest Mosquito Abatement District.....	0.010	0.010	0.011	0.009	0.010
Niles.....	0.491	0.512	0.896	0.767	0.865
Niles Park District.....	0.384	0.385	0.423	0.381	0.387
Niles-Maine District Library.....	0.341	0.387	0.253	0.253	0.356
Township High School District Number 207.....	2.553	2.639	2.901	2.459	2.524
Oakton Community College District No. 535.....	0.221	0.227	0.252	0.221	0.227
Total.....	<u>\$ 8.262</u>	<u>\$ 8.513</u>	<u>\$ 9.559</u>	<u>\$ 8.277</u>	<u>\$ 8.542</u>

Source: County Clerk’s Office

Tax Extensions and Collections

	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
Extensions	\$40,752,993	\$41,734,682	\$43,185,296	\$45,003,865	\$47,103,393
Collections ⁽¹⁾	40,037,919	41,233,681	43,013,029	44,311,440	45,170,799 ⁽²⁾
% Collected	98.25%	98.80%	99.60%	98.46%	95.90%

(1) Due to successful property tax appeals, the District has refunded approximately \$650,000 annually in property taxes over the last four years.

(2) In process of collection, as of September 10, 2024.

Source: Cook County Treasurer’s Office

Largest Taxpayers

The taxpayers listed below represent 13.17% of the District’s 2023 EAV which is \$1,466,944,339 (which excludes TIF incremental EAV totaling \$22,301,675). 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.

<u>Taxpayer</u>	<u>Description</u>	<u>2023 EAV</u>	<u>% of EAV</u>
Golf Mill Shopping Center..... ⁽¹⁾	Shopping Center.....	\$ 51,647,399	3.52%
Niles Nursing Realty LLC.....	Nursing Home.....	27,406,356	1.87%
Park Ridge Commons LLC.....	Apartment Complex.....	21,652,771	1.48%
Glen Oaks Apartments.....	Apartment Complex.....	17,724,249	1.21%
IRC Four Flags LLC.....	Shopping Plaza.....	15,711,098	1.07%
Scwinge Revocable Trust.....	Shopping Center.....	15,644,388	1.07%
Individual.....	Real Estate.....	11,272,462	0.77%
Individual.....	Commercial.....	11,045,023	0.75%
Individual.....	Apartments.....	10,746,323	0.73%
Sidcor Dempster Association.....	Real Estate.....	10,307,068	0.70%
Total.....		<u>\$ 193,157,137</u>	<u>13.17%</u>

(1) In June 2024, the President and Board of Trustees of Niles approved a redevelopment agreement (the “Agreement”) to move forward on a \$440 million project to redevelop the decades-old Golf Mill Shopping Center (the “Mall”). The Agreement, which creates a public-private partnership with Mall owner Sterling Organization, provides that Niles will provide \$96 million in Tax Increment Financing (TIF) incentives to the developer (the Mall is in the Village’s Milwaukee-Dempster TIF District). The developer would then be reimbursed as the multiphase project gets completed. The redevelopment is expected to make the Mall a place to “live, work and play,” with 70% retail and entertainment and 30% luxury housing in the form of apartment buildings, along with office buildings, a pedestrian promenade featuring a classic water feature, medical facilities, a park and potentially a hotel. In sum, the redevelopment plan is intended to serve as a catalyst for a “renaissance” of the Mall, the surrounding businesses and the Village.

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

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.

Issue Description	Dated Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
The 2017 Bonds.....	12/19/17	\$ 9,735,000	\$ 9,735,000	12/01/37
The 2018 Bonds.....	03/20/18	9,995,000	9,995,000	12/01/37
The 2019 Bonds.....	02/21/19	31,460,000	21,170,000	12/01/34
The 2020 Bonds.....	10/15/20	3,240,000	1,680,000	12/01/27
The 2022 Bonds.....	11/09/22	3,240,000	3,150,000	12/01/29
The Bonds.....	11/18/24	6,520,000 *	6,520,000 *	12/01/41
Total.....			\$ 52,250,000 *	

*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.

Fiscal Year	Principal Outstanding	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2025	\$ 3,000,000	\$ -	\$ 3,000,000	\$ 3,000,000	5.74%
2026	2,980,000	85,000	3,065,000	6,065,000	11.61
2027	3,135,000	175,000	3,310,000	9,375,000	17.94
2028	3,350,000	210,000	3,560,000	12,935,000	24.76
2029	3,345,000	-	3,345,000	16,280,000	31.16
2030	3,540,000	-	3,540,000	19,820,000	37.93
2031	2,860,000	-	2,860,000	22,680,000	43.41
2032	2,980,000	-	2,980,000	25,660,000	49.11
2033	3,080,000	-	3,080,000	28,740,000	55.00
2034	3,200,000	-	3,200,000	31,940,000	61.13
2035	3,315,000	-	3,315,000	35,255,000	67.47
2036	3,510,000	-	3,510,000	38,765,000	74.19
2037	3,650,000	-	3,650,000	42,415,000	81.18
2038	3,785,000	-	3,785,000	46,200,000	88.42
2039	-	1,425,000	1,425,000	47,625,000	91.15
2040	-	1,480,000	1,480,000	49,105,000	93.98
2041	-	1,540,000	1,540,000	50,645,000	96.93
2042	-	1,605,000	1,605,000	52,250,000	100.00
	<u>\$ 45,730,000</u>	<u>\$ 6,520,000</u>	<u>\$ 52,250,000</u>		

*Preliminary, subject to change.

Overlapping General Obligation Bonds Debt
(As of August 8, 2024)

<u>Taxing Body</u>	<u>Bonded Debt</u> ⁽¹⁾	<u>Applicable to District</u>	
		<u>Percent</u>	<u>Amount</u>
The County.....	\$2,093,131,750	0.737%	\$ 15,426,381
Cook County Forest Preserve District.....	52,085,000	0.737%	383,866
Metropolitan Water Reclamation District.....	1,610,470,000 ⁽²⁾	0.750%	12,078,525
Glenview.....	14,725,000	1.650%	242,963
Morton Grove.....	4,440,000	19.762%	877,433
Niles.....	14,060,000	41.785%	5,874,971
City of Park Ridge.....	6,575,000	2.677%	176,013
Glenview Park District.....	16,098,000	5.013%	806,993
Golf Maine Park District.....	590,000	100.000%	590,000
Morton Grove Park District.....	1,042,765	20.117%	209,773
Niles Park District.....	1,212,000	40.323%	488,715
Park Ridge Park District.....	45,630,000	1.289%	588,171
Township High School District Number 207.....	151,240,000	22.819%	34,511,456
Community College District No. 535.....	54,930,000	4.853%	2,665,753
Total.....			<u>\$ 74,921,011</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 IEPA loans.

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.....	\$45,730,000
The Bonds.....	\$6,520,000 *
Leases.....	\$119,510
Net Direct Debt	\$52,369,510 *
Overlapping Bonded Debt.....	\$74,921,011
Net Direct Debt and Overlapping Bonded Debt.....	\$127,290,521 *
EAV (2023)..... ⁽¹⁾	\$1,466,944,339
Statutory Debt Limit (6.9% of EAV).....	\$101,219,159
Statutory Debt Margin	\$48,849,649 *

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

*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation, 2023.....	\$4,400,833,017
EAV (2023) ⁽¹⁾	\$1,466,944,339
District's 2018-2022 American Community Survey Population Estimate.....	45,494
Net Direct Debt to EAV.....	3.57% *
Net Direct Debt to Estimated Market Valuation	1.19% *
Net Direct Debt and Overlapping Bonded Debt to EAV	8.68% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	2.89% *
Net Direct Debt Per Capita	\$1,151.13 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$2,797.96 *

(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

Combined Educational Fund and Operations and Maintenance Fund Revenue Sources
(Years Ended June 30)

Below is a combined summary of the Educational Fund and Operations and Maintenance 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 Annual Comprehensive Financial Report includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund, and Tort Fund.

	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	Preliminary <u>2024</u>
Local Sources.....	74.88 %	72.16 %	68.84 %	69.58 %	72.54 %
State Sources.....	18.10	17.41	16.89	16.37	17.17
Federal Sources.....	<u>7.02</u>	<u>10.44</u>	<u>14.27⁽¹⁾</u>	<u>14.05⁽¹⁾</u>	<u>10.29</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

(1) Increased 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, 2020-2023 and preliminary, unaudited fiscal year 2024 results provided by the District.

[The remainder of this page is intentionally blank.]

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, IMRF/Social Security Fund and Tort 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 Annual Comprehensive Financial Report includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund, and Tort Fund.

	Educational Fund	Operations and Maintenance Fund	Combined Educational Fund and Operations and Maintenance Fund	Transportation Fund	Working Cash Fund ⁽¹⁾	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
<u>2020</u>									
Receipts.....	\$ 39,830,978	\$ 4,814,486	\$ 44,645,464	\$ 2,257,278	\$ 460,750	\$ 1,640,529	\$ 475,272	\$ 4,302,722	\$ 53,782,015
Disbursements.....	38,781,744	4,344,990	43,126,734	2,283,974	-	1,492,666	497,039	4,553,311	51,953,724
Net Surplus (Deficit).....	1,049,234	469,496	1,518,730	(26,696)	460,750	147,863	(21,767)	(250,589)	1,828,291
Other Sources (Uses).....	361,434	(123,255)	238,179	(47,829)	(16,534,283) ⁽²⁾	-	-	2,604	(16,341,329)
Beginning Fund Balance.....	35,310,739	5,833,139	41,143,878	2,314,705	22,087,472	1,252,302	1,011,028	3,600,840	71,410,225
Ending Fund Balance.....	\$ 36,721,407	\$ 6,179,380	\$ 42,900,787	\$ 2,240,180	\$ 6,013,939	\$ 1,400,165	\$ 989,261	\$ 3,352,855	\$ 56,897,187
<u>2021</u>									
Receipts.....	\$ 41,624,624	\$ 4,742,179	\$ 46,366,803	\$ 2,936,394	\$ 20,481	\$ 1,610,516	\$ 324,343	\$ 4,465,305	\$ 55,723,842
Disbursements.....	39,606,973	4,394,507	44,001,480	1,728,266	-	1,456,760	517,557	4,346,261	52,050,324
Net Surplus (Deficit).....	2,017,651	347,672	2,365,323	1,208,128	20,481	153,756	(193,214)	119,044	3,673,518
Other Sources (Uses).....	189,829	(1,077,634) ⁽⁴⁾	(887,805)	(24,662)	3,099,585 ⁽⁵⁾	-	-	66,340	2,253,458
Beginning Fund Balance.....	36,837,871 ⁽³⁾	6,179,380	43,017,251	2,240,180	6,013,939	1,400,165	989,261	3,352,855	57,013,651
Ending Fund Balance.....	\$ 39,045,351	\$ 5,449,418	\$ 44,494,769	\$ 3,423,646	\$ 9,134,005	\$ 1,553,921	\$ 796,047	\$ 3,538,239	\$ 62,940,627
<u>2022</u>									
Receipts.....	\$ 44,043,944	\$ 5,341,104	\$ 49,385,048	\$ 2,810,807	\$ (253,426)	\$ 1,545,630	\$ 456,493	\$ 4,584,750	\$ 58,529,302
Disbursements.....	44,884,642	5,227,791	50,112,433	2,905,318	-	1,653,095	580,022	4,362,892	59,613,760
Net Surplus (Deficit).....	(840,698) ⁽⁶⁾	113,313	(727,385)	(94,511)	(253,426)	(107,465)	(123,529)	221,858	(1,084,458)
Other Sources (Uses).....	310,168	(54,475)	255,693	(22,992)	(3,336,990)	-	-	13,992	(3,090,297)
Beginning Fund Balance.....	39,045,351	5,449,418	44,494,769	3,423,646	9,134,005	1,553,921	796,047	3,538,239	62,940,627
Ending Fund Balance.....	\$ 38,514,821	\$ 5,508,256	\$ 44,023,077	\$ 3,306,143	\$ 5,543,589	\$ 1,446,456	\$ 672,518	\$ 3,774,089	\$ 58,765,872
<u>2023</u>									
Receipts.....	\$ 47,270,767	\$ 5,921,916	\$ 53,192,683	\$ 3,805,542	\$ 133,357	\$ 1,623,680	\$ 525,451	\$ 4,429,683	\$ 63,710,396
Disbursements.....	48,389,106	6,658,597	55,047,703	3,228,913	-	1,585,103	500,744	4,505,067	64,867,530
Net Surplus (Deficit).....	(1,118,339) ⁽⁷⁾	(736,681)	(1,855,020)	576,629	133,357	38,577	24,707	(75,384)	(1,157,134)
Other Sources (Uses).....	344,747	10,512	355,259	(46,202)	1,081,625	-	-	(60,930)	1,329,752
Beginning Fund Balance.....	38,514,821	5,508,256	44,023,077	3,306,143	5,543,589	1,446,456	672,518	3,774,089	58,765,872
Ending Fund Balance.....	\$ 37,741,229	\$ 4,782,087	\$ 42,523,316	\$ 3,836,570	\$ 6,758,571	\$ 1,485,033	\$ 697,225	\$ 3,637,775	\$ 58,938,490
<u>Preliminary 2024</u>									
Receipts.....	\$ 50,688,644	\$ 5,574,806	\$ 56,263,450	\$ 3,784,328	\$ 457,722	\$ 1,889,780	\$ 587,075	\$ 5,001,545	\$ 67,983,900
Disbursements.....	52,867,287	6,182,171	59,049,458	3,795,971	-	1,629,302	515,478	4,643,024	69,633,233
Net Surplus (Deficit).....	(2,178,643)	(607,365)	(2,786,008) ⁽⁸⁾	(11,643)	457,722	260,478	71,597	358,521	(1,649,333)
Other Sources (Uses).....	447,693	(1,085,978) ⁽⁹⁾	(638,285)	(86,020)	(1,396,250) ⁽⁹⁾	-	-	(105,445)	(2,226,000)
Beginning Fund Balance.....	37,741,229	4,782,087	42,523,316	3,836,570	6,758,571	1,485,033	697,225	3,637,775	58,938,490
Ending Fund Balance.....	\$ 36,010,279	\$ 3,088,744	\$ 39,099,023	\$ 3,738,907	\$ 5,820,043	\$ 1,745,511	\$ 768,822	\$ 3,890,851	\$ 55,063,157
Fund Balance as % of Disbursements.....			66.21%					79.08%	

See footnotes on next page.

(1) See “Working Cash Fund” herein for a description of the Working Cash Fund.

- (2) Transfer to the Operations and Maintenance Fund and immediately transferred to the Capital Projects Fund for various capital improvement projects.
- (3) Restated beginning fund balance to include Student Activity Fund.
- (4) Transfers of \$1,000,000 to the Capital Projects Fund for capital improvements and \$77,634 to the Educational Fund of investment income.
- (5) Includes bond proceeds.
- (6) Educational Fund deficit due to a \$1.9 million unrealized loss on sale of investments. Securities being held have dropped in value due to fast rising interest rates.
- (7) Deficit due to \$800,000 in instructional staff salaries and benefits. The District is utilizing fund balance reserves to keep this staff. As a result, the District is able to maintain smaller class sizes and continue to address learning loss as a result of the pandemic shutdowns. \$300,000 unrealized loss on the sale of investments. This reflects the loss in value of the investments driven by higher interest rates.
- (8) Educational Fund deficit includes an unrealized gain on investments of \$871,000. The resulting deficit of \$3 million is driven by an increase in instructional staff salaries and benefits. The District is utilizing fund balance reserves to maintain this staff to keep smaller class sizes, continue to address learning loss as a result of the pandemic, and support an increase in the special education student population. The District is also utilizing reserves to continue funding a robust summer enrichment program. Operations and Maintenance deficit due to utilization of reserves to perform maintenance and repair work across all District buildings, not needed in prior years.
- (9) Transfer to the Capital Projects Fund for one-time capital expenditures.

Source: Compiled from the District's Annual Comprehensive Financial Reports for fiscal years ended June 30, 2020-2023 and preliminary, unaudited fiscal year 2024 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 “Combined Educational Fund and Operations and Maintenance 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 Annual Comprehensive Financial Report for the fiscal year ended June 30, 2023 (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>
2020	\$ 11,497,075
2021	11,441,771
2022	14,510,102
2023	15,225,122
2024	15,708,008

Source: Compiled from the District’s Annual Comprehensive Financial Report for fiscal years ended June 30, 2020-2023 and preliminary, unaudited fiscal year 2024 results provided by the District.

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 ⁽¹⁾

Below is the District’s budget summary for the fiscal year ending June 30, 2025.

<u>Fund</u>	Preliminary			FY25	Estimated
	Fund Balances	FY25	FY25	Other Sources/	Fund Balances
	July 1, 2024 ⁽²⁾	Revenue	Expenditures	(Uses)	June 30, 2025
Educational.....	\$ 36,010,279	\$ 52,760,747	\$ 53,947,274	\$ 391,270	\$ 35,215,022
Operations & Maintenance.....	3,088,739	5,903,818	5,685,840	(68,083)	3,238,634
Transportation.....	3,738,907	3,393,714	3,727,167	(105,034)	3,300,420
IMRF/Social Security.....	1,745,511	1,298,759	1,632,969	-	1,411,301
Working Cash.....	5,820,043	204,900	-	(154,900)	5,870,043
Total Operating Funds	<u>\$ 50,403,479</u>	<u>\$ 63,561,938</u>	<u>\$ 64,993,250</u>	<u>\$ 63,253</u>	<u>\$ 49,035,420</u>
Debt Service.....	\$ 3,890,851	\$ 4,869,229	\$ 4,805,976	\$ (63,253)	\$ 3,890,851
Fire Prevention & Safety.....	782,736	28,109	80,000	-	730,845
Capital Projects.....	365,779	34,313	256,609	-	143,483
Tort.....	768,822	502,167	493,208	-	777,781
Total All Funds	<u>\$ 56,211,667</u>	<u>\$ 68,995,756</u>	<u>\$ 70,629,043</u>	<u>\$ -</u>	<u>\$ 54,578,381</u>

(1) The District expects to have future budget pressures due to a Board commitment made in fiscal year 2023 to use fund balance (currently at 79% of the Combined Operating Funds and Debt Service Fund) so that it may maintain low class size. Beginning in fiscal year 2027, the District plans to begin to lower full-time employees and return to a balanced general fund budget (with fund balance between 50% and 60%). Recent and expected teacher retirements as follows are expected to help the District achieve balanced general fund budgets— fiscal year 2024: six retirements; fiscal year 2025: one retirement; fiscal year 2026: three retirements; fiscal year 2027: six retirements; and fiscal year 2028: four retirements.

(2) The beginning fund balance was revised from the adopted budget to reflect the actual ending fund balance for the prior fiscal year. The budget is adopted before the audit for the prior fiscal year is available.

Source: The District

STATE AID

General

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

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such State aid as a significant part of their budgets. For the fiscal year ended June 30, 2023, 16.37% of the District's General Fund revenue came from State funding sources. See "SUMMARY OF OPERATING RESULTS – Combined Educational Fund and Operations and Maintenance 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.

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

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district’s “Base Funding Minimum”). The Base Funding Minimum for the District for school year 2017-2018 was \$6,898,672 (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.

Evidence-Based Funding

<u>Fiscal Year</u>	<u>Base Funding Minimum</u>	<u>Tier Number</u>	<u>Amount of New State Funds</u>
2021 ⁽¹⁾	\$ 7,462,572	N/A ⁽¹⁾	N/A ⁽¹⁾
2022	7,467,199	2	\$ 228,262
2023	7,695,461	1	327,960
2024	8,023,421	1	784,362
2025	8,807,783	1	2,660,898 ⁽²⁾

(1) The State fiscal year 2021 budget did not appropriate General State Aid in excess of the amount appropriated in the State fiscal year 2020 budget. Therefore, school districts did not receive New State Funds during State fiscal year 2021.

(2) The increase in the District’s New State Funds is due to remaining in Tier 1 and the decline in the District’s local revenues, namely, the decline in the District’s CPPRT receipts (see “SOCIO-ECONOMIC CHARACTERISTICS–Corporate Personal Property Taxes” herein).

Property Tax Relief Pool Funds

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “Property Tax Relief Pool”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district’s Base Funding Minimum, unless that district does not abate

its property tax levy by the amount of intended property tax relief as described above. Of the \$350 million of New State Funds appropriated in the Fiscal Year 2025 Budget, \$50 million was allocated to the Property Tax Relief Pool, as was done in the prior three State budgets.

Mandated Categorical State Aid

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as “Mandated Categorical State Aid,” are made to the school district in the fiscal year following the expenditure, *provided* that the school district files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

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

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

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

Competitive Grant State Aid

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such “Competitive Grant State Aid” is not guaranteed to a

school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

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

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

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

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State's fiscal year.

See "SUMMARY OF OPERATING RESULTS – Combined Educational Fund and Operations and Maintenance 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) the Coronavirus Response and Relief Supplemental Appropriations Act of 2021 (commonly known as ESSER II), and (iii) the American Rescue Plan of 2021 (commonly known as ESSER III), was enacted to provide funds to mitigate the economic downturn and health care crisis caused by COVID-19.

The amount of funds the District received from ESSER I was \$711,115. The District received additional funds in the amount of \$2,918,774 pursuant to ESSER II. Finally, the District

was allocated \$6,706,156 of ESSER III funds. All funds have been received and spent as of June 30, 2024.

The District used a portion of its ESSER funds for a summer enrichment program. The District expects that the summer enrichment program will continue for the foreseeable future (at an annual cost of approximately \$500,000). This entirely-free program (including transportation, food and materials) is very popular (last summer 1,000 out of 3,600 students participated). Also, 20 teachers previously paid with ESSER funds will be paid from operational funds at an annual cost of approximately \$1.5 million.

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 typically released by ISBE in the calendar year following the conclusion of each fiscal year):

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2019	3.80	Financial Recognition	3.80	Financial Recognition
2020	3.80	Financial Recognition	3.80	Financial Recognition
2021	3.80	Financial Recognition	3.80	Financial Recognition
2022	3.45	Financial Review	3.45	Financial Recognition
2023	3.55	Financial Recognition	3.55	Financial Recognition
2024 ⁽¹⁾	3.55	Financial Recognition	N/A	N/A

(1) A preliminary score reported in the District’s fiscal year 2024 Annual Financial Report.
Source: ISBE, except for the 2024 preliminary score.

RETIREMENT PLANS

The District participates in two defined benefit pension plans: (i) the Teachers’ Retirement System of the State of Illinois (“TRS”), which provides retirement benefits to the District’s teaching employees, and (ii) the Illinois Municipal Retirement Fund (the “IMRF” and, together with TRS, the “Pension Plans”), which provides retirement benefits to the District’s non-teaching employees. The District makes certain contributions to the Pension Plans on behalf of its employees, as further described in this section. The operations of the Pension Plans,

including the contributions to be made to the Pension Plans, the benefits provided by the Pension Plans, and the actuarial assumptions and methods employed in generating the liabilities and contributions of the Pension Plans, are governed by the Illinois Pension Code, as amended (the “Pension Code”).

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 6 to the Audit, 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 a Pension Plan uses demographic data (including employee age, salary and service credits), economic assumptions (including estimated future salary and interest rates), and decrement assumptions (including employee turnover, mortality and retirement rates) and employs various actuarial methods to generate the information required to be included in such valuation.

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

Teachers’ Retirement System of the State of Illinois

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly of the State (the “General Assembly”) for the benefit of Illinois public school teachers outside the City of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer, which includes all school districts located outside of the City of Chicago, to provide services for which teacher licensure is required.

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

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

Employer Funding of Teachers’ Retirement System

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

Fiscal Year Ended June 30	TRS Contribution
2019	\$ 181,163
2020	199,998
2021	221,703
2022	385,005
2023	403,656

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

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 6a 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 6b 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 2023 was 6.24% of covered payroll.

For the calendar years ended December 31, 2019 through December 31, 2023, the District contributed the following amounts to IMRF:

Calendar Year Ended December 31	IMRF Contribution
2019	\$ 584,188
2020	644,916
2021	685,036
2022	597,281
2023	485,491

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2019-2023.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2019 through December 31, 2023 which are presented pursuant to the GASB Standards.

Calendar Year	Fiduciary Net Position				
Ended	Total Pension	Fiduciary Net	Net Pension	as a % of Total Pension	Discount
December 31	Liability	Position	Liability/(Asset)	Liability	Rate
2019	\$ 34,117,497	\$ 31,958,433	\$ 2,159,064	93.67%	7.25%
2020	34,000,928	35,033,980	(1,033,052)	103.04%	7.25%
2021	35,710,436	40,083,145	(4,372,709)	112.24%	7.25%
2022	36,984,125	33,795,391	3,188,734	91.38%	7.25%
2023	38,751,820	37,271,188	1,480,632	96.18%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2019-2023.

See Note 6b 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, 2023, 0.67% during the year ended June 30, 2022 and 0.92% during the year ended June 30, 2021. For the year ended June 30, 2023, the District paid \$201,948 to the THIS fund. For the years ended June 30, 2022 and June 30, 2021, the District paid \$190,256 and \$234,855, respectively, to the THIS Fund, which was 100% of the required contribution.

TAX EXEMPTION

Federal tax law contains a number of requirements and restrictions which apply to the Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements

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

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

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

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

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

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

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of

original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

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

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

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

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

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the

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

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

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

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

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 RATING

Moody's has assigned its municipal rating of "Aa2" to the Bonds. The rating reflects only the views of Moody's and any explanation of the significance of such rating may only be obtained from Moody's. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's by the District. There is no assurance that the rating will be maintained for any given period of time or that such rating may not be changed by Moody's, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the rating may have an adverse effect on the market price of the

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

There have been no instances in the previous five years in which the District failed to comply, in all material respects, with any undertaking previously entered into by it pursuant to the Rule. The District has retained PMA Securities, LLC, Naperville, Illinois (“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

The Bonds were offered for sale by the District at a public, competitive sale on October 28, 2024. The best bid submitted at the sale was submitted by _____, _____, _____ (the “Underwriter”). The District awarded the contract for sale of the Bonds to the Underwriter at a price of \$_____. The Underwriter has represented to the District that the Bonds have been subsequently reoffered 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 equals \$_____.

MUNICIPAL ADVISOR

PMA has been retained as municipal advisor (the “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, an investment adviser 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/ _____
Assistant Superintendent of Business Services
School District Number 63
Cook County, Illinois

October __, 2024

Form of Legal Opinion of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 63
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 63, Cook County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax School Bonds, Series 2024 (the “*Bonds*”), to the amount of \$ _____, dated _____, 2024, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2025	\$	%
2026		%
2027		%
***	***	***
2038		%
2039		%
2040		%
2041		%

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

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “*Law*”). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued

by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

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

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

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

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

Appendix B

Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2023

The Annual Comprehensive Financial Report of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Wipfli LLP, Aurora, 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.

East Maine School District 63

Empowering all students to succeed in a changing world



EAST MAINE
SCHOOL DISTRICT 63

Annual Comprehensive Financial Report

For the fiscal year ending June 30, 2023

Des Plaines, Illinois

East Maine School District 63

Des Plaines, Illinois

Annual Comprehensive Financial Report

For the fiscal year ended

June 30, 2023

Official Issuing Report

**Mr. Jordi Camps, CPA
Assistant Superintendent of
Business Services / CFO**

**Department Issuing Report
Business Office**

East Maine School District 63

Year Ended June 30, 2023

Table of Contents

Introductory Section

Letter of Transmittal.....	i
Organizational Chart.....	vii
Principal Officers and Advisors.....	viii
Certificate of Excellence.....	ix

Financial Section

Independent Auditor's Report.....	1
Management's Discussion and Analysis.....	5

Basic Financial Statements

Government-wide Financial Statements	
Statement of Net Position.....	15
Statement of Activities.....	16

Fund Financial Statements

Balance Sheet - Governmental Funds.....	17
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.....	18
Statements of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds.....	19
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balance of Governmental Funds to the Statement of Activities.....	20

Notes to Financial Statements.....	21
------------------------------------	----

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual - General Fund.....	57
---	----

Notes to Required Supplementary Information.....	58
--	----

Schedule of Changes in the Employer's Net Pension Liability and Related Ratios -Illinois Municipal Retirement Fund.....	59
--	----

Schedule of Employer Contributions -Illinois Municipal Retirement Fund.....	61
---	----

East Maine School District 63

Year Ended June 30, 2023

Table of Contents (Continued)

Schedule of the District's Proportionate Share of the Net Pension Liability and Related Ratios - Teacher's Retirement System.....	62
Schedule of Employer Contributions - Teachers' Retirement System.....	64
Schedule of the District's Proportionate Share of the Net OPEB Liability - Teachers' Health Insurance Security Fund.....	65
Schedule of Employer Contributions - Teachers' Health Insurance Security Fund.....	67
Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios - Other Post-Employment Benefits.....	68

Combining and Individual Fund Financial Statements and Schedules

General Fund

Combining Balance Sheet by Account.....	70
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances by Account.....	71
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Educational Account.....	72
Operations and Maintenance Account.....	82
Working Cash Account.....	84
Tort Immunity Account.....	85

Major Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	86
---	----

Major Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual.....	87
---	----

Combining Balance Sheet - Nonmajor Governmental Funds.....	88
--	----

Combining Schedule of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds.....	89
---	----

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual	
Fund Balance - Budget and Actual	
Transportation Fund.....	90
Municipal Retirement/Social Security Fund.....	91
Fire Prevention and Safety Fund.....	93

East Maine School District 63

Year Ended June 30, 2023

Table of Contents (Continued)

Statistical Section - Unaudited

Net Position by Component - Last Ten Fiscal Years.....	94
Changes in Net Position - Last Ten Fiscal Years.....	96
Fund Balances, Government Funds - Last Ten Fiscal Years.....	98
Changes in Fund Balances, Governmental Funds - Last Ten Years.....	100
Equalized Assessed Valuation and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years.....	104
Property Tax Rates - All Direct and Overlapping Governments - Last Ten Fiscal Tax Years.....	105
Principal Property Tax Payers - Current and Nine Years Ago.....	107
Property Tax Rates, Extensions, and Collections - Last Ten Fiscal Tax Years.....	109
Ratio of Outstanding Debt by Type - Last Ten Fiscal Years.....	111
Ratio of General Bonded Debt to Equalized Assessed Valuation and General Bonded Debt Per Capita - Last Ten Years.....	112
Direct and Overlapping Bonded Debt.....	113
Legal Debt Margin Information - Last Ten Fiscal Years.....	114
Demographic and Miscellaneous Statistics.....	116
Principal Employers - Current Year and Nine Years Ago.....	117
Operating Indicators - Last Ten Fiscal Years.....	118
School Building Information - Last Ten Fiscal Years.....	120
Number of Employees by Type - Last Ten Fiscal Years.....	122
Operating Statistics.....	124

INTRODUCTORY SECTION



EAST MAINE SCHOOL DISTRICT 63

December 4, 2023

Board of Education and Citizens of
East Maine School District 63
Des Plaines, Illinois 60016

The Annual Comprehensive Financial Report of East Maine School District 63 for the fiscal year ended June 30, 2023, is submitted herewith. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, are: (1) accurate in all material aspects; (2) presented in a manner designed to fairly set forth the financial position and results of operations of the District as measured by the financial activity of its various funds; and, (3) inclusive of all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs.

Basis of Accounting and Reporting

The District utilizes the modified accrual basis of accounting. The Annual Comprehensive Financial Report is divided into three sections: Introductory, Financial, and Statistical. The Introductory Section includes a title page, the table of contents, this transmittal letter, a Certificate of Excellence in Financial Reporting, a list of district officials, and the School District's organizational chart. The Financial Section includes the independent auditors' report on the financial statements, management's discussion and analysis, basic financial statements, and the combining statements for non-major funds and other schedules that provide detailed information relative to the basic financial statements. The Statistical Section includes selective financial, economic and demographic information, generally presented on a multi-year basis for comparative purposes.

East Maine School District 63 must undergo an annual single audit in conformity with the provisions of Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Information related to this single audit, including the schedule of expenditures of federal awards and independent auditor's reports on the internal control structure and compliance with applicable laws and regulations, are included in a separate report.

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

Current Initiatives

East Maine School District 63 continues to fulfill its mission of empowering all students to succeed in a changing world. The District's schools and afterschool programs foster each child's academic, social, emotional, and behavioral growth and achievement.

The District's comprehensive curriculum addresses the individual needs of all students. We meet these needs through services integrating academic achievement, behavioral success, and social/emotional health. Our students build strong content knowledge through our reading, writing, and language curriculum. In mathematics, our students develop the ability to reason abstractly and quantitatively, make sense of problems, and persevere in solving them. Our social studies and science programs are facilitated through an inquiry approach focusing on geography, economics, history, political systems, and human behavior. Science emphasizes concepts of life, physical, earth, and environmental sciences. We continue to enhance our bilingual and special education programs, supporting our diverse student population and helping every student reach their potential. The District offers dual language programs, offering instruction in all subjects in Spanish and English simultaneously. On special education, the District provides a full continuum of special education and related services, with each school having a Student Services Team that identifies interventions necessary to maximize student learning.

In the 2023-24 school year, we are adding an increased focus on social-emotional learning for students and staff through the adoption of the program RULER. We know that social-emotional learning and support for students and staff is essential, especially in the aftermath of the COVID-19 pandemic. The program was selected, among several, given its comprehensive and cohesive approach, the strong system of supports it provides to students and staff alike, and its ability to be integrated into the school day, validating emotions while maintaining high expectations for students. School staff was trained in RULER at the beginning of the 2023-24 school year and is being brought into the classroom throughout the year.

Long-Term Financial Planning and Future Initiatives

East Maine School District 63 continues to enjoy a very strong financial position. The District operating fund balance (which includes the Education, Operations & Maintenance, Transportation, and Working Cash funds) at the end of 2022-23 year was 93% of total operating fund expenses. This is significantly higher than the guideline set by the Illinois State Board of Education (ISBE) of 25%. Days Cash on Hand was 344 days, also significantly higher than the 180 day guidance from ISBE.

The District maintains a five-year financial projection process to facilitate efficient use of financial resources.

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

Over the next year, the following initiatives will garner a significant focus:

- **Strategic Planning Process:** During the 2023-2024 school year, East Maine District 63 will shape its future through an in-depth strategic planning process. Working closely with Educational Leadership Solutions (ELS), which has extensive experience in leading strategic planning initiatives, D63 will define its vision, mission, values, goals, and strategies for the next three to five years - with a focus on ensuring that our students continue to achieve success without boundaries. Our process will be guided by a core Strategic Planning Team comprising Board members, District administrators, staff members, parents, and members of the broader community. Together, team members will explore why we exist as a school district and what purpose do we serve, what we value, what our vision is, and where is the District headed in the future. This strategic planning process will also result in the establishment of district goals and outline the steps we will take to reach those goals.
- **Analysis of our district facilities:** We have hired Wold Architects to perform a review of our school buildings and provide three distinct reports: 1) a facilities assessment, 2) a Health Life Safety Study, and 3) a space assessment study. The results of these reports will help identify priorities in facility improvements and optimization of educational spaces for the benefit of our students and staff.

Reporting Entity

The District includes all funds that are controlled by, or dependent on, the Board of Education of the District as determined on a basis of financial accountability. The District has no financial accountability over any other entity and thus does not include any other entity as a component unit in this report. Additionally, the District is an independent entity, not includable as a component unit of any other reporting entity.

Economic Outlook

East Maine School District 63 is located approximately five miles north of the city of Chicago in Cook County, IL. The District enjoys a stable tax base of over \$1.4 billion. Approximately 75% of the tax base is residential, with the remaining 25% being commercial or industrial. The District enjoys employers spanning a wide range of industries.

The District operates seven schools with an enrollment of 3,637 in fiscal year 2023. Gemini Middle School was built in 1959, Apollo Elementary School was built in 1970, Mark Twain Elementary School was built in 1962, Nelson Elementary School was built in 1961, Melzer Elementary School was built in 1958, and Washington Elementary School was built in 1959. The district also operates a community center (The Family Resource Center, formerly Stevenson Elementary School), which was originally built in 1967. In the 2020-21 school year the District started operating a Pre-K school (Early Learning Center). Enrollment is projected to remain stable in the next year.

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

10150 Dee Road, Des Plaines, IL 60016 847.299.1900 www.emsd63.org

Accounting Systems and Budgetary Controls

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding (1) the safeguarding of assets against loss from unauthorized use or disposition; and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

As a recipient of federal and state financial assistance, the District is responsible for ensuring that an adequate internal control structure is in place to ensure compliance with applicable laws and regulations related to those programs. This internal control structure is subject to periodic evaluation by the district management. The independent audit of the District's financial statements was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies.

The District has adopted a legal budget for all of its Governmental Funds. Legal spending control for District money is at the fund level, but management control is exercised at budgetary line item levels within each fund. The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law.

Budgetary control is provided by verification of appropriation amounts prior to expenditures, as well as a monthly review of actual account totals compared to the budget. Additional control is established through published policies and procedures for all aspects of the District's accounting practices, which includes the recording of receipts and disbursements of funds entrusted to the District.

To ensure sound financial management, proper accounting practices, internal controls, and budgetary planning are affirmed by the continual review of the Board of Education.

The basis of accounting and the various funds utilized by the District are fully described in note number 1 of the financial statements. Additional information on the District's budgetary accounting can also be found in note 1.

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

The District has prepared financial statements following GASB Statement No. 34, "Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments." GASB 34 creates basic financial statements for reporting on the School District's financial activities as follows:

Government-wide financial statements - These statements are prepared on an accrual basis of accounting, which is similar to the basis of accounting followed by many businesses. The government-wide statements include the Statement of Net Position and the Statement of Activities.

Fund financial statements - These statements present information for individual major funds rather than by fund type. Non-major funds are presented in total in one column. Governmental funds use the modified accrual basis of accounting and include a reconciliation of the governmental activities accrual information presented in the government-wide financial statements.

As part of this new reporting model, management is responsible for preparing a Management Discussion and Analysis of the District. This discussion is located in the basic financial statements, providing an assessment of District finances for fiscal year 2023, with a comparison to 2022.

ASBO Certificate

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to East Maine School District 63 for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022. This year's Annual Comprehensive Financial Report will again be submitted for the ASBO Certificate of Excellence award.

A Certificate of Excellence is awarded to those school districts that have voluntarily submitted their system's Annual Comprehensive Financial Report (ACFR) for review by an ASBO Panel of review. Upon completion of a vigorous technical review, the panel members conclude whether the school system's financial report has met the criteria for excellence in financial reporting.

Independent Audit

The School Code of Illinois and the District's adopted policy require an annual audit of the books of accounts, financial records, and transactions of all funds of the District. The audit is done by independent certified public accountants that the District's Board of Education selects. This requirement has been met, and the auditor's report has been included in this report.

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

Closing Statement

It is our belief that this Annual Comprehensive Financial Report will provide the District's management, local citizens, stakeholders, and outside investors with the most meaningful financial presentation. We hope that all readers of this Report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2023.

Acknowledgment

The preparation of this report has been accomplished with the efficient and dedicated service of the District's Business Office, which assisted in closing the District's financial records and preparing this report.

We would also like to thank the Board of Education for their interest and support in planning and conducting the District's financial operations in a responsible manner.

Respectfully submitted,



Shawn Schleizer, EdD
Superintendent of Schools

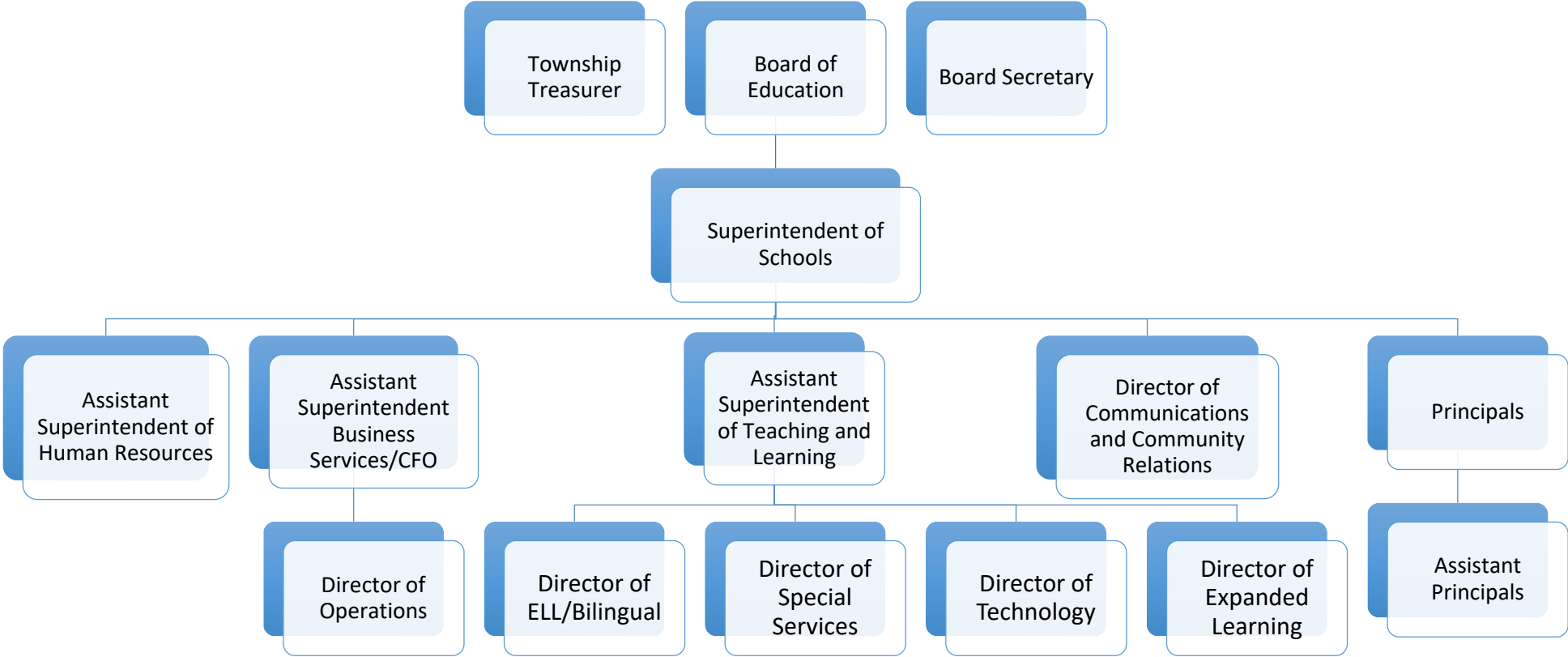


Jordi Camps, CPA
Assistant Superintendent of Business
Services Chief Financial Officer

Dr. Shawn Schleizer, Superintendent

Empowering all students to succeed in a changing world

East Maine School District 63
Organizational Chart



East Maine School District 63

10150 Dee Road
Des Plaines, IL 60016

Annual Comprehensive Financial Report for the Fiscal year ended June 30, 2023

Board of Education

		<u>Term Expires</u>
Alexandra Brook	President	2025
Tom Simmons	Vice President	2027
Katie Anderson	Member	2027
Maria Kuhlman	Member	2025
Jaini Mody	Member	2025
Ankit Patel	Member	2027
Sheila Urban	Member	2025

Board Appointees

Deborah Piazza	Secretary
Thomas Ahlbeck	Treasurer

District Administration

Shawn Schleizer, Ed. D.	Superintendent of Schools
Jake Chung, Ed. D.	Assistant Superintendent of Human Resources
Aaron Roberson, Ed.D.	Assistant Superintendent of Teaching and Learning
Jordi Camps, CPA	Assistant Superintendent of Business Services / CFO

Official Issuing Report

Jordi Camps, CPA	Assistant Superintendent of Business Services / CFO
------------------	--

Department Issuing Report

Business Office



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

East Maine School District 63

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2022.**

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, reading 'John W. Hutchison'. The signature is written in a cursive style and is positioned above a horizontal line.

John W. Hutchison
President

A handwritten signature in black ink, reading 'Siobhán McMahon'. The signature is written in a cursive style and is positioned above a horizontal line.

Siobhán McMahon, CAE
Chief Operations Officer/
Interim Executive Director

FINANCIAL SECTION

Independent Auditor's Report

Board of Education
East Maine School District 63
Des Plaines, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the East Maine School District 63 (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the East Maine School District 63 as of June 30, 2023, and respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of East Maine School District 63 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 unmodified audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about East Maine School District 63's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibility for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. 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 East Maine School District 63'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 East Maine School District 63's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis and the required supplementary information, as listed in the table of contents, in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the financial statements, and other knowledge we obtained during our audit of the financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual fund financial statements and schedules, and the statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements and schedules are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic 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 basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Report on Summarized Comparative Information

We previously audited East Maine School District 63's 2022 financial statements, and we expressed an unmodified opinion on those audited financial statements in our report dated December 13, 2022. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2022, 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 December 20, 2023 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 East Maine School District 63'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.

Wipfli LLP

Wipfli LLP

Aurora, Illinois

December 20, 2023

East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023

This section of East Maine School District 63's annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ending June 30, 2023. Please read it in conjunction with the transmittal letter found in the introductory section and the District's financial statements, which immediately follow this section.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999. The MD&A is management's explanation of the District's financial position.

Financial Highlights

- In total, net position increased by \$1.5 million. The increase in net position can be attributed to a greater increase in revenues than in expenses compared to 2022.
- General revenues accounted for \$52.7 million in revenue or 69.9% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$22.7 million or 30.1% of total revenues of \$75.4 million. The increase can primarily be attributed to more tax revenue.
- The District had \$73.9 million in expenses related to government activities. However, only \$22.7 of these expenses were offset by program specific charges and grants.
- The District increased its long-term bonded debt by issuing \$3.2 million while retiring \$2.7 million in fiscal year 2023.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements include the *combining and individual fund financial statements and schedules* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the district-wide statements.
- The *governmental funds statements* tell how basic services such as regular and special education were financed in the *short term* as well as what remains for future spending.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements with a comparison of the District's budget for the year and information regarding the District's retirement benefit liabilities.

East Maine School District 63

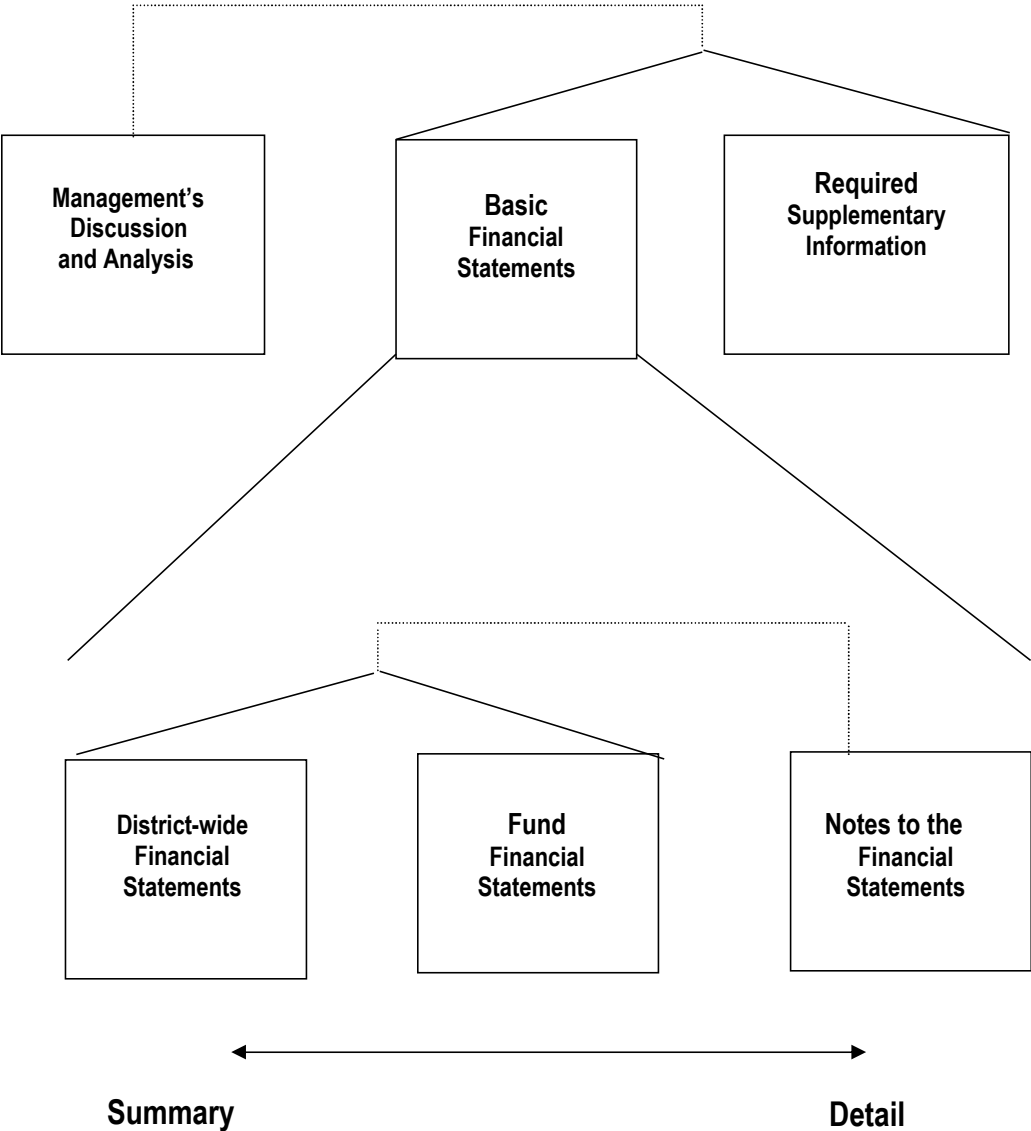
Management's Discussion Analysis

For the Year Ended June 30, 2023

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

Figure A-1

Organization of East Maine School District 63 Annual Financial Report



East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the District-wide and Fund Financial Statements		
	District-wide Statements	Governmental Funds
Scope	Entire District	The activities of the District that are not proprietary, such as Educational and Operations & Maintenance
Required financial statements	<ul style="list-style-type: none"> • Statement of net position • Statement of activities 	<ul style="list-style-type: none"> • Balance sheet • Statement of revenues, expenditures, and changes in fund balance
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable

East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets and deferred outflows and liabilities and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's *net position* and it has changed. Net position – the difference between the District's assets plus deferred outflows and liabilities plus deferred inflows – is one way to measure the District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the district-wide financial statements, the District's activities are all categorized as *Governmental activities*. All of the District's basic services are included here, such as regular and special education, transportation, and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as federal grants).

The District has one category of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the District-wide statements, additional information after each of the governmental funds statements explains the relationship (or differences) between them.

East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023

Financial Analysis of the District as a Whole

Net position: The District's *combined* net position increased 3.4 percent to \$45.9 million as of June 30, 2023 (See Figure A-3).

Figure A-3

Condensed Statement of Net Position (in millions of dollars)

	Governmental Activities	
	2023	2022
Assets		
Current and other assets	\$ 87.8	\$ 88.8
Capital assets	66.7	67.7
Total assets	154.5	156.5
Deferred outflows	6.5	3.3
Liabilities		
Current liabilities	4.0	3.5
Long-term debt outstanding	64.9	75.6
Total liabilities	68.9	79.1
Deferred inflows	46.2	36.3
Net position		
Net investment in capital assets	14.8	16.5
Restricted	11.9	11.1
Unrestricted	19.2	16.8
Total net position	\$ 45.9	\$ 44.4

The District continues to maintain a stable financial position.

The total cost of all programs and services increased 4.6% percent to \$73.9 million (See Figure A-4). The District's expenses are predominantly related to instructing and caring for (pupil services) students (69.0 percent) (See Figure A-6). The District's administrative and business activities accounted for 6.4 percent of total.

Total revenues surpassed expenses, increasing net position by \$1.5 million over last year.

East Maine School District 63

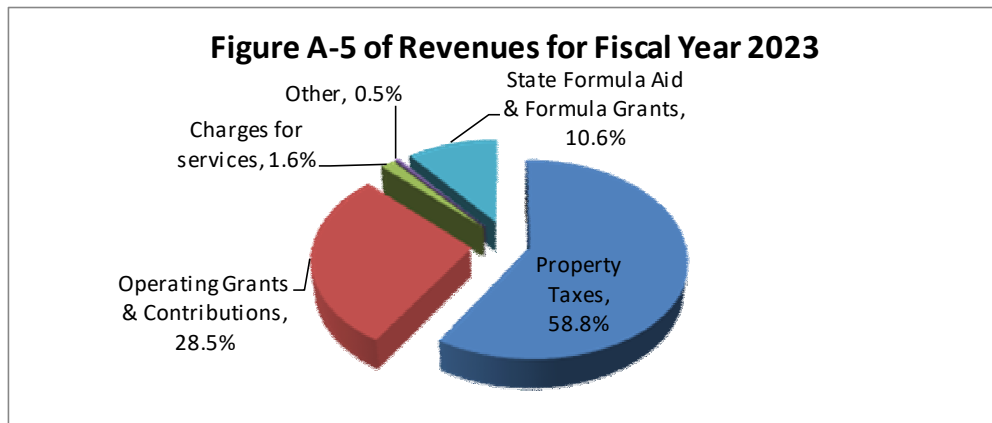
Management's Discussion Analysis

For the Year Ended June 30, 2023

Figure A-4

Changes in Net Position from Operating Results (in millions of dollars)

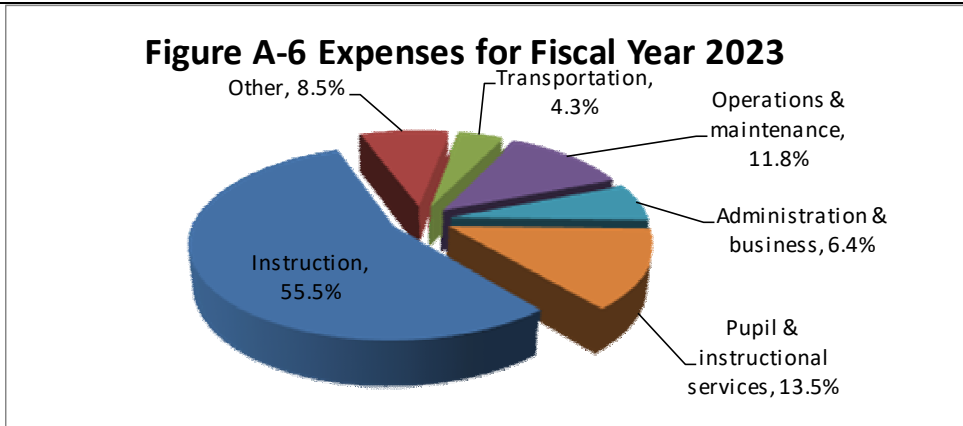
	Governmental Activities	
	2023	2022
Revenues		
<i>Program revenues</i>		
Charges for services	\$ 1.2	\$ 0.9
Operating grants & contributions	21.5	21.4
 <i>General revenues</i>		
Taxes	44.3	41.4
Evidence based funding	8.0	7.7
Other	0.4	-
	75.4	71.4
 Expenses		
Instruction	41.0	40.2
Pupil & instructional services	10.0	8.8
Administration & business	4.7	4.4
Transportation	3.2	2.9
Operations & maintenance	8.7	7.1
Other	6.3	5.9
	73.9	69.3
 Increase/(Decrease) in net position	1.5	2.1
 Net Position, beginning	44.4	42.3
 Net Position, ending	\$ 45.9	\$ 44.4



East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023



Governmental Funds

Corporate Personal Property tax receipts increased by 13.0%. State and federal aid increased by 7.5%.

Growth in property tax proceeds is estimated to be slow and modest. Even though property tax proceeds grow by the increase of the Consumer Price Index (CPI), this increase is capped at 5%. Evidence Based Funding (formerly General State Aid) increased to \$8.0 million as a result of additional funding from the State of Illinois, per the Evidence Based Funding Formula.

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of \$61.1 million, as compared to last year's ending fund balances of \$60.7 million. The increase is due to construction and capital improvement costs on projects across several schools.

In the General Fund, the fund balance decreased \$0.3 million to end the year at about \$50 million. The fund balance decreased \$0.1 million in the Debt Service Fund to end the year at \$3.6 million. The fund balance increased \$0.3 million in the Capital Projects Fund to end the year at \$1.4 million. In the remaining funds, the total fund balance increased \$0.58 million to end the year at \$6.1 million.

General Fund Budgetary Highlights

The general fund revenue was \$7.3 million higher than budgeted in fiscal year 2023. This was driven primarily by a higher corporate personal property replacement tax and state and federal revenues than expected. The expenditures in the general fund were \$8.9 million higher than budgeted in 2023. This was primarily driven by higher than expected on-behalf expenses offset by higher instructional expenses and outside services relative to the planned budget. Overall, the fund balance decreased \$0.3 million in the general fund.

Capital Asset and Debt Administration

Capital Assets

By the end of 2023, the District had invested \$66.7 million in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices (See Figure A-7). (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was approximately \$2.7 million, while net additions to capital assets amounted to \$1.7 million.

East Maine School District 63

Management’s Discussion Analysis

For the Year Ended June 30, 2023

Figure A-7

Capital Assets (net of depreciation, in millions of dollars)

	Governmental Activities	
	2023	2022
Land	\$ 0.5	\$ 0.5
Buildings	55.8	57.5
Land improvements	9.1	9.1
Equipment	1.1	0.5
Right To Use Assets - Equipment	0.2	0.1
Total Capital Assets	\$ 66.7	\$ 67.7

East Maine School District 63’s fiscal year 2023 ended with an enrollment of 3,637 students. Capital improvement projects completed in the 2022-23 fiscal year included the replacement of the sidewalks and the upgrade of an existing playground at Apollo Elementary School. The installation of a mobile unit containing two classrooms and a set of bathrooms at Washington Elementary School was also completed prior to the start of the school year. The mobile unit was needed to add instructional space to the school. The cost of these capital improvements totaled \$1.8 million.

Long-Term Debt

At year-end, the District had \$64.9 million in general obligation bonds, leases and other long-term debt outstanding – as shown in Figure A-8. (More detailed information about the District’s long-term liabilities is presented in Note 5 to the financial statements.)

Figure A-8

Outstanding Long-Term Debt (in millions of dollars)

	Total School District	
	2023	2022
General Obligation Bonds	\$ 51.6	\$ 51.1
Leases and Other	13.3	20.1
Total Debt	\$ 64.9	\$ 71.2

East Maine School District 63

Management's Discussion Analysis

For the Year Ended June 30, 2023

Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

The Property Tax Extension Limitation Law affects the District's ability to increase its operating fund revenues, and trends in major cost drivers continue to outpace the limiting Consumer Price Index rate. The State of Illinois continues to be in a challenging financial condition. In the last decade, the State has not fully funded its mandated categorical grant programs, and sometimes has prorated its General State Aid payments. Replacing General State Aid program, the Illinois legislature passed a new Evidence Based Funding model into law that should alleviate many of these funding concerns. We continue to be vigilant, however, regarding the State's ability to fulfill its financial obligations.

The District has amicable relationships with its four collective bargaining groups. The current collective bargaining agreement with the teacher's union will expire in August of 2024. A new contract was successfully negotiated and approved in the 2023-24 year. This contract will be effective in August of 2024 and will expire in August of 2029. During the 2023-24 the contract with our support personnel union was also successfully negotiated. The contract will expire at the end of the 2027-28 school year. Our contract with the teachers' assistants and custodial staff unions will expire in June of 2025 and 2026 respectively

The District is continuing its multi-year facility improvement plan, which includes the continuous updating of its school buildings. The District has the borrowing capacity to pay for these expenses and is doing so through the issuance of bonds.

The Illinois legislature recently passed into law regulations that increase the amount the District must contribute to certain employee's pensions under the Teachers Retirement System (TRS). One of these regulations applies to employees that earn more than the Governor's salary in annual creditable earnings. Districts must cover the State pension contribution for the amount above said salary. This will have a minor effect on our district.

Starting with the 2021-2022 school year, TRS has been authorized to open a defined contribution savings plan. This is a 457 deferred compensation type plan and all school districts in the state are required to offer it to district employees that participate in the TRS. Employee participation in this plan is voluntary and will have no negative financial impact to the District.

We continue to experience the effects of the labor shortage in the areas of teachers, teacher assistants, substitute teaching, bus drivers, and food service workers

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Business Office:

East Maine School District 63
10150 Dee Road
Des Plaines, Illinois 60016

BASIC FINANCIAL STATEMENTS

East Maine School District 63

Statement of Net Position

<i>June 30, 2023</i>	Governmental Activities
Assets	
Cash and cash equivalents	\$ 63,231,174
Receivables	
Property taxes	22,749,910
Due from other governments	1,890,354
Capital assets	
Capital assets not being depreciated	512,933
Capital assets, net of accumulated depreciation/amortization	<u>66,144,924</u>
Total assets	<u>154,529,295</u>
Deferred outflow of resources	
Deferred outflows related to pensions	
Deferred outflows - TRS	446,422
Deferred outflows - IMRF	2,969,693
Deferred outflows related to other post-employment benefits	
Deferred outflows - THIS	3,070,823
Deferred outflows - District OPEB	<u>9,831</u>
Total deferred outflow of resources	<u>6,496,769</u>
Liabilities	
Accounts payable	595,532
Accrued salaries and related expenses	3,412,107
Noncurrent liabilities	
Due within one year	3,049,846
Due in more than one year	
Long-term debt	49,068,577
Net pension liability - TRS	2,332,425
Net pension liability - IMRF	3,188,734
Net OPEB liability - THIS	7,063,476
Net OPEB liability - District OPEB	<u>183,407</u>
Total liabilities	<u>68,894,104</u>
Deferred inflow of resources	
Property taxes levied for subsequent years	22,749,910
Deferred inflows related to pensions	
Deferred inflows - TRS	406,517
Deferred inflows related to other post-employment benefits	
Deferred inflows - THIS	22,951,281
Deferred inflows - OPEB	<u>114,203</u>
Total deferred inflow of resources	<u>46,221,911</u>
Net position	
Net investment in capital assets	14,832,310
Restricted for	
Tort immunity	697,225
Debt service	3,637,775
Student transportation	3,836,570
Employee retirement	1,485,033
Capital projects	1,427,623
Fire prevention and safety	747,776
Unrestricted	<u>19,245,737</u>
Total net position	<u>\$ 45,910,049</u>

See accompanying notes to financial statements.

East Maine School District 63

Statement of Activities

<i>For the Year Ended June 30, 2023</i>	Program Revenues			Net (Expense) Revenue and Changes in Net Position
Expenses	Charges for Services	Operating Grants and Contributions	Total Governmental Activities	
Functions/Programs				
Governmental activities				
Instructional services				
Regular programs	\$ 17,670,334	\$ 907,845	\$ 4,161,152	\$ (12,601,337)
Special programs	7,082,791	-	1,914,004	(5,168,787)
Other	4,508,911	-	-	(4,508,911)
State retirement contributions	11,703,760	-	11,703,760	-
Support services				
Pupils	5,872,302	-	-	(5,872,302)
Instructional staff	4,093,925	-	129,301	(3,964,624)
General administration	1,608,359	-	-	(1,608,359)
School administration	2,327,793	-	-	(2,327,793)
Business	808,771	244,198	816,878	252,305
Operations and maintenance	8,689,918	12,195	1,136,192	(7,541,531)
Transportation	3,229,024	57,206	1,669,386	(1,502,432)
Food services	998,243	-	-	(998,243)
Central	1,584,948	-	-	(1,584,948)
Other	4,781	-	-	(4,781)
Community Services	896,521	-	-	(896,521)
Non-programmed charges	1,083,853	-	-	(1,083,853)
Interest and fees	<u>1,779,880</u>	<u>-</u>	<u>-</u>	<u>(1,779,880)</u>
Total governmental activities	<u>\$ 73,944,114</u>	<u>\$ 1,221,444</u>	<u>\$ 21,530,673</u>	<u>(51,191,997)</u>
General revenues				
Property taxes levied for:				
General purposes				30,140,678
Operations & maintenance				4,723,161
Transportation				2,066,831
Retirement				650,600
Debt service				4,504,422
Personal property replacement taxes				2,152,005
Federal and state aid not restricted for specific purposes				8,023,421
Earnings on investments				381,256
Miscellaneous				<u>64,742</u>
Total general revenue				<u>52,707,116</u>
Change in net position				1,515,119
Net position, beginning of year				<u>44,394,930</u>
Net position, ending				<u>\$ 45,910,049</u>

See accompanying notes to financial statements.

East Maine School District 63

Balance Sheet Governmental Funds

<i>June 30, 2023</i>	General Fund	Debt Service Funds	Capital Projects Fund	Other Governmental Funds	Total
Assets					
Cash and cash equivalents	\$ 52,008,652	\$ 3,637,775	\$ 1,456,783	\$ 6,127,964	\$ 63,231,174
Receivables					
Taxes receivable	18,284,992	2,444,149	-	2,020,769	22,749,910
Intergovernmental accounts receivable	<u>1,890,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,890,354</u>
Total assets	<u>\$ 72,183,998</u>	<u>\$ 6,081,924</u>	<u>\$ 1,456,783</u>	<u>\$ 8,148,733</u>	<u>\$ 87,871,438</u>
Liabilities, Deferred inflows, and Fund balances					
Liabilities					
Accounts payable	\$ 518,855	\$ -	\$ 29,160	\$ 47,517	\$ 595,532
Accrued salaries and related expenditures	<u>3,401,039</u>	<u>-</u>	<u>-</u>	<u>11,068</u>	<u>3,412,107</u>
Total liabilities	<u>3,919,894</u>	<u>-</u>	<u>29,160</u>	<u>58,585</u>	<u>4,007,639</u>
Deferred inflow of resources					
Unavailable property taxes	<u>18,284,992</u>	<u>2,444,149</u>	<u>-</u>	<u>2,020,769</u>	<u>22,749,910</u>
Total deferred inflow of resources	<u>18,284,992</u>	<u>2,444,149</u>	<u>-</u>	<u>2,020,769</u>	<u>22,749,910</u>
Fund balances					
Restricted					
Tort immunity	697,225	-	-	-	697,225
Debt service	-	3,637,775	-	-	3,637,775
Student transportation	-	-	-	3,836,570	3,836,570
Employee retirement	-	-	-	1,485,033	1,485,033
Capital projects	-	-	1,427,623	-	1,427,623
Fire prevention and safety	-	-	-	747,776	747,776
Unassigned	<u>49,281,887</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,281,887</u>
Total fund balances	<u>49,979,112</u>	<u>3,637,775</u>	<u>1,427,623</u>	<u>6,069,379</u>	<u>61,113,889</u>
Total liabilities, deferred inflows and fund balances	<u>\$ 72,183,998</u>	<u>\$ 6,081,924</u>	<u>\$ 1,456,783</u>	<u>\$ 8,148,733</u>	<u>\$ 87,871,438</u>

See accompanying notes to financial statements.

East Maine School District 63

Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position

June 30, 2023

Total fund balances - governmental funds \$ 61,113,889

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. 66,657,857

Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.

Long-term debt	\$ (51,644,067)	
Compensated absences	(292,876)	
Leases	(181,480)	
Net pension liability - TRS	(2,332,425)	
Net pension asset - IMRF	(3,188,734)	
Net OPEB liability - THIS	(7,063,476)	
Net OPEB liability - District Plan	<u>(183,407)</u>	<u>(64,886,465)</u>

Deferred inflows and outflows of resources related to pensions and other postemployment benefits are not reported in the governmental funds

Deferred outflows - TRS	446,422	
Deferred outflows - IMRF	2,969,693	
Deferred outflows - THIS	3,070,823	
Deferred outflows - District OPEB	9,831	
Deferred inflows - TRS	(406,517)	
Deferred inflows - THIS	(22,951,281)	
Deferred inflows - District OPEB	<u>(114,203)</u>	<u>(16,975,232)</u>

Net position - governmental activities, per statement of net position \$ 45,910,049

See accompanying notes to financial statements.

East Maine School District 63

Statements of Revenues, Expenditures and Changes In Fund Balance Governmental Funds

<i>Year Ended June 30, 2023</i>	General Fund	Debt Service Funds	Capital Projects Fund	Other Governmental Funds	Total
Revenues					
Local sources					
Property taxes	\$ 33,949,041	\$ 4,504,422	\$ -	\$ 3,632,229	\$ 42,085,692
Corporate personal property replacement taxes	2,112,005	-	-	40,000	2,152,005
Other local sources	<u>1,609,497</u>	<u>(74,739)</u>	<u>35,429</u>	<u>97,255</u>	<u>1,667,442</u>
Total local sources	<u>37,670,543</u>	<u>4,429,683</u>	<u>35,429</u>	<u>3,769,484</u>	<u>45,905,139</u>
State sources	23,930,484	-	-	1,669,386	25,599,870
Federal sources	<u>7,475,586</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,475,586</u>
Total revenues	<u>69,076,613</u>	<u>4,429,683</u>	<u>35,429</u>	<u>5,438,870</u>	<u>78,980,595</u>
Expenditures					
Current operating					
Instruction	45,852,443	-	-	674,155	46,526,598
Supporting services	22,174,834	-	-	4,054,261	26,229,095
Community services	810,921	-	-	85,600	896,521
Non-programmed charges	1,083,853	-	-	-	1,083,853
Debt service					
Principal	-	2,492,718	-	-	2,492,718
Interest and other	-	1,970,223	-	-	1,970,223
Purchased services and other	-	42,126	-	-	42,126
Capital outlay	<u>851,518</u>	<u>-</u>	<u>1,773,017</u>	<u>-</u>	<u>2,624,535</u>
Total expenditures	<u>70,773,569</u>	<u>4,505,067</u>	<u>1,773,017</u>	<u>4,814,016</u>	<u>81,865,669</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,696,956)</u>	<u>(75,384)</u>	<u>(1,737,588)</u>	<u>624,854</u>	<u>(2,885,074)</u>
Other financing sources (uses)					
Transfers in	2,344,747	-	2,000,000	-	4,344,747
Transfers out	(4,198,464)	(100,081)	-	(46,202)	(4,344,747)
Proceeds from bond issuance	3,200,849	39,151	-	-	3,240,000
Lease proceeds	<u>89,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>89,752</u>
Total other financing sources (uses)	<u>1,436,884</u>	<u>(60,930)</u>	<u>2,000,000</u>	<u>(46,202)</u>	<u>3,329,752</u>
Net change in fund balance	(260,072)	(136,314)	262,412	578,652	444,678
Fund balances, beginning of year	<u>50,239,184</u>	<u>3,774,089</u>	<u>1,165,211</u>	<u>5,490,727</u>	<u>60,669,211</u>
Fund balances, end of year	<u>\$ 49,979,112</u>	<u>\$ 3,637,775</u>	<u>\$ 1,427,623</u>	<u>\$ 6,069,379</u>	<u>\$ 61,113,889</u>

See accompanying notes to financial statements.

East Maine School District 63

Reconciliation of the Statement of Revenues, Expenditures and Changes In Fund Balance of Governmental Funds to the Statement of Activities For the Year Ended June 30, 2023

Net change in fund balances - governmental funds \$ 444,678

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

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlay	\$ 1,663,088	
Capital asset disposals	(13,458)	
Depreciation expense	<u>(2,692,775)</u>	(1,043,145)

Some items reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds. These activities consist of:

Compensated absences	(6,687)	
Change in net pension liability - TRS	(111,910)	
Change in net pension liability - IMRF	(7,561,443)	
Change in net other post-employment benefit liability		
THIS	14,627,971	
District Plan	(15,951)	
Change in deferred inflows/outflows related to pensions	7,494,240	
Change in deferred inflows/outflows related to other postemployment benefits	<u>(11,708,069)</u>	2,718,151

The governmental funds record bond and loan proceeds as other financing sources, while repayment of bond and loan principal is reported as an expenditure. Also, governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. The net effect of these differences in the treatment of bonds and loans and related items is as follows:

Bonds and lease proceeds	(3,329,752)	
Repayment of bond and lease principal	2,492,718	
Premium on bonds amortization	<u>232,469</u>	<u>(604,565)</u>

Change in net position of governmental activities \$ 1,515,119

See accompanying notes to financial statements.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies

East Maine School District 63 (the "District") is a public school system governed by a seven-member elected 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 accounting principles generally accepted (GAAP) in the United States, as applicable to local governmental units. The following is a summary of the significant accounting policies, consistently applied in the preparation of the accompanying financial statements is described below.

a. Reporting Entity

Accounting principles generally accepted in the United States require that the financial reporting entity include (1) the primary government, (2) organizations for which the primary district is financially accountable and (3) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The criteria provided by the Governmental Accounting Standards Board (GASB) have been considered and there are no agencies or entities which should be presented with the District. Using the same criteria, the District is not included as a component unit of any other governmental entity.

A legally separate, tax exempt organization should be reported as a component unit of a reporting entity if all of the following criteria are met: (1) the economic resources received or held by the separate organization are entirely or almost entirely for the direct benefit of the primary government, its component units, or its constituents; (2) the primary government is entitled to, or has the ability to otherwise access, a majority of the economic resources received or held by the separate organization; (3) the economic resources received or held by an individual organization that the specific primary government, or its component units, is entitled to, or has the ability to otherwise access, are significant to that primary government. Blended component units, although legally separate entities, are, in substance, part of the government's operations and are reported with similar funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the primary government. This report does not contain any component units.

b. Fund Accounting

The accounts of the District are organized on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained consistent with legal and managerial requirements.

Governmental funds include the following funds:

General Fund - The General Fund, which consists of the legally mandated Educational Account, Operations and Maintenance Account, Working Cash Account and Tort Immunity Account, is used to account for the revenues and expenditures which are used in providing education in the District. It is used to account for all financial resources except those accounted for in other funds.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

b. Fund Accounting (Continued)

Educational Account – These accounts are used for most of the instructional and administrative aspects of the District’s operations, as well as providing school lunch services to students. The revenue consists primarily of local property taxes, state government aid and student registration fees and lunch receipts from the District food service program.

Operations and Maintenance Account – These accounts are used for expenditures made for operation, repair and maintenance of District property. Revenue consists primarily of local property taxes.

Working Cash Account – This fund accounts for financial resources held by the District to be used as loans for working capital requirements to any other fund for which taxes are levied. The Working Cash Account was established and has been used to respond to fluctuations in cash flow resulting from unpredictable property tax collections. The earnings of the fund are allowed to be transferred to another fund under the Illinois Compiled Statutes. The principal of the fund, accumulated from bond issues, can be used as a source from which the District borrows money to support temporary deficiencies in other funds, or may be partially or fully transferred to the General Fund’s Educational Account, upon Board approval.

Tort Immunity Account – This fund accounts for revenues and expenditures related to tort immunity. Revenue is primarily derived from local property taxes.

Special Revenue Funds - Special Revenue Funds account for the proceeds of specific revenue sources (other than Debt Service and Capital Projects Funds) that are legally restricted to expenditures for specified purposes. The District's Special Revenue Funds are the Transportation and Municipal Retirement/Social Security Funds.

Transportation Fund – This fund accounts for the revenue and expenditures relating to student transportation, both to and from school. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund – This fund accounts for the District’s portion of the pension contributions to the Illinois Municipal Retirement Fund for noncertified employees and social security contributions for applicable certified and noncertified employees. Revenue to finance the contributions is derived primarily from local property taxes.

Debt Service Fund - The Debt Service Fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. Debt service funds should be used to report resources if legally mandated. Financial resources that are being accumulated for principal and interest maturing in future years also should be reported in debt service funds.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

b. Fund Accounting (Continued)

Capital Projects Fund - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from property taxes, bond proceeds, or transfers from other funds. All equity in this fund is restricted for the associated capital expenditures within this fund.

Fire Prevention and Safety Fund – This fund accounts for state-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes. All equity in this fund is restricted for the associated capital expenditures within this fund.

c. Fund Balance Reporting

According to Government Accounting Standards, fund balances are to be classified into five major classifications: Nonspendable Fund Balance, Restricted Fund Balance, Committed Fund Balance, Assigned Fund Balance, and Unassigned Fund Balance.

A. Nonspendable Fund Balance

The nonspendable fund balance classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example inventories and prepaid amounts.

B. Restricted fund balance

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

1. Special Education

Revenues and the related expenditures of this restricted tax levy are accounted for in the Educational Account. Expenditures exceeded revenue for this purpose, resulting in no restricted fund balance.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

c. Net Position (Continued)

2. Tort Immunity Account

Expenditures and the related revenues are accounted for in the Tort Immunity Account. All equity within this fund is restricted for the associated tort immunity expenditures.

3. State and Federal Grants

Proceeds from state and federal grants and the related expenditures have been included in the General Fund and various Special Revenue Funds. At June 30, 2023, expenditures exceeded revenue from state and federal grants, resulting in no restricted balances.

4. Capital Projects Funds

Expenditures and the related revenues are accounted for in the Capital Projects and Fire Prevention and Safety Funds. All equity within these funds are restricted for the associated capital expenditures within these funds.

C. Committed fund balance:

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

D. Assigned fund balance:

The assigned fund balance classification refers to the amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent should be expressed by (a) the governing body itself or (b) a body (a budget or finance committee, for example) or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

E. Unassigned fund balance:

The unassigned fund balance classification is the residual classification for amounts in the General Operating Funds for amounts that have not been restricted, committed, or assigned to specific purposes within the General Funds.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

c. Net Position (Continued)

F. Expenditures of Fund Balance

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

d. Basis of Presentation

e. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities in the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due.

Interest associated with the current fiscal period is considered to be susceptible to accrual and so has been recognized as a revenue of the current period. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All other revenue items are considered to be measurable and available only when the District receives the cash.

The District reports the following funds as major governmental funds:

General Fund

Debt Service Fund – Elected as a major fund

Capital Projects Fund – Elected as a major fund

The District has adopted a policy to net the interfund receivables and payables for combined totals used to determine the major funds. Consequently, the interfund loan balances, which net to zero, are not utilized to determine major funds.

On-behalf payments (payments made by a third party for the benefit of the District, such as payments made by the state to the Teachers Retirement System) have been recognized in the financial statements.

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time. Grant funds are considered to be earned to the extent of expenditures made under

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

e. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

the provisions of the grant. However, if they are not received within the period of availability, they are recorded as unavailable revenue.

f. Deposits and Investments

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

g. Capital Assets

Capital assets, which include land, land improvements, buildings, buildings improvements, vehicles, machinery, equipment, and construction in progress are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial cost of more than \$1,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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>Years</u>
Buildings and improvements	7-50
Land improvements	10-20
Vehicle and equipment	5-10

h. 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.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

i. Deferred Inflows/ Unearned Revenue

In addition to assets, the statement of net position/balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. In addition to liabilities, the statement of net position/balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

j. Property Taxes

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's property tax, filed on December 1, 2022, is levied each year on all taxable real property located in the District. The owner of real property on January 1 (the lien date) 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 from the repayment of debt). PTELA limits the increase in total taxes billed to the lessor 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 Cook County Assessor is responsible for the assessment of all taxable real property within Cook County except for certain railroad property which is assessed directly by the State. The County is reassessed every three years by the Assessor.

The County Clerk computes the annual tax rate by dividing the levy into the assessed valuation of the taxing district. The County Clerk then computes the rate for each parcel of real property by aggregating the tax rates of all units having jurisdiction over that parcel. Property taxes are collected by the Cook County Collector who remits to the units their respective shares of the collections. Taxes levied in one calendar year become due and payable in two installments on March 1 and September 1 during the following calendar year. 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. Substantial collections are received by the District in March and September.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

j. Property Taxes (Continued)

In the fund financial statements, the property tax levy receivable collected within the current year or expected to be collected within 60 days of year end (provided any collections do not include taxes from the second installment) to be used to pay liabilities of the current period less the taxes collected within 60 days after the end of the previous fiscal year is recognized as revenue. The tax receivable less the amount expected to be collected within 60 days of year end to be used to pay liabilities of the current period is reflected as unavailable revenue in the fund financial statements. All property taxes receivable over one year old have been written off.

k. 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.

l. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid expenditures are accounted for using the consumption method, that is they are recognized as an expenditure as they are used.

m. Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

All vested vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have maturities, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2023 are determined on the basis of current salary rates and include salary related payments.

The District's vacation and sick leave policies and agreements permit employees to accumulate earned but unused vacation and sick leave. Twelve-month employees earn vacation days during the year at varying rates based upon years of service and can carry over a maximum of 10 vacation days. Employees receive specified numbers of sick days each year, which are permitted to accumulate from year to year in accordance with various District policies and agreements. Certified employees who retire from the District receive compensation for their accumulated, unencumbered sick leave, less any days of sick leave credited to a retirement system. Members of TRS and IMRF may receive a maximum of two years and one year credit, respectively, at retirement of unused, uncompensated sick leave. The liability for sick leave is estimated using the vesting method and assumes that the maximum number of days will be credited to a retirement system rather than paid by the District.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

n. 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. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed as incurred.

In the fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

o. Net Position

Government-Wide Statements

Net position is classified and displayed in three components:

Net investments 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 and adjusted for any deferred inflows and outflows of resources attributable to capital assets and related debt.

Restricted. Consists of restricted assets reduced by liabilities and deferred inflows or resources related to those assets, with restriction constraints placed on the use either by external groups, such as creditors, grantors, contributors, or laws and regulations of other governments, or law through constitutional provisions or enabling legislation.

Unrestricted. Net amount of assets, deferred outflows of resources, liabilities and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

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 as they are needed.

p. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

East Maine School District 63

Notes to Financial Statements

Note 1: Summary of Significant Accounting Policies (Continued)

q. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net positions of the Teachers' Retirement System of the State of Illinois (TRS) and the Illinois Municipal Retirement Fund (IMRF), together "the Plans," and additions to/deductions from the Plans' fiduciary net positions have been determined on the same basis as they are reported by the Plans. 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.

Note 2: Deposits and Investments

Investments held by the District which are short-term highly liquid investments having a remaining maturity of one year or less at the time of purchase are reported by the District at amortized cost. All other investments are reported at fair value. Gains or losses on the sale of investments are recognized upon realization. The District has adopted a formal written investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

a. Cash and Investments Under the Custody of the Township Treasurer

Under the Illinois Compiled Statutes, the Maine 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 Maine 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).

East Maine School District 63

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

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.

The Treasurer also holds money market type investments, certificates of deposits and other deposits with financial institutions. As of June 30, 2023, the fair value of all investments held by the Treasurer's office was \$550,161,829 and the fair value of the District's proportionate share of the pool was \$62,985,007. 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.

b. Deposits and Custodial Credit Risk

The District maintains \$2,500 in petty cash.

Deposits of the student activity and imprest funds, which are held in the District's custody, consist of deposits with financial institutions.

As of June 30, 2023, the reported amount of the District's cash and cash equivalents consisted of the following:

	Carrying Value	Bank Balance
Deposits with financial institutions		
Student activity funds	\$ 114,158	\$ 116,247
Flex spending account	<u>132,009</u>	<u>203,330</u>
Total	<u>\$ 246,167</u>	<u>\$ 319,577</u>

c. Investments

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. All of the District's investments are in the custody of the Maine Township Treasurer, who manages the District's exposure to the fair values losses arising from increasing interest rates.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District has no investment policy that would further limit its investment choices.

The District's policy states that the Treasurer shall diversify its investments to the best of its ability based upon the type of funds invested, available institutions to invest in, and the cash flow needs of those funds. Diversification can be by type of investment, number of institutions invested in, and length of maturity. Maturities of investments of the various funds of the District shall be determined to enable the District to have available sufficient cash for all operation purposes.

East Maine School District 63

Notes to Financial Statements

Note 2: Cash and Investments (Continued)

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, 2023, the bank balance of the District's deposits with financial institutions totaled \$319,577, all of which was insured or collateralized.

Note 3: Interfund Transfers

The following Interfund transfers were made during the year ended June 30, 2023:

Transfer From	Transfer To	Amount
General Fund - Working Cash Account	General Fund - Operations & Maintenance Account	\$ 2,000,000
General Fund - Operations & Maintenance Account	Capital Projects Fund	2,000,000
General Fund - Operations & Maintenance Account	General Fund - Educational Account	79,240
Debt Service Fund	General Fund - Educational Account	100,081
Transportation Fund	General Fund - Educational Account	46,202
General Fund - Working Cash Account	General Fund - Educational Account	<u>119,224</u>
		<u>\$ 4,344,747</u>

Transfers to the General Fund-Education Account were for transfers of investment income. Transfers to the General Fund-Operations & Maintenance Account, then to the Capital Projects Fund, were to provide funds for capital improvements.

East Maine School District 63

Notes to Financial Statements

Note 4: Capital Assets

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 6/30/2022	Additions	Deletions	Balance 06/30/23
Capital assets, not being depreciated:				
Land	\$ <u>512,933</u>	\$ -	\$ -	\$ <u>512,933</u>
Total capital assets, not being depreciated	<u>512,933</u>	-	-	<u>512,933</u>
Capital assets, being depreciated/amortized:				
Land improvements	10,068,372	220,402	-	10,288,774
Building & improvements	85,348,633	520,462	-	85,869,095
Equipment	10,377,235	832,472	13,458	11,196,249
Right To Use Assets - Equipment	<u>173,625</u>	<u>89,752</u>	-	<u>263,377</u>
Total capital assets, being depreciated/amortized	<u>105,967,865</u>	<u>1,663,088</u>	<u>13,458</u>	<u>107,617,495</u>
Accumulated depreciation/amortization:				
Land improvements	1,002,132	171,780	-	1,173,912
Buildings & improvements	27,853,744	2,244,027	-	30,097,771
Equipment	9,899,741	219,250	-	10,118,991
Right To Use Assets - Equipment	<u>24,179</u>	<u>57,718</u>	-	<u>81,897</u>
Total accumulated depreciation/amortization	<u>38,779,796</u>	<u>2,692,775</u>	-	<u>41,472,571</u>
Total capital assets, being depreciated/amortized, net	<u>67,188,069</u>	<u>(1,029,687)</u>	<u>13,458</u>	<u>66,144,924</u>
Governmental activities capital assets, net	<u>\$ 67,701,002</u>	<u>\$ (1,029,687)</u>	<u>\$ 13,458</u>	<u>\$ 66,657,857</u>

Depreciation/amortization expense was charged to functions of the District as follows:

<i>Instructional Services</i>		
Regular programs		\$ 495,043
Special programs		3,260
<i>Supporting Services</i>		
Pupils		10,541
Instruction		183,930
General administration		59,267
School administration		35,159
Business		6,877
Facilities acquisition		1,629,024
Operations and maintenance		92,722
Food services		46,180
Central and support		<u>130,772</u>
		<u>\$ 2,692,775</u>

East Maine School District 63

Notes to Financial Statements

Note 5: Long-Term Debt

Long-term debt activity for the year ended June 30, 2023 was as follows:

	Balance 6/30/2022	Additions	Reductions	Balance 06/30/23	Amounts due Within One Year
General Obligation Bonds	\$ 47,620,000	\$ 3,240,000	\$ 2,435,000	\$ 48,425,000	\$ 2,695,000
Unamortized premium	<u>3,451,536</u>	<u>-</u>	<u>232,469</u>	<u>3,219,067</u>	<u>-</u>
Total Bonds payable	<u>51,071,536</u>	<u>3,240,000</u>	<u>2,667,469</u>	<u>51,644,067</u>	<u>2,695,000</u>
Leases	149,446	89,752	57,718	181,480	61,970
Other Post-Employment Benefits					
THIS	21,691,447	-	14,627,971	7,063,476	-
District Plan	167,456	15,951	-	183,407	-
Pension Liabilities/(Assets)					
IMRF	(4,372,709)	7,561,443	-	3,188,734	-
TRS	2,220,515	111,910	-	2,332,425	-
Compensated absences	<u>286,189</u>	<u>292,876</u>	<u>286,189</u>	<u>292,876</u>	<u>292,876</u>
Total long-term debt	<u>\$ 71,213,880</u>	<u>\$ 11,311,932</u>	<u>\$ 17,639,347</u>	<u>\$ 64,886,465</u>	<u>\$ 3,049,846</u>

The obligations for the compensated absences, pension liabilities, and net OPEB obligation will be repaid from the General Fund - Educational Account.

a. General Obligation Bonds Payable

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

General Obligation Limited School Bonds dated December 9, 2017 issued in the original principal amount of \$9,735,000 for funding purposes; principal payments from \$1,000,000 to \$1,590,000 due on December 1 through the year 2037, having effective interest rates of approximately 3.5% to 4.0%.

General Obligation Limited School Bonds dated February 23, 2018 issued in the original principal amount of \$9,995,000 for funding purposes; principal payments from \$560,000 to \$2,195,000 due on December 1 through the year 2037, having effective interest rates of approximately 3.5% to 4.0%.

General Obligation Limited School Bonds Series 2019 dated February 21, 2019 issued in the original principal amount of \$31,460,000 for funding purposes; principal payments from \$540,000 to \$2,860,000 due on December 1 through the year 2034, having effective interest rates of approximately 4.0% to 5.0%.

East Maine School District 63

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

General Obligation Limited School Bonds Series 2020 dated October 15, 2020 issued in the original principal amount of \$3,240,000 for funding purposes; principal payments from \$375,000 to \$570,000 due on December 1 through the year 2028, having an effective interest rate of approximately 1.2%.

General Obligation Limited School Bonds Series 2022 dated November 9, 2022 issued in the original principal amount of \$3,240,000 for funding purposes; principal payments from \$90,000 to \$815,000 due on December 1 through the year 2029, having an effective interest rate of 3.70%.

At June 30, 2023, the annual cash flow requirements of all bonds payable to retirement were as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 2,695,000	\$ 1,909,277	\$ 4,604,277
2025	3,000,000	1,789,501	4,789,501
2026	2,980,000	1,661,435	4,641,435
2027	3,135,000	1,529,188	4,664,188
2028	3,350,000	1,387,855	4,737,855
2029 - 2033	15,805,000	4,782,763	20,587,763
2034 - 2038	<u>17,460,000</u>	<u>1,657,594</u>	<u>19,117,594</u>
Total	<u>\$ 48,425,000</u>	<u>\$ 14,717,613</u>	<u>\$ 63,142,613</u>

Payments to retire bonds payable will be made from debt service levies in future periods. There is \$3,637,775 of fund equity available in the Debt Service Fund to service outstanding bonds payable.

The District is subject to the *Illinois Compiled Statutes* which limits the amount of bond indebtedness, to 6.9% of the most recent available equalized assessed valuation of the District. As of June 30, 2023 the statutory debt limit for the District was \$97,742,095, providing a debt margin of \$52,773,390 after taking into account amounts available in the Debt Service Fund.

East Maine School District 63

Notes to Financial Statements

Note 5: Long-Term Debt (Continued)

Leases. The District has entered into lease agreements as lessee for the use of office equipment and mobile classroom facilities. The lease obligations have been recorded at the present value of the future minimum lease payments as of the inception date. At June 30, 2023, \$263,377 of amounts included in capital assets were acquired via leases. The obligations for the leases will be repaid from the Debt Service Fund.

The elements of the District's leases at June 30, 2023 are as follows:

Leased Asset	Implementation/ Commencement	Termination	Interest Rate	Initial Liability	Liability at June 30, 2023	Due Within One Year
Office equipment	7/1/2021	9/20/2025	4.5000 %	\$ 13,458	\$ 6,431	\$ 2,778
Office equipment	10/27/2021	2/15/2027	2.7911 %	149,703	111,800	29,366
Mobile classroom facilities	8/15/2022	7/15/2025	3.2500 %	<u>89,752</u>	<u>63,249</u>	<u>29,826</u>
Total				<u>\$ 252,913</u>	<u>\$ 181,480</u>	<u>\$ 61,970</u>

The future annual debt service requirements on the outstanding leases as of June 30, 2023 were as follows:

	Principal	Interest	Total
2024	\$ 61,970	\$ 4,593	\$ 66,563
2025	63,913	2,651	66,564
2026	34,410	1,076	35,486
2027	<u>21,187</u>	<u>222</u>	<u>21,409</u>
Total	<u>\$ 181,480</u>	<u>\$ 8,542</u>	<u>\$ 190,022</u>

East Maine School District 63

Notes to Financial Statements

Note 6: Employee 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.

a. Teachers' Retirement System of the State of Illinois (TRS)

Plan Description

The District participates in the 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 non-annuitants 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/fy2022>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits Provided

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest consecutive 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 percent of final average salary up to a maximum of 75 percent with 34 years of service.

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

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

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

Public Act 100-0023, enacted in 2017, creates an optional Tier III 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, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum 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 will begin in 2019 and will be 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, 2022, was 9.0% of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer.

On-behalf contributions to TRS. The State of Illinois makes employer pension contributions on-behalf of the District. For the year ended June 30, 2023, State of Illinois contributions recognized by the District were based on the State's proportionate share of the pension expense associated with the District, and the District recognized revenue and expenses of \$15,892,696 in the governmental activities based on the economic resources measurement focus and revenues and expenditures of \$14,953,849 in the General Fund based on the current financial resources measurement focus.

2.2 formula contributions. The District contributes 0.58% of total creditable earnings for the 2.2 formula change. This rate is specified by statute. Contributions for the year ended June 30, 2023 were \$174,820, and are deferred because they were paid after the June 30, 2022 measurement date.

Federal and special trust fund contributions. When TRS members are paid from federal and special trust funds administered by the District, there is a statutory requirement for the District to pay an employer pension contribution from those funds. Under Public Act 100-0340, the federal and special trust fund contribution rate is the total employer normal cost beginning with the year ended June 30, 2018.

Previously, employer contributions for employees paid from federal and special trust funds were at the same rate as the state contribution rate to TRS and were much higher.

For the year ended June 30, 2023, the employer pension contribution was 10.49% of salaries paid from federal and special trust funds. For the year ended June 30, 2023, \$2,029,669 of salaries were paid from the federal and special trust funds and contributions for the year ended June 30, 2022 were \$212,912. These contributions are deferred because they were paid after the June 30, 2022 measurement date.

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The District is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2023, the District made payments of \$15,924 for salary increases over 6 percent, salary increases over 3 percent, or excess sick leave contributions in excess of the normal annual allotment.

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

At June 30, 2022, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for State pension support provided to the District. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 2,332,425
State's proportionate share of the net pension liability associated with the District	<u>202,322,453</u>
Total	<u>\$ 204,654,878</u>

The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2022. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2022, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2022, the employer's proportion was 0.00278%, which was a decrease of 0.00007% from its proportion measured as of June 30, 2021.

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

For the year ended June 30, 2023, the District recognized pension expense of \$15,849,420 and revenue of \$15,892,696 for support provided by the state. At June 30, 2023, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 4,688	\$ 12,860
Changes in assumptions	10,755	4,453
Net difference between projected and actual earnings in pension plan investments	2,134	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>25,189</u>	<u>389,204</u>
Total deferred amounts to be recognized in pension expense in future periods	42,766	406,517
District's contributions subsequent to the measurement date	<u>403,656</u>	<u>-</u>
Total	<u>\$ 446,422</u>	<u>\$ 406,517</u>

\$403,656 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (276,204)
2025	(41,805)
2026	(49,751)
2027	7,933
2028	<u>(3,924)</u>
Total	<u>\$ (363,751)</u>

Actuarial Assumptions

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

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

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

In the June 30, 2022 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for the TRS experience. The rates are based on a fully-generational basis using projection table MP-2020. In the June 30, 2021 actuarial valuation, mortality rates were also based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection table MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. equities large cap	16.3 %	5.7 %
U.S. equities small/mid cap	1.9 %	6.8 %
International equities developed	14.1 %	6.6 %
Emerging market equities	4.7 %	8.6 %
U.S. bonds core	6.9 %	1.2 %
Cash equivalents	1.2 %	(0.3)%
TIPS	0.5 %	0.3 %
International debt developed	1.2 %	6.6 %
Emerging international debt	3.7 %	3.8 %
Real estate	16.0 %	5.4 %
Private Debt	12.5 %	5.3 %
Hedge funds	4.0 %	3.5 %
Private Equity	15.0 %	10.0 %
Infrastructure	<u>2.0 %</u>	5.9 %
Total	<u>100.0 %</u>	

Discount Rate

At June 30, 2022, the discount rate used to measure the total pension liability was 7.0%, which was the same as the June 30, 2021 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and State contributions will be made at the current statutorily-required rates.

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

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

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net OPEB 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	\$ 2,852,577	\$ 2,332,425	\$ 1,901,098

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

b. Illinois Municipal Retirement Fund (IMRF)

Plan Description and Benefits

Plan description – The District's defined benefit pension plan for regular employees provides retirement and disability benefits, post-retirement increases, and death benefits to plan members and beneficiaries. The employer's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Benefits provided - IMRF has three benefit plans. The vast majority of IMRF members participate in the Regular Plan (RP). The Sheriff's Law Enforcement Personnel (SLEP) plan is for sheriffs, deputy sheriffs, and selected police chiefs. Counties could adopt the Elected County Official (ECO) plan for officials elected prior to August 8, 2011 (the ECO plan was closed to new participants after that date).

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

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

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

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

Annually, IMRF issues retirees an extra check for that year's cost of living increase.

Employees Covered by the Benefit Terms - At the December 31, 2022 valuation date, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	236
Inactive employees entitled to but not yet receiving benefits	383
Active employees	<u>160</u>
Total	<u><u>779</u></u>

Contributions - As set by statute, the employer's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The employer's annual contribution rate for calendar year 2022 was 8.11%. For the fiscal year ended June 30, 2023, the employer contributed \$597,281 to the plan. The employer also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability - The employer's Net Pension Liability was measured as of December 31, 2022, and the total pension liability used to calculate the Net Pension Liability was determined by an annual actuarial valuation as of that date.

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

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

Actuarial cost method	Entry Age Normal
Asset valuation method	5-year smoothed market; 20% corridor
Ammortization Method	Level Percent of Payroll, closed
Wage Growth	2.75%
Inflation	2.25%
Salary increases	2.85% 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. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.
Other information: Notes	There were no benefit changes during the year.

The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2021:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Equities	35.5 %	6.50 %
International equities	18.0 %	7.60 %
Fixed income	25.5 %	4.90 %
Real estate	10.5 %	6.20 %
Alternatives	9.5 %	6.25-9.90 %
Cash	1.0 %	4.00 %
Total	<u>100.0 %</u>	

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

Single Discount Rate

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

The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and

The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.05%, and the resulting single discount rate is 7.25%.

Sensitivity of the District's proportionate share of the net pension liability to changes in the discount rate - The following presents the plan's net pension liability, calculated using the single discount rate of 7.25 percent, as well as what the plan's net pension liability would be if it were calculated using a single discount rate that is 1% lower or 1% higher:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net pension liability/(asset)	\$ 7,025,726	\$ 3,188,734	\$ 114,547

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension Liability (A) - (B)
Balances at December 31, 2021	\$ <u>35,710,436</u>	\$ <u>40,083,145</u>	\$ <u>(4,372,709)</u>
Changes for the year:			
Service cost	630,863	-	630,863
Interest on the total Pension liability	2,541,668	-	2,541,668
Differences between expected and actual experience of the total Pension liability	37,922	-	37,922
Contributions - employer	-	597,281	
Contributions - employees	-	342,251	(342,251)
Net investment income	-	(4,995,408)	4,995,408
Benefit payments, including refunds of employee contributions	(1,936,764)	(1,936,764)	-
Other (net transfer)	-	(295,114)	295,114
Net changes	<u>1,273,689</u>	<u>(6,287,754)</u>	<u>7,561,443</u>
Balances at December 31, 2022	\$ <u>36,984,125</u>	\$ <u>33,795,391</u>	\$ <u>3,188,734</u>

Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions -

For year ended June 30, 2022, the District recognized pension expense of \$1,147,087. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ 17,160	\$ -
Net difference between projected and actual earnings on pension plan investments	<u>2,689,433</u>	<u>-</u>
Total deferred amounts to be recognized in OPEB expense in future periods	2,706,593	-
District's contributions subsequent to the measurement date	<u>263,100</u>	<u>-</u>
Total	<u>\$ 2,969,693</u>	<u>\$ -</u>

East Maine School District 63

Notes to Financial Statements

Note 6: Employee Retirement Systems (Continued)

\$263,100 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended Saturday, June 29, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30	Net Deferred Outflows (Inflows) of Resources
2024	\$ (195,861)
2025	437,399
2026	894,139
2027	<u>1,570,916</u>
Total	<u>\$ 2,706,593</u>

Note 7: Other Postemployment Benefits

a. Teacher Health Insurance Security (THIS)

Plan Description. The District participates in the THIS. The THIS is a cost-sharing, multiple-employer defined benefit post-employment healthcare plan (OPEB) that was established by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. THIS members are retirees of public schools who were certified educators or administrators. Eligibility is currently limited to former full-time employees, and others who were not full-time employees that meet certain requirements, and their dependents. The State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) (SEGIA) establishes the eligibility and benefit provisions of the plan.

The THIS issues a publicly available financial report that can be obtained at the website of the Illinois Auditor General: <https://www.auditor.illinois.gov/Audit-Report/ABC-List.asp>. The current reports are listed under "Central Management Services"; prior reports are available under "Healthcare and Family Services".

Benefits Provided

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 were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Amendments to the plan can be made only by legislative action with the Governor's approval. Effective July 1, 2012, in accordance with Executive Order 12-01, the plan is administered by the Illinois Department of Central Management Services (CMS) with the cooperation of TRS.

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

Contributions

The SEGIA requires that all active contributors to the TRS, who are not employees of a department, make contributions to the plan at a rate of 0.90% of salary and for every employer of a teacher to contribute an amount equal to 0.67% of each teacher's salary. Additionally, the SEGIA requires the State to match the employees' contribution on-behalf of the employer. The Department determines, by rule, the percentage required, which each year shall not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. In addition, under the State Pension Funds Continuing Appropriations Act (40 ILCS 15/1.3), there is appropriated, on a continuing annual basis, from the General Revenue Fund, an account of the General Fund, to the State Comptroller for deposit in the THIS, an amount equal to the amount certified by the Board of Trustees of TRS as the estimated total amount of contributions to be paid under 5 ILCS 376/6.6(a) in that fiscal year.

The SEGIA requires that the Department's Director determine the rates and premiums of annuitants and dependent beneficiaries and establish the cost-sharing parameters, as well as funding. Member premiums are set by this statute, which provides for a subsidy of either 50% or 75%, depending upon member benefit choices. Dependents are eligible for coverage, at a rate of 100% of the cost of coverage.

On-behalf contributions to THIS. The state of Illinois makes employer retiree health insurance contributions on behalf of the District. In the fund financial statements, the 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, 2023. In the government-wide financial statements, the State of Illinois contributions also include a proportional allocation of the State's OPEB expense (based on the portion of the District's share of the expense compared to all School Districts in aggregate). For the year ended June 30, 2022, the District recognized revenue and expenses of (\$4,188,936) in the governmental activities based on the economic resources measurement focus and revenues and expenditures in the amount of \$271,273 in the General Fund based on the current financial resources measurement focus for the State of Illinois contributions on behalf of the District.

Employer contributions to THIS Fund. The District also makes contributions to THIS Fund. The District THIS Fund contribution was 0.67% during the year ended June 30, 2023. For the year ended June 30, 2023, the District paid \$201,948 to the THIS Fund, which was 100 percent of the required contribution.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2023, the District's reported a liability for its proportionate share of the net OPEB liability. 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 net OPEB liability	\$ 7,063,476
State's proportionate share of the net OPEB liability associated with the District	<u>9,609,164</u>
Total	<u>\$ 16,672,640</u>

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

The net OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2020 and rolled forward to June 30, 2021. The District's proportion of the net OPEB liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2021, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2022, the District's proportion was 0.103196%, which was an increase of 0.004846% from its proportion measured as of June 30, 2021.

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

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 4,619,860
Changes in assumptions	6,372	17,423,715
Net difference between projected and actual earnings in OPEB plan investments	858	-
Changes in proportion and differences between District contributions and proportionate share of contributions	<u>2,861,645</u>	<u>907,706</u>
Total deferred amounts to be recognized in OPEB expense in future periods	2,868,875	22,951,281
District's contributions subsequent to the measurement date	<u>201,948</u>	<u>-</u>
Total	<u>\$ 3,070,823</u>	<u>\$ 22,951,281</u>

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

\$201,948 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	Net Deferred Inflows of Resources
2024	\$ (3,295,105)
2025	(3,075,282)
2026	(2,744,058)
2027	(2,656,851)
2028	(2,623,203)
Thereafter	(5,687,907)
Total	\$ <u>(20,082,406)</u>

Actuarial Valuation Method

The actuarial valuation was based on the Entry Age Normal cost method. Under this method, the normal cost and actuarial accrued liability are directly proportional to the employee's salary. The normal cost rate equals the present value of future benefits at entry age divided by the present value of future salary at entry age. The normal cost at the member's attained age equals the normal cost rate at entry age multiplied by the salary at attained age. The actuarial accrued liability equals the present value of benefits at attained age less present value of future salaries at attained age multiplied by normal cost rate at entry age.

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

Actuarial Assumptions.

The total OPEB liability was determined by an actuarial valuation as of June 30, 2022 using the following actuarial assumptions, applied to all periods included in the measurement date, unless otherwise specified:

Inflation	2.50%
Salary increases	Depends on service and ranges from 9.50% at 1 year of service to 4.00% at 20 or more years of service. Salary increase includes a 3.25% wage inflation assumption
Investment rate of return	0.00%, net of OPEB plan investment expense, including inflation, for all plan years
Healthcare cost trend rates	Trend for fiscal year 2022 based on expected increases used to develop average costs. For fiscal years after 2023, trend starts at 8.00% for non-Medicare costs and Medicare costs, and gradually decreases to an ultimate trend of 4.25%.

Mortality rates for retirement and beneficiary annuitants were based on the RP-2014 White Collar Annuitant Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the RP-Disabled Annuitant table. Mortality rates for pre-retirement were based on the RP-2014 White Collar Table. All tables reflect future mortality improvements using Projection Scale MP-2017.

The actuarial assumptions used in the June 30, 2019 valuation were based on the results of an actuarial experience study for the period July 1, 2014 through June 30, 2017.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.69% as of June 30, 2022, and 1.92% as of June 30, 2021. The increase in the single discount rate from 1.92% to 3.69% caused the total OPEB liability to decrease by approximately \$1,448 million from 2021 to 2022.

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

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

The following presents the District's proportionate share of the net OPEB liability calculated using the discount rate of 3.69%, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.69%) or 1-percentage-point higher (4.69%) than the current rate:

	1% Decrease 2.69%	Current Discount Rate 3.69%	1% Increase 4.69%
District's proportionate share of the net OPEB liability	\$ 7,850,111	\$ 7,063,476	\$ 6,255,245

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the District's net OPEB liability, calculated using the healthcare cost trend rate, as well as what the District's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage higher or lower.

	1% Decrease (a)	Healthcare Cost Trend Rate Assumptions	1% Increase (b)
District's proportionate share of the net OPEB liability	\$ 5,968,835	\$ 7,063,476	\$ 8,264,829

- a) Current healthcare trend rates - Pre-Medicare capita costs: 6.00% in 2023, 8.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2039. Post-Medicare per capita costs: 3.22% in 2023, 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 5.81% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2039.
- b) One percentage point decrease in current healthcare trend rates - Pre-Medicare per capita costs: 5.00% in 2023, 7.00% in 2024, decrease by 0.25% per year to an ultimate rate of 3.25% in 2039. Post-Medicare per capita costs: 2.22% in 2023, 0.00% from 2024 to 2028, 18.42% from 2029 to 2033, 4.81% in 2034 decreasing ratably to an ultimate rate of 3.25% in 2039.
- c) One percentage point increase in current healthcare trend rates - Pre-Medicare per capita costs: 7.00% in 2023, 9.00% in 2024, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2039. Post-Medicare per capita costs: 4.22% in 2023, 1.00% from 2024 to 2028, 20.42% from 2029 to 2033, 6.84% in 2034 decreasing ratably to an ultimate trend rate of 5.25% in 2039.

Defined Post-Employment Benefit Plan

The District administers a single-employer defined benefit healthcare plan ("the Plan"). The plan provides healthcare insurance for eligible retirees and their dependents through the District's group health insurance plan, which covers both active and retired members. Benefit provisions are established by state law. The Plan does

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

not issue a stand-alone financial report.

Eligibility - IMRF employees must meet the State requirements for eligibility.

Funding Policy

All plan funding is done on a pay-as-you go basis.

By allowing retirees to remain on the District's health coverage, there is an implicit rate subsidy to the retirees as they are paying lower rates for health insurance than they could get on the open market. Because of the implicit rate subsidy, the actual cost to the District's is indeterminable. However, it is estimated that for the fiscal year June 30, 2023, the District cost to the Plan was \$9,036.

Employees Covered by Benefit Terms

As of June 30, 2023, the following employees were covered by the benefit terms:

Total active employees	488
Inactive employees currently receiving benefit payments	1
Inactive employees entitled to but not yet receiving benefit payments	<u>-</u>
Total	<u><u>489</u></u>

Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2023. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of July 1, 2022.

Actuarial Assumptions

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

Actuarial cost method	Entry Age Normal Level % of Salary
Asset valuation method	N/A
Payroll increases	2.50%
Investment rate of return	N/A
Retirement, termination, disability, and mortality rates	Same as those used from IMRF 2017 Valuation
Healthcare cost trend rates	Actual trend used for fiscal year 2023. For fiscal years on and after 2024, trend starts at 5.50%, and gradually decreases to an ultimate trend of 5.00%.

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

Discount Rate

The District does not have a dedicated Trust to pay the benefits of the Plan. Per GASB 75, this discount rate is a yield or index rate for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or higher (or equivalent quality on another rating scale). The discount rate used is 3.65% which is the Bond Buyer 20-Bond GO Index as of June 30, 2023.

Changes in Net OPEB Liability

	Total OPEB Liability (A)	Plan Fiduciary Net Position (B)	Net OPEB Liability (A) - (B)
Balances at June 30, 2022	\$ <u>167,456</u>	\$ <u>-</u>	\$ <u>167,456</u>
Changes for the year:			
Service cost	14,704	-	14,704
Interest on the total OPEB liability	5,864	-	5,864
Differences between expected and actual experience of the total OPEB liability	(1,023)	-	(1,023)
Contributions - employer	-	3,594	3,594
Benefit payments, including refunds of employee contributions	<u>(3,594)</u>	<u>(3,594)</u>	<u>-</u>
Net changes	<u>15,951</u>	<u>-</u>	<u>15,951</u>
Balances at June 30, 2023	\$ <u>183,407</u>	\$ <u>-</u>	\$ <u>183,407</u>

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

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 3.65%, 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 (2.65%) or 1-percentage-point higher (4.65%) than the current rate:

	1% Decrease (2.65%)	Current Discount Rate (3.65%)	1% Increase (4.65%)
Total OPEB liability	\$ 192,813	\$ 183,407	\$ 174,286

East Maine School District 63

Notes to Financial Statements

Note 7: Other Postemployment Benefits (Continued)

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

	1% Decrease	Healthcare Cost Trend Rate Assumptions	1% Increase
Total OPEB liability	\$ 164,720	\$ 183,407	\$ 205,140

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2023, the District recognized OPEB expense of \$9,036. At June 30, 2023, the District reported \$9,831 deferred outflows of resources and \$114,203 deferred inflows of resources related to OPEB. The following represents the deferred outflows of resources related to OPEB:

	Deferred Outflows of Resources	Deferred Inflow of Resources
Difference between expected and actual experience	\$ -	\$ 75,768
Changes in assumptions	9,831	38,435
Total deferred amounts to be recognized in OPEB expense in future periods	9,831	114,203
Total	\$ 9,831	\$ 114,203

The total deferred outflows related to OPEB will be recognized in future years as follows:

Fiscal year end	Net Deferred Outflows (Inflows) of Resources
2024	\$ (11,530)
2025	(11,530)
2026	(11,530)
2027	(11,530)
2028	(11,530)
2029 - 2033	(46,722)
Total	\$ (104,372)

East Maine School District 63

Notes to Financial Statements

Note 8: 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 Collective Liability Insurance Cooperative (CLIC). The District pays annual premiums to the pool for insurance coverage. The arrangements with the pool provide that it will be self-sustaining through member premiums and with 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 continues to carry commercial insurance for all other risks of loss, including health insurance. Premiums have been recorded as expenditures in the appropriate funds. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

Note 9: 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 terms of the grants. Management believes such disallowance, if any, would be immaterial.

Note 10: Intergovernmental Receivables

At June 30, 2023, the District reports \$1,890,354 as intergovernmental receivables due from state and federal sources. The following table shows the receivables owed to the District by fund:

	Due from state	Due from federal
National school lunch program	\$ -	\$ 8,826
School breakfast program	-	949
Title I - low income	-	295,997
Title IVA - student support & academic enrichment	-	16,066
Federal special education - preschool flow-through	-	13,008
Federal special education - IDEA flow-through	-	324,230
Title III - Language instruction program (LIPLEP)	-	25,777
Title II - Teacher quality	-	50,930
Other federal programs	-	<u>1,154,571</u>
Total	<u>\$ -</u>	<u>\$ 1,890,354</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual General Fund

<i>Year Ended June 30, 2023</i>	General Fund		
	Original and Final Budget	Actual	Variance with Final Budget
Revenues			
Local sources	\$ 37,919,777	\$ 37,670,543	\$ (249,234)
State resources	19,626,031	23,930,484	4,304,453
Federal resources	<u>4,204,721</u>	<u>7,475,586</u>	<u>3,270,865</u>
Total revenues	<u>61,750,529</u>	<u>69,076,613</u>	<u>7,326,084</u>
Expenditures			
Current operating			
Instruction	40,098,259	45,852,443	(5,725,084)
Supporting services	19,212,475	22,174,834	(2,225,359)
Community services	706,660	810,921	(104,261)
Non-programmed charges	969,117	1,083,853	(114,736)
Capital Outlay	766,100	851,518	(85,418)
Provision for Contingencies	<u>150,000</u>	<u>-</u>	<u>150,000</u>
Total expenditures	<u>61,902,611</u>	<u>70,773,569</u>	<u>(8,870,958)</u>
Excess (deficiency) of revenue over expenditures	<u>(152,082)</u>	<u>(1,696,956)</u>	<u>(1,544,874)</u>
Other Financing Sources (Uses)			
Transfers in	182,670	2,344,747	2,162,077
Transfers out	(171,110)	(4,198,464)	(4,027,354)
Proceeds from bond issuance	-	3,200,849	3,200,849
Lease proceeds	<u>-</u>	<u>89,752</u>	<u>89,752</u>
Total other financing sources (uses)	<u>11,560</u>	<u>1,436,884</u>	<u>1,425,324</u>
Net change in fund balances	<u>\$ (140,522)</u>	(260,072)	<u>\$ (119,550)</u>
Fund balance at beginning of year		<u>50,239,184</u>	
Fund balances at end of year		<u>\$ 49,979,112</u>	

East Maine School District 63

Notes to Required Supplementary Information

Budgetary Data

Annual budgets for all Governmental Funds are adopted on the modified accrual basis, consistent with generally accepted accounting principles (GAAP) for local governments.

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

- 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.
- Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
- Prior to October 1 the budget is legally adopted through passage of a resolution. On or before the last Tuesday in December, a tax levy ordinance is filed with the County Clerk to obtain tax revenues.
- The Superintendent is authorized to transfer up to 10% of the total budget between departments within any fund without Board of Education approval; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education following the public hearing process mandated by law. The budget, which was not amended, was adopted on September 8, 2022.
- Formal budgetary integration is employed as a management control device during the year for all Governmental Funds.
- The District has adopted a legal budget for all its Governmental Funds. The legal level of budgetary control is at the individual fund level, therefore, actual expenditures for the governmental funds may not legally exceed the total budgeted for such funds. However, under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures.
- The budget lapses at the end of each fiscal year.

Excess of Expenditures over Budgets in Individual Funds

Expenditures exceeded the budgeted amount in the following funds:

Fiscal Year	Budget	Actual	Excess
General Fund - Educational Account	\$ 56,262,747	\$ 63,614,228	\$ 7,351,481
General Fund - Operations and Maintenance Account	5,120,482	6,658,597	1,538,115
Debt Service Fund	4,344,880	4,505,067	160,187
Capital Projects Fund	1,000,000	1,773,017	773,017
Municipal Retirement/Social Security Fund	1,525,900	1,585,103	59,203

The expenditure variances was sufficiently absorbed by surpluses that existed at the beginning of the fiscal year and were approved by the Board of Education. Under the State Budget Act expenditures may exceed the budget if additional resources are available to finance such expenditures. The Educational Account excess was due to no amounts budgeted for on-behalf payments.

East Maine School District 63
Schedule of Changes in the Employer's Net Pension Liability
and Related Ratios
Illinois Municipal Retirement Fund
Last Nine Calendar Years

	2022	2021	2020	2019
Total Pension Liability				
Service cost	\$ 630,863	\$ 567,658	\$ 667,247	\$ 647,737
Interest	2,541,668	2,412,586	2,430,528	2,342,180
Differences between expected and actual experience	37,922	744,695	(1,024,380)	116,095
Changes of assumption	-	-	(336,777)	-
Benefit payments, including refunds of member contributions	<u>(1,936,764)</u>	<u>(2,015,431)</u>	<u>(1,853,187)</u>	<u>(1,941,157)</u>
Net change in total pension liability	1,273,689	1,709,508	(116,569)	1,164,855
Total pension liability, beginning	<u>35,710,436</u>	<u>34,000,928</u>	<u>34,117,497</u>	<u>32,952,642</u>
Total pension liability - ending	<u>\$ 36,984,125</u>	<u>\$ 35,710,436</u>	<u>\$ 34,000,928</u>	<u>\$ 34,117,497</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 597,281	\$ 685,036	\$ 644,916	\$ 584,188
Contributions - member	342,251	298,205	279,050	298,285
Net investment income	(4,995,408)	5,893,256	4,547,335	5,239,034
Benefit payments, including refunds of member contributions	(1,936,764)	(2,015,431)	(1,853,187)	(1,941,157)
Administrative expense	<u>(295,114)</u>	<u>188,099</u>	<u>(542,567)</u>	<u>(314,580)</u>
Net change in plan fiduciary net position	(6,287,754)	5,049,165	3,075,547	3,865,770
Plan net position, beginning	<u>40,083,145</u>	<u>35,033,980</u>	<u>31,958,433</u>	<u>28,092,663</u>
Plan net position, ending	<u>\$ 33,795,391</u>	<u>\$ 40,083,145</u>	<u>\$ 35,033,980</u>	<u>\$ 31,958,433</u>
Employer's net pension liability (asset)	<u>\$ 3,188,734</u>	<u>\$ (4,372,709)</u>	<u>\$ (1,033,052)</u>	<u>\$ 2,159,064</u>
Plan fiduciary net position as a percentage of the total pension liability	91.38 %	112.24 %	103.04 %	93.67 %
Covered payroll	\$ 7,363,645	\$ 6,455,964	\$ 6,201,092	\$ 6,599,732
Employer's net pension liability as a percentage of covered payroll	43.30 %	(67.73)%	(16.66)%	32.71 %

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to calendar year 2015 is not available.

2018	2017	2016	2015	2014
\$ 642,078	\$ 683,390	\$ 643,325	\$ 629,083	\$ 644,919
2,276,388	2,245,397	2,130,648	2,006,407	1,831,701
21,962	134,787	287,237	462,269	80,061
811,783	(978,000)	(65,667)	31,203	1,139,217
<u>(1,660,748)</u>	<u>(1,642,659)</u>	<u>(1,480,425)</u>	<u>(1,398,178)</u>	<u>(1,247,503)</u>
2,091,463	442,915	1,515,118	1,730,784	2,448,395
<u>30,861,179</u>	<u>30,418,264</u>	<u>28,903,146</u>	<u>27,172,362</u>	<u>24,723,967</u>
<u>\$ 32,952,642</u>	<u>\$ 30,861,179</u>	<u>\$ 30,418,264</u>	<u>\$ 28,903,146</u>	<u>\$ 27,172,362</u>
\$ 681,080	\$ 691,201	\$ 673,535	\$ 645,382	\$ 632,793
320,257	299,659	307,274	272,013	257,559
(1,622,696)	4,677,120	1,750,194	125,811	1,489,036
(1,660,748)	(1,642,659)	(1,480,425)	(1,398,178)	(1,247,503)
<u>407,909</u>	<u>(699,983)</u>	<u>66,839</u>	<u>276,493</u>	<u>(318,304)</u>
(1,874,198)	3,325,338	1,317,417	(78,479)	813,581
<u>29,966,861</u>	<u>26,641,523</u>	<u>25,324,106</u>	<u>25,402,585</u>	<u>24,589,004</u>
<u>\$ 28,092,663</u>	<u>\$ 29,966,861</u>	<u>\$ 26,641,523</u>	<u>\$ 25,324,106</u>	<u>\$ 25,402,585</u>
<u>\$ 4,859,979</u>	<u>\$ 894,318</u>	<u>\$ 3,776,741</u>	<u>\$ 3,579,040</u>	<u>\$ 1,769,777</u>
85.25 %	97.10 %	87.58 %	87.62 %	93.49 %
\$ 6,498,859	\$ 6,462,123	\$ 6,166,329	\$ 5,834,491	\$ 5,503,952
74.78 %	13.84 %	61.25 %	61.34 %	32.15 %

East Maine School District 63

Schedule of Employer Contributions Illinois Municipal Retirement Fund

Last Nine Calendar Years

Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 597,192	\$ 597,281	\$ (89)	\$ 7,363,645	8.11 %
2021	664,964	685,036	(20,072)	6,455,964	10.61 %
2020	635,612	644,916	(9,304)	6,201,092	10.40 %
2019	584,076	584,188	(112)	6,599,732	8.85 %
2018	681,080	681,080	-	6,498,859	10.48 %
2017	682,400	691,201	(8,801)	6,462,123	10.70 %
2016	672,130	673,535	(1,405)	6,166,329	10.92 %
2015	612,038	645,382	(33,344)	5,834,491	11.06 %
2014	614,791	632,793	(18,002)	5,503,952	11.50 %

Notes to Schedule

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

Methods and assumptions used to determine contribution rate

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percent of payroll, closed
Remaining amortization period	Non Taxing Bodies: 10-year closed period.
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.85% 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. Last updated for the 2020 valuation pursuant to an experience study of the period 2017 - 2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

The District implemented GASB Statement No. 68 in fiscal year 2015.

Information prior to fiscal year 2015 is not available.

East Maine School District 63
Schedule of the District's Proportionate Share of the
Net Pension Liability
Teacher's Retirement System

Last Nine Fiscal Years

	2023*	2022*	2021*	2020*
District's proportion of the net pension liability	0.00278 %	0.00285 %	0.00297 %	0.00290 %
District's proportion share of the net pension liability	\$ 2,332,425	\$ 2,220,515	\$ 2,563,604	\$ 2,354,109
State's proportionate share of the net pension liability associated with the District	<u>202,322,453</u>	<u>186,102,796</u>	<u>200,794,815</u>	<u>167,539,380</u>
Total	<u>\$ 204,654,878</u>	<u>\$ 188,323,311</u>	<u>\$ 203,358,419</u>	<u>\$ 169,893,489</u>
District's covered payroll	\$ 28,396,361	\$ 25,527,713	\$ 24,779,357	\$ 23,010,206
District's proportionate share of the net pension liability as a percentage of covered payroll	8.21 %	8.70 %	10.35 %	10.23 %
Plan fiduciary net position as a percentage of the total pension liability	42.80 %	45.10 %	37.80 %	39.60 %

Notes to Schedule

Changes of assumptions

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated Sept. 30, 2021.

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

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

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

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to calendar year 2015 is not available.

2019*	2018*	2017*	2016*	2015*
0.00320 %	0.00677 %	0.00674 %	0.00743 %	0.00653 %
\$ 2,493,546	\$ 5,171,941	\$ 5,321,818	\$ 4,867,782	\$ 3,971,559
<u>170,818,379</u>	<u>167,584,303</u>	<u>173,705,619</u>	<u>161,731,958</u>	<u>49,534,469</u>
<u>\$ 173,311,925</u>	<u>\$ 172,756,244</u>	<u>\$ 179,027,437</u>	<u>\$ 166,599,740</u>	<u>\$ 53,506,028</u>
\$ 22,711,190	\$ 22,555,463	\$ 21,800,930	\$ 21,902,217	\$ 21,264,288
10.98 %	22.93 %	24.41 %	22.23 %	18.68 %
40.00 %	39.30 %	36.40 %	41.50 %	43.00 %

East Maine School District 63
Schedule of Employer Contributions
Teachers' Retirement System
 Last Nine Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 403,656	\$ 403,656	\$ -	\$ 30,141,439	1.34 %
2022	385,005	385,005	-	28,396,361	1.36 %
2021	221,702	221,702	-	25,527,713	0.87 %
2020	199,998	199,998	-	24,779,357	0.81 %
2019	181,163	181,163	-	23,010,206	0.79 %
2018	160,336	160,336	-	22,711,190	0.71 %
2017	288,959	288,959	-	22,555,463	1.28 %
2016	267,350	267,350	-	21,800,930	1.23 %
2015	262,076	262,076	-	21,902,217	1.20 %

The District implemented GASB Statement No. 68 in fiscal year 2015. Information prior to calendar year 2014 is not available.

East Maine School District 63
 Schedule of the District's Proportionate Share of the
 Net OPEB Liability
 Teachers' Health Insurance Security Fund

Last Six Fiscal Years

	2023*	2022*	2021*	2020*
District's proportion of the net OPEB liability	0.103196 %	0.098350 %	0.098735 %	0.092375 %
District's proportion share of the net OPEB liability	\$ 7,063,476	\$ 21,691,447	\$ 26,397,610	\$ 25,567,172
State's proportionate share of the net OPEB liability associated with the District	<u>9,609,164</u>	<u>29,410,436</u>	<u>35,761,572</u>	<u>34,621,212</u>
	<u>\$ 16,672,640</u>	<u>\$ 51,101,883</u>	<u>\$ 62,159,182</u>	<u>\$ 60,188,384</u>
District's covered payroll	\$ 28,396,361	\$ 25,527,713	\$ 24,779,357	\$ 23,010,206
District's proportionate share of the net OPEB liability as a percentage of covered payroll	24.87 %	84.97 %	106.53 %	111.11 %
Plan fiduciary net position as a percentage of the total OPEB liability	5.24 %	1.40 %	0.70 %	(0.22)%

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

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

<u>2019*</u>	<u>2018*</u>
0.096741 %	0.098056 %
\$ 25,487,355	\$ 25,445,170
<u>34,223,894</u>	<u>33,415,831</u>
<u>\$ 59,711,249</u>	<u>\$ 58,861,001</u>
\$ 22,711,190	\$ 22,555,463
112.22 %	112.81 %
(0.07)%	(0.17)%

East Maine School District 63
Schedule of Employer Contributions
Teachers' Health Insurance Security Fund
 Last Six Fiscal Years

Fiscal Year	Contractually Required Contribution	Contributions in Relation to Contractually Required Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2023	\$ 201,948	\$ 201,948	\$ -	\$ 30,141,439	0.67 %
2022	190,256	190,256	-	28,396,361	0.67 %
2021	234,855	234,855	-	25,527,713	0.92 %
2020	227,970	227,970	-	24,779,357	0.92 %
2019	211,694	211,694	-	23,010,206	0.92 %
2018	199,858	199,858	-	22,711,190	0.88 %

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

East Maine School District 63

Schedule of Changes in the Employer's Net OPEB Liability and Related Ratios Other Post-Employment Benefits

Last Six Fiscal Years

	2023	2022	2021	2020
Total OPEB Liability				
Service cost	\$ 14,704	\$ 20,296	\$ 19,720	\$ 13,509
Interest	5,864	5,087	4,888	9,077
Differences between expected and actual experience	-	(42,030)	-	(62,846)
Changes of assumption	(1,023)	(45,074)	872	8,283
Benefit payments, including refunds of member contributions	<u>(3,594)</u>	<u>(12,684)</u>	<u>(9,608)</u>	<u>(9,608)</u>
Net change in total OPEB liability	15,951	(74,405)	15,872	(41,585)
Total OPEB liability, beginning	<u>167,456</u>	<u>241,861</u>	<u>225,989</u>	<u>267,574</u>
Total OPEB liability - ending	<u>\$ 183,407</u>	<u>\$ 167,456</u>	<u>\$ 241,861</u>	<u>\$ 225,989</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 3,594	\$ 12,684	\$ 9,608	\$ 9,608
Benefit payments, including refunds of member contributions	<u>(3,594)</u>	<u>(12,684)</u>	<u>(9,608)</u>	<u>(9,608)</u>
Net change in plan fiduciary net position	-	-	-	-
Plan net position, beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Plan net position, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Employer's net pension liability (asset)	\$ 183,407	\$ 167,456	\$ 241,861	\$ 225,989
Plan fiduciary net position as a percentage of the total pension liability	0.00 %	0.00 %	0.00 %	0.00 %
Covered payroll	\$ 38,352,430	\$ 36,062,406	\$ 31,665,997	\$ 31,163,307
Employer's net pension liability as a percentage of covered payroll	0.48 %	0.46 %	0.76 %	0.73 %

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available.

There is no Schedule of Contributions as there is no actuarially determined contribution (ADC) or employer contribution in relation to the ADC as there is no Trust that exists for funding the OPEB liabilities.

* The amounts presented have a measurement date of the previous fiscal year end.

	<u>2019</u>		<u>2018</u>
\$	15,801	\$	15,212
	9,489		9,174
	-		-
	6,730		-
	<u>(19,269)</u>		<u>(13,238)</u>
	12,751		11,148
	<u>254,823</u>		<u>243,675</u>
<u>\$</u>	<u>267,574</u>	<u>\$</u>	<u>254,823</u>
\$	19,269	\$	13,238
	<u>(19,269)</u>		<u>(13,238)</u>
	-		-
	-		-
<u>\$</u>	<u>-</u>	<u>\$</u>	<u>-</u>
\$	267,574	\$	254,823
	0.00 %		0.00 %
\$	30,040,920	\$	29,874,453
	0.89 %		0.85 %

East Maine School District 63

Combining Balance Sheet by Account

General Fund

<i>June 30, 2023</i>	Educational	Operations & Maintenance Account	Working Cash	Tort Immunity	Total
Assets					
Cash and investments	\$ 39,680,228	\$ 4,864,597	\$ 6,758,571	\$ 705,256	\$ 52,008,652
Receivables					
Taxes receivable	15,368,419	2,604,083	26,041	286,449	18,284,992
Due from other governments	<u>1,890,354</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,890,354</u>
Total assets	<u>\$ 56,939,001</u>	<u>\$ 7,468,680</u>	<u>\$ 6,784,612</u>	<u>\$ 991,705</u>	<u>\$ 72,183,998</u>
Liabilities, Deferred Inflows, and Fund Balance					
Accounts payable	\$ 438,282	\$ 72,542	\$ -	\$ 8,031	\$ 518,855
Accrued salaries and related expenditures	<u>3,391,071</u>	<u>9,968</u>	<u>-</u>	<u>-</u>	<u>3,401,039</u>
Total liabilities	<u>3,829,353</u>	<u>82,510</u>	<u>-</u>	<u>8,031</u>	<u>3,919,894</u>
Deferred inflow of resources					
Unavailable property taxes	<u>15,368,419</u>	<u>2,604,083</u>	<u>26,041</u>	<u>286,449</u>	<u>18,284,992</u>
Total deferred inflow of resources	<u>15,368,419</u>	<u>2,604,083</u>	<u>26,041</u>	<u>286,449</u>	<u>18,284,992</u>
Fund balances					
Restricted					
Tort immunity	-	-	-	697,225	697,225
Unassigned	<u>37,741,229</u>	<u>4,782,087</u>	<u>6,758,571</u>	<u>-</u>	<u>49,281,887</u>
Total fund balances	<u>37,741,229</u>	<u>4,782,087</u>	<u>6,758,571</u>	<u>697,225</u>	<u>49,979,112</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 56,939,001</u>	<u>\$ 7,468,680</u>	<u>\$ 6,784,612</u>	<u>\$ 991,705</u>	<u>\$ 72,183,998</u>

East Maine School District 63
Combining Schedule of Revenues, Expenditures and
Changes In Fund Balance by Account
General Fund

<i>Year Ended June 30, 2023</i>	Educational	Operations and Maintenance	Working Cash	Tort Immunity	Total
Revenues					
Property taxes	\$ 28,660,048	\$ 4,723,161	\$ 49,124	\$ 516,708	\$ 33,949,041
Other local sources	3,565,963	62,563	84,233	8,743	3,721,502
State sources	23,930,484	-	-	-	23,930,484
Federal sources	<u>6,339,394</u>	<u>1,136,192</u>	<u>-</u>	<u>-</u>	<u>7,475,586</u>
Total revenues	<u>62,495,889</u>	<u>5,921,916</u>	<u>133,357</u>	<u>525,451</u>	<u>69,076,613</u>
Expenditures					
Instruction	45,852,443	-	-	-	45,852,443
Supporting services	15,717,565	5,956,525	-	500,744	22,174,834
Community services	810,921	-	-	-	810,921
Non-programmed charges	1,083,853	-	-	-	1,083,853
Capital outlay	<u>149,446</u>	<u>702,072</u>	<u>-</u>	<u>-</u>	<u>851,518</u>
Total expenses	<u>63,614,228</u>	<u>6,658,597</u>	<u>-</u>	<u>500,744</u>	<u>70,773,569</u>
Excess (deficiency) of revenue over (under) expenditures	<u>(1,118,339)</u>	<u>(736,681)</u>	<u>133,357</u>	<u>24,707</u>	<u>(1,696,956)</u>
Other financing sources (uses)					
Transfers in	344,747	2,000,000	-	-	2,344,747
Transfers out	-	(2,079,240)	(2,119,224)	-	(4,198,464)
Proceeds from bond issuance	-	-	3,200,849	-	3,200,849
Lease proceeds	<u>-</u>	<u>89,752</u>	<u>-</u>	<u>-</u>	<u>89,752</u>
Total other financing sources (uses)	<u>344,747</u>	<u>10,512</u>	<u>1,081,625</u>	<u>-</u>	<u>1,436,884</u>
Net change in fund balance	(773,592)	(726,169)	1,214,982	24,707	(260,072)
Fund balance, beginning of year	<u>38,514,821</u>	<u>5,508,256</u>	<u>5,543,589</u>	<u>672,518</u>	<u>50,239,184</u>
Fund balances, end of year	<u>\$ 37,741,229</u>	<u>\$ 4,782,087</u>	<u>\$ 6,758,571</u>	<u>\$ 697,225</u>	<u>\$ 49,979,112</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 29,103,503	\$ 28,660,048	\$ (443,455)	\$ 28,327,592
Corporate personal property replacement taxes	2,047,042	2,112,005	64,963	1,864,046
Tuition	-	-	-	20
Earnings on investments	448,984	237,173	(211,811)	(1,544,230)
Food services	60,000	244,198	184,198	51,460
Donation from private source	3,000	30,000	30,000	-
Pupil textbooks	100,256	83,304	(16,952)	90,125
Pupil activities	137,850	250,444	112,594	215,046
Refund of Prior Years' Expenditures	-	772	772	-
Other	<u>442,000</u>	<u>608,067</u>	<u>163,067</u>	<u>502,251</u>
Total local sources	<u>32,342,635</u>	<u>32,226,011</u>	<u>(116,624)</u>	<u>29,506,310</u>
State sources				
Unrestricted				
Evidence based funding formula	8,023,421	8,023,421	-	7,706,116
Restricted				
Special education	140,000	140,529	529	102,708
Student lunch aid	6,000	3,875	(2,125)	22,596
Prekindergarten program for at risk students	406,610	387,404	(19,206)	404,180
On behalf payments - State of Illinois	11,000,000	15,225,122	4,225,122	14,510,102
Other grants-in-aid	<u>50,000</u>	<u>150,133</u>	<u>100,133</u>	<u>105,143</u>
Total state sources	<u>19,626,031</u>	<u>23,930,484</u>	<u>4,304,453</u>	<u>22,850,845</u>
Federal sources				
Restricted				
School lunch programs	605,937	813,003	207,066	1,144,288
Title I	845,852	800,659	(45,193)	873,806
Title IV	55,630	33,930	(21,700)	36,274
Education for handicapped	762,427	1,284,058	521,631	758,850
Title III	141,600	186,638	45,038	123,644
Title II	121,078	129,301	8,223	178,881
Medicaid matching administrative outreach	200,000	200,416	416	185,565
Medicaid matching - fee-for-service	200,000	289,001	89,001	206,210
Other	<u>1,272,197</u>	<u>2,602,388</u>	<u>1,330,191</u>	<u>2,689,373</u>
Total federal sources	<u>4,204,721</u>	<u>6,339,394</u>	<u>2,134,673</u>	<u>6,196,891</u>
Total revenues	<u>56,173,387</u>	<u>62,495,889</u>	<u>6,322,502</u>	<u>58,554,046</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Expenditures				
Current operating				
Instruction				
Regular programs				
Salaries	\$ 15,052,833	\$ 14,864,182	\$ 188,651	\$ 14,590,504
Employee benefits	1,615,715	1,882,140	(266,425)	1,677,204
Purchased services	298,667	458,801	(160,134)	378,011
Supplies and materials	928,104	1,463,201	(535,097)	1,162,001
Capital outlay	29,100	32,240	(3,140)	19,439
Other objects	3,500	-	3,500	1,127
Non-capitalized equipment	102,250	141,895	(39,645)	438,585
On behalf payments - State of Illinois	<u>11,000,000</u>	<u>15,225,122</u>	<u>(4,225,122)</u>	<u>14,510,102</u>
Total	<u>29,030,169</u>	<u>34,067,581</u>	<u>(5,037,412)</u>	<u>32,776,973</u>
Pre-K programs				
Salaries	516,698	478,395	38,303	490,575
Employee benefits	58,428	49,330	9,098	47,777
Purchased services	3,000	700	2,300	850
Supplies and materials	<u>41,389</u>	<u>75,280</u>	<u>(33,891)</u>	<u>72,451</u>
Total	<u>619,515</u>	<u>603,705</u>	<u>15,810</u>	<u>611,653</u>
Special education programs				
Salaries	4,157,188	4,906,356	(749,168)	4,171,038
Employee benefits	523,129	600,139	(77,010)	494,726
Purchased services	58,365	140,456	(82,091)	57,388
Supplies and materials	<u>96,041</u>	<u>144,463</u>	<u>(48,422)</u>	<u>120,287</u>
Total	<u>4,834,723</u>	<u>5,791,414</u>	<u>(956,691)</u>	<u>4,843,439</u>
Special education Pre-K programs				
Salaries	826,431	816,472	9,959	874,564
Employee benefits	188,811	155,694	33,117	171,466
Purchased services	<u>-</u>	<u>2,634</u>	<u>(2,634)</u>	<u>-</u>
Total	<u>1,015,242</u>	<u>974,800</u>	<u>40,442</u>	<u>1,046,030</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Remedial and supplemental programs K-12				
Salaries	\$ 741,620	\$ 637,745	\$ 103,875	\$ 652,267
Employee benefits	83,636	54,240	29,396	49,110
Purchased services	13,835	5,629	8,206	5,816
Supplies and materials	98,251	89,063	9,188	195,913
Non-capitalized equipment	<u>53,301</u>	<u>38,698</u>	<u>14,603</u>	<u>195,194</u>
Total	<u>990,643</u>	<u>825,375</u>	<u>165,268</u>	<u>1,098,300</u>
Interscholastic programs				
Salaries	222,426	219,853	2,573	197,990
Employee benefits	-	2,374	(2,374)	2,189
Purchased services	12,200	8,063	4,137	5,361
Supplies and materials	15,814	11,424	4,390	13,512
Other objects	3,100	1,210	1,890	550
Non-capitalized equipment	<u>16,571</u>	<u>598</u>	<u>15,973</u>	<u>49</u>
Total	<u>270,111</u>	<u>243,522</u>	<u>26,589</u>	<u>219,651</u>
Summer school programs				
Salaries	-	14,998	(14,998)	9,246
Employee benefits	-	344	(344)	549
Purchased services	2,500	14,734	(12,234)	1,002
Supplies and materials	<u>4,000</u>	<u>3,742</u>	<u>258</u>	<u>3,039</u>
Total	<u>6,500</u>	<u>33,818</u>	<u>(27,318)</u>	<u>13,836</u>
Bilingual programs				
Salaries	2,356,509	2,310,535	45,974	2,120,968
Employee benefits	294,376	235,964	58,412	218,016
Purchased services	29,529	19,586	9,943	20,425
Supplies and materials	64,742	42,752	21,990	34,547
Other objects	<u>300</u>	<u>-</u>	<u>300</u>	<u>-</u>
Total	<u>2,745,456</u>	<u>2,608,837</u>	<u>136,619</u>	<u>2,393,956</u>
Special education K-12-private tuition				
Other	615,000	646,871	(31,871)	427,396
Student Activity Expenditures	<u>-</u>	<u>88,760</u>	<u>(88,760)</u>	<u>70,878</u>
Total	<u>615,000</u>	<u>735,631</u>	<u>(120,631)</u>	<u>498,274</u>
Total instruction	<u>40,127,359</u>	<u>45,884,683</u>	<u>(5,757,324)</u>	<u>43,502,112</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Support services				
Pupils				
Attendance and social work				
Salaries	\$ 815,036	\$ 889,340	\$ (74,304)	\$ 803,885
Employee benefits	79,593	88,501	(8,908)	72,772
Purchased services	<u>52,564</u>	<u>113,433</u>	<u>(60,869)</u>	<u>78,530</u>
Total	<u>947,193</u>	<u>1,091,274</u>	<u>(144,081)</u>	<u>955,187</u>
Health services				
Salaries	1,565,986	1,389,442	176,544	1,345,968
Employee benefits	170,769	152,831	17,938	135,760
Purchased services	11,268	196,737	(185,469)	20,761
Supplies and materials	12,423	16,810	(4,387)	18,173
Non-capitalized equipment	<u>14,129</u>	<u>-</u>	<u>14,129</u>	<u>-</u>
Total	<u>1,774,575</u>	<u>1,755,820</u>	<u>18,755</u>	<u>1,520,662</u>
Psychological services				
Salaries	771,310	779,198	(7,888)	742,645
Employee benefits	78,127	77,572	555	71,065
Purchased services	3,600	41,925	(38,325)	2,800
Supplies and materials	6,461	4,523	1,938	9,713
Other objects	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,000</u>
Total	<u>859,498</u>	<u>903,218</u>	<u>(43,720)</u>	<u>828,223</u>
Speech pathology and audiology services				
Salaries	936,865	908,415	28,450	862,273
Employee benefits	137,159	114,946	22,213	99,756
Purchased services	12,532	51,772	(39,240)	180
Supplies and materials	<u>4,415</u>	<u>6,224</u>	<u>(1,809)</u>	<u>4,650</u>
Total	<u>1,090,971</u>	<u>1,081,357</u>	<u>9,614</u>	<u>966,859</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual (Continued)

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Other support services				
Salaries	\$ 960,408	\$ 770,054	\$ 190,354	\$ 944,022
Employee benefits	38,709	30,307	8,402	35,388
Purchased services	-	12,221	(12,221)	13,113
Supplies and materials	-	4,640	(4,640)	5,582
Total	<u>999,117</u>	<u>817,222</u>	<u>181,895</u>	<u>998,105</u>
Total pupils	<u>5,671,354</u>	<u>5,648,891</u>	<u>22,463</u>	<u>5,269,036</u>
Instructional staff				
Improvement of instruction services				
Salaries	1,231,518	1,898,098	(666,580)	1,541,757
Employee benefits	122,779	312,818	(190,039)	220,254
Purchased services	336,901	497,529	(160,628)	311,233
Supplies and materials	67,848	55,197	12,651	47,674
Capital outlay	-	8,069	(8,069)	13,801
Other objects	4,299	31,146	(26,847)	7,132
Non-capitalized equipment	4,000	-	4,000	-
Total	<u>1,767,345</u>	<u>2,802,857</u>	<u>(1,035,512)</u>	<u>2,141,851</u>
Educational media services				
Salaries	758,813	799,788	(40,975)	763,265
Employee benefits	73,368	90,273	(16,905)	72,557
Purchased services	1,300	1,260	40	-
Supplies and materials	34,050	27,078	6,972	24,720
Other objects	300	-	300	-
Total	<u>867,831</u>	<u>918,399</u>	<u>(50,568)</u>	<u>860,542</u>
Assessment and training				
Salaries	8,913	-	8,913	-
Employee benefits	1,783	-	1,783	-
Purchased services	81,638	71,355	10,283	71,540
Supplies and materials	17,885	6,451	11,434	6,114
Total	<u>110,219</u>	<u>77,806</u>	<u>32,413</u>	<u>77,654</u>
Total instructional staff	<u>2,745,395</u>	<u>3,799,062</u>	<u>(1,053,667)</u>	<u>3,080,047</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
General administration				
Board of education				
Purchased services	\$ 28,500	\$ 34,778	\$ (6,278)	\$ 39,597
Supplies and materials	3,500	2,466	1,034	4,078
Other objects	<u>16,000</u>	<u>11,584</u>	<u>4,416</u>	<u>11,719</u>
Total	<u>48,000</u>	<u>48,828</u>	<u>(828)</u>	<u>55,394</u>
Executive administration				
Salaries	291,683	326,415	(34,732)	342,969
Employee benefits	64,887	63,050	1,837	71,802
Purchased services	61,500	87,985	(26,485)	59,389
Supplies and materials	4,800	8,713	(3,913)	7,581
Other objects	<u>2,000</u>	<u>4,091</u>	<u>(2,091)</u>	<u>3,016</u>
Total	<u>424,870</u>	<u>490,254</u>	<u>(65,384)</u>	<u>484,757</u>
Special area administrative services				
Salaries	201,103	380,228	(179,125)	248,297
Employee benefits	121,296	79,967	41,329	61,993
Purchased services	-	-	-	949
Supplies and materials	<u>222</u>	<u>240</u>	<u>(18)</u>	<u>112</u>
Total	<u>322,621</u>	<u>460,435</u>	<u>(137,814)</u>	<u>311,351</u>
Total general administration	<u>795,491</u>	<u>999,517</u>	<u>(204,026)</u>	<u>851,502</u>
School administration				
Office of the principal				
Salaries	1,707,175	1,717,565	(10,390)	1,559,389
Employee benefits	545,051	532,718	12,333	494,043
Purchased services	4,000	3,209	791	1,786
Supplies and materials	-	365	(365)	551
Other objects	<u>7,214</u>	<u>1,168</u>	<u>6,046</u>	<u>1,124</u>
Total	<u>2,263,440</u>	<u>2,255,025</u>	<u>8,415</u>	<u>2,056,893</u>
Total school administration	<u>2,263,440</u>	<u>2,255,025</u>	<u>8,415</u>	<u>2,056,893</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual (Continued)

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Business				
Direction of business support services				
Salaries	\$ 236,824	\$ 233,192	\$ 3,632	\$ 230,367
Employee benefits	35,988	37,541	(1,553)	34,714
Purchased services	<u>4,000</u>	<u>4,300</u>	<u>(300)</u>	<u>1,484</u>
Total	<u>276,812</u>	<u>275,033</u>	<u>1,779</u>	<u>266,565</u>
Fiscal services				
Salaries	203,103	205,784	(2,681)	195,997
Employee benefits	33,060	28,216	4,844	30,001
Purchased services	218,250	170,880	47,370	129,933
Supplies and materials	4,800	10,366	(5,566)	2,828
Capital outlay	75,000	-	75,000	-
Other objects	2,000	2,450	(450)	2,615
Non-capitalized equipment	<u>1,000</u>	<u>-</u>	<u>1,000</u>	<u>-</u>
Total	<u>537,213</u>	<u>417,696</u>	<u>119,517</u>	<u>361,374</u>
Pupil transportation services				
Salaries	5,942	-	5,942	671
Employee benefits	<u>1,188</u>	<u>-</u>	<u>1,188</u>	<u>-</u>
Total	<u>7,130</u>	<u>-</u>	<u>7,130</u>	<u>671</u>
Food services				
Purchased services	557,500	857,277	(299,777)	756,598
Supplies and materials	12,000	27,043	(15,043)	2,558
Capital outlay	25,000	-	25,000	-
Non-capitalized equipment	<u>10,000</u>	<u>51,024</u>	<u>(41,024)</u>	<u>-</u>
Total	<u>604,500</u>	<u>935,344</u>	<u>(330,844)</u>	<u>759,156</u>
Internal services				
Supplies and materials	5,000	42,849	(37,849)	26,144
Other objects	<u>-</u>	<u>100</u>	<u>(100)</u>	<u>100</u>
Total	<u>5,000</u>	<u>42,949</u>	<u>(37,949)</u>	<u>26,244</u>
Total business	<u>1,430,655</u>	<u>1,671,022</u>	<u>(240,367)</u>	<u>1,414,010</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Central				
Direction of central support services				
Purchased services	\$ 2,000	\$ -	\$ 2,000	\$ -
Supplies and materials	3,000	4,880	(1,880)	4,822
Capital outlay	5,000	-	5,000	-
Non-capitalized equipment	-	1,529	(1,529)	-
Total	10,000	6,409	3,591	4,822
Planning, R&D, and evaluation services				
Salaries	107,264	-	107,264	-
Employee benefits	20,474	-	20,474	-
Purchased services	121,210	-	121,210	-
Supplies and materials	3,700	-	3,700	-
Other objects	1,100	-	1,100	-
Total	253,748	-	253,748	-
Information services				
Salaries	502,017	108,464	393,553	104,338
Employee benefits	32,934	22,691	10,243	18,898
Purchased services	84,500	233,233	(148,733)	148,349
Supplies and materials	4,970	1,961	3,009	1,175
Capital outlay	8,000	-	8,000	-
Other objects	1,500	1,135	365	1,789
Total	633,921	367,484	266,437	274,549
Staff services				
Salaries	114,347	313,485	(199,138)	317,496
Employee benefits	24,119	80,361	(56,242)	53,895
Purchased services	324,918	101,871	223,047	101,883
Supplies and materials	3,640	19,104	(15,464)	13,749
Capital outlay	135,000	-	135,000	-
Other objects	1,000	2,993	(1,993)	776
Non-capitalized equipment	-	1,434	(1,434)	562
Total	603,024	519,248	83,776	488,361

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual (Continued)

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Data processing services				
Salaries	\$ -	\$ 129,236	\$ (129,236)	\$ 123,890
Employee benefits	-	24,033	(24,033)	22,361
Purchased services	-	297,965	(297,965)	263,152
Supplies and materials	2,583	1,639	944	1,870
Capital outlay	-	109,137	(109,137)	149,703
Non-capitalized equipment	-	<u>1,322</u>	<u>(1,322)</u>	-
Total	<u>2,583</u>	<u>563,332</u>	<u>(560,749)</u>	<u>560,976</u>
Total central	<u>1,503,276</u>	<u>1,456,473</u>	<u>46,803</u>	<u>1,328,708</u>
Other support services				
Salaries	-	-	-	2,006
Employee benefits	-	-	-	25
Supplies and materials	-	<u>4,781</u>	<u>(4,781)</u>	<u>1,812</u>
Total	<u>-</u>	<u>4,781</u>	<u>(4,781)</u>	<u>3,843</u>
Total support services	<u>14,409,611</u>	<u>15,834,771</u>	<u>(1,425,160)</u>	<u>14,004,039</u>
Community services				
Salaries	530,644	641,772	(111,128)	396,748
Employee benefits	53,125	31,507	21,618	29,209
Purchased services	26,272	71,892	(45,620)	44,808
Supplies and materials	<u>96,619</u>	<u>65,750</u>	<u>30,869</u>	<u>59,079</u>
Total	<u>706,660</u>	<u>810,921</u>	<u>(104,261)</u>	<u>529,844</u>
Non-programmed charges				
Payments for special programs				
Other	-	-	-	<u>93,697</u>
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>93,697</u>
Payments for special education programs				
Tuition	<u>969,117</u>	<u>1,083,853</u>	<u>(114,736)</u>	<u>1,265,052</u>
Total	<u>969,117</u>	<u>1,083,853</u>	<u>(114,736)</u>	<u>1,265,052</u>
Total non-programmed services	<u>969,117</u>	<u>1,083,853</u>	<u>(114,736)</u>	<u>1,358,749</u>
Provision for Contingencies	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual (Continued)

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Educational Account			
	2023		2022	
	Original Budget	Actual	Variance with Final Budget	Actual
Total expenditures	\$ 56,262,747	\$ 63,614,228	\$ (7,351,481)	\$ 59,394,744
Excess of revenue over (under) expenditures	<u>(89,360)</u>	<u>(1,118,339)</u>	<u>(1,028,979)</u>	<u>(840,698)</u>
Other Financing Sources (Uses)				
Transfers in	182,670	344,747	162,077	188,212
Transfers out	(35,124)	-	35,124	(27,747)
Lease proceeds	<u>-</u>	<u>-</u>	<u>-</u>	<u>149,703</u>
Total other financing sources (uses)	<u>147,546</u>	<u>344,747</u>	<u>197,201</u>	<u>310,168</u>
Net change in fund balance	<u>\$ 58,186</u>	(773,592)	<u>\$ (831,778)</u>	(530,530)
Fund balances, beginning of year		<u>38,514,821</u>		<u>39,045,351</u>
Fund balances, end of year		<u>\$ 37,741,229</u>		<u>\$ 38,514,821</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Operations & Maintenance Account			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 4,891,096	\$ 4,723,161	\$ (167,935)	\$ 4,671,952
Earnings on investments	51,774	50,368	(1,406)	(179,476)
Rentals	-	12,195	12,195	-
Total local sources	<u>4,942,870</u>	<u>4,785,724</u>	<u>(157,146)</u>	<u>4,492,476</u>
Federal sources				
Unrestricted				
Other Restricted Revenue from Federal Sources	-	1,136,192	1,136,192	848,628
Total federal sources	-	1,136,192	1,136,192	848,628
Total revenues	<u>4,942,870</u>	<u>5,921,916</u>	<u>979,046</u>	<u>5,341,104</u>
Expenditures				
Current operating				
Direction of Business Support Services				
Employee benefits	-	(45)	45	-
Operations and maintenance of plant services:				
Salaries	2,648,798	2,605,788	43,010	2,421,106
Employee benefits	359,559	341,690	17,869	304,878
Purchased services	693,550	1,827,387	(1,133,837)	779,467
Supplies and materials	789,625	910,251	(120,626)	914,260
Capital outlay	10,000	142,807	(132,807)	2,825
Other objects	2,700	3,344	(644)	1,772
Non-capitalized equipment	26,000	267,520	(241,520)	586,031
Total	<u>4,530,232</u>	<u>6,098,787</u>	<u>(1,568,555)</u>	<u>5,010,339</u>
Facilities acquisition & construction services				
Purchased services	11,250	590	10,660	1,152
Capital outlay	479,000	559,265	(80,265)	215,883
Total	<u>490,250</u>	<u>559,855</u>	<u>(69,605)</u>	<u>217,035</u>
Provision for Contingencies	100,000	-	100,000	-
Purchased services	-	-	-	417
Total expenditures	<u>5,120,482</u>	<u>6,658,597</u>	<u>(1,538,115)</u>	<u>5,227,791</u>
Excess of revenue over (under) expenditures	<u>(177,612)</u>	<u>(736,681)</u>	<u>(559,069)</u>	<u>113,313</u>

East Maine School District 63
 Schedule of Revenues, Expenditures and
 Changes In Fund Balance
 Budget and Actual

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Operations & Maintenance Account			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Other Financing Sources (Uses)				
Transfers in	\$ -	\$ 2,000,000	\$ 2,000,000	\$ 3,240,000
Transfers out	(51,774)	(2,079,240)	(2,027,466)	(3,294,475)
Lease proceeds	-	<u>89,752</u>	<u>89,752</u>	-
Total other financing sources (uses)	<u>(51,774)</u>	<u>10,512</u>	<u>62,286</u>	<u>(54,475)</u>
Net change in fund balance	<u><u>\$ (229,386)</u></u>	(726,169)	<u><u>\$ (496,783)</u></u>	58,838
Fund balances, beginning of year		<u>5,508,256</u>		<u>5,449,418</u>
Fund balances, end of year		\$ <u><u>4,782,087</u></u>		\$ <u><u>5,508,256</u></u>

East Maine School District 63
Schedule of Revenues, Expenditures and
Changes In Fund Balance
Budget and Actual

<i>Year Ended June 30, 2023</i> <i>with Comparative Actual Totals for 2022</i>	Working Cash Account			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 53,412	\$ 49,124	\$ (4,288)	\$ 51,001
Earnings on investments	<u>84,212</u>	<u>84,233</u>	<u>21</u>	<u>(304,427)</u>
Total revenues	<u>137,624</u>	<u>133,357</u>	<u>(4,267)</u>	<u>(253,426)</u>
Excess of revenue over/(under) expenditures	<u>137,624</u>	<u>133,357</u>	<u>(4,267)</u>	<u>(253,426)</u>
Other Financing Sources (Uses)				
Transfers out	(84,212)	(2,119,224)	(2,035,012)	(3,336,990)
Proceeds from bond issuance	<u>-</u>	<u>3,200,849</u>	<u>3,200,849</u>	<u>-</u>
Total other financing sources (uses)	<u>(84,212)</u>	<u>1,081,625</u>	<u>1,165,837</u>	<u>(3,336,990)</u>
Net change in fund balance	<u>\$ 53,412</u>	1,214,982	<u>\$ 1,161,570</u>	(3,590,416)
Fund balances, beginning of year		<u>5,543,589</u>		<u>9,134,005</u>
Fund balances, end of year		<u>\$ 6,758,571</u>		<u>\$ 5,543,589</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Tort Immunity Account			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 490,618	\$ 516,708	\$ 26,090	\$ 468,999
Earnings on investments	<u>6,030</u>	<u>8,743</u>	<u>2,713</u>	<u>(12,506)</u>
Total revenues	<u>496,648</u>	<u>525,451</u>	<u>28,803</u>	<u>456,493</u>
Expenditures				
Current operating				
Support services				
Claims paid from self insurance fund	184,783	-	184,783	-
Unemployment insurance payments	-	166,993	(166,993)	127,526
Insurance	-	4,845	(4,845)	27,466
Loss prevention or reduction	-	263,314	(263,314)	258,944
Purchased services	334,599	-	334,599	-
Property insurance	<u>-</u>	<u>65,592</u>	<u>(65,592)</u>	<u>166,086</u>
Total expenditures	<u>519,382</u>	<u>500,744</u>	<u>18,638</u>	<u>580,022</u>
Net change in fund balance	<u>\$ (22,734)</u>	24,707	<u>\$ 47,441</u>	(123,529)
Fund balances, beginning of year		<u>672,518</u>		<u>796,047</u>
Fund balances, end of year		<u>\$ 697,225</u>		<u>\$ 672,518</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Major Debt Service Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 4,317,766	\$ 4,504,422	\$ 186,656	\$ 4,582,979
Earnings on investments	<u>11,188</u>	<u>(74,739)</u>	<u>(85,927)</u>	<u>1,771</u>
Total revenues	<u>4,328,954</u>	<u>4,429,683</u>	<u>100,729</u>	<u>4,584,750</u>
Expenditures				
Debt service				
Principal retirement	2,448,149	2,492,718	(44,569)	2,359,178
Interest on bonds	1,896,731	1,970,223	(73,492)	2,000,739
Purchased services	-	2,975	(2,975)	2,975
Other	<u>-</u>	<u>39,151</u>	<u>(39,151)</u>	<u>-</u>
Total expenditures	<u>4,344,880</u>	<u>4,505,067</u>	<u>(160,187)</u>	<u>4,362,892</u>
Excess of revenue over expenditures	<u>(15,926)</u>	<u>(75,384)</u>	<u>(59,458)</u>	<u>221,858</u>
Other Financing Sources (Uses)				
Tranfers in	35,124	-	(35,124)	27,747
Transfers out	(11,188)	(100,081)	(88,893)	(13,755)
Proceeds from bond issuance	<u>-</u>	<u>39,151</u>	<u>39,151</u>	<u>-</u>
Total other financing sources (uses)	<u>23,936</u>	<u>(60,930)</u>	<u>(84,866)</u>	<u>13,992</u>
Net change in fund balance	<u>\$ 8,010</u>	(136,314)	<u>\$ (144,324)</u>	235,850
Fund balances, beginning of year		<u>3,774,089</u>		<u>3,538,239</u>
Fund balances, end of year		<u>\$ 3,637,775</u>		<u>\$ 3,774,089</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Major Capital Projects Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Earnings on investments	\$ -	\$ 35,429	\$ 35,429	\$ 1,690
Total revenues	<u>-</u>	<u>35,429</u>	<u>35,429</u>	<u>1,690</u>
Expenditures				
Facilities acquisitions and construction services				
Capital outlay	<u>1,000,000</u>	<u>1,773,017</u>	<u>(773,017)</u>	<u>2,400,821</u>
Total expenditures	<u>1,000,000</u>	<u>1,773,017</u>	<u>(773,017)</u>	<u>2,400,821</u>
Excess of revenue over (under) expenditures	<u>(1,000,000)</u>	<u>(1,737,588)</u>	<u>(737,588)</u>	<u>(2,399,131)</u>
Other Financing Sources (Uses)				
Transfers in	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>3,240,000</u>
Total other financing sources (uses)	<u>-</u>	<u>2,000,000</u>	<u>2,000,000</u>	<u>3,240,000</u>
Net change in fund balance	<u>\$ (1,000,000)</u>	262,412	<u>\$ 1,262,412</u>	840,869
Fund balances, beginning of year		<u>1,165,211</u>		<u>324,342</u>
Fund balances, end of year		<u>\$ 1,427,623</u>		<u>\$ 1,165,211</u>

East Maine School District 63

Combining Balance Sheet

Nonmajor Governmental Funds

<i>June 30, 2023</i>	Transportation Fund	Municipal Retirement/ Social Security Fund	Fire Prevention and Safety Fund	Total
Assets				
Cash and cash equivalents	\$ 3,884,087	\$ 1,496,101	\$ 747,776	\$ 6,127,964
Receivables				
Taxes receivable	<u>1,145,797</u>	<u>874,972</u>	<u>-</u>	<u>2,020,769</u>
Total assets	<u>\$ 5,029,884</u>	<u>\$ 2,371,073</u>	<u>\$ 747,776</u>	<u>\$ 8,148,733</u>
Liabilities, Deferred Inflows, and Fund Balances				
Liabilities				
Accounts payable	\$ 47,517	\$ -	\$ -	\$ 47,517
Accrued salaries and related expenses	<u>-</u>	<u>11,068</u>	<u>-</u>	<u>11,068</u>
Total liabilities	<u>47,517</u>	<u>11,068</u>	<u>-</u>	<u>58,585</u>
Deferred inflow of resources				
Unavailable property taxes	<u>1,145,797</u>	<u>874,972</u>	<u>-</u>	<u>2,020,769</u>
Total deferred inflow of resources	<u>1,145,797</u>	<u>874,972</u>	<u>-</u>	<u>2,020,769</u>
Fund balances				
Restricted				
Student transportation	3,836,570	-	-	3,836,570
Employee retirement	-	1,485,033	-	1,485,033
Fire prevention and safety	<u>-</u>	<u>-</u>	<u>747,776</u>	<u>747,776</u>
Total fund balances	<u>3,836,570</u>	<u>1,485,033</u>	<u>747,776</u>	<u>6,069,379</u>
Total liabilities, deferred inflows, and fund balances	<u>\$ 5,029,884</u>	<u>\$ 2,371,073</u>	<u>\$ 747,776</u>	<u>\$ 8,148,733</u>

East Maine School District 63
Combining Schedule of Revenues, Expenditures and
Changes In Fund Balances
Nonmajor Governmental Funds

<i>Year Ended June 30, 2023</i>	Transportation Fund	Municipal Retirement/ Social Security Fund	Fire Prevention and Safety Fund	Total
Revenues				
Property taxes	\$ 2,066,831	\$ 1,565,398	\$ -	\$ 3,632,229
Local sources	69,325	58,282	9,648	137,255
State sources	<u>1,669,386</u>	<u>-</u>	<u>-</u>	<u>1,669,386</u>
Total revenues	<u>3,805,542</u>	<u>1,623,680</u>	<u>9,648</u>	<u>5,438,870</u>
Expenditures				
Instruction	-	674,155	-	674,155
Supporting services	3,228,913	825,348	-	4,054,261
Community services	<u>-</u>	<u>85,600</u>	<u>-</u>	<u>85,600</u>
Total expenditures	<u>3,228,913</u>	<u>1,585,103</u>	<u>-</u>	<u>4,814,016</u>
Excess (deficiency) of revenue over (under) expenditures	<u>576,629</u>	<u>38,577</u>	<u>9,648</u>	<u>624,854</u>
Other financing sources (uses)				
Transfers out	<u>(46,202)</u>	<u>-</u>	<u>-</u>	<u>(46,202)</u>
Total other financing sources (uses)	<u>(46,202)</u>	<u>-</u>	<u>-</u>	<u>(46,202)</u>
Net change in fund balance	530,427	38,577	9,648	578,652
Fund balance, beginning of year	<u>3,306,143</u>	<u>1,446,456</u>	<u>738,128</u>	<u>5,490,727</u>
Fund balance, end of year	<u>\$ 3,836,570</u>	<u>\$ 1,485,033</u>	<u>\$ 747,776</u>	<u>\$ 6,069,379</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

Year Ended June 30, 2023 with Comparative Actual Totals for 2022	Transportation Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Property taxes	\$ 2,050,323	\$ 2,066,831	\$ 16,508	\$ 2,056,554
Transportation fees	45,365	57,206	11,841	60,403
Earnings on investments	35,496	12,119	(23,377)	(168,893)
Other	-	-	-	(530)
Total local sources	<u>2,131,184</u>	<u>2,136,156</u>	<u>4,972</u>	<u>1,947,534</u>
State sources				
Restricted				
Regular and Vocational	18,274	20,924	2,650	13,524
Special Education	<u>1,473,913</u>	<u>1,648,462</u>	<u>174,549</u>	<u>849,749</u>
Total state sources	<u>1,492,187</u>	<u>1,669,386</u>	<u>177,199</u>	<u>863,273</u>
Total revenues	<u>3,623,371</u>	<u>3,805,542</u>	<u>182,171</u>	<u>2,810,807</u>
Expenditures				
Support services				
Pupil transportation services				
Salaries	6,600	7,648	(1,048)	8,168
Employee benefits	871	1,498	(627)	1,808
Purchased services	<u>3,186,244</u>	<u>3,219,767</u>	<u>(33,523)</u>	<u>2,895,342</u>
Total support services	<u>3,193,715</u>	<u>3,228,913</u>	<u>(35,198)</u>	<u>2,905,318</u>
Community services				
Purchased services	<u>75,000</u>	<u>-</u>	<u>75,000</u>	<u>-</u>
Provision for Contingencies	<u>50,000</u>	<u>-</u>	<u>50,000</u>	<u>-</u>
Total expenditures	<u>3,318,715</u>	<u>3,228,913</u>	<u>89,802</u>	<u>2,905,318</u>
Deficiency of revenue over (under) expenditures	<u>304,656</u>	<u>576,629</u>	<u>271,973</u>	<u>(94,511)</u>
Other Financing Sources (Uses)				
Transfers out	<u>(35,496)</u>	<u>(46,202)</u>	<u>(10,706)</u>	<u>(22,992)</u>
Total other financing sources (uses)	<u>(35,496)</u>	<u>(46,202)</u>	<u>(10,706)</u>	<u>(22,992)</u>
Net change in fund balance	<u>\$ 269,160</u>	530,427	<u>\$ 261,267</u>	(117,503)
Fund balances, beginning of year		<u>3,306,143</u>		<u>3,423,646</u>
Fund balances, end of year		<u>\$ 3,836,570</u>		<u>\$ 3,306,143</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Municipal Retirement/Social Security Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Social security/medicare only levy	\$ 1,617,535	\$ 1,565,398	\$ (52,137)	\$ 1,544,759
Corporate personal property replacement taxes	8,966	40,000	31,034	40,000
Earnings on investments	<u>3,581</u>	<u>18,282</u>	<u>14,701</u>	<u>(39,129)</u>
Total revenues	<u>1,630,082</u>	<u>1,623,680</u>	<u>(6,402)</u>	<u>1,545,630</u>
Expenditures				
Current operating				
Instruction				
Regular programs	267,829	287,291	19,462	297,723
Pre-K programs	10,850	12,999	2,149	9,807
Special education programs	203,528	235,631	32,103	207,069
Special education Pre-K	101,614	76,506	(25,108)	99,474
Remedial and support programs K-12	71,932	9,284	(62,648)	9,035
Interscholastic programs	-	6,645	6,645	5,167
Summer school programs	-	658	658	513
Bilingual programs	<u>34,437</u>	<u>45,141</u>	<u>10,704</u>	<u>42,793</u>
Total instruction	<u>690,190</u>	<u>674,155</u>	<u>(16,035)</u>	<u>671,581</u>
Support services				
Pupils				
Attendance and social work services	11,818	12,355	537	11,220
Health services	139,752	132,341	(7,411)	149,305
Physiological services	11,184	11,039	(145)	10,452
Speech Pathology and Audiology services	13,585	12,756	(829)	12,075
Other support services	<u>23,161</u>	<u>40,562</u>	<u>17,401</u>	<u>68,475</u>
Total pupils	<u>199,500</u>	<u>209,053</u>	<u>9,553</u>	<u>251,527</u>
Instructional staff				
Improvement of instruction services	22,242	35,128	12,886	31,707
Educational media services	<u>15,467</u>	<u>17,284</u>	<u>1,817</u>	<u>17,580</u>
Assessment and testing	12,337	-	(12,337)	-
Total instructional staff	<u>50,046</u>	<u>52,412</u>	<u>2,366</u>	<u>49,287</u>
General administration				
Executive administration services	-	14,976	14,976	16,523
Service area administration services	<u>8,143</u>	<u>12,398</u>	<u>4,255</u>	<u>11,455</u>
Total general administration	<u>8,143</u>	<u>27,374</u>	<u>19,231</u>	<u>27,978</u>

East Maine School District 63

Schedule of Revenues, Expenditures and Changes In Fund Balance Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Municipal Retirement/Social Security Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
School administration				
Office of the Principal	\$ -	\$ 24,880	\$ 24,880	\$ 22,591
Business				
Director of business support services	31,605	33,307	1,702	36,824
Fiscal services	32,009	29,874	(2,135)	32,674
Operation and maintenance of plant services	364,493	388,843	24,350	410,309
Pupil transportation services	-	111	111	237
Other support services	-	-	-	28
Total business	<u>428,107</u>	<u>452,135</u>	<u>24,028</u>	<u>480,072</u>
Central				
Information services	16,905	21,484	4,579	22,887
Staff services	19,497	20,635	1,138	22,558
Data processing services	16,760	17,375	615	18,997
Total central	<u>53,162</u>	<u>59,494</u>	<u>6,332</u>	<u>64,442</u>
Total support services	<u>738,958</u>	<u>825,348</u>	<u>86,390</u>	<u>895,897</u>
Community services	<u>56,752</u>	<u>85,600</u>	<u>28,848</u>	<u>85,617</u>
Total community services	<u>56,752</u>	<u>85,600</u>	<u>28,848</u>	<u>85,617</u>
Provision for contingencies	<u>40,000</u>	<u>-</u>	<u>(40,000)</u>	<u>-</u>
Total expenditures	<u>1,525,900</u>	<u>1,585,103</u>	<u>59,203</u>	<u>1,653,095</u>
Net change in fund balance	<u>\$ 104,182</u>	38,577	<u>\$ (65,605)</u>	(107,465)
Fund balances, beginning of year		<u>1,446,456</u>		<u>1,553,921</u>
Fund balances, end of year		<u>\$ 1,485,033</u>		<u>\$ 1,446,456</u>

East Maine School District 63
 Schedule of Revenues, Expenditures and
 Changes In Fund Balance
 Budget and Actual

<i>Year Ended June 30, 2023 with Comparative Actual Totals for 2022</i>	Fire Prevention and Safety Fund			
	2023		2022	
	Original and Final Budget	Actual	Variance with Final Budget	Actual
Revenues				
Local sources				
Earnings on investments	\$ 4,261	\$ 9,648	\$ 5,387	\$ (11,850)
Total revenues	4,261	9,648	5,387	(11,850)
Expenditures				
Current operating				
Supporting services				
Facilities acquisition and construction				
Non-capitalized equipment	80,000	-	80,000	-
Total expenditures	80,000	-	80,000	-
Net change in fund balance	\$ (75,739)	9,648	\$ 85,387	(11,850)
Fund balances, beginning of year		738,128		749,978
Fund balances, end of year		\$ 747,776		\$ 738,128

STATISTICAL SECTION (UNAUDITED)

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

Financial Trends

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property taxes.

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place.

Operating Information

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

East Maine School District 63

Net Position by Component

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018
Governmental activities						
Net investment in capital assets	\$ 14,832,310	\$ 16,480,020	\$ 13,379,998	\$ 23,874,265	\$ 27,166,085	\$ 22,039,237
Restricted	11,832,002	11,102,545	10,386,173	18,663,614	30,626,345	10,970,548
Unrestricted	19,245,737	16,812,365	18,516,854	2,552,444	(14,325,997)	8,106,715
Total governmental activities net position	<u>\$ 45,910,049</u>	<u>\$ 44,394,930</u>	<u>\$ 42,283,025</u>	<u>\$ 45,090,323</u>	<u>\$ 43,466,433</u>	<u>\$ 41,116,500</u>

Source of information: District records.

2017	2016	2015	2014
\$ 19,566,397	\$ 15,921,731	\$ 13,652,052	\$ 16,993,036
10,837,207	11,588,202	10,872,313	11,660,061
28,803,944	30,110,788	27,452,960	27,474,165
<hr/>			
\$ 59,207,548	\$ 57,620,721	\$ 51,977,325	\$ 56,127,262

East Maine School District 63

Changes in Net Position

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Expenses					
Governmental activities					
Instruction					
Regular programs	\$ 17,670,334	\$ 16,781,500	\$ 17,318,807	\$ 16,620,523	\$ 15,122,646
Special programs	7,082,791	6,199,209	5,401,812	5,420,754	6,585,242
Other instructional programs	4,508,911	4,281,525	3,946,479	4,955,237	2,716,410
State retirement contributions	11,703,760	12,941,391	22,381,557	19,706,680	24,384,363
Support services					
Pupils	5,872,302	5,530,900	4,408,140	4,550,377	4,633,892
Instructional staff	4,093,925	3,295,894	2,663,984	2,872,363	2,605,725
General administration	1,608,359	1,517,620	1,349,234	1,644,905	1,632,933
School administration	2,327,793	2,113,961	1,936,017	1,877,045	1,685,008
Business	808,771	731,576	694,717	678,056	15,444,996
Transportation	3,229,024	2,906,226	1,729,720	2,284,078	2,160,316
Operations and maintenance	8,689,918	7,106,162	13,922,041	5,763,542	(6,050,153)
Central	1,584,948	1,371,681	1,248,645	1,228,586	1,206,791
Food services	998,243	804,439	707,985	689,664	565,577
Other supporting services	1,088,634	1,363,037	1,004,056	1,093,141	1,219,491
Community services	896,521	615,461	454,794	675,067	673,858
Interest and fees	1,779,880	1,782,057	1,865,203	1,908,177	1,990,428
Total governmental activities expenses	<u>73,944,114</u>	<u>69,342,639</u>	<u>81,033,191</u>	<u>71,968,195</u>	<u>76,577,523</u>
Program revenues					
Governmental activities					
Charges for services					
Instruction					
Regular programs	907,845	775,975	312,992	441,727	610,332
Special programs	-	-	-	-	-
Other instructional programs	-	-	38,075	37,397	74,945
Support services					
Business	244,198	51,460	35,940	162,209	205,423
Transportation	57,206	60,403	21,457	61,325	50,816
Operations and maintenance	12,195	-	-	22,851	14,702
Operating grants and contributions	21,530,673	21,484,810	28,866,398	24,048,347	28,687,579
Total governmental activities program revenues	<u>22,752,117</u>	<u>22,372,648</u>	<u>29,274,862</u>	<u>24,773,856</u>	<u>29,643,797</u>
Net revenue (expense)	<u>(51,191,997)</u>	<u>(46,969,991)</u>	<u>(51,758,329)</u>	<u>(47,194,339)</u>	<u>(46,933,726)</u>
Governmental activities					
General revenues					
Taxes					
Real estate taxes, levied for general purposes	30,140,678	29,755,170	28,988,977	31,057,130	31,667,573
Real estate taxes, levied for specific purposes	7,440,592	7,365,687	6,990,713	2,848,161	2,381,844
Real estate taxes, levied for debt service	4,504,422	4,582,979	4,460,559	4,214,103	4,200,912
Personal property replacement taxes	2,152,005	1,904,046	873,521	688,681	629,144
State aid-formula grants	8,023,421	7,706,116	7,462,572	7,462,572	7,325,435
Investment earnings	381,256	(2,257,050)	(33,403)	2,517,188	3,006,311
Miscellaneous	64,742	30,937	91,628	30,394	72,440
Extraordinary Gain (Loss)	-	-	-	-	-
Total governmental activities general revenues	<u>52,707,116</u>	<u>49,087,885</u>	<u>48,834,567</u>	<u>48,818,229</u>	<u>49,283,659</u>
Change in net position	<u>\$ 1,515,119</u>	<u>\$ 2,117,894</u>	<u>\$ (2,923,762)</u>	<u>\$ 1,623,890</u>	<u>\$ 2,349,933</u>

Source of information: District records.

	2018	2017	2016	2015	2014
\$	9,591,314	\$ 18,434,428	\$ 15,014,383	\$ 13,843,938	\$ 13,598,402
	6,503,889	6,227,231	6,180,235	10,089,124	9,089,910
	3,528,100	3,495,947	3,470,731	272,130	602,322
	10,273,084	8,794,228	7,971,236	7,316,091	7,333,167
	4,308,402	3,955,875	3,659,346	3,664,913	3,494,106
	2,570,576	2,646,575	2,617,308	2,392,889	2,379,896
	1,567,533	1,701,785	1,431,219	593,292	585,402
	1,665,614	1,613,396	1,597,753	1,477,089	1,418,751
	5,225,246	2,723,615	3,666,565	3,114,941	1,023,647
	1,930,293	1,900,934	1,779,406	1,920,694	1,755,044
	1,355,942	3,619,258	1,600,513	4,389,608	4,306,384
	1,112,311	1,050,791	977,579	795,290	806,535
	676,852	704,830	1,037,732	916,201	945,690
	565,751	422,936	465,209	607,516	795,773
	743,667	712,807	590,285	510,680	530,431
	884,974	276,785	405,596	255,619	540,598
	52,503,548	58,281,421	52,465,096	52,160,015	49,206,058
	550,795	564,206	637,340	522,472	428,108
	-	-	-	-	-
	232,642	495,963	147,882	-	-
	234,065	225,451	268,226	255,782	282,986
	57,970	74,055	10,864	56,079	74,240
	14,405	23,263	84,756	28,695	15,104
	15,607,030	14,820,206	13,944,373	13,770,472	14,292,174
	16,696,907	16,203,144	15,093,441	14,633,500	15,092,612
	(35,806,641)	(42,078,277)	(37,371,655)	(37,526,515)	(34,113,446)
	31,243,778	31,562,077	30,703,872	30,134,697	29,470,446
	2,058,572	1,809,735	2,027,673	2,336,210	2,139,844
	4,082,403	4,089,726	3,869,292	3,542,747	3,671,653
	581,562	695,031	625,695	679,693	599,601
	7,005,142	5,350,428	4,819,186	4,693,816	4,318,050
	391,863	93,793	712,806	476,361	515,952
	43,798	64,314	256,527	600,470	632,765
	-	-	-	-	-
	45,407,118	43,665,104	43,015,051	42,463,994	41,348,311
\$	9,600,477	\$ 1,586,827	\$ 5,643,396	\$ 4,937,479	\$ 7,234,865

East Maine School District 63

Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2023	2022	2021	2020	2019	2018
General Fund						
Nonspendable	\$ -	\$ -	\$ -	\$ 4,956	\$ 52,767	\$ -
Unassigned	49,281,887	49,566,666	53,628,774	48,909,770	63,178,583	59,256,467
Restricted	697,225	672,518	796,047	989,261	1,011,028	829,419
Total general fund	\$ 49,979,112	\$ 50,239,184	\$ 54,424,821	\$ 49,903,987	\$ 64,242,378	\$ 60,085,886
All Other Governmental Funds						
Restricted						
Debt service funds	\$ 3,637,775	\$ 3,774,089	\$ 3,538,239	\$ 3,352,855	\$ 3,600,840	\$ 4,658,561
Special revenue funds	5,321,603	4,752,599	4,977,567	3,640,345	3,567,007	3,835,855
Capital project funds	2,175,399	1,903,339	1,074,320	10,681,153	22,447,470	1,456,924
Unassigned	-	-	-	-	-	-
Total all other governmental funds	\$ 11,134,777	\$ 10,430,027	\$ 9,590,126	\$ 17,674,353	\$ 29,615,317	\$ 9,951,340

Source of information: District records.

2017	2016	2015	2014
\$ -	\$ 99,450	\$ -	\$ 756,583
40,580,532	39,252,877	36,673,189	29,858,691
687,621	786,186	717,390	-
<u>\$ 41,268,153</u>	<u>\$ 40,138,513</u>	<u>\$ 37,390,579</u>	<u>\$ 30,615,274</u>
\$ 4,273,510	\$ 4,144,945	\$ 3,818,653	\$ 3,893,415
4,313,316	5,289,038	5,560,194	5,428,428
1,372,971	1,268,583	3,155,979	769,415
-	-	-	(466,033)
<u>\$ 9,959,797</u>	<u>\$ 10,702,566</u>	<u>\$ 12,534,826</u>	<u>\$ 9,625,225</u>

East Maine School District 63

Changes in Fund Balances, Governmental Funds

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Revenues					
Local sources					
Property taxes	\$ 42,085,692	\$ 41,703,836	\$ 40,440,249	\$ 38,119,394	\$ 38,250,329
Replacement taxes	2,152,005	1,904,046	873,521	688,681	629,144
Tuition	-	20	-	195	1,980
Earnings on investments	381,256	(2,257,050)	(33,403)	2,517,188	3,006,311
Food services	244,198	51,460	35,940	357,877	205,423
Pupil activities and textbooks	333,748	305,171	233,908	292,158	289,478
Other local sources	708,240	562,124	230,244	105,673	531,777
Total local sources	<u>45,905,139</u>	<u>42,269,607</u>	<u>41,780,459</u>	<u>42,081,166</u>	<u>42,914,442</u>
State sources					
General state aid	8,023,421	7,706,116	7,462,572	7,462,572	7,325,435
Restricted state aid	2,351,327	1,497,900	1,644,589	1,445,756	1,620,039
On behalf payments	15,225,122	14,510,102	11,441,771	11,497,075	10,198,040
Total state sources	<u>25,599,870</u>	<u>23,714,118</u>	<u>20,548,932</u>	<u>20,405,403</u>	<u>19,143,514</u>
Federal sources					
Total revenues	<u>\$ 78,980,595</u>	<u>\$ 73,029,244</u>	<u>\$ 67,169,643</u>	<u>\$ 65,619,585</u>	<u>\$ 64,811,825</u>
Expenditures					
Current					
Instruction					
Regular programs	\$ 34,939,336	\$ 33,676,717	\$ 29,137,057	\$ 26,441,829	\$ 25,080,920
Special programs	7,078,351	6,196,012	5,398,979	5,418,062	6,583,515
Other instructional programs	4,508,911	4,281,525	3,946,479	4,955,237	2,716,410
Total instruction	<u>46,526,598</u>	<u>44,154,254</u>	<u>38,482,515</u>	<u>36,815,128</u>	<u>34,380,845</u>
Supporting services					
Pupils	5,857,944	5,520,563	4,398,980	4,541,672	4,628,308
Instructional staff	3,843,405	3,115,533	2,504,151	2,720,479	2,492,256
General administration	1,527,635	1,459,502	1,297,731	1,595,964	1,086,328
School administration	2,279,905	2,079,484	1,905,464	1,848,011	1,666,383
Business	1,734,748	1,483,989	1,356,596	1,323,907	1,601,751
Transportation	3,229,024	2,906,226	1,729,720	2,284,078	2,159,874
Operations and maintenance	6,344,823	5,417,823	4,632,518	4,341,772	3,764,509
Central	1,406,830	1,243,447	1,135,005	1,120,598	1,099,585
Other supporting services	4,781	4,288	9,227	37,686	534,970
Total supporting services	<u>26,229,095</u>	<u>23,230,855</u>	<u>18,969,392</u>	<u>19,814,167</u>	<u>19,033,964</u>
Community services					
Total current	<u>896,521</u>	<u>615,461</u>	<u>454,794</u>	<u>675,067</u>	<u>673,858</u>
Nonprogrammed charges					
Total current	<u>1,083,853</u>	<u>1,358,749</u>	<u>994,829</u>	<u>1,055,455</u>	<u>1,199,729</u>
Other					
Debt Service					
Principal	2,492,718	2,359,178	2,220,356	2,368,213	38,516,899
Interest and other	2,012,349	2,003,714	2,125,905	2,185,098	2,071,518
Capital outlay	2,624,535	2,802,472	10,855,167	28,985,812	14,894,120
Total other	<u>7,129,602</u>	<u>7,165,364</u>	<u>15,201,428</u>	<u>33,539,123</u>	<u>55,482,537</u>
Total expenditures	<u>\$ 81,865,669</u>	<u>\$ 76,524,683</u>	<u>\$ 74,102,958</u>	<u>\$ 91,898,940</u>	<u>\$ 110,770,933</u>
Debt service as a percentage of noncapital expenditures					
Total current	<u>5.7%</u>	<u>5.9%</u>	<u>6.9%</u>	<u>7.2%</u>	<u>42.3%</u>

Source of information: District records.

	2018	2017	2016	2015	2014
\$	37,384,753	\$ 37,461,538	\$ 36,600,837	\$ 36,013,654	\$ 35,281,943
	581,562	695,031	625,695	679,693	649,601
	1,640	1,750	1,920	1,554	1,575
	391,863	93,793	712,806	476,361	515,952
	234,065	225,451	268,226	255,782	282,986
	244,625	273,455	307,654	202,728	200,903
	653,345	946,596	827,795	1,003,434	897,739
	39,491,853	39,697,614	39,344,933	38,633,206	37,830,699
	7,005,142	5,350,428	4,819,186	4,693,816	4,318,050
	2,669,210	1,920,027	2,886,623	3,126,157	3,657,002
	10,273,084	8,794,228	7,971,236	7,316,091	7,333,167
	19,947,436	16,064,683	15,677,045	15,136,064	15,308,219
	3,392,769	3,070,121	3,086,514	3,328,224	3,302,005
\$	62,832,058	\$ 58,832,418	\$ 58,108,492	\$ 57,097,494	\$ 56,440,923
\$	24,905,612	\$ 23,263,218	\$ 22,321,810	\$ 21,220,218	\$ 20,928,775
	6,502,223	6,224,037	5,026,368	5,497,463	4,989,607
	3,528,100	3,495,947	4,921,959	4,590,714	4,098,530
	34,935,935	32,983,202	32,270,137	31,308,395	30,016,912
	4,303,016	3,945,549	3,655,651	3,661,850	3,488,374
	2,476,601	2,466,414	2,453,206	2,339,440	2,279,891
	1,537,252	1,643,732	1,378,341	576,069	553,178
	1,647,650	1,578,957	1,566,384	1,466,872	1,399,635
	1,897,272	1,518,670	2,092,964	1,938,816	1,940,490
	1,930,293	1,900,934	1,754,900	1,744,300	1,755,044
	4,294,788	4,397,743	3,813,923	3,889,282	3,597,819
	1,045,495	922,698	860,904	757,289	735,434
	4,944	4,481	23,456	607,516	795,773
	19,137,311	18,379,178	17,599,729	16,981,434	16,545,638
	743,667	712,807	590,285	533,989	530,431
	560,807	418,455	459,767	272,130	602,322
	55,377,720	52,493,642	50,919,918	49,095,948	47,695,303
	3,858,771	3,730,980	3,157,736	3,345,973	3,208,737
	969,813	376,310	525,507	394,205	535,103
	3,977,717	1,857,805	2,905,475	2,076,908	3,377,777
	8,806,301	5,965,095	6,588,718	5,817,086	7,121,617
\$	64,184,021	\$ 58,458,737	\$ 57,508,636	\$ 54,913,034	\$ 54,816,920
	8.0%	7.3%	6.7%	7.1%	7.3%

East Maine School District 63

Changes in Fund Balances, Governmental Funds (Continued)

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Excess (deficiency) of revenues over expenditures	\$ (2,885,074)	\$ (3,495,439)	\$ (6,933,315)	\$ (26,279,355)	\$ (45,959,108)
Other Financing Sources (Uses)					
Transfers In	4,344,747	6,695,959	1,286,543	33,188,950	70,777,585
Principal On New Leases	89,752	149,703	13,458	-	-
Principal On Bonds Sold	3,240,000	-	3,240,000	-	66,000,000
Premium On Bonds Sold	-	-	-	-	3,779,577
Accrued Interest On Bonds Sold	-	-	-	-	-
Transfer To Escrow Agent	-	-	-	-	-
Sale Of Capital Assets	-	-	-	-	-
Transfers Out	(4,344,747)	(6,695,959)	(1,286,543)	(33,188,950)	(70,777,585)
Total Other Financing Sources (Uses)	3,329,752	149,703	3,253,458	-	69,779,577
Net change in fund balances	444,678	(3,345,736)	(3,679,857)	(26,279,355)	23,820,469
Fund balances at beginning of year, as originally stated	60,669,211	64,014,947	67,578,340	93,857,695	70,037,226
Restatements	-	-	116,464	-	-
Fund balances at beginning of year, as restated	60,669,211	64,014,947	67,694,804	93,857,695	70,037,226
Fund Balances at End of Year	\$ 61,113,889	\$ 60,669,211	\$ 64,014,947	\$ 67,578,340	\$ 93,857,695

Source of information: District records.

2018	2017	2016	2015	2014
\$ (1,351,963)	\$ 373,681	\$ 599,856	\$ 2,184,460	\$ 1,624,003
8,538,244	3,451,482	2,017,148	8,295,491	3,600,410
-	13,190	315,818	-	-
20,161,239	-	-	7,095,000	-
-	-	-	405,446	-
-	-	-	-	-
-	-	-	-	-
(8,538,244)	(3,451,482)	(2,017,148)	(8,295,491)	(3,600,410)
20,161,239	13,190	315,818	7,500,446	-
18,809,276	386,871	915,674	9,684,906	1,624,003
51,227,950	50,841,079	49,925,405	40,240,499	38,616,496
-	-	-	-	-
51,227,950	50,841,079	49,925,405	40,240,499	38,616,496
\$ 70,037,226	\$ 51,227,950	\$ 50,841,079	\$ 49,925,405	\$ 40,240,499

East Maine School District 63
Equalized Assessed Valuation And
Estimated Actual Value of Taxable Property
Last Ten Tax Levy Years

Tax Levy Year	Equalized Assessed Valuation	Amount of Increase (Decrease) Over Previous Year	Percentage Increase (Decrease) Over Previous Year	Actual Estimated Value *
2022	\$ 1,416,552,095	\$ 271,053,539	23.66%	\$ 4,249,656,285
2021	1,145,498,556	(86,339,763)	-7.01%	3,436,495,668
2020	1,231,838,319	(24,032,026)	-1.91%	3,695,514,957
2019	1,255,870,345	195,770,996	18.47%	3,767,611,035
2018	1,060,099,349	(36,499,210)	-3.33%	3,180,298,047
2017	1,096,598,559	3,472,205	0.32%	3,289,795,677
2016	1,093,126,354	155,212,195	16.55%	3,279,379,062
2015	937,914,159	(25,679,782)	-2.67%	2,813,742,477
2014	963,593,941	17,072,354	1.80%	2,890,781,823
2013	946,521,587	(214,300,897)	-18.46%	2,839,564,761

Source of information: Cook County Clerk's Office, Department of Tax Extension
The assessed value by major category was not available from Cook County.

East Maine School District 63
Property Tax Rates - All Direct And Overlapping
Governments
Last Ten Tax Levy Years*

<u>Taxing District</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Cook County	0.4460	0.4530	0.4540	0.4890
Cook County Forest Preserve District	0.0580	0.0580	0.0590	0.0600
Metropolitan Water Reclamation District	0.3820	0.3780	0.3890	0.3960
Consolidated Elections	0.0190	0.0000	0.0300	0.0000
Maine Township	0.0750	0.0220	0.0330	0.0920
Maine Township Road & Bridge	0.0580	0.0540	0.0530	0.0600
Maine Township General Assistance	0.0150	0.0000	0.0000	0.0000
Northwest Mosquito Abatement District	0.0110	0.0100	0.0100	0.0110
Village of Niles	0.8960	0.5120	0.4910	0.5090
Niles Park District	0.4230	0.3850	0.3840	0.4250
Niles Public Library District	0.3580	0.3870	0.3410	0.4590
Township High School District Number 207	2.9010	2.6390	2.5530	2.6520
Community College District No. 535	0.2520	0.2270	0.2210	0.2460
Total overlapping rate	5.8940	5.1250	5.0180	5.3990
East Maine School District 63	3.7699	3.3877	3.2443	3.7630
Total direct and overlapping rate	9.6639	8.5127	8.2623	9.1620

*Note: As of the report date, information for the Cook County 2022 tax levy year was unavailable; the ten tax levy years presented are the ten most recent tax levy years available.

Note: Representative tax rates for a resident of the District living in Niles in Cook County tax code 22021.

Source: Office of the County Clerk, Cook County, IL

2017	2016	2015	2014	2013	2012
0.4960	0.5330	0.5520	0.5680	0.5600	0.5310
0.0620	0.0630	0.0690	0.0690	0.0690	0.0630
0.4020	0.4060	0.4260	0.4300	0.4170	0.3700
0.0310	0.0000	0.0340	0.0000	0.0310	0.0000
0.1050	0.1080	0.1240	0.1190	0.1200	0.0960
0.0570	0.0560	0.0650	0.0620	0.0610	0.0490
0.0210	0.0270	0.0310	0.0290	0.0290	0.0230
0.0100	0.0100	0.0110	0.0130	0.0130	0.0110
0.5540	0.5090	0.5720	0.5340	0.5180	0.4250
0.4110	0.4080	0.4720	0.4550	0.4550	0.3970
0.4470	0.4400	0.5120	0.4350	0.4580	0.4390
2.5290	2.5070	2.9010	2.7390	2.7220	2.2150
0.2320	0.2310	0.2710	0.2580	0.2560	0.2190
5.3570	5.2980	6.0400	5.7110	5.7090	4.8380
3.5560	3.4920	4.0394	3.8639	3.0998	2.7748
8.9130	8.7900	10.0794	9.5749	8.8088	7.6128

East Maine School District 63

Principal Property Taxpayers Current Year And Nine Years Ago*

Taxpayer	2021 Equalized Assessed Valuation	Percentage of total 2021 Equalized Assessed Valuation (1,2)
SVAP Golf Mill Retail (GMR)	\$ 38,000,521	3.32%
Park Ridge Commons LLC	20,803,756	1.82%
IRC Four Flaggs LLC	20,386,313	1.78%
Scwinge Revocable Tr	14,474,648	1.26%
9300 Ballard Road LLC	12,034,527	1.05%
Chicagogolf Road LP	11,410,260	1.00%
Niles Nursing Realty	11,195,207	0.98%
Malcolm I Glazer	10,059,045	0.88%
Imperial Realty Co.	9,126,025	0.80%
Sidcor Dempster Assoc	9,062,158	0.79%
	<u>\$ 156,552,460</u>	<u>13.67%</u>
Total Taxable Equalized Assessed Value	<u>\$ 1,145,498,556</u>	

Source of information: Cook County Clerk's and Assessor's Offices

*Note: As of the report date, information for the Cook County 2022 tax levy year was unavailable; the ten tax levy years presented are the ten most recent tax levy years available.

(1) Every reasonable effort has 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.

(2) The county assesses property at approximately 33.3% of actual value for all types of real property. Estimated 2021 full total equalized assessed valuation of \$3,436,495,668 is calculated by dividing assessed value by that percentage.

(3) Estimated 2011 full total equalized assessed valuation is \$2,839,564,761.

Taxpayer	2013 Equalized Assessed Valuation	Percentage of total 2013 Equalized Assessed Valuation (3)
Michael D. Williams	\$ 17,141,883	1.81%
IRC	17,128,016	1.81%
Milwaukee Golf Dev	14,221,397	1.50%
Scwinge Revocable Tr	11,402,800	1.20%
Malcolm L Glazer	11,247,373	1.19%
Park Ridge Commons LLC	9,709,411	1.03%
Walmart Property Tax	8,300,300	0.88%
Glenbridge Re & Dev	7,984,657	0.84%
Niles Nursing Rlty LLC	7,409,303	0.78%
Resurrection Health Co	6,983,114	0.74%
	<u>\$ 111,528,254</u>	<u>11.78%</u>
Total Taxable Equalized Assessed Value	<u>\$ 946,521,587</u>	

East Maine School District 63

Schedule of Property Tax Rates, Extensions and Collections

Last Ten Tax Levy Years

	2022	2021	2020	2019	2018
Rates extended					
Educational	2.0684	2.4682	2.2639	2.1963	2.4809
Building (O&M)	0.3636	0.4136	0.3763	0.3527	0.5052
Transportation	0.1600	0.1798	0.1672	0.1394	0.0874
Retirement (IMRF)	0.0524	0.0540	0.0543	0.0574	0.0680
Social Security	0.0698	0.0809	0.0727	0.0738	0.0874
Liability Insurance	0.0400	0.0450	0.0334	0.0205	0.0680
Special Education	0.0400	0.0450	0.0418	0.0410	0.0437
Working Cash Fund	0.0036	0.0045	0.0042	0.0049	0.0058
Debt service	0.3412	0.4018	0.3739	0.3583	0.4163
Levy Adjustment	0.0373	0.0771	-	-	-
Total rates extended	3.1763	3.7699	3.3877	3.2443	3.7627
Property tax extensions					
Educational	\$ 29,299,296	\$ 28,273,335	\$ 27,888,062	\$ 27,582,779	\$ 26,300,210
Building (O&M)	5,150,000	4,738,000	4,635,000	4,429,000	5,356,000
Transportation	2,266,000	2,060,000	2,060,000	1,751,000	927,000
Retirement (IMRF)	741,600	618,000	669,500	721,000	721,000
Social Security	988,800	927,000	896,100	927,000	927,000
Liability Insurance	566,500	515,000	412,000	257,500	721,000
Special Education	566,500	515,000	515,000	515,000	463,500
Working Cash Fund	51,500	51,500	51,500	61,800	61,800
Debt service	4,833,703	4,602,261	4,605,514	4,500,149	4,413,051
Levy Adjustment	527,761	883,216	4,605,514	4,500,149	4,413,051
Total levies extended	\$ 44,991,660	\$ 43,183,312	\$ 46,338,190	\$ 45,245,377	\$ 44,303,612
Current year collections	\$ 22,241,750	\$ 22,459,459	\$ 21,312,593	\$ 20,354,302	\$ 20,924,567
Subsequent collections		19,782,394	19,304,869	19,127,656	17,765,113
Total collections	\$ 22,241,750	\$ 42,241,853	\$ 40,617,462	\$ 39,481,958	\$ 38,689,680
Percentage of extensions collected -					
current year	49.4%	52.0%	46.0%	45.0%	47.2%
subsequent collections	0.0%	45.8%	41.7%	42.3%	40.1%
Total percentage of extensions collected	49.4%	97.8%	87.7%	87.3%	87.3%

Tax rates are expressed in dollars per one hundred of assessed valuation.

Source of information: Cook County Clerk

	2017	2016	2015	2014	2013
	2.3813	2.3823	2.7990	2.5846	2.5534
	0.4696	0.4523	0.4942	0.5158	0.5169
	0.0704	0.0471	0.0533	0.1069	0.1632
	0.0611	0.0547	0.0604	0.0534	0.1007
	0.0798	0.0744	0.0824	0.0748	0.0136
	0.0611	0.0565	0.0577	0.0695	0.0653
	0.0376	0.0339	0.0384	0.0374	0.0370
	0.0052	0.0049	0.0055	0.0053	0.0054
	0.3896	0.3850	0.4485	0.3633	0.4084
	-	-	-	-	-
	3.5557	3.4911	4.0394	3.8110	3.8639
\$	26,112,891	\$ 26,041,828	\$ 26,252,234	\$ 24,905,049	\$ 24,168,482
	5,150,000	4,944,000	4,635,000	4,970,218	4,892,570
	772,500	515,000	499,550	1,030,082	1,544,723
	669,500	597,400	566,500	514,559	953,147
	875,500	813,700	772,500	720,768	128,727
	669,500	618,000	540,750	669,698	618,079
	412,000	370,800	360,500	360,384	350,213
	56,650	53,560	51,500	51,070	51,112
	4,271,817	4,208,806	4,206,219	3,500,737	3,865,594
	4,271,817	4,208,806	4,206,219	3,500,737	3,865,594
\$	43,262,175	\$ 42,371,900	\$ 42,090,972	\$ 40,223,302	\$ 40,438,241
\$	20,285,030	\$ 19,977,582	\$ 19,729,366	\$ 19,015,614	\$ 18,783,997
	17,330,035	17,103,486	17,483,956	17,254,800	17,528,541
\$	37,615,065	\$ 37,081,068	\$ 37,213,322	\$ 36,270,414	\$ 36,312,538
	46.9%	47.1%	46.9%	47.3%	46.5%
	40.1%	40.4%	41.5%	42.9%	43.3%
	86.9%	87.5%	88.4%	90.2%	89.8%

East Maine School District 63

Ratio of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Obligation Bonds	Leases	Total	Estimated Population	Outstanding Debt Per Capital	Percentage of Personal Income
2023	\$ 48,425,000	\$ 181,480	\$ 48,606,480	46,835	\$ 1,038	3.21%
2022	47,620,000	149,446	47,769,446	46,203	1,034	3.15%
2021	49,955,000	17,932	49,972,932	46,131	1,083	3.30%
2020	48,885,000	54,830	48,939,830	46,581	1,051	3.40%
2019	51,190,000	118,043	51,308,043	46,754	1,097	3.70%
2018	23,635,000	189,942	23,824,942	47,167	505	1.83%
2017	7,700,000	253,713	7,953,713	46,148	172	0.65%
2016	11,600,454	336,503	11,936,957	47,492	251	1.01%
2015	14,805,365	93,421	14,898,786	47,504	314	1.26%
2014	10,733,505	149,394	10,882,899	47,515	229	0.92%

Source of information: Annual Financial Statements 2014 to 2023.

Note: General Obligation Bonds excludes premiums and discounts.

East Maine School District 63
Ratio of General Bonded Debt to Equalized Assessed Valuation
And General Bonded Debt Per Capita
Last Ten Fiscal Years

Fiscal Year Ended June 30,	General Bonded Debt	Less Amounts Available to Repay Principal	Net General Bonded Debt	Percentage of Net General Bonded Debt to Assessed Valuation	Net General Bonded Debt Per Capita
2023	\$ 48,425,000	\$ 3,637,775	\$ 44,787,225	3.42%	956
2022	47,620,000	3,774,089	43,845,911	4.16%	949
2021	49,955,000	3,538,239	46,416,761	4.06%	1,006
2020	48,885,000	3,352,855	45,532,145	3.89%	977
2019	51,190,000	3,600,840	47,589,160	4.83%	1,018
2018	23,635,000	4,658,561	18,976,439	2.16%	402
2017	7,700,000	4,273,510	3,426,490	0.70%	74
2016	11,600,454	4,144,945	7,455,509	1.24%	151
2015	14,805,365	3,818,653	10,986,712	1.54%	223
2014	10,733,505	3,893,415	6,840,090	1.13%	142

Source of information: Annual Financial Statements 2014 to 2023.
Note: General Obligation Bonds excludes premiums and discounts.

East Maine School District 63

Direct and Overlapping Bonded Debt

June 30, 2023

Jurisdiction overlapping	Bonded indebtedness	Portion applicable to School District	
		Percent	Amount
Cook County	\$ 2,251,061,750	0.66%	\$ 14,744,454
Cook County Forest Preserve	98,005,000	0.66%	641,933
Metro Water Reclamation District	2,637,381,349 (1)	0.67%	17,538,586
Morton Grove-Niles Water Commission	- (2)	3.81%	-
Village of Glenview	18,715,000	1.55%	289,147
Village of Morton Grove	5,665,000	19.88%	1,125,919
Village of Niles	14,800,000	40.62%	6,011,020
City of Park Ridge	10,530,000	2.66%	280,519
Glenview Park District	17,596,000 (2)(3)	4.79%	841,969
Golf Maine Park District	1,110,000	100.00%	1,110,000
Morton Grove Park District	1,010,993 (2)	20.28%	205,029
Niles Park District	1,165,000 (2)(3)	38.96%	453,861
Park Ridge Park District	48,075,000	0.96%	461,520
High School District 207	158,100,000	22.62%	35,760,639
Community College District 535	42,855,000	4.70%	2,015,042
Total overlapping debt	<u>5,306,070,092</u>		<u>81,479,638</u>
East Maine School District No. 63	<u>48,425,000</u>	100.00%	<u>48,425,000</u>
Total overlapping and direct bonded debt	<u>\$ 5,354,495,092</u>		<u>\$ 129,904,638</u>

*2021 Equalized Assessed Valuations were used for this statement.

- (1) Includes IEPA Revolving Loan Fund Bonds
- (2) Excludes principal amounts of outstanding General Obligation Alternate Revenue Source Bonds which are expected to be paid from sources other than general taxation.
- (3) Excludes General Obligation Notes and/or Certificates.

Source: Cook County Clerk's Office

East Maine School District 63

Legal Debt Margin Information

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Debt limit	\$ 97,742,095	\$ 79,039,400	\$ 84,996,844	\$ 86,655,054	\$ 86,655,054
Total net debt applicable to limit	44,968,705	43,995,357	46,434,693	45,586,975	47,707,203
Legal debt margin	\$ 52,773,390	\$ 35,044,043	\$ 38,562,151	\$ 41,068,079	\$ 38,947,851
Total net debt applicable to the limit as a percentage of debt limit	46.01%	55.66%	54.63%	52.61%	55.05%

Legal Debt Margin calculation for fiscal year June 30, 2023:

Assessed valuation of taxable properties for the tax year 2022	\$ 1,416,552,095
Rate	6.9%
Debt Limit	97,742,095
Debt subject to limitation	
Total debt subject to limitation	48,606,480
Less Debt Service Fund balance	3,637,775
Net debt outstanding subject to limitation	44,968,705
Legal bonded debt margin	\$ 52,773,390

Source of information: District records.

Assessed valuation obtained from Cook County tax reports.

2018	2017	2016	2015	2014
\$ 75,665,301	\$ 75,425,718	\$ 64,716,077	\$ 66,487,982	\$ 65,309,990
19,166,381	3,426,490	7,190,055	10,601,347	6,721,585
\$ 56,498,920	\$ 71,999,228	\$ 57,526,022	\$ 55,886,635	\$ 58,588,405
25.33%	4.54%	11.11%	15.94%	10.29%

East Maine School District 63

Demographic and Miscellaneous Statistics

Year	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	Unemployment rate
Village of Glenview				
2022	47,258			3.5%
2021	47,856			4.1%
2020	48,705			7.9%
2019	47,308			2.7%
2018	47,258	2,913,172	61,644	2.9%
2017	47,659	2,839,094	59,571	3.7%
2016	47,475	2,645,165	55,717	4.5%
2015	47,446	2,475,115	52,167	4.4%
2014	45,400	2,375,600	52,326	5.4%
2013	44,863	2,308,426	51,455	6.8%
Village of Morton Grove				
2022	24,371			3.9%
2021	24,712			5.2%
2020	25,297			10.2%
2019	22,796			3.0%
2018	22,943	857,839	37,390	3.1%
2017	23,142	797,080	34,443	4.1%
2016	23,227	731,000	31,472	4.8%
2015	23,448	737,955	31,472	4.9%
2014	23,497	813,748	34,632	6.0%
2013	23,341	764,604	32,758	7.7%
Village of Niles				
2022	29,805			4.2%
2021	30,345			5.6%
2020	30,912			10.6%
2019	28,938			3.2%
2018	29,184	870,442	29,826	3.4%
2017	29,482	872,284	29,587	4.4%
2016	29,617	835,466	28,209	5.2%
2015	29,876	822,516	27,531	5.2%
2014	30,014	811,278	27,030	6.4%
2013	30,111	793,365	26,348	8.0%
City of Park Ridge				
2022	38,278			3.6%
2021	38,810			4.3%
2020	39,656			8.1%
2019	36,950			2.9%
2018	37,240	2,002,507	53,773	3.0%
2017	37,494	1,942,489	51,808	3.9%
2016	37,496	1,824,368	48,655	4.9%
2015	37,608	1,776,865	47,247	4.5%
East Maine School District 63*				
2022	46,835			N/A
2021	46,203	1,600,333	34,637	N/A
2020	46,131	1,516,049	32,864	N/A
2019	46,581	1,437,862	30,868	N/A
2018	46,754	1,384,900	29,621	N/A
2017	47,167	1,303,366	27,633	N/A
2016	46,148	1,229,429	26,641	N/A
2015	47,492	1,185,970	24,972	N/A
2014	47,504			N/A
2013	47,515			N/A
State of Illinois				
2022	12,582,032			4.6%
2021	12,671,469			6.1%
2020	12,812,508			9.5%
2019	12,671,821			4.0%
2018	12,741,080			4.3%
2017	12,802,023			5.0%
2016	12,801,539	403,274,082	31,502	5.9%
2015	12,859,995	392,152,688	30,494	5.8%
2014	12,882,189	386,710,432	30,019	7.1%
2013	12,848,554	381,165,203	29,666	9.1%

Sources:

District Data: Most recent data

(1) U.S. Census Bureau QuickFacts, Population as of July 1, 2022

(2) U.S. Census Bureau QuickFacts estimated average (2017-2021) in 2021 dollars.

U.S. Census Bureau QuickFacts estimated average (2016-2020) in 2020 dollars.

U.S. Census Bureau QuickFacts estimated average (2015-2019) in 2019 dollars.

U.S. Census Bureau QuickFacts estimated average (2014-2018) in 2018 dollars.

U.S. Census Bureau QuickFacts estimated average (2013-2017) in 2017 dollars.

U.S. Census Bureau QuickFacts estimated average (2012-2016) in 2016 dollars.

U.S. Census Bureau QuickFacts estimated average (2011-2015) in 2015 dollars.

U.S. Census Bureau QuickFacts estimated average (2010-2014) in 2014 dollars.

U.S. Census Bureau QuickFacts estimated average (2009-2013) in 2013 dollars.

(3) Illinois Department of Employment Security

*School District 63 -

Population and Per Capita Income obtained from American Community 5-year

Surveys from 2013-2017 to 2017-2021 published by National Center of

Educational Statistics' Edge (Education, Demographic and Geographic Estimates)

East Maine School District 63

Principal Employers

Current Year and Nine Years Ago

Employer	2023	
	Employees	Percentage of District Employment*
Advocate Lutheran General Hospital & Medical Centers	4,500	53.08%
Abt Electronics, Inc.	1,500	17.69%
Amazon Fulfillment Center and Grocery Store	1,200	14.15%
Glenbrook Hospital	1,100	12.97%
Woodward, Inc.	1,000	11.80%
Anixter, Inc.	920	10.85%
Maine Township Highschool District 207	920	10.85%
Illinois Tool Works, Inc.	640	7.55%
Kraft Heinz Food Company Research & Development	580	6.84%
Shure, Inc.	600	7.08%
The Bradford Exchange	550	6.49%
Village of Niles (Full & Part-time)	510	6.02%
John Crane, Inc. (HQ)	460	5.43%
Xylem	450	5.31%
Total	14,930	

Note: The employers listed are located in the communities in which the District is located but not necessarily within the District's boundaries.

* Calculating percentages to the Illinois Department of Employment Security Reports the estimated number of persons employed in the District in 2022 is 8,478.

Employer	2014	
	Employees	Percentage**
Advocate Lutheran General Hospital	4,250	N/A
Kraft Foods HQ and Research & Development	1,300	N/A
Glenbrook Hospital	1,100	N/A
Abt Electronics, Inc.	1,100	N/A
Woodward, Inc.	1,000	N/A
Maine Township Highschool District 207	845	N/A
Anixter, Inc.	825	N/A
Illinois Tool Works, Inc.	750	N/A
John Crane, Inc. (HQ)	700	N/A
Xylem	650	N/A
Shure, Inc.	550	N/A
Coca-Cola Bottling Company	500	N/A
The Bradford Exchange	480	N/A
Village of Niles (Full & Part-time)	477	N/A
Total	14,527	

** Percent of District Employment data is not available for 2014

Data Sources

Village Records / School District Records
Employer Website
Data Axle Reference Solutions

Note: The employers listed are located in the communities in which the District is located but not necessarily within the District's boundaries.

East Maine School District 63

Operating Indicators

Last Ten Fiscal Years

Fiscal year ended June 30,	Average Daily Attendance	Operating Expenditures	Cost per Pupil	Percentage Change	Net Operating Expenditures
2023	3,129	\$ 56,600,783	\$ 18,089	7.49%	\$ 46,881,334
2022	3,053	51,378,648	16,829	16.89%	43,304,757
2021	3,194	45,985,673	14,398	-1.72%	40,097,512
2020	3,064	44,883,941	14,649	-0.53%	40,510,580
2019	2,930	43,149,279	14,727	5.34%	38,051,147
2018	2,988	41,771,460	13,980	-9.53%	36,973,532
2017	3,091	47,761,096	15,452	2.93%	40,480,674
2016	3,106	46,626,225	15,012	3.91%	39,629,143
2015	3,151	45,520,035	14,446	21.62%	39,204,562
2014	3,179	44,105,976	11,878	9.08%	37,760,857

Source of information: District records and Illinois Annual Financial Report.

Note: Cost per pupil is based on Average Daily Attendance, from the Illinois State Board of Education's 9 Month ADA from Average Daily Attendance - Student Information System; Operating Expenditures and Net Operating Expenditures are computed on the Illinois Annual Financial Report.

	Cost per Pupil	Percentage Change	Teaching Staff	Pupil- Teacher Ratio	Percentage of Students Receiving Free or Reduced Meals
\$	14,983	5.63%	338	9.3	54.03%
	14,184	12.98%	336	9.1	52.12%
	12,554	-5.05%	309	10.3	49.00%
	13,221	1.80%	303	10.1	53.00%
	12,987	4.95%	285	10.3	53.00%
	12,374	-5.51%	301	9.9	54.42%
	13,096	2.64%	306	10.1	54.81%
	12,759	2.55%	295	10.5	49.80%
	12,442	-10.32%	236	13.4	61.20%
	13,874	7.26%	261	12.2	63.68%

East Maine School District 63

School Building Information

Last Ten Fiscal Years

	2023	2022	2021	2020	2019
Apollo School					
Square feet	139,404	139,404	139,404	139,404	139,879
Capacity (students)	800	800	800	800	800
Enrollment	543	520	544	623	599
Early Learning Center *					
Square feet	42,000	42,000	42,000		
Capacity (students)	400	400	400		
Enrollment	295	302	247		
Gemini Junior High School					
Square feet	241,085	241,085	241,085	241,085	175,085
Capacity (students)	1,900	1,900	1,900	1,900	1,100
Enrollment	1,092	1,105	1,097	1,111	704
Mark Twain School					
Square feet	51,150	51,150	51,150	51,150	53,512
Capacity (students)	500	500	500	500	500
Enrollment	441	421	412	419	303
Melzer School					
Square feet	47,114	47,114	47,114	47,114	49,814
Capacity (students)	500	500	500	500	500
Enrollment	408	372	391	530	532
Nelson School					
Square feet	62,168	62,168	62,168	62,168	64,694
Capacity (students)	800	800	800	800	800
Enrollment	455	457	460	507	569
Family Resource Center**					
Square feet	42,444	42,444	42,444	42,444	42,444
Capacity (students)	400	400	400	400	400
Enrollment	-	-	-	-	421
Washington School					
Square feet	45,435	45,435	45,435	45,435	47,702
Capacity (students)	400	400	400	400	400
Enrollment	403	355	350	394	306

Source of information: District records, with Pre-K and Kindergarten adjusted to full time enrolled equivalent.

* Early Learning Center is the District's new Pre-K only building. Building opened in the 2020-21 school year.

** Stevenson School students were moved to Apollo, Mark Twain, and Nelson in the 2019-20 school year. The building became a community center called Family Resource Center and does not operate as a school.

2018	2017	2016	2015	2014
139,879	139,879	139,879	139,879	139,879
800	800	800	800	800
586	605	624	557	525
175,085	175,085	175,085	175,085	175,085
1,100	1,100	1,100	1,100	1,100
720	768	762	765	764
53,512	53,512	53,512	53,512	53,512
500	500	500	500	500
324	347	388	362	383
49,814	49,814	49,814	49,814	49,814
500	500	500	500	500
555	573	523	408	400
64,694	64,694	64,694	64,694	64,694
800	800	800	800	800
590	587	587	561	568
42,444	42,444	42,444	42,444	42,444
400	400	400	400	400
423	433	421	389	400
47,702	47,702	47,702	47,702	47,702
400	400	400	400	400
305	276	298	302	325

East Maine School District 63

Number of Employees By Type

Last Ten Fiscal Years

	2022- 2023	2021- 2022	2020- 2021	2019- 2020	2018- 2019
Administration					
Superintendent	1	1	1	1	1
District Administrators	9	9	9	9	9
Principals and assistants	15	13	12	13	12
Total administration	25	23	22	23	22
Instruction					
Teachers					
Pre-K	11	11	10	11	13
Elementary (K-5)	99	99	92	80	81
Jr. High (6-8)	74	72	50	54	54
Art	9	9	7	8	7
Music	10	10	10	10	9
Foreign language	4	4	3	4	3
Library media specialist	7	6	5	7	6
Physical education	13	13	12	12	10
Special education and bilingual	66	68	75	71	61
Literacy Specialists	7	6	6	6	6
Psychologists	9	9	9	9	10
Professional Development Coaches	10	10	11	11	9
Directors/Coordinators/Facilitators	3	3	3	4	3
Social workers and counselors	10	9	9	9	9
Technology	7	7	7	8	4
Total instruction	338	336	309	303	285
Other supporting staff					
Clerical 10 month	13	11	11	11	12
Clerical 12 month	8	8	8	7	9
Teaching assistants	70	60	52	63	70
Library/Health Support	2	1	1	2	5
Project Coordinator	-	-	2	12	-
Technology	2	2	2	2	5
Maintenance custodians & warehouse	34	32	25	29	31
Nurses	10	12	10	9	7
Occupation and physical therapists	18	9	7	6	18
Total support staff	158	135	118	140	157
Total staff	521	494	449	466	464

Source: Obtained from the District

2017- 2018	2016- 2017	2015- 2016	2014- 2015	2013- 2014
1	1	1	1	1
9	9	9	8	8
12	12	11	11	10
22	22	21	20	19
10	7	7	5	4
80	84	93	76	78
54	56	62	51	52
8	7	7	7	10
10	9	10	8	10
3	3	3	3	3
7	7	7	6	7
10	10	10	6	7
77	85	66	68	84
7	7	6	6	6
9	9	8	5	7
9	8	7	7	7
3	4	-	3	1
8	8	9	9	9
6	2	-	-	-
301	306	295	260	285
14	13	14	19	19
11	19	16	10	9
78	79	83	75	74
8	7	10	9	8
-	-	4	-	-
6	4	4	4	4
32	30	32	33	34
9	7	7	3	1
7	7	6	8	6
165	166	176	161	155
488	494	492	441	459

East Maine School District 63

Operating Statistics

June 30, 2023

Location	Approximately 15 miles north of Chicago's "Loop" and comprising portions of Des Plaines, Niles, Glenview, Park Ridge, and Morton Grove.
Date of organization (approximate)	1850
Number of schools	7
Area served	5
Median home value	
Des Plaines	\$ 293,438
Morton Grove	332,100
Niles	302,800
Glenview	529,500
Park Ridge	458,600
Student enrollment	3,532
Certified teaching staff	298
Pupil/Teacher ratio	10.2
Faculty holding masters degree	73.50%

Form of Continuing Disclosure Undertaking

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

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by School District Number 63, Cook County, Illinois (the “*District*”), in connection with the issuance of \$_____ General Obligation Limited Tax School Bonds, Series 2024 (the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 5th day of September, 2024 (as supplemented by a notification of sale, the “*Resolution*”).

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

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

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

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

THE BONDS — Limited Bonds (Base calculation and chart only)

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

Combined Educational Fund and Operations and Maintenance 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 Final Official Statement, dated _____, 2024, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

9. FUTURE CHANGES TO THE RULE. As set forth in Section 1 of this Agreement, the District has executed and delivered this Agreement solely and only to assist the Participating Underwriters in complying with the requirements of the Rule. Therefore, notwithstanding anything in this Agreement to the contrary, in the event the Commission, the MSRB or other regulatory authority shall approve or require changes to the requirements of the Rule, the District shall be permitted, but shall not be required, to unilaterally modify the covenants in this Agreement, without complying with the requirements of Section 7 of this Agreement, in order to

comply with, or conform to, such changes. In the event of any such modification of this Agreement, the District shall file a copy of this Agreement, as revised, on EMMA in a timely manner.

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

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

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

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

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

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

SCHOOL DISTRICT NUMBER 63, COOK COUNTY,
ILLINOIS

By _____
President, Board of Education

Date: _____, 2024

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

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

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

Audited Financial Statements will be prepared in accordance with accounting principles 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**

MATURITY (DECEMBER 1)	CUSIP NUMBER (213651)
2025	
2026	
2027	
2038	
2039	
2040	
2041	

Official Notice of Sale and Bid Form

OFFICIAL NOTICE OF SALE

AND

BID FORM

FOR

SCHOOL DISTRICT NUMBER 63

COOK COUNTY, ILLINOIS

\$6,520,000* GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2024

DATE AND TIME:

October 28, 2024
10:00 a.m.
Central Daylight Saving Time

PLACE:

PMA Securities, LLC
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563
Attention: Jen Currier
Phone: (630) 657-6443
E-mail: compbidIL@pmanetwork.com

FORM OF BIDDING:

Electronic or via e-mail, as described herein

*Preliminary, subject to change.

OFFICIAL NOTICE OF SALE

**SCHOOL DISTRICT NUMBER 63
COOK COUNTY, ILLINOIS**

\$6,520,000* GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2024

NOTICE IS HEREBY GIVEN that the Board of Education (the “Board”) of School District Number 63, Cook County, Illinois (the “District”), will receive bids either (i) electronically via **Parity®** or (ii) sent via e-mail to compbidIL@pmanetwork.com (each as more fully described below), for the purchase of its \$6,520,000* General Obligation Limited Tax School Bonds, Series 2024 (the “Bonds”), on an all or none basis at the following time and place:

DATE AND TIME: 10:00 a.m.
Central Daylight Saving Time
October 28, 2024

PLACE: Offices of the District’s Municipal Advisor:
PMA Securities, LLC (the “Municipal Advisor”)
2135 CityGate Lane, 7th Floor
Naperville, Illinois 60563

AWARD OF BONDS: Bids will be publicly announced at the above time and place. Unless all bids are rejected, award will be made by the designated officials of the Board and the District to the bidder offering the *lowest true interest cost* (“TIC”) to the District.

The Bonds

The Bonds are issued pursuant to the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of the District on September 5, 2024, as supplemented by a notification of sale (together, the “Bond Resolution”). Proceeds of the Bonds will be used to (i) increase the District’s working cash fund and (ii) pay costs associated with the issuance of the Bonds.

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, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Property Tax Extension Limitation Law of the State of Illinois, as amended. See “THE BONDS – Limited Bonds” in the Preliminary Official Statement.

*Preliminary, subject to change.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, principal of and interest on the Bonds to the amount of the Base (as defined in the Preliminary Official Statement), as determined for the 2024 levy year, less taxes previously levied to pay the Outstanding Limited Bonds (as defined in the Preliminary Official Statement). 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.

The proposed form of opinion of Bond Counsel regarding the Bonds is set forth in Appendix A to the Preliminary Official Statement.

Bidding Instructions

Each proposal must be submitted on the Official Bid Form without alteration or change until 10:00 a.m. Central Daylight Saving Time either:

(i) via **Parity®** in accordance with this Official Notice of Sale. To the extent any instructions or directions set forth in **Parity®** conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about **Parity®**, potential bidders may contact the Municipal Advisor or i-Deal LLC at 1359 Broadway, New York, NY 10018, telephone (212) 849-5021; or

(ii) via e-mail to compbidIL@pmanetwork.com.

The bidder bears all risk of transmission failure.

Any bidder intending to bid via e-mail shall notify the Municipal Advisor of such intention no later than the close of business on Friday, October 25, 2024.

Determination of Winning Bid

The Bonds will be awarded to the single and best bidder (the “Purchaser”) whose bid will be determined upon the basis of the **lowest TIC** at the rates designated in said bid from the dated date to the respective maturity dates after deducting the bid premium or adding the bid discount, if any. The TIC will be calculated as the rate which, when used in computing the present value of all payments of principal and interest to be paid on the Bonds (commencing on June 1, 2025, and semiannually on each June 1 and December 1 thereafter), produces an amount on the date of the Bonds (expected to be November 18, 2024) equal to the purchase price set forth in the bid. In the event of more than one proposal specifying the lowest TIC, the Bonds will be awarded to the bidder whose proposal is selected by lot from among all such proposals.

Bidding Parameters

The Bonds will be dated the date of issuance thereof and will mature on the dates and in the amounts as described in the Official Bid Form attached hereto.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

Any bidder electing to designate any maturities as term bonds shall so specify on the affirmed bid form. The term bonds shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

All interest rates must be in multiples of one-eighth or one-twentieth of one percent (1/8 or 1/20 of 1%), and not more than one rate for a single maturity shall be specified. The rate bid for each maturity shall not exceed 5.00%. The minimum rate of interest is 4.00% on the December 1, 2038 maturity and all maturities thereafter. All bids must be for all of the Bonds and must be for not less than 100.70% of the par amount thereof.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing this Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting a bid, the Purchaser agrees to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

A good faith deposit will not be required prior to bid opening. The Purchaser is required to submit a certified or cashier's check on a solvent bank or trust company or a wire transfer for TWO PERCENT OF PAR payable to the School Treasurer who receives the taxes of the District as evidence of good faith of the Purchaser (the "Deposit") not later than 3:30 P.M. Central Daylight Saving Time on the Sale Date (as hereinafter defined). The Deposit will be retained by the District pending delivery of the Bonds. The District may hold the proceeds of the Deposit or invest the same (at the District's risk) in obligations that mature at or before the delivery of the Bonds, until applied as follows: (a) at the delivery of the Bonds and upon compliance with the Purchaser's obligation to take up and pay for the Bonds, the full amount of the Deposit held by the District, without adjustment for interest, shall be applied toward the purchase price of the Bonds at that time, and the full amount of any interest earnings thereon shall be retained by the District; and (b) if the Purchaser fails to take up and pay for the Bonds when tendered, the full amount of the Deposit plus any interest earnings thereon will be forfeited to the District as liquidated damages.

Establishment of Issue Price

(a) The Purchaser shall assist the District in establishing the issue price of the Bonds and shall execute and deliver to the District at closing an "issue price" or similar certificate setting forth the reasonably expected initial offering price to the Public (as hereinafter defined) or the sales price or prices of the Bonds, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Exhibit A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Purchaser, the District and Bond Counsel. All actions to be taken by the District under this Official Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the Municipal Advisor, identified herein, and any notice or report to be provided to the District may be provided to the Municipal Advisor. Within one hour of the award, the Purchaser will provide the District and the Municipal Advisor the expected initial offering price of the Bonds, which the Purchaser used to formulate its bid.

(b) The District intends that the provisions of Treasury Regulation Section 1.148-1(f)(3)(i) (defining “competitive sale” for purposes of establishing the issue price of the Bonds) will apply to the initial sale of the Bonds (the “Competitive Sale Requirements”) because:

- (1) the District will disseminate this Official Notice of Sale to potential Underwriters in a manner that is reasonably designed to reach potential Underwriters;
- (2) all bidders will have an equal opportunity to bid;
- (3) the District may receive bids from at least three underwriters of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds; and
- (4) the District anticipates awarding the sale of the Bonds to the bidder who submits a firm offer to purchase the Bonds at the lowest TIC, as set forth in this Official Notice of Sale.

Any bid submitted pursuant to this Official Notice of Sale shall be considered a firm offer for the purchase of the Bonds, as specified in the bid.

(c) In the event that the Competitive Sale Requirements are not satisfied, the District shall so advise the Purchaser. In such event, any bid proposal submitted will not be subject to cancellation or withdrawal, and the District agrees to use the rules selected by the Purchaser on its bid form to determine the issue price for the Bonds. On the bid form, each bidder must select one of the following rules to establish the issue price of the Bonds: (i) the “10% Test” which will establish the issue price of a maturity of the Bonds as the first price at which 10% of such maturity of the Bonds is sold to the Public and/or (ii) the “Hold-the-Offering-Price Rule” which will establish the issue price of a maturity of the Bonds as the initial offering price of that maturity, in each case applied on a maturity-by-maturity basis. If the Purchaser selects the Hold-the-Offering-Price Rule, the Purchaser shall promptly advise the District, at or before the time of award of the Bonds, which maturities of the Bonds have not satisfied the 10% Test and will be subject to the Hold-the-Offering-Price Rule. ***Bidders should prepare their bids on the assumption that some or all of the maturities of the Bonds will be subject to the Hold-the-Offering-Price Rule or the 10% Test, as selected on the bid form, in order to establish the issue price of the Bonds. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.***

(d) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the Hold-the-Offering-Price Rule**, then the Purchaser shall (i) confirm that the Underwriters (as hereinafter defined) have offered or will offer the Bonds to the Public on or before the date of award at the offering price or prices (the “Initial Offering Price”), or at the corresponding yield or yields set forth in the bid submitted by the Purchaser and (ii) agree, on behalf of the Underwriters participating in the purchase of the Bonds, that the Underwriters will neither offer nor sell unsold Bonds of any maturity to which the Hold-the-Offering-Price Rule shall apply to any person at a price that is higher than the Initial Offering Price to the Public during the period starting on the Sale Date and ending on the earlier of the following:

- (1) the close of the fifth (5th) business day after the Sale Date; or
- (2) the date on which the Underwriters have sold at least 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public.

The Purchaser will advise the District promptly after the close of the fifth (5th) business day after the Sale Date whether it has sold 10% of that maturity of the Bonds to the Public at a price that is no higher than the Initial Offering Price to the Public. Within one hour of the award, the Purchaser will inform the District of the Initial Offering Price for each maturity of the Bonds.

(e) **If the Competitive Sale Requirements are not satisfied and the Purchaser selects the 10% Test**, then until the 10% Test has been satisfied as to each maturity of the Bonds, the Purchaser agrees to promptly report to the District the prices at which the unsold Bonds of that maturity have been sold to the Public. That reporting obligation shall continue, whether or not the closing date has occurred, until either (i) all Bonds of that maturity have been sold or (ii) the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the Purchaser's reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the District or Bond Counsel. In addition if the 10% Test has not been satisfied with respect to any maturity of the Bonds prior to closing, then the Purchaser shall provide the District with a representation as to the price or prices as of the date of closing at which the Purchaser reasonably expects to sell the remaining Bonds of such maturity.

(f) The District acknowledges that, in making the representations set forth above, the Purchaser will rely on (i) the agreement of each Underwriter to comply with requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in an agreement among Underwriters and the related pricing wires, (ii) in the event a selling group has been created in connection with the initial sale of the Bonds to the Public, the agreement of each dealer who is a member of the selling group to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in a selling group agreement and the related pricing wires, and (iii) in the event that an Underwriter is a party to a third-party distribution agreement that was employed in connection with the initial sale of the Bonds to the Public, the agreement of each broker-dealer that is a party to such agreement to comply with the requirements for establishing the issue price of the Bonds including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, as set forth in the third-party distribution agreement and the related pricing wires. The District further acknowledges that each Underwriter shall be solely liable for its failure to comply with its agreement regarding the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule, if applicable to the Bonds, and that no Underwriter shall be liable for the failure of any other Underwriter, or of any dealer who is a member of a selling group, or of any broker-dealer that is a party to a third-party distribution agreement to comply with its corresponding agreement to comply with the requirements for establishing the issue price of the Bonds, including, but not limited to, its agreement to comply with the Hold-the-Offering-Price Rule if applicable to the Bonds.

(g) By submitting a bid, each bidder confirms that:

(i) any agreement among Underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable:

(A)(i) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold to the Public or it is notified by the Purchaser that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser and (ii) to comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser and as set forth in the related pricing wires, which shall be until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of award,

(B) to promptly notify the Purchaser of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public, and

(C) to acknowledge that, unless otherwise advised by the Underwriter, dealer or broker-dealer, the Purchaser shall assume that each order submitted by the Underwriter is a sale to the Public.

(ii) any agreement among Underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each broker-dealer that is a party to such third-party distribution agreement to (A) report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it, whether or not the closing date has occurred, until either all Bonds of that maturity allocated to it have been sold or until it is notified by the Purchaser or such Underwriter that the 10% Test has been satisfied as to the Bonds of that maturity, provided that, the reporting obligation after the closing date may be at reasonable periodic intervals or otherwise upon request of the Purchaser or such Underwriter and (B) comply with the Hold-the-Offering-Price Rule, if applicable, if and for so long as directed by the Purchaser or the Underwriter and as set forth in the related pricing wires, which shall be at least until the 10% Test has been satisfied as to the Bonds of that maturity or until the close of business on the fifth (5th) business day following the date of the award.

(h) Sales of any Bonds to any person that is a Related Party to an Underwriter participating in the initial sale of the Bonds to the Public shall not constitute sales to the Public for purposes of this Official Notice of Sale. Further, for purposes of this Official Notice of Sale:

- (i) “Public” means any person other than an Underwriter or a Related Party,
- (ii) a purchaser of any of the Bonds is a “Related Party” to an Underwriter if the Underwriter and the Purchaser are subject, directly or indirectly, to (A) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (B) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (C) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),
- (iii) “Sale Date” means the date that the Bonds are awarded by the District to the Purchaser, and
- (iv) “Underwriter” means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

Closing Transcript

At the time of delivery, the District will furnish to the Purchaser the approving legal opinion of Bond Counsel and, in due course, a complete certified transcript of all proceedings in connection with the issuance of the Bonds which shall include a non-litigation certificate showing that there is no litigation pending or threatened as to the validity or security of the Bonds.

Bond Insurance at Purchaser’s Option

If the Bonds qualify for issuance of any policy of municipal bond insurance or commitment thereof, the purchase of any such insurance policy or the issuance of any such commitment shall be at the sole option and expense of the Purchaser. The Purchaser, upon being advised of the successful bid, shall notify the Municipal Advisor of its intent to obtain bond insurance. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the Purchaser. Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Tax Exemption

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State of Illinois income taxes. See “TAX EXEMPTION” in the Preliminary Official Statement for a more complete discussion.

Qualified Tax-Exempt Obligations

Subject to the District’s compliance with certain covenants, in the opinion of Bond Counsel, the Bonds are “qualified tax-exempt obligations” under the small issuer exception provided under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended (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.

Book-Entry Only

The Bonds will be issued as fully-registered bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee for The Depository Trust Company, New York, New York (“DTC”). DTC will act as securities depository for the Bonds. A single Bond certificate for each maturity will be issued to DTC and immobilized in its custody. Individual purchases may be made in book-entry-only form only through DTC participants, in the principal amount of \$5,000 and integral multiples thereof. Individual purchasers will not receive certificates evidencing their ownership of the Bonds purchased. The Purchaser shall be required to deposit the Bond certificates with DTC as a condition to delivery of the Bonds. The District will make payments of principal and interest on the Bonds to DTC or its nominee as registered owner of the Bonds in same-day funds. Transfer of those payments to participants of DTC will be the responsibility of DTC; transfer of the payments to beneficial owners by DTC participants will be the responsibility of such participants and other nominees of beneficial owners all as required by DTC rules and procedures. No assurance can be given by the District that DTC, its participants and other nominees of beneficial owners will make prompt transfer of the payments as required by DTC rules and procedures. The District assumes no liability for failures of DTC, its participants or other nominees to promptly transfer payments to beneficial owners of the Bonds.

In the event that the securities depository relationship with DTC for the Bonds is terminated and the District does not appoint a successor depository, the District will prepare, authenticate and deliver, at its expense, fully-registered Bond certificates in the denominations of \$5,000 or an integral multiple thereof in the aggregate principal amount of the Bonds of the same maturity then outstanding to the beneficial owners of the Bonds.

CUSIP Numbers

It is intended that CUSIP numbers will be printed on the Bonds, but neither the failure to print or type such number on any Bonds nor any error with respect thereto shall constitute cause for a failure or refusal by the Purchaser to accept delivery of and make payment for the Bonds.

All expenses in relation to the printing of CUSIP numbers, including CUSIP Service Bureau charges for the assignment of said numbers, shall be the responsibility of and shall be paid by the Purchaser.

Continuing Disclosure

The District covenants and agrees to enter into a written agreement or contract, constituting an undertaking (the “Undertaking”) to provide ongoing disclosure about the District for the benefit of the beneficial owners of the Bonds on or before the date of delivery of the Bonds as required under Section (b)(5) of Rule 15c2-12 (the “Rule”) adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended. The form of the Undertaking is set forth in Appendix C in the Preliminary Official Statement. Please see the section entitled “CONTINUING DISCLOSURE” in the Preliminary Official Statement for a description of the District’s compliance during the last five years with undertakings previously entered into by it pursuant to the Rule.

The Purchaser’s obligation to purchase the Bonds shall be conditional upon the District delivering the Undertaking on or before the date of delivery of the Bonds.

Official Statement

The District declares the Preliminary Official Statement provided in connection with the sale of the Bonds to be final as of its date for purposes of the Rule, except for the omission of the offering prices or yields, the interest rates, any other terms or provisions required by the District specified in the bid, ratings, other terms of the Bonds depending on such matters, and the identity of the Purchaser. Upon the sale of the Bonds, the District will publish an Official Statement in substantially the same form as the Preliminary Official Statement, subject to minor additions, deletions and revisions as required to complete the Preliminary Official Statement. By submission of its bid, the Purchaser will be deemed to have certified that it has obtained and reviewed the Preliminary Official Statement. Promptly after the Sale Date, but in no event later than seven business days after the Sale Date, the District will provide the Purchaser with an electronic copy of the final Official Statement. The Purchaser agrees to supply to the District all information necessary to complete the Official Statement within 24 hours after the award of the Bonds.

Conditions of Closing

The District reserves the right to reject any or all bids and to determine the best bid in its sole discretion, and to waive any informality in any bid. Additionally, the District reserves the right to modify or amend this Official Notice of Sale; however, any such modification or amendment shall not be made less than twenty-four (24) hours prior to the date and time for receipt of bids on the Bonds and any such modification or amendment will be announced on the Amendments Page of the Parity® webpage and through *Thompson Municipal News*.

By submitting a bid, any bidder makes the representation that it understands Bond Counsel represents the District in the Bond transaction and, if such bidder has retained Bond Counsel in an unrelated matter, such bidder represents that the signatory to the bid is duly authorized to, and does consent to and waive for and on behalf of such bidder any conflict of interest of Bond Counsel arising from any adverse position to the District in this matter; such consent and waiver shall

supersede any formalities otherwise required in any separate understandings, guidelines or contractual arrangements between the bidder and Bond Counsel.

The Bonds will be delivered to the Purchaser against full payment in immediately available funds as soon as they can be prepared and executed, which is expected to be November 18, 2024. Should delivery, however, be delayed beyond forty-five (45) days from the Sale Date for any reason beyond the control of the District except failure of performance by the Purchaser, the District may cancel the award or the Purchaser may withdraw the Deposit and thereafter the Purchaser's interest in and liability for the Bonds will cease.

Additional Information

The Preliminary Official Statement and the Official Bid Form, together with other pertinent information, may be obtained from the District, Attention: Jordi Camps, Assistant Superintendent of Business Services, 10150 Dee Road, Des Plaines, Illinois 60016, Telephone: (847) 299-1900, or from the Municipal Advisor, Attention: Jen Currier, 2135 CityGate Lane, 7th Floor, Naperville, Illinois 60563, Telephone: (630) 657-6443.

By order of the Board of Education of the District, dated this 21st day of October, 2024.

/s/ Jordi Camps

Assistant Superintendent of Business Services
School District Number 63
Cook County, Illinois

OFFICIAL BID FORM

Board of Education
 School District Number 63
 Cook County, Illinois

October 28, 2024

Ladies and Gentlemen:

Subject to all the provisions of the Official Notice of Sale, which is expressly made a part of this bid, we offer to purchase the General Obligation Limited Tax School Bonds, Series 2024 (the "Bonds"), as described below:

Par amount of Bonds:	\$6,520,000*
Dated date:	Date of Issuance
Purchase price:	\$_____
(not less than 100.70% of the par amount of the Bonds)	

The Bonds shall bear interest as follows (each rate (i) a multiple of 1/8 or 1/20 of 1%, (ii) not exceeding 5.00% and (iii) a minimum of 4.00% on the December 1, 2038 maturity and all maturities thereafter):

<u>Maturity</u> <u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate</u>	<u>Term Bonds</u> <u>(Year)</u>
2025	85,000	_____	_____
2026	175,000	_____	_____
2027	210,000	_____	_____
***	***	***	***
2038	1,425,000	_____	_____
2039	1,480,000	_____	_____
2040	1,540,000	_____	_____
2041	1,605,000	_____	_____

*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If the principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

If insured, please insert the name of insurer _____ and amount of the premium \$_____. Any increased costs of issuance of the Bonds resulting from such purchase of insurance shall be paid by the successful bidder (the "Purchaser"). Any other rating agency fees shall be the responsibility of the Purchaser. Failure of the municipal bond insurer to issue the policy after the Bonds have been awarded to the Purchaser shall not constitute cause for failure or refusal by the Purchaser to accept delivery of the Bonds.

Any bidder electing to designate a maturity as a term bond shall so specify on the bid form. The term bond shall be subject to mandatory sinking fund redemption by lot in the amounts currently specified for the serial bonds, at a redemption price of 100% of the principal amount thereof.

The Bonds are subject to optional redemption prior to maturity as set forth in the Preliminary Official Statement.

The Bonds are to be accompanied by the unqualified approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, and a certificate evidencing that no litigation is pending against the District which will affect the validity or security of the Bonds.

Attorneys' fees, rating agency fees, Municipal Advisor fees, the cost of preparing and printing the Bonds, the fees of the registrar and paying agent for the Bonds, the cost of distributing the Official Notice of Sale, the Preliminary Official Statement and the Official Statement and miscellaneous expenses of the District incurred in connection with the offering and delivery of the Bonds shall all be the obligation of the District. The costs of issuance of the Bonds may be distributed by the Purchaser on behalf of the District from proceeds of the Bonds and by submitting this bid, we agree to send (an) additional wire(s) at closing to distribute such costs if so requested by the District.

If the net interest cost or the true interest cost stated below is incorrectly computed, the undersigned agrees that the purchase price and interest rates above shall prevail.

Net Interest Cost:	\$ _____
True Interest Cost:	_____ %

This bid is a firm offer for the purchase of the Bonds identified in the Official Notice of Sale, on the terms set forth in this bid form and the Official Notice of Sale, and is not subject to any conditions, except as permitted by the Official Notice of Sale. If the Competitive Sale Requirements are not met, the bidder selects the following rule to establish the issue price of the maturities of the Bonds for which 10% is not sold to the Public on the date hereof applied on a maturity-by-maturity basis (mark one):

_____ 10% Test: the first price at which 10% of a maturity of the Bonds is sold to the Public for the following maturities: _____

_____ Hold-the-Offering-Price Rule: the initial offering price of that maturity for the following maturities: _____

By submitting this bid, we confirm that we have an established industry reputation for underwriting new issuances of municipal bonds. *[If the bidder cannot confirm an established industry reputation for underwriting new issuances of municipal bonds, the preceding sentence should be crossed out.]*

We understand that if we are the winning bidder, we will deposit with the School Treasurer who receives the taxes of the District not later than 3:30 P.M. CDT on the Sale Date a certified or cashier's check or a wire in the amount of two percent (2%) of the par amount of the Bonds payable to said District as a guarantee of good faith, to be applied in accordance with the Official Notice of Sale.

Managing Underwriter Signature

Name of Firm: _____

Direct Contact: _____

Address: _____

Phone Number: _____

E-Mail Address: _____

—PLEASE ATTACH A LIST OF ACCOUNT MEMBERS—

The foregoing offer is hereby accepted this 28th day of October, 2024, by the Board of Education of School District Number 63, Cook County, Illinois, and in recognition thereof is signed by the officials of the District empowered and authorized to make such acceptance.

Assistant Superintendent of Business Services
School District Number 63
Cook County, Illinois

Form of Issue Price Certificate

CERTIFICATE OF PURCHASER

The undersigned, on behalf of _____ (the “*Purchaser*”), hereby certifies as set forth below with respect to the sale and issuance of the \$_____ General Obligation Limited Tax School Bonds, Series 2024 (the “*Bonds*”), of School District Number 63, Cook County, Illinois (the “*District*”).

I. GENERAL

On the Sale Date, the Purchaser purchased the Bonds from the District by submitting electronically an “Official Bid Form” responsive to an “Official Notice of Sale” and having its bid accepted by the District. The Purchaser has not modified the terms of the purchase since the Sale Date.

II. PRICE

Competitive Sale Requirements Met – 3 Bids Received

Reasonably Expected Initial Offering Price.

(a) As of the Sale Date, the reasonably expected initial offering prices of the Bonds to the Public by the Purchaser are the prices listed in *Exhibit A* (the “*Expected Offering Prices*”). The Expected Offering Prices are the prices for the Maturities of the Bonds used by the Purchaser in formulating its bid to purchase the Bonds. Attached as *Exhibit B* is a true and correct copy of the bid provided by the Purchaser to purchase the Bonds.

(b) The Purchaser was not given an exclusive opportunity to review other bids prior to submitting its bid.

(c) The bid submitted by the Purchaser constituted a firm offer to purchase the Bonds.

3 Bids Not Received – At Least 10% of Each Maturity Sold by Closing

As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Expected First Sale Price

1. As of the date of this certificate, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).
2. Expected First Sale Price.

With respect to each of the _____ Maturities of the Bonds:

- (a) As of the date of this certificate, the Purchaser has not sold at least 10% of the Bonds of this Maturity at any Price.
- (b) As of the date of this certificate, the Purchaser reasonably expects that the first sale to the Public of an amount of Bonds of this Maturity equal to 10% or more of this Maturity will be at or below the Expected Sale Price listed on the attached *Exhibit A* (the “*Expected First Sale Price*”).

3 Bids Not Received – At Least 10% of Certain Maturities Not Sold by Closing; Hold-the-Offering-Price Rule

1. As of the date of this certificate, for each of the General Rule Maturities, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in *Exhibit A* (the “*First Sale Price*”).

2. (a) The Purchaser offered the Hold-the-Offering-Price Maturities to the Public for purchase at the respective initial offering prices listed in *Exhibit A* (the “*Initial Offering Prices*”) on or before the Sale Date. A copy of the pricing wire or equivalent communication for the Bonds is attached to this certificate as *Exhibit B*.

(b) As set forth in the Official Notice of Sale and the Official Bid Form, the Purchaser has agreed in writing that, (i) for each Maturity of the Hold-the-Offering-Price Maturities, it would neither offer nor sell any of the Bonds of such Maturity to any person at a price that is higher than the Initial Offering Price for such Maturity during the Holding Period for such Maturity (the “*Hold-the-Offering-Price Rule*”), and (ii) any selling group agreement would contain the agreement of each dealer who is a member of the selling group, and any third-party distribution agreement would contain the agreement of each broker-dealer who is a party to the third-party distribution agreement, to comply with the Hold-the-Offering-Price Rule.

(c) No Underwriter (as defined below) has offered or sold any Bonds of any Maturity of the Hold-the-Offering-Price Maturities at a price that is higher than the respective Initial Offering Price for that Maturity during the Holding Period.

III. DEFINED TERMS

[1. “*General Rule Maturities*” means those Maturities of the Bonds not listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[2. “*Hold-the-Offering-Price Maturities*” means those Maturities of the Bonds listed in *Exhibit A* hereto as the “Hold-the-Offering-Price Maturities.”]

[3. “*Holding Period*” means, with respect to a Hold-the-Offering-Price Maturity, the period starting on the Sale Date and ending on the earlier of (i) the close of the fifth business day after the Sale Date (said fifth business day being _____, 2024), or (ii) the date on which the Purchaser has sold at least 10% of such Hold-the-Offering-Price Maturity to the Public at prices that are no higher than the Initial Offering Price for such Hold-the-Offering-Price Maturity.]

4. “*Maturity*” means Bonds with the same credit and payment terms. Bonds with different maturity dates, or Bonds with the same maturity date but different stated interest rates, are treated as separate maturities.

5. “*Public*” means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to an Underwriter.

6. A person is a “*Related Party*” to an Underwriter if the Underwriter and the person are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other).

7. “*Sale Date*” means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is _____, 2024.

8. “*Underwriter*” means (i) any person that agrees pursuant to a written contract with the District (or with the Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public).

IV. USE OF REPRESENTATIONS

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the Purchaser's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the District with respect to certain of the representations and with respect to compliance with the federal income tax rules affecting the Bonds, and by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel, in connection with rendering its opinion concerning interest on the Bonds, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the District from time to time relating to the Bonds.

IN WITNESS WHEREOF, I hereunto affix my signature, this ____ day of _____, 2024.

_____,
_____, _____

By: _____
Title: _____

EXHIBIT A

The Bonds are dated _____, 2024, and are due on December 1 of the years and in the amounts, bear interest at the rates and were sold and offered to the Public as described in the attached Certificate of Purchaser at the prices, in percentages and dollars, as follows:

HOLD-THE- OFFER-PRICE MATURITY IF MARKED (*)	YEAR	PRINCIPAL AMOUNT (\$)	INTEREST RATE (%)	[EXPECTED]	[EXPECTED]	[INITIAL	[INITIAL	[TOTAL ISSUE PRICE (\$)]
				PRICE OF AT LEAST 10% (% OF PAR)]	FIRST SALE PRICE OF AT LEAST 10%[/TOTAL ISSUE PRICE (\$)]	OFFERING PRICE [/TOTAL ISSUE PRICE (\$)]	OFFERING PRICE [/TOTAL ISSUE PRICE (\$)]	

Total

EXHIBIT B

[PURCHASER'S BID]

[PRICING WIRE OR EQUIVALENT COMMUNICATION]