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.

NEW ISSUE – BOOK-ENTRY ONLY

RATINGS+: BAM INSURED
S&P: "AA" (STABLE OUTLOOK)
MOODY'S UNDERLYING RATING: "A1"

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.

$23,110,000*
COMMUNITY UNIT SCHOOL DISTRICT NUMBER 223
OGLE AND WINNEBAGO COUNTIES, ILLINOIS
(MERIDIAN)
GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026A

Dated: Date of Issuance **Due: December 1, as Shown on the Inside Cover Page**

The General Obligation School Bonds, Series 2026A (the "Bonds"), of Community Unit School District Number 223, Ogle and Winnebago Counties, 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 December 1, 2027, as the first interest payment date. Zions Bancorporation, National Association, 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) conform the District's existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois, by altering and reconstructing said facilities and having equipment purchased and installed therein, (ii) refund certain of the District's outstanding General Obligation School Bonds, Series 2016A, (iii) pay certain interest on the Bonds and (iv) 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 or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "THE BONDS – Security and Payment" herein.

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

The Bonds are 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 when, as and if issued by the District and received by Robert W. Baird & Co., Incorporated, Chicago, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about December 2, 2026.

AS UNDERWRITER **AS MUNICIPAL ADVISOR**

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

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

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

$23,110,000* General Obligation School Bonds, Series 2026A

Maturity (December 1)	Amount ($)*	Rate (%)	Yield (%)	CUSIP[(1)] (676895)
2029	150,000			
2030	750,000			
2031	850,000			
2032	655,000			
2033	745,000			
2034	845,000			
2035	930,000			
2036	1,025,000			
2037	1,130,000			
2038	1,245,000			
2039	1,365,000			
2040	1,495,000			
2041	1,635,000			
2042	1,785,000			
2043	1,940,000			
2044	2,110,000			
2045	2,290,000			
2046	2,165,000			

*Preliminary, subject to change.

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

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

No dealer, broker, salesman or other person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon as statements of the District or the Underwriter. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of the Bonds by any person, in any jurisdiction in which it is unlawful to make such offer, solicitation or sale. Unless otherwise indicated, the District is the source of all tables and statistical and financial information contained in this Official Statement. The information set forth herein relating to governmental bodies other than the District has been obtained from such governmental bodies or from other sources believed to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District since the date of this Official Statement.

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

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

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

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

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

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

Community Unit School District Number 223
Ogle and Winnebago Counties, Illinois
(Meridian)
207 West Main Street
Stillman Valley, Illinois 61084
(815) 645-2230

* * * * * * * * * * * * * * * * * * * *

Board of Education
John Smith, President
Jill Huber, Vice President
Roger Morrow, Secretary
Aly Behmer
Dustin Collins
Lisa Hilliard
Matt Rhodes

School Treasurer
Elizabeth Danekas

Superintendent
Dr. Michael Plourde

* * * * * * * * * * * * * * * * * * * *

Paying Agent/Registrar
Zions Bancorporation, National Association
141 West Jackson, Suite 3720
Chicago, Illinois 60604

Independent Auditors
Benning Group, LLC
50 West Douglas Street, Suite 300
Freeport, Illinois 61032

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
Robert W. Baird & Co., Incorporated
227 West Monroe Street, Suite 5800
Chicago, Illinois 60606

TABLE OF CONTENTS

PAGE

INTRODUCTION 1
THE BONDS 1
General Description 1
Registration and Exchange 2
Authority and Purpose 2
Security and Payment 3
Optional Redemption 3
Redemption Procedures 3
USE OF PROCEEDS 4
The Project 4
The Refunding 5
SOURCES AND USES 6
BOND INSURANCE 6
Bond Insurance Policy 6
Build America Mutual Assurance Company 6
BOOK-ENTRY SYSTEM 8
REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES 11
Summary of Property Assessment, Tax Levy and Collection Procedures 11
Tax Levy and Collection Procedures 11
Unpaid Taxes and Annual Tax Sales 11
Exemptions 12
Property Tax Extension Limitation Law 14
Truth in Taxation Law 15
RISK FACTORS 16
Construction Risks 16
Finances of the State of Illinois 16
Federal Revenues 17
Local Economy 17
Loss or Change of Bond Ratings 17
Cybersecurity 17
Secondary Market for the Bonds 18
Continuing Disclosure 18
Suitability of Investment 18
Future Changes in Laws 18
Factors Relating to Tax Exemption 19
Bankruptcy 19
THE DISTRICT 19
General Description 19
Educational Facilities 20
Enrollments 20
Board of Education 21
Administration 21
Employees 21
SOCIO-ECONOMIC CHARACTERISTICS 22
Population Trend 22
Income and Housing 22
Residential Housing Building Permits 23
Retail Sales 23
Corporate Personal Property Replacement Taxes 24
Largest Area Employers 25
Historical Unemployment Statistics 25
FINANCIAL INFORMATION 26
Trend of EAV 26
EAV by County 26
Tax Increment Financing Districts Located within the District 27

Tax Rates 27
Representative Tax Rates for Property within the District 28
Tax Extensions and Collections 28
Largest Taxpayers 29
Summary of Outstanding Bonded Debt 29
Debt Repayment Schedule 30
Overlapping General Obligation Bonded Debt 31
Debt Statement 31
Debt Ratios 32
Short-Term Financing Record 32
Future Financing 32
Default Record 32
SUMMARY OF OPERATING RESULTS 33
General Fund Revenue Sources 33
Summary of Operating Funds and Debt Service Fund 34
On-Behalf Payments Summary 35
Working Cash Fund 36
Budget Summary 37
STATE AID 37
General 37
General State Aid - Evidence-Based Funding Model 38
Property Tax Relief Pool Funds 39
Mandated Categorical State Aid 39
Competitive Grant State Aid 40
Payment for Mandated Categorical State Aid and Competitive Grant State Aid 41
Federal COVID-19 Funds Distributed to the District 41
SCHOOL DISTRICT FINANCIAL PROFILE 42
RETIREMENT PLANS 43
Background Regarding Pension Plans 44
Teachers' Retirement System of the State of Illinois 45
Illinois Municipal Retirement Fund 45
Post-Employment Benefit Trust 47
TAX EXEMPTION 47
LITIGATION 50
BOND RATINGS 50
CONTINUING DISCLOSURE 51
CERTAIN LEGAL MATTERS 51
UNDERWRITING 52
MUNICIPAL ADVISOR 52
THE OFFICIAL STATEMENT 53
Accuracy and Completeness of the Official Statement 53

Appendices:

A. Form of Legal Opinion of Bond Counsel
B. Annual Financial Report for Fiscal Year Ended June 30, 2025
C. Form of Continuing Disclosure Undertaking
D. Specimen Municipal Bond Insurance Policy

$23,110,000*
Community Unit School District Number 223
Ogle and Winnebago Counties, Illinois
(Meridian)
General Obligation School Bonds, Series 2026A

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 223, Ogle and Winnebago Counties, Illinois (the "District"), in connection with the offering and sale of its $23,110,000* General Obligation School Bonds, Series 2026A (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 Zions Bancorporation, National Association, 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 December 1, 2027. The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar in 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.

*Preliminary, subject to change.

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 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 November 4, 2026, as supplemented by a notification of sale (together, the "Bond Resolution"). Proceeds of the Bonds will be used to (i) conform the District's existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois, by altering and reconstructing said facilities and having equipment purchased and installed therein (the "Project"), (ii) refund certain of the District's outstanding General Obligation School Bonds, Series 2016A (the "Series 2016A Bonds" and said portion of the Series 2016A Bonds being refunded, the "Refunded 2016A Bonds"), (iii) pay certain interest on the Bonds and (iv) 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 or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds, except for a portion of the interest due on the Bonds on December 1, 2027. The Bond Resolution will be filed with the County Clerks of The Counties of Ogle and Winnebago, Illinois (the "County Clerks"), and will serve as authorization to the County Clerks 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.

Optional Redemption

The Bonds due on or after December 1, 2036*, 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, 2035*, 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

*Preliminary, subject to change.

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

The Project

A portion of the proceeds of the Bonds will be used to pay costs of the Project. The Project will be completed across all District buildings and generally focus on accessibility, building systems, life safety, and security. Accessibility work includes modifications to doors and clearances, toilet rooms, sinks, drinking fountains, casework, countertops, and accessible paths of travel. Building-system improvements include HVAC and ventilation repairs, piping and insulation work, electrical corrections, and other facility maintenance needs. Life-safety and security upgrades include smoke-detection improvements, replacement of communications wiring, installation of security cameras and related wiring, and other code-related corrections

throughout the District's facilities. The Project is expected to begin in summer 2027 and to be completed in three years. Proceeds of the Bonds will also be used to pay a portion of the interest due on the Bonds on December 1, 2027.

The Refunding

A portion of the proceeds of the Bonds, together with funds of the District on hand and legally available for such purpose (the "Available Funds"), will be used to refund the Refunded 2016A Bonds. The purpose of the refunding is to restructure the annual debt service burden of the District to meet a particular bond and interest tax rate when the Bonds are issued. The Refunded 2016A Bonds are further described below.

Series 2016A Bonds
(Dated Date: March 29, 2016)

CUSIP (676895)	Maturities (December 1)	Outstanding Amount	Refunded 2016A Bonds*	Remaining Amount*	Redemption Price[(1)]	Redemption Date	
FR1	2027	$ 1,110,000	$ 1,110,000	$ -	100.00%	December 9, 2026	*
FS9	2028	1,140,000	560,000	580,000	100.00%	December 9, 2026	*
FT7	2029	510,000	-	510,000	N/A	N/A	*
	Total:	$ 2,760,000	$ 1,670,000	$ 1,090,000			

*Preliminary, subject to change.
(1) Expressed as a percentage of par.

A portion of the proceeds of the Bonds, together with the Available Funds, will be deposited with Zions Bancorporation, National Association, the paying agent for the Refunded 2016A Bonds (the "Prior Paying Agent"), and will be used by the Prior Paying Agent to pay the principal of and interest on the Refunded 2016A Bonds upon redemption prior to maturity.

[The remainder of this page intentionally left blank.]

SOURCES AND USES

Estimated Sources of Funds

Par Amount of the Bonds	
[Net] Original Issue Premium/(Discount).....	
Available Funds.....	
Total Sources	$ -

Estimated Uses of Funds

Costs of the Project	
Deposit with the Prior Paying Agent.....	
Pay Interest on the Bonds.....	
Costs of Issuance.[(1)].....	
Total Uses	$ -

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

BOND INSURANCE

Bond Insurance Policy

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

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

Build America Mutual Assurance Company

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

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

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

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

Capitalization of BAM

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

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

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

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

Additional Information Available from BAM

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

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

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

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

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

BOOK-ENTRY SYSTEM

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of 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 ("S&P") rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the

Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (i) the accuracy of any records maintained by the Securities Depository or any Participant; (ii) the payment by

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

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Ogle County (the "County") and Winnebago County, Illinois. There can be no assurance that the procedures described herein will not change.

Tax Levy and Collection Procedures

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

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

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 1.5% 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, each

county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — 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, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed 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 go unpaid for more than 20 years, State of Illinois (the "State") 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.

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

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 Equalized Assessed Valuation ("EAV") of certain property owned and used for residential purposes ("Residential Property") may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the "Collar Counties") is $8,000.

The Homestead Improvement Exemption applies to Residential Property that has been improved or 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 value 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 $5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is $8,000.

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 the maximum income limitation. The maximum income limitation is $65,000. 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.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least $5 per square foot, adjusted by the Consumer Price Index ("CPI"). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the "Natural Disaster Exemption") applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the 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.

Property Tax Extension Limitation Law

The Property Tax Extension Limitation Law, as amended (the "Limitation Law"), limits the amount of the annual increase in property taxes to be extended for certain Illinois non-home rule units of government. In general, the Limitation Law restricts the amount of such increases to the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Currently, the Limitation Law applies only to and is a limitation upon all non-home rule taxing bodies (including school districts) in Cook County, the Collar Counties and numerous other counties.

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 the obligations first are approved at a direct referendum, are alternate bonds, are bonds issued for school fire prevention and safety purposes or are for certain refunding purposes.

Public Act 89-510 permits the county boards of all counties not currently subject to the Limitation Law to initiate binding referenda to extend the provisions of the Limitation Law to all non-home rule taxing bodies in the county.

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

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. Winnebago County held a successful referendum on the applicability of the Limitation Law on November 5, 1996. A referendum on the applicability of the Limitation Law has yet to be initiated in the County. No guarantee exists, however that such a referendum will not be held in the future.

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

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. If the voters approve the proposition the amount extended by the County Clerks for educational purposes, will be reduced as provided in the proposition. 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 such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Illinois legislators have introduced several proposals to 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.

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 in any way 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 and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

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 34.88% of the District's combined Educational Fund and Operations and Maintenance Fund (the "General Fund") revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%.

Federal Revenues

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 6.99% of the District's General Fund revenue sources for the fiscal year ended June 30, 2025, or the District's ability to comply with federal laws and regulations in the future.

Local Economy

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

Loss or Change of Bond Ratings

The Bonds have received an underlying credit rating from Moody's and are expected to receive an insured credit rating from S&P. The ratings can be changed or withdrawn at any time for reasons both under and outside the District's control. Any change, withdrawal or combination thereof could adversely affect the ability of investors to sell the Bonds or may affect the price at which they can be sold.

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer viruses, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental

entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District's operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

Secondary Market for the Bonds

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

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

Continuing Disclosure

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

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the 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 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 obligations 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, 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 in the north central portion of the State primarily in the County with a small portion in Winnebago County. The District serves the Village of Stillman Valley ("Stillman Valley") (7.89% of the District's 2025 EAV), the Villages of Davis Junction ("Davis Junction") (20.44% of the District's 2025 EAV), Monroe Center, small portions of Byron,

Chana, Oregon, Lindenwood and Esmond and a very small portion of the City of Rockford (0.12% of the District's 2025 EAV). Unincorporated property comprises (67.85% of the District's 2025 EAV).

Interstate 39 is seven miles east of Stillman Valley and provides north-south access through the State as well as the State of Wisconsin. Other transportation routes serving the District are Interstates 88 and 90 along with U.S. Route 51 and Illinois Routes 72 and 251. Air transportation is available at O'Hare International Airport, located 60 miles to the east and General Mitchell International Airport located 100 miles northeast in Milwaukee, Wisconsin. Chicago/Rockford International Airport is located within 30 minutes from the District.

Higher educational opportunities are available at Northern Illinois University, Sauk Valley Community College in Dixon, and Rock Valley Community College in the City of Rockford (approximately 18 miles east of the District) as well as the University of Illinois College Of Medicine at Rockford.

Educational Facilities

The District operates four facilities.

Facility	Grades	Current Enrollment	Capacity Enrollment	Year Constructed	Years of Additions/Renovations
Highland Grade School.....	PreK-2	331	403	1963	1967, 1996, 2001
Monroe Center Grade School.....	3-5	313	433	1967	1974, 1996, 2001
Meridian Junior High School.....	6-8	323	486	1938	1957, 2001
Stillman Valley High School.....	9-12	434	661	1974	2001

Source: The District

Enrollments

The table below includes historical enrollment utilizing the Fall Housing Count (Housed) which reflects students enrolled as of the last school day in September and the projected enrollment for the next five years. The projected enrollment figures are based on a study completed by John D. Kasarda, Ph.D. of Consulting Demographic.

School Year	Enrollment	School Year	Projected Enrollment
2022-2023	1,493	2027-2028	1,422
2023-2024	1,495	2028-2029	1,433
2024-2025	1,453	2029-2030	1,433
2025-2026	1,462	2030-2031	1,429
2026-2027	1,401	2031-2032	1,446

Source: The District

Board of Education

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

Title	Name	Current Term Expires
President.....	John Smith	2027
Vice President.....	Jill Huber	2029
Secretary.....	Roger Morrow	2029
Member.....	Aly Behmer	2029
Member.....	Dustin Collins	2027
Member.....	Lisa Hilliard	2027
Member.....	Matt Rhodes	2029
Treasurer.....	Elizabeth Danekas	Appointed

Administration

The District's Superintendent is Dr. Michael Plourde, who joined the District in July 2025. Prior to his current position Dr. Plourde served as the Superintendent of Wilmot Union High School District in Wisconsin.

Employees

The District has approximately 265 employees of whom 126 are certified employees and 139 are non-certified. Of the total number, the Stillman Valley Educational Support Personnel Association, IEA/NEA represents 31 members and the Stillman Valley Education Association represents 105 members. The contracts expire in August 2028 and August 2027, respectively. The District considers its relationship with its employees to be positive.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, Stillman Valley, Davis Junction, the County and the State.

	1990	2000	2010	2020	% Change 2010-2020
The District.....	NA	NA	9,100	8,821	-3.07
Stillman Valley.....	850	1,049	1,120	1,075	-4.02
Davis Junction.....	230	952	2,373	2,512	+5.86
The County	45,957	51,032	53,497	51,788	-3.19
The State	11,430,602	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.

	The District	The County	The State	United States
Median Home Value.....	$217,500	$189,200	$263,300	$332,700
Median Household Income....	104,129	82,132	83,390	80,734
Median Family Income.....	110,714	95,958	106,018	99,999
Per Capita Income.....	45,411	40,038	46,406	44,673

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

[The remainder of this page intentionally left blank.]

Residential Housing Building Permits

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

Year	Reported Number of Building Permits	Construction Cost
2021.....	0	$ -
2022.....	1	273,303
2023.....	0	-
2024.....	2	706,929
2025.....	3	1,083,569
2026[1].....	2	720,604

(1) Through August 2026.
Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in Stillman Valley and Davis Junction for the last five calendar years and through the second quarter of 2026.

Calendar Year	Stillman Valley	Davis Junction
2021	$ 9,389,377	$ 11,233,613
2022	10,281,144	14,547,395
2023	10,168,105	14,978,867
2024	10,522,474	15,863,168
2025 [1]	13,434,412	27,603,766
2026 [2]	7,858,261	19,520,055

(1) Significant increase is due to a change in State Law. Effective January 1, 2025, Public Act 103-0983 changed the tax treatment of certain retail sales. Retail sales originating outside the State but made by retailers with a physical presence in the State, are now subject to destination-based Retailers' Occupation Tax (ROT) rather than Use Tax (UT). ROT collections and allocations are based on the jurisdiction where the item is shipped, delivered or received by the purchaser. As a result, each unit of local government may be affected differently and may experience fluctuations in allocations.
(2) Through the second quarter of 2026.
Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes ("CPPRT") are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "Personal Property Tax") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "Sharing Act") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2022, through the most recently completed fiscal year of June 30, 2026, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2027:

Fiscal Year Ended June 30	CPPRT Receipts
2022	$ 709,832
2023	802,320
2024	528,468
2025	350,422
2026	342,763
2027 (1)	417,912

(1) Estimated.
Source: The District's Annual Financial Report for the fiscal years ended June 30, 2022-2025, preliminary unaudited fiscal year 2026 results provided by the District and the Department for fiscal year 2027.

[The remainder of this page intentionally left blank.]

Largest Area Employers

The following table reflects the major employers in the area surrounding the District and the City of Rockford, which is approximately thirteen miles from the District, by the products manufactured or services performed and approximate number of employees.

Company Name	Product or Service	Location	Approximate employees at location
UW Health Systems	Hospital	Rockford	4,240
Mercyhealth/Rockford Health Systems	Hospital	Rockford	3,000
PCI Pharma Services	Pharmaceutical development & manufacturing	Rockford	2,600
United Parcel Service	Shipping and Logistics	Rockford	2,500
OSF Healthcare Systems	Hospital	Rockford	2,200
Rockwell Collins, Inc.	Aerospace products & controlled speed motors	Rockford	2,000
Woodward	Aerospace and industrial energy and motion control systems	Rockford	1,500
Walmart	Supermarket	Rockford	1,470
Winnebago County	Local government	Rockford	1,429
Alorica	Telemarketing services	Rockford	1,000
Rochelle Foods, Inc.	Pork processing	Rochelle	800
Byron Clean Energy Center	Nuclear power plant	Byron	693
Bergstrom, Inc.	Aftermarket cab climate systems for heavy-duty commercial trucks	Rockford	450
E. D. Etnyre & Co.	Company headquarters & asphalt distributors	Oregon	450
Ingersoll Cutting Tools	Standard & special metal removal tooling	Rockford	389

Source: 2026 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 September 2025 and September 2026 for Stillman Valley and Davis Junction compared with the County and the State.

	Stillman Valley	Davis Junction	The County	The State
Average, 2021	6.0%	6.1%	5.6%	6.1%
Average, 2022	4.9	4.5	4.8	4.6
Average, 2023	6.1	5.7	5.2	4.5
Average, 2024	5.6	4.6	5.0	5.0
Average, 2025	4.7	4.7	4.7	4.6
September, 2025	N/A [1]	N/A [1]	4.4	4.3
September, 2026	N/A [1]	N/A [1]	3.5	4.2

(1) There is no monthly data available for Stillman Valley and Davis Junction since they are communities with a population of less than 25,000.
Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

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

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

Property Type	2021	2022	2023	2024	2025
Residential	$140,764,151	$152,086,648	$165,929,607	$185,806,062	$198,229,584
Farm	49,314,927	52,547,810	56,425,864	61,907,289	66,672,360
Commercial	6,759,572	10,229,991	11,441,696	12,614,531	13,418,739
Industrial	7,002,879	7,077,857	6,999,721	7,197,636	6,983,981
Railroad	2,652,207	2,350,600	2,447,407	2,425,935	1,980,889
Total.....[1]	$ 206,493,736	$ 224,292,906	$ 243,244,295	$ 269,951,453	$ 287,285,553
Percent of Change.	2.64%[2]	8.62%	8.45%	10.98%	6.42%
New Property.....	$1,069,083	$3,380,470	$1,256,600	$899,237	$822,821

(1) Excludes tax increment financing ("TIF") incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
(2) Based on the District's 2020 EAV of $201,185,310.
Source: County Clerks' Offices

EAV by County

Tax Year	The County	Winnebago County	Total [1]
2021	$ 193,441,719	$ 13,052,017	$ 206,493,736
2022	210,298,802	13,994,104	224,292,906
2023	227,631,867	15,612,428	243,244,295
2024	252,287,623	17,663,830	269,951,453
2025	267,437,685	19,847,868	287,285,553

(1) Excludes TIF incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
Source: County Clerks' Offices

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 City of Rockford terminated the existing Global Trade Park South TIF and approved the creation of South Rockford Industrial TIF on July 20, 2026.

Location	Year Established	Adjusted Base EAV	2025 EAV	Incremental EAV
Global Tradepark South	2011	$ 182,386	$ 672,814	$ 490,428
City of Rockford Global Trade Park South TIF	2012	121,929	240,247	118,318
Davis Junction TIF	2016	2,961	386,163	383,202
Village of Stillman VA	2021	3,298,854	4,551,962	1,253,108
Total		$ 3,606,130	$ 5,851,186	$ 2,245,056

Source: County Clerks' Offices

Tax Rates
(Per $100 EAV)

	2021	2022	2023	2024	2025	Statutory Maximum Rate
Education	$ 3.472	$ 3.480	$ 3.480	$ 3.399	$ 3.476	$3.480
Bond & Interest (Building Bonds)	0.799	0.735	0.678	0.611	0.609	N/A
O&M	0.499	0.500	0.500	0.488	0.499	0.500
IMRF	0.051	0.052	0.052	0.133	0.139	N/A
Transportation	0.200	0.200	0.200	0.195	0.200	0.200
Life Safety	0.050	0.050	0.050	0.049	0.040	0.050
Special Education	0.040	0.040	0.040	0.039	0.040	0.040
Insurance	0.291	0.294	0.407	0.445	0.418	N/A
Social Security	0.218	0.221	0.224	0.133	0.000[(1)]	N/A
Working Cash	0.039	0.050	0.050	0.049	0.050	0.050
Lease/Rent	0.050	0.050	0.050	0.049	0.050	0.050
Total	$ 5.707	$ 5.671	$ 5.731	$ 5.590	$ 5.521	

(1) Tax rate is $0.00035.
Source: Ogle 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 Stillman Valley.

Taxing Body	2021	2022	2023	2024	2025
The District	$ 5.707	$ 5.671	$ 5.731	$ 5.590	$ 5.521
The County	0.732	0.713	0.694	0.676	0.679
Stillman Valley Fire District	0.926	0.910	0.885	0.836	0.876
Rock Valley Community College 511	0.451	0.478	0.459	0.504	0.457
Julia Hull District Library	0.150	0.145	0.140	0.133	0.132
Marion Township Road	0.349	0.345	0.336	0.317	0.320
Marion Township	0.250	0.246	0.241	0.227	0.229
Stillman Valley	0.926	0.878	0.850	0.804	0.796
Total	$ 9.491	$ 9.386	$ 9.336	$ 9.088	$ 9.008

Source: Ogle County Clerk's Office

Tax Extensions and Collections

	2021	2022	2023	2024	2025
Extensions	$11,788,657	$12,717,902	$13,940,606	$15,113,931	$15,836,730
Collections	11,788,338	12,688,838	13,957,216	15,062,101	14,479,401 [(1)]
% Collected	100.00%	99.77%	100.12%	99.66%	91.43%

(1) In process of collection as of September 28, 2026.
Source: Ogle and Winnebago County Treasurers' Offices

[The remainder of this page intentionally left blank.]

Largest Taxpayers

The taxpayers listed below represent 5.50% of the District's 2025 EAV which is $287,285,553 (which excludes TIF incremental EAV totaling $2,245,056). 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.

Taxpayer	Description	2025 EAV	% of EAV
Superior Orchard Hills Landfill Inc.	Waste management solutions	$ 5,644,773	1.96%
Love's Travel Stop's & Country Store Inc.	Truck stop, gas station	3,402,113	1.18%
Individual	Farm	1,238,672	0.43%
Glendennings Inc.	Farm	857,340	0.30%
Farmland Reserve Inc.	Farm	838,812	0.29%
Glendenning Farm Service LLC	Farm	837,526	0.29%
Bushnell's Walnut Creek Farms LLC	Farm	784,819	0.27%
Paradise of Tennessee	Farm	764,863	0.27%
Constellation Energy Generation LLC	Public Utility	729,203	0.25%
SCI Rolling Meadows LLC	Farm	692,970	0.24%
Total		$ 15,791,091	5.50%

Source: Ogle 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
General Obligation School Bonds, Series 2016A	03/29/16	$ 11,095,000	$ 1,090,000 *	12/01/29
The Bonds	12/02/26	23,110,000 *	23,110,000 *	12/01/46 *
			$ 24,200,000 *	

*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	Less: The Refunded 2016A Bonds*	The Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2028	$ 1,110,000	$ (1,110,000)	$ -	$ -	$ -	0%
2029	1,140,000	(560,000)	-	580,000	580,000	2.40
2030	510,000	-	150,000	660,000	1,240,000	5.12
2031	-	-	750,000	750,000	1,990,000	8.22
2032	-	-	850,000	850,000	2,840,000	11.74
2033	-	-	655,000	655,000	3,495,000	14.44
2034	-	-	745,000	745,000	4,240,000	17.52
2035	-	-	845,000	845,000	5,085,000	21.01
2036	-	-	930,000	930,000	6,015,000	24.86
2037	-	-	1,025,000	1,025,000	7,040,000	29.09
2038	-	-	1,130,000	1,130,000	8,170,000	33.76
2039	-	-	1,245,000	1,245,000	9,415,000	38.90
2040	-	-	1,365,000	1,365,000	10,780,000	44.55
2041	-	-	1,495,000	1,495,000	12,275,000	50.72
2042	-	-	1,635,000	1,635,000	13,910,000	57.48
2043	-	-	1,785,000	1,785,000	15,695,000	64.86
2044	-	-	1,940,000	1,940,000	17,635,000	72.87
2045	-	-	2,110,000	2,110,000	19,745,000	81.59
2046	-	-	2,290,000	2,290,000	22,035,000	91.05
2047	-	-	2,165,000	2,165,000	24,200,000	100.00
	$ 2,760,000	$ (1,670,000)	$ 23,110,000	$ 24,200,000		

*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt
(As of October 13, 2026)

Taxing Body	Outstanding Debt (1)	Applicable to the District Percent Applicable	Applicable to the District Amount
Winnebago Forest Preserve	$ 2,830,000	0.293%	$ 8,292
Byron Forest Preserve District	2,290,000	0.441%	10,099
Byron Park District	660,000	1.306%	8,620
Rockford Park District	13,668,800	0.008%	1,094
Community College District No. 511	79,620,000	2.973%	2,367,103
Total Overlapping Debt			$ 2,395,206

(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.
Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the Boone, DeKalb, McHenry, Ogle, Stephenson and Winnebago County Clerks' Offices. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Bonded Debt	$2,760,000	
Less: Refunded 2016A Bonds	($1,670,000)	
The Bonds	$23,110,000	*
Leases	$708,964	
Net Direct Debt	$24,908,964	*
Overlapping Debt	$2,395,206	
Net Direct Debt and Overlapping Debt	$27,304,170	*
EAV (2025) (1)	$287,285,553	
Statutory Debt Limit (13.8% of EAV)	$39,645,406	
Statutory Debt Margin	$14,736,442	*

(1) Excludes TIF incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
*Preliminary, subject to change.

Debt Ratios

Estimated Market Valuation (2025)	$861,856,659	
EAV (2025)[(1)]	$287,285,553	
2020-2024 American Community Survey Population Estimate	9,110	
Net Direct Debt to EAV	8.67%	*
Net Direct Debt to Estimated Market Valuation	2.89%	*
Net Direct Debt and Overlapping Bonded Debt to EAV	9.50%	*
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	3.17%	*
Net Direct Debt Per Capita	$2,734.24	*
Net Direct Debt and Overlapping Bonded Debt Per Capita	$2,997.16	*

(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.

[The remainder of this page intentionally left blank.]

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources
(Years Ended June 30)

Below is a summary of the General Fund revenue sources exclusive of "on-behalf" payments made by the State to TRS, as defined herein. This summary is provided since the rating agency combines these funds as the "General Fund" in its report.

	2021	2022	2023	2024	2025
Local Sources.....	59.53 %	51.10 %	52.09 %	53.28 %	58.13 %
State Sources.....	34.73	37.28	33.36	32.72	34.88
Federal Sources.....	5.74	11.62 [(1)]	14.55 [(1)]	14.01 [(1)]	6.99
Total.....	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

(1) Higher Federal Sources due in large part to the District's receipt of federal COVID-19 funds. See "STATE AID—Federal COVID-19 Funds Distributed to the District" herein.
Source: Compiled from the District's Annual Financial Reports filed with ISBE for fiscal years ended June 30, 2021-2025.

[The remainder of this page intentionally left 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.

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund [1]	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2022									
Receipts	$ 16,737,847	$ 1,715,527	$ 18,453,374	$ 1,147,073	$ 60,025	$ 728,331	$ 589,225	$ 1,718,998	$ 22,697,026
Disbursements	17,675,856	1,716,602	19,392,458	2,002,595	-	582,594	547,992	1,880,832	24,406,471
Net Surplus (Deficit)	(938,009)	(1,075)	(939,084)	(855,522)	60,025	145,737	41,233	(161,834)	(1,709,445)
Other Sources (Uses)	-	54,038	54,038	471,422	-	-	-	15,014	540,474
Beginning Fund Balance	11,663,132	515,565	12,178,697	1,591,653	707,885	141,599	555,302	1,080,045	16,255,181
Ending Fund Balance	$ 10,725,123	$ 568,528	$ 11,293,651	$ 1,207,553	$ 767,910	$ 287,336	$ 596,535	$ 933,225	$ 15,086,210
2023									
Receipts	$ 19,024,877	$ 2,571,694	$ 21,596,571	$ 1,163,289	$ 102,623	$ 696,294	$ 657,042	$ 1,715,789	$ 25,931,608
Disbursements	19,536,668	2,541,894	22,078,562	2,268,765	-	577,218	1,000,758	1,664,458	27,589,761
Net Surplus (Deficit)	(511,791)	29,800	(481,991)	(1,105,476)	102,623	119,076	(343,716)	51,331	(1,658,153)
Other Sources (Uses)	-	(15,014)	(15,014)	918,790	-	-	-	15,014	918,790
Beginning Fund Balance	10,725,123	568,528	11,293,651	1,207,553	767,910	287,336	596,535	933,225	15,086,210
Ending Fund Balance	$ 10,213,332	$ 583,314	$ 10,796,646	$ 1,020,867	$ 870,533	$ 406,412	$ 252,819	$ 999,570	$ 14,346,847
2024									
Receipts	$ 20,232,123	$ 2,339,119	$ 22,571,242	$ 1,491,200	$ 121,217	$ 724,303	$ 830,334	$ 1,635,469	$ 27,373,765
Disbursements	19,252,040	2,642,501	21,894,541	1,502,462	-	622,389	782,000	1,663,583	26,464,975
Net Surplus (Deficit)	980,083	(303,382)	676,701	(11,262)	121,217	101,914	48,334	(28,114)	908,790
Other Sources (Uses)	-	(15,014)	(15,014)	152,223	-	-	-	15,014	152,223
Beginning Fund Balance	10,213,332	583,314	10,796,646	1,020,867	870,533	406,412	252,819	999,570	14,346,847
Ending Fund Balance	$ 11,193,415	$ 264,918	$ 11,458,333	$ 1,161,828	$ 991,750	$ 508,326	$ 301,153	$ 986,470	$ 15,407,860
2025									
Receipts	$ 18,977,294	$ 2,408,385	$ 21,385,679	$ 1,274,274	$ 134,705	$ 789,862	$ 1,111,789	$ 1,661,901	$ 26,358,210
Disbursements	20,584,272	2,642,818	23,227,090	2,509,642	-	735,932	763,875	1,664,333	28,900,872
Net Surplus (Deficit)	(1,606,978)[2]	(234,433)	(1,841,411)	(1,235,368)[3]	134,705	53,930	347,914	(2,432)	(2,542,662)
Other Sources (Uses)	-	(15,014)	(15,014)	752,535	-	-	-	15,014	752,535
Beginning Fund Balance	11,193,415	264,918	11,458,333	1,161,828	991,750	508,326	301,153	986,470	15,407,860
Ending Fund Balance	$ 9,586,437	$ 15,471	$ 9,601,908	$ 678,995	$ 1,126,455	$ 562,256	$ 649,067	$ 999,052	$ 13,617,733
Preliminary 2026									
Receipts	$ 17,806,088	$ 3,749,298	$ 21,555,386	$ 1,938,784	$ 143,337	$ 639,489	$ 1,226,692	$ 2,145,686	$ 27,649,374
Disbursements	17,916,537	2,273,226	20,189,763	2,158,518	-	741,186	1,122,678	2,099,133	26,311,278
Net Surplus (Deficit)	(110,449)	1,476,072	1,365,623	(219,734)	143,337	(101,697)	104,014	46,553	1,338,096
Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	9,586,437	15,471	9,601,908	678,995	1,126,455	562,256	649,067	999,052	13,617,733
Ending Fund Balance	$ 9,475,988	$ 1,491,543	$ 10,967,531	$ 459,261	$ 1,269,792	$ 460,559	$ 753,081	$ 1,045,605	$ 14,955,829
Fund Balance as % of Disbursements			54.32%						56.84%

See footnotes on the following page.

(1) See "Working Cash Fund" herein for a description of the Working Cash Fund.
(2) Deficit due to the following factors: Chromebook purchases, staffing levels (nine positions were eliminated, which first affected fiscal year 2026), health insurance increases and the service of an interim superintendent during this fiscal year.
(3) A large part of the Transportation Fund deficit occurred because a new bus lease ($744,674) was not included in the original budget, which led to the large increase in expenditures. Also, costs of transportation employees and buses and diesel fuel increased more than was budgeted. Finally, State reimbursement for transportation has decreased.
Source: Compiled from the District's Annual Financial Reports for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

On-Behalf Payments Summary
(Years Ended June 30)

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

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

[The remainder of this page intentionally left blank.]

See the District's Annual Financial Report for the fiscal year ended June 30, 2025 (the "Audit"), attached hereto as Appendix B, for additional information regarding the District's on-behalf payments.

Fiscal Year	On-Behalf Payments
2021	$ 6,766,295
2022	4,589,500
2023	5,148,584
2024	5,725,319
2025	5,545,611

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

Working Cash Fund

The District is authorized to issue general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed $0.05 per hundred dollars of EAV (the "Working Cash Fund Tax"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

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

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

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the Educational Fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the Educational Fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the Educational Fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by

the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

Budget Summary

Below is the District's budget summary for the fiscal year ending June 30, 2027. The Education Fund deficit is due in large part to moving Evidence-Based Funding (as described hereunder "STATE AID – General State Aid – Evidence-Based Funding Model") to the Transportation Fund and the Operations & Maintenance Fund. The District expects to address the deficit through changes in staffing and cost controls (such as eliminating programs no longer used.)

Fund	Preliminary Fund Balances July 1, 2026	FY27 Revenue	FY27 Expenditures	FY27 Other Sources/ (Uses)	Fund Balances June 30, 2027
Education	$ 9,691,710	$ 16,952,781	$ 17,669,714	$ -	$ 8,974,777
Operations & Maintenance	342,622	2,563,170	2,498,874	(15,014)	391,904
Transportation	-	3,118,994	2,547,033	744,674 [1]	1,316,635
IMRF/Social Security	567,766	480,654	794,671	-	253,749
Working Cash	1,263,772	146,814	-	-	1,410,586
Total Operating Funds	$ 11,865,870	$ 23,262,413	$ 23,510,292	$ 729,660	$ 12,347,651
Debt Service	$ 569,468	$ 1,717,056	$ 1,746,344	$ 15,014	$ 555,194
Fire Prevention & Safety	357,196	113,006	-	-	470,202
Capital Projects	14,072	2,052	-	-	16,124
Tort	667,064	1,181,081	1,333,511	-	514,634
Total All Funds	$ 13,473,670	$ 26,275,608	$ 26,590,147	$ 744,674	$ 13,903,805

(1) Includes proceeds from a bus lease.
Source: The District

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such State aid as a significant part of their budgets. For the fiscal year ended June 30, 2025, 34.88% of the District's General Fund revenue came from State funding sources. See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for more information concerning the breakdown of the District's revenue sources.

General State Aid - Evidence-Based Funding Model

Beginning with fiscal year 2018, general State funds ("General State Aid") have, pursuant to Public Act 100-0465, been distributed to school districts under the "Evidence Based Funding Model". The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate an adequacy target (the "Adequacy Target") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target") and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("New State Funds") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

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

The Evidence-Based Funding Model provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district's "Base Funding Minimum"). The Base Funding Minimum for the District for school year 2017-2018 was $6,116,104 (the "Initial Base Funding Minimum"). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

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

Fiscal Year	Base Funding Minimum	Tier Number	Amount of New State Funds	Total Evidence-Based Funding
2022	$ 6,533,396	2	$ 99,157	$ 6,632,553
2023	6,632,553	2	81,582	6,714,135
2024	6,714,135	2	86,087	6,800,222
2025	6,800,222	2	80,541	6,880,763
2026	6,880,763	2	82,297	6,963,060
2027 (1)	6,963,060	2	74,993	7,038,053

(1) Projected.
Source: ISBE

Property Tax Relief Pool Funds

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

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

Mandated Categorical State Aid

Illinois school districts are entitled to reimbursement from the State for expenditures incurred in providing programs and services legally required to be available to students under State law. Such reimbursements, referred to as "Mandated Categorical State Aid," are made to the school district in the fiscal year following the expenditure, *provided* that the school district

files the paperwork necessary to inform the State of such an entitlement. From time to time, Mandated Categorical State Aid payments from the State have been delayed and have been prorated as part of the appropriation process, as described below.

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

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

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

Competitive Grant State Aid

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

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State's budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with

respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

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

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

See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for a summary of the District's general fund revenue sources.

Federal COVID-19 Funds Distributed to the District

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

The District received $201,434 pursuant to ESSER I, $748,798 pursuant to ESSER II and $1,799,680 pursuant to ESSER III. Most of the ESSER funds were spent on technology, Chromebooks and general personal protective equipment. All ESSER funds have been spent.

The District hired extra building substitutes and health aides that were paid using ESSER funds. One employee has been retained and is now being paid from the District's operational funds.

SCHOOL DISTRICT FINANCIAL PROFILE

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

The system uses five indicators which are individually scored, placed into a category of a four, three, two or one, with four being the best possible, and weighted in order to arrive at a composite district financial profile. The indicators and the weights assigned to those indicators are as follows: fund balance to revenue ratio (35%); expenditures to revenue ratio (35%); days cash on hand (10%); percent of short term borrowing ability remaining (10%); and percent of long-term debt margin remaining (10%).

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

- Financial Recognition. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- Financial Review. A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- Financial Early Warning. A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- Financial Watch. A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

For each school district, ISBE calculates an original financial profile score (the "Original Score") and an adjusted financial profile score (the "Adjusted Score"). The Original Score is calculated based solely on such school district's audited financial statements as of the close of the most recent fiscal year. The Adjusted Score is calculated based initially on a school district's audited financial statements for the most recent fiscal year, with adjustments made to reflect the

impact on the Original Score of timing differences between such school district's actual and expected receipt of State payments, as required by Section 1A-8 of the School Code. ISBE has implemented this statutory requirement by adding in payments expected to be received during the calculation year but not actually received until the following fiscal year, as well as by subtracting certain State payments received during the current fiscal year but attributable to a prior fiscal year. Such adjustments may have a varying effect on a school district's Adjusted Score based on the amount of time by which such State payments are delayed and the accounting basis adopted by such school district. Due to the manner in which such requirement has been implemented by ISBE, a school district's Adjusted Score may be different than it otherwise would have been in certain years based on the scheduled receipt of State payments.

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

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2021	3.90	Financial Recognition	3.90	Financial Recognition
2022	3.55	Financial Recognition	3.55	Financial Recognition
2023	3.55	Financial Recognition	3.55	Financial Recognition
2024	4.00	Financial Recognition	4.00	Financial Recognition
2025	3.55	Financial Recognition	3.55	Financial Recognition

Source: ISBE.

RETIREMENT PLANS

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

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 5 to the Audit, attached hereto as Appendix B.

Background Regarding Pension Plans

The Actuarial Valuation

The disclosures in the Audit related to the Pension Plans are based in part on the actuarial valuations of the Pension Plans. In the actuarial valuations, the actuary for each of the Pension Plans measures the financial position of the Pension Plan, determines the amount to be contributed to a Pension Plan pursuant to statutory requirements, and produces information mandated by the financial reporting standards (the "GASB Standards") issued by the Governmental Accounting Standards Board ("GASB"), as described below.

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

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

As described above, the GASB Standards establish requirements for financial reporting purposes. However, the Pension Plans are ultimately governed by the provisions of the Pension

Code in all respects, including, but not limited to, the amounts to be contributed by the District to the Pension Plans in each year.

Teachers' Retirement System of the State of Illinois

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly 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 5(a) 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 TRS on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the fiscal years ended June 30, 2021 through June 30, 2025, all amounts contributed by the District to TRS were as follows:

Fiscal Year Ended June 30	TRS Contribution
2021	$ 44,117
2022	89,357
2023	67,309
2024	102,911
2025	87,496

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

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 5(a) 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 5(b) to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

Contributions

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2025 was 6.73% of covered payroll.

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

Calendar Year Ended December 31	IMRF Contribution
2021	$ 226,981
2022	197,549
2023	185,966
2024	236,719
2025	282,066

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

Measures of Financial Position

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

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as a % of Total Pension Liability	Discount Rate
2021	$ 12,910,805	$ 14,734,921	$ (1,824,116)	114.13%	7.25%
2022	13,893,136	12,451,887	1,441,249	89.63%	7.25%
2023	14,404,513	13,698,789	705,724	95.10%	7.25%
2024	15,052,764	14,148,981	903,783	94.00%	7.25%
2025	15,838,844	15,761,955	76,889	99.51%	7.25%

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

See Note 5(b) to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

Post-Employment Benefit Trust

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

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2025, 0.67% during the year ended June 30, 2024 and 0.67% during the year ended June 30, 2023. For the year ended June 30, 2025, the District paid $71,684 to the THIS fund. For the years ended June 30, 2024 and June 30, 2023, the District paid $68,734 and $64,183, 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.

LITIGATION

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

BOND RATINGS

S&P is expected to assign its municipal bond rating of "AA" (Stable Outlook) to the Bonds with the understanding that upon delivery of the Bonds the Policy will be issued by BAM. See "BOND INSURANCE" above. Moody's has assigned its municipal underlying rating of "A1" to the Bonds.

The ratings reflect only the views of such rating agencies and any explanation of the significance of such rating may only be obtained from such rating agencies. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's and BAM by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings may not be changed by such rating agencies, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the

owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

The District will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the "MSRB") pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in "Appendix C – Form of Continuing Disclosure Undertaking."

The District will implement 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

Robert W. Baird & Co., Incorporated, Chicago, Illinois (the "Underwriter"), has agreed, subject to the terms of a purchase contract (the "Purchase Contract") to purchase the Bonds from the District at a price of $_____. The Purchase Contract provides, in part, that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals ____ percent of the par amount of the Bonds.

MUNICIPAL ADVISOR

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, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the "Affiliates." Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates. Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

The Municipal Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds and also from the investment of Bond proceeds. 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/_____
Superintendent
Community Unit School District Number 223
Ogle and Winnebago Counties, Illinois

November __, 2026

Appendix A

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]

Community Unit School District Number 223,
Ogle and Winnebago Counties, Illinois

We hereby certify that we have examined certified copy of the proceedings (the *"Proceedings"*) of the Board of Education of Community Unit School District Number 223, Ogle and Winnebago Counties, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026A (the *"Bonds"*), to the amount of $_____, dated _____, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2029	$	%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%
2044		%
2045		%
2046		%

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

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and

legally binding upon the District and is payable from any funds of the District legally available for such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. 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.

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 Financial Report for Fiscal Year Ended June 30, 2025

The Annual 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 Benning Group, LLC, Freeport, 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.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Stillman Valley, Illinois

Annual Financial Report

June 30, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

* * * * * *

BOARD OF EDUCATION

John Smith, President, to April 2027
Jill Huber, Vice-President, to April 2029
Roger Morrow, Secretary, to April 2029
Dustin Collins, Member, to April 2027
Matt Rhodes, Member, to April 2029
Tim DeVries, Member, to April 2027
Aly Behmer, Member, to April 2029

* * * * * *

RECORDING SECRETARY

Elaine Nicholson

* * * * * *

TREASURER

Elizabeth Danekas

* * * * * *

SUPERINTENDENT

Dr. Michael Plourde

* * * * * *

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

TABLE OF CONTENTS

	Page
Independent Auditor's Report	1-4
Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*	5-6
Financial Statements:	
Statements of Assets and Liabilities Arising From Cash Transactions	7
Statements of Revenue Received, Expenditures Disbursed, Other Financing Sources (Uses) and Changes in Fund Balances	8
Educational Fund	
Statement of Revenue Received – Actual and Budget	9-11
Statement of Expenditures Disbursed – Actual and Budget	12-18
Operations and Maintenance Fund	
Statement of Revenue Received – Actual and Budget	19-20
Statement of Expenditures Disbursed – Actual and Budget	21
Debt Services Fund	
Statement of Revenue Received – Actual and Budget	22
Statement of Expenditures Disbursed – Actual and Budget	23
Transportation Fund	
Statement of Revenue Received – Actual and Budget	24
Statement of Expenditures Disbursed – Actual and Budget	25
Municipal Retirement/Social Security Fund	
Statement of Revenue Received – Actual and Budget	26
Statement of Expenditures Disbursed – Actual and Budget	27-29
Capital Projects Fund	
Statement of Revenue Received – Actual and Budget	30
Statement of Expenditures Disbursed – Actual and Budget	31
Working Cash Fund	
Statement of Revenue Received – Actual and Budget	32
Tort Fund	
Statement of Revenue Received – Actual and Budget	33
Statement of Expenditures Disbursed – Actual and Budget	34-36
Fire Prevention and Safety Fund	
Statement of Revenue Received – Actual and Budget	37
Statement of Expenditures Disbursed – Actual and Budget	38
Notes to Financial Statements	39-70

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

TABLE OF CONTENTS

	Page
Other Information:	
Teachers' Retirement System of the State of Illinois	
Schedule of the Employer's Proportionate Share of The Net Pension Liability	71
Schedule of Employer Contributions	71
Illinois Municipal Retirement Fund	
Schedule of Changes in Net Pension Liability and Related Ratios	72
Schedule of Contributions	73
Notes to Other Information	74-75
Student Activity Funds	
Schedule of Revenues Received and Expenditures Disbursed	76-78
Statistical Information	
Schedule of Average Daily Attendance, Operating Expense Per Pupil and Total Operating Expense	79
Federal Compliance Section:	
Independent Auditor's Report on Compliance for each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance	80-82
Schedule of Expenditures of Federal Awards	83
Notes to Schedule of Expenditures of Federal Awards	84
Schedule of Findings and Questioned Costs:	
Section I: Summary of Auditor's Results	85
Section II: Financial Statement Findings	86-87
Section III: Federal Award Findings and Questioned Costs	88
Summary Schedule of Prior Audit Findings	89
Corrective Action Plan for Current Year Audit Findings	90

BENNING GROUP, LLC
CERTIFIED PUBLIC ACCOUNTANTS www.BenningGroup.com

Independent Auditor's Report

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of Meridian Community Unit School District No. 223, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of Meridian Community Unit School District No. 223 as of June 30, 2025, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Meridian Community Unit School District No. 223, as of June 30, 2025, or the changes in its financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 Meridian Community Unit School District No. 223 and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Meridian Community Unit School District No. 223 on the basis of the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the financial reporting provisions prescribed or permitted by the Illinois State Board of Education. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Meridian Community Unit School District No. 223's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free of material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards 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 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 generally accepted auditing standards 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 Meridian Community Unit School District No. 223'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 Meridian Community Unit School District No. 223'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.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Meridian Community Unit School District No. 223's basic financial statements. The accompanying schedule of expenditures of federal awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, is presented for the purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedule of expenditures of federal awards is fairly stated, in all material respects, in relation to the basic financial statements as a whole on the basis of accounting as described in Note 1.

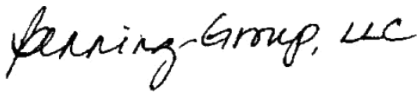
Other Information

Management is responsible for the information listed in the table of contents as Other Information included in the annual report. The other information 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of Meridian Community Unit School District No. 223'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 Meridian Community Unit School District No. 223'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 Meridian Community Unit School District No. 223's internal control over financial reporting and compliance.



Freeport, Illinois
December 19, 2025

Independent Auditor's Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

Board of Education
Meridian Community Unit School District No. 223Ocotber
Ogle County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of Meridian Community Unit School District No. 223 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise Meridian Community Unit School District No. 223's basic financial statements, and have issued our report thereon dated December 19, 2025. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, in accordance with regulatory reporting requirements established by the Illinois State Board of Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Meridian Community Unit School District No. 223's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies

may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as Findings 2025-001 and 2025-002, that we consider to be a significant deficiency.

We also noted certain other matters involving the internal control over financial reporting that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 19, 2025.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Meridian Community Unit School District No. 223's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

We also noted certain immaterial instances of noncompliance that we reported to management of Meridian Community Unit School District No. 223 in a separate letter dated December 19, 2025.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on Meridian Community Unit School District No. 223's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Penning Group, LLC

Freeport, Illinois
December 19, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Statements of Assets and Liabilities
Arising from Cash Transactions
June 30, 2025

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	Account Groups: General Fixed Assets	Account Groups: General Long-Term Debt
ASSETS												
Current assets												
Cash	$ 7,621,441	$ 18,161	$ 999,052	$ 690,509	$ 561,066	$ 7,390	$ 1,126,455	$ 651,171	$ 224,279	$ -	$ -	$ -
Cash - student activity funds	249,475	-	-	-	-	-	-	-	-	-	-	-
Investments	1,614,915	-	-	-	-	-	-	-	-	-	-	-
Total current assets	9,485,831	18,161	999,052	690,509	561,066	7,390	1,126,455	651,171	224,279	-	-	-
Capital assets												
Building & building improvements	-	-	-	-	-	-	-	-	-	-	2,569,982	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	39,025,706	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	1,716,525	-
Construction in progress	-	-	-	-	-	-	-	-	-	-	9,834,565	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	999,052
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	5,579,912
Total assets	$ 9,485,831	$ 18,161	$ 999,052	$ 690,509	$ 561,066	$ 7,390	$ 1,126,455	$ 651,171	$ 224,279	$ -	$ 53,146,778	$ 6,578,964
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Current liabilities												
Other payables	$ (8,979)	$ (497)	$ -	$ 981	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Payroll deductions & withholdings	(91,627)	3,187	-	10,533	(1,190)	-	-	2,104	-	-	-	-
Total current liabilities	(100,606)	2,690	-	11,514	(1,190)	-	-	2,104	-	-	-	-
Long-term liabilities												
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	6,578,964
Total long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	6,578,964
Total liabilities	$ (100,606)	$ 2,690	$ -	$ 11,514	$ (1,190)	$ -	$ -	$ 2,104	$ -	$ -	$ -	$ 6,578,964
FUND BALANCES												
Reserved fund balances	$ 258,583	$ -	$ -	$ -	$ 457,124	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Unreserved fund balances	9,327,854	15,471	999,052	678,995	105,132	7,390	1,126,455	649,067	224,279	-	-	-
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	53,146,778	-
Total fund balances	$ 9,586,437	$ 15,471	$ 999,052	$ 678,995	$ 562,256	$ 7,390	$ 1,126,455	$ 649,067	$ 224,279	$ -	$ 53,146,778	$ -
Total liabilities and fund balances	$ 9,485,831	$ 18,161	$ 999,052	$ 690,509	$ 561,066	$ 7,390	$ 1,126,455	$ 651,171	$ 224,279	$ -	$ 53,146,778	$ 6,578,964

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Statements of Revenue Received, Expenditures Disbursed,
Other Sources (Uses) and Changes in Fund Balances
June 30, 2025

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
REVENUE									
Local sources	$ 10,827,013	$ 1,604,385	$ 1,661,901	$ 538,158	$ 789,862	$ 1,921	$ 134,705	$ 1,111,789	$ 129,248
State sources	6,656,241	804,000	-	736,116	-	-	-	-	-
Federal sources	1,494,040	-	-	-	-	-	-	-	-
Total direct revenue	18,977,294	2,408,385	1,661,901	1,274,274	789,862	1,921	134,705	1,111,789	129,248
Revenue for on-behalf payments	5,545,611	-	-	-	-	-	-	-	-
Total revenue	$ 24,522,905	$ 2,408,385	$ 1,661,901	$ 1,274,274	$ 789,862	$ 1,921	$ 134,705	$ 1,111,789	$ 129,248
EXPENDITURES									
Instruction	$ 12,835,517	$ -	$ -	$ -	$ 300,921	$ -	$ -	$ 19,351	$ -
Support services	6,102,074	2,642,818	-	1,896,293	435,011	-	-	524,524	-
Community services	206	-	-	-	-	-	-	-	-
Payments to other districts & gov't units	1,646,475	-	-	-	-	-	-	220,000	75,000
Debt service	-	-	1,664,333	613,349	-	-	-	-	-
Total direct expenditures	20,584,272	2,642,818	1,664,333	2,509,642	735,932	-	-	763,875	75,000
Expenditures for on-behalf payments	5,545,611	-	-	-	-	-	-	-	-
Total expenditures	$ 26,129,883	$ 2,642,818	$ 1,664,333	$ 2,509,642	$ 735,932	$ -	$ -	$ 763,875	$ 75,000
Excess of direct revenue over (under) direct expenditures	$ (1,606,978)	$ (234,433)	$ (2,432)	$ (1,235,368)	$ 53,930	$ 1,921	$ 134,705	$ 347,914	$ 54,248
OTHER SOURCES (USES) OF FUNDS									
Transfer to pay principal on GASB87 leases	$ -	$ (13,834)	$ 13,834	$ -	$ -	$ -	$ -	$ -	$ -
Transfer to pay interest on GASB87 leases	-	(1,180)	1,180	-	-	-	-	-	-
Other sources (uses) not classified elsewhere	-	-	-	752,535	-	-	-	-	-
Total other sources (uses) of funds	$ -	$ (15,014)	$ 15,014	$ 752,535	$ -	$ -	$ -	$ -	$ -
Excess of revenues and other sources of funds over (under) expenditures and other uses of funds	$ (1,606,978)	$ (249,447)	$ 12,582	$ (482,833)	$ 53,930	$ 1,921	$ 134,705	$ 347,914	$ 54,248
FUND BALANCES - July 1, 2024	$ 11,193,415	$ 264,918	$ 986,470	$ 1,161,828	$ 508,326	$ 5,469	$ 991,750	$ 301,153	$ 170,031
FUND BALANCES - June 30, 2025	$ 9,586,437	$ 15,471	$ 999,052	$ 678,995	$ 562,256	$ 7,390	$ 1,126,455	$ 649,067	$ 224,279

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 8,867,813	$ 8,666,273	$ 201,540
Leasing purposes levy	127,407	121,622	5,785
Special education purposes levy	101,934	97,297	4,637
Other tax levies	329	-	329
Total ad valorem taxes levied by district	9,097,483	8,885,192	212,291
Earnings on investments:			
Interest on investments	457,170	585,000	(127,830)
Total earnings on investments	457,170	585,000	(127,830)
Food service:			
Sales to pupils - lunch	355,057	355,000	57
Sales to pupils - Breakfast	-	52,000	(52,000)
Sales to pupils - A la Carte	-	8,000	(8,000)
Sales to adults	-	8,000	(8,000)
Total food service	355,057	423,000	(67,943)
District/school activity income:			
Admissions - athletic	29,731	10,000	19,731
Fees	221,209	100,000	121,209
Student activity fund revenues	512,477	345,000	167,477
Total district/school activity income	763,417	455,000	308,417
Other revenue from local sources:			
Contributions and donations from private sources	27,682	-	27,682
Drivers' education fees	17,446	14,000	3,446
Other local revenues	108,758	60,000	48,758
Total other revenue from local sources	153,886	74,000	79,886
Total revenue from local sources	$ 10,827,013	$ 10,422,192	$ 404,821

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	$ 6,126,416	$ 6,350,000	$ (223,584)
Total unrestricted grants-in-aid	6,126,416	6,350,000	(223,584)
Restricted grants-in-aid:			
Special education:			
Private facility tuition	190,511	125,000	65,511
Orphanage individual	29,893	5,000	24,893
Summer school	-	3,900	(3,900)
Total special education	220,404	133,900	86,504
Career and technical education (CTE):			
Secondary program improvement	1,385	-	1,385
Agriculture education	32,499	50,000	(17,501)
Total career and technical education	33,884	50,000	(16,116)
State free lunch and breakfast	2,957	2,500	457
Driver education	13,978	16,000	(2,022)
Early childhood - block grant	207,354	210,000	(2,646)
Other restricted revenue from state sources	51,248	-	51,248
Total restricted grants-in-aid	529,825	412,400	117,425
Total revenue from state sources	$ 6,656,241	$ 6,762,400	$ (106,159)
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid received directly from federal government:			
Other restricted grants-in-aid received directly from the federal government	$ 500,000	$ -	$ 500,000
Total revenue from other restricted grants	500,000	-	500,000

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Restricted grants-in-aid received from federal government through the state:			
Food service:			
National school lunch program	256,931	300,000	(43,069)
School breakfast program	66,227	46,000	20,227
Total food service	323,158	346,000	(22,842)
Title I:			
Low income	261,709	190,000	71,709
Total Title I	261,709	190,000	71,709
Title IV:			
Safe and drug free schools	12,733	14,000	(1,267)
Total Title IV	12,733	14,000	(1,267)
Federal - special education:			
Preschool flow-through	8,770	10,000	(1,230)
IDEA flow-through	324,682	300,000	24,682
Total federal - special education	333,452	310,000	23,452
CTE - Perkins:			
Other	1,851	-	1,851
Total CTE - Perkins	1,851	-	1,851
Title II - teacher quality	32,895	38,000	(5,105)
Medicaid matching funds - administrative outreach	10,557	-	10,557
Medicaid matching funds - fee-for-service program	19,620	50,000	(30,380)
Other restricted revenue from federal sources	(1,935)	-	(1,935)
Total revenue from federal sources	$ 1,494,040	$ 948,000	$ 546,040
Total direct revenue	$ 18,977,294	$ 18,132,592	$ 844,702

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Salaries	$ 6,469,162	$ 6,657,647	$ (188,485)
Employee benefits	1,611,788	1,195,780	416,008
Purchased services	32,931	778,092	(745,161)
Supplies and materials	367,998	179,800	188,198
Capital outlay	32,044	-	32,044
Total regular programs	8,513,923	8,811,319	(297,396)
Special education programs:			
Salaries	2,126,868	2,100,325	26,543
Employee benefits	350,462	230,503	119,959
Purchased services	422	-	422
Supplies and materials	204	-	204
Total special education programs	2,477,956	2,330,828	147,128
CTE programs:			
Salaries	316,184	443,699	(127,515)
Employee benefits	89,980	53,333	36,647
Purchased services	4,961	-	4,961
Total CTE programs	411,125	497,032	(85,907)
Interscholastic programs:			
Salaries	532,696	373,259	159,437
Employee benefits	53,699	50,000	3,699
Purchased services	148,325	79,500	68,825
Supplies and materials	41,713	45,000	(3,287)
Capital outlay	27,617	42,000	(14,383)
Other objects	9,426	3,750	5,676
Total interscholastic programs	813,476	593,509	219,967

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Summer school programs:			
Salaries	17	16,200	(16,183)
Supplies and materials	39	2,500	(2,461)
Total summer school programs	56	18,700	(18,644)
Driver's education programs:			
Salaries	15,885	25,000	(9,115)
Employee benefits	1,880	3,005	(1,125)
Supplies and materials	356	3,000	(2,644)
Capital outlay	24,399	-	24,399
Total driver's education programs	42,520	31,005	11,515
Bilingual programs:			
Salaries	72,417	1	72,416
Employee benefits	8,912	1	8,911
Purchased services	-	1,000	(1,000)
Total bilingual programs	81,329	1,002	80,327
Student activity fund expenditures:			
Other objects	495,132	345,000	150,132
Total student activity fund expenditures	495,132	345,000	150,132
Total instruction	$ 12,835,517	$ 12,628,395	$ 207,122
SUPPORT SERVICES			
Support services - pupils:			
Guidance services:			
Salaries	$ 386,981	$ 377,941	$ 9,040
Employee benefits	111,808	108,786	3,022
Purchased services	22,230	-	22,230
Total guidance services	521,019	486,727	34,292

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Health services:			
Salaries	240,438	174,414	66,024
Employee benefits	15,066	29,652	(14,586)
Purchased services	12,298	8,550	3,748
Supplies and materials	11,601	11,000	601
Capital outlay	-	5,000	(5,000)
Total health services	279,403	228,616	50,787
Speech pathology & audiology services:			
Purchased services	205,058	185,000	20,058
Total speech pathology & audiology services	205,058	185,000	20,058
Total support services - pupils	1,005,480	900,343	105,137
Support services - instructional staff:			
Improvement of instruction services:			
Salaries	119,913	32,501	87,412
Employee benefits	59,163	18,908	40,255
Purchased services	159,101	80,003	79,098
Supplies and materials	107	-	107
Total improvement of instruction services	338,284	131,412	206,872
Educational media services:			
Salaries	277,607	288,854	(11,247)
Employee benefits	46,873	60,776	(13,903)
Supplies and materials	20,372	25,000	(4,628)
Total educational media services	344,852	374,630	(29,778)
Assessment & testing:			
Purchased services	2,165	20,000	(17,835)
Total assessment & testing	2,165	20,000	(17,835)
Total support services - instructional staff	685,301	526,042	159,259

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - general administration:			
Board of education services:			
Salaries	92,706	57,750	34,956
Employee benefits	58,287	41,500	16,787
Purchased services	282,862	112,300	170,562
Supplies and materials	38,069	27,000	11,069
Other objects	65,238	19,000	46,238
Total board of education services	537,162	257,550	279,612
Executive administration services:			
Salaries	145,291	128,300	16,991
Employee benefits	20,998	-	20,998
Purchased services	869	4,000	(3,131)
Other objects	-	5,500	(5,500)
Total executive administration services	167,158	137,800	29,358
Total support services - general administration	704,320	395,350	308,970
Support services - school administration:			
Office of the principal services:			
Salaries	913,136	470,397	442,739
Employee benefits	230,538	233,672	(3,134)
Purchased services	4,164	6,000	(1,836)
Supplies and materials	22,932	15,500	7,432
Capital outlay	-	100	(100)
Other objects	4,258	3,600	658
Total office of the principal services	1,175,028	729,269	445,759
Total support services - school administration	1,175,028	729,269	445,759

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - business:			
Fiscal services:			
Salaries	57,581	54,060	3,521
Employee benefits	226	1,000	(774)
Purchased services	12,883	15,000	(2,117)
Supplies and materials	2,657	3,500	(843)
Total fiscal services	73,347	73,560	(213)
Operation and maintenance of plant services:			
Salaries	200	-	200
Employee benefits	25	-	25
Capital outlay	571,560	-	571,560
Total operation & maintenance of plant services	571,785	-	571,785
Pupil transportation services:			
Purchased services	10,906	-	10,906
Total pupil transportation services	10,906	-	10,906
Food services:			
Salaries	325,411	254,584	70,827
Employee benefits	698	5,504	(4,806)
Purchased services	5,904	8,480	(2,576)
Supplies and materials	286,076	212,000	74,076
Capital outlay	10,819	19,080	(8,261)
Total food services	628,908	499,648	129,260
Internal services:			
Supplies and materials	33,721	-	33,721
Total internal services	33,721	-	33,721
Total support services - business	1,318,667	573,208	745,459

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Salaries	224,641	158,478	66,163
Employee benefits	44,631	43,460	1,171
Purchased services	455,537	440,070	15,467
Supplies and materials	45,349	61,400	(16,051)
Capital outlay	424,475	85,000	339,475
Total information services	1,194,633	788,408	406,225
Staff services:			
Purchased services	18,645	13,500	5,145
Total staff services	18,645	13,500	5,145
Total support services - central	1,213,278	801,908	411,370
Total support services	$ 6,102,074	$ 3,926,120	$ 2,175,954
COMMUNITY SERVICES			
Supplies and materials	$ 206	$ -	$ 206
Total community services	$ 206	$ -	$ 206
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other districts & gov't units (in-state):			
Other payments to in-state gov't units:			
Purchased services	$ 229,535	$ 16,000	$ 213,535
Total other payments to in state gov't units	229,535	16,000	213,535
Total payments to other gov't units (in-state)	229,535	16,000	213,535
Payments to other districts & gov't units - tuition (in-state):			
Payments for special education programs tuition:			
Other objects	1,402,137	1,200,000	202,137
Total payments for special education programs	1,402,137	1,200,000	202,137

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Educational Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Payments for CTE programs tuition:			
Other objects	14,803	5,300	9,503
Total payments for CTE programs	14,803	5,300	9,503
Total payments to other gov't units - tuition (in-state)	1,416,940	1,205,300	211,640
Total payments to other districts & gov't units	$ 1,646,475	$ 1,221,300	$ 425,175
Total direct expenditures	$ 20,584,272	$ 17,775,815	$ 2,808,457
Excess (deficiency) of revenue over expenditures	$ (1,606,978)	$ 356,777	$ (1,963,755)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 1,274,105	$ 1,216,221	$ 57,884
Total ad valorem taxes levied by district	1,274,105	1,216,221	57,884
Payments in lieu of taxes:			
Corporate personal property replacement taxes	265,422	555,555	(290,133)
Total payments in lieu of taxes	265,422	555,555	(290,133)
Earnings on investments:			
Interest on investments	11,613	-	11,613
Total earnings on investments	11,613	-	11,613
District/school activity income:			
Fees	1,042	-	1,042
Total district/school activity income	1,042	-	1,042
Other revenue from local sources:			
Rentals	34,396	32,000	2,396
Other local revenues	17,807	10,000	7,807
Total other revenue from local sources	52,203	42,000	10,203
Total revenue from local sources	$ 1,604,385	$ 1,813,776	$ (209,391)
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - section 18-8.05	$ 804,000	$ 504,000	$ 300,000
Total unrestricted grants-in-aid	804,000	504,000	300,000
Total revenue from state sources	$ 804,000	$ 504,000	$ 300,000

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid from federal govt thru the state:			
Other restricted revenue from federal sources	$ -	$ 500,000	$ (500,000)
Total restricted grants-in-aid	-	500,000	(500,000)
Total revenue from federal sources	$ -	$ 500,000	$ (500,000)
Total direct revenue	$ 2,408,385	$ 2,817,776	$ (409,391)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Operations and Maintenance Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Operations and maintenance of plant services:			
Salaries	$ 864,785	$ 720,004	$ 144,781
Employee benefits	157,687	106,429	51,258
Purchased services	555,017	496,334	58,683
Supplies and materials	619,115	570,000	49,115
Capital outlay	446,214	850,000	(403,786)
Total operations and maintenance of plant services	2,642,818	2,742,767	(99,949)
Total support services - business	2,642,818	2,742,767	(99,949)
Total support services	$ 2,642,818	$ 2,742,767	$ (99,949)
Total direct expenditures	$ 2,642,818	$ 2,742,767	$ (99,949)
Excess (deficiency) of revenue over expenditures	$ (234,433)	$ 75,009	$ (309,442)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Debt Services Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 1,654,712	$ 1,648,953	$ 5,759
Total ad valorem taxes levied by district	1,654,712	1,648,953	5,759
Earnings on investments:			
Interest on investments	7,189	-	7,189
Total earnings on investments	7,189	-	7,189
Total revenue from local sources	$ 1,661,901	$ 1,648,953	$ 12,948
Total direct revenue	$ 1,661,901	$ 1,648,953	$ 12,948

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Debt Services Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	$ 230,049	$ 165,934	$ 64,115
Debt services - principal on long-term debt:			
Other objects	1,433,834	1,516,384	(82,550)
Debt services - other:			
Other objects	450	-	450
Total debt services	$ 1,664,333	$ 1,682,318	$ (17,985)
Total direct expenditures	$ 1,664,333	$ 1,682,318	$ (17,985)
Excess (deficiency) of revenue over expenditures	$ (2,432)	$ (33,365)	$ 30,933

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Transportation Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 509,641	$ 486,488	$ 23,153
Total ad valorem taxes levied by district	509,641	486,488	23,153
Earnings on investments:			
Interest on investments	12,458	-	12,458
Total earnings on investments	12,458	-	12,458
Other revenue from local sources:			
Other local revenues	16,059	-	16,059
Total other revenue from local sources	16,059	-	16,059
Total revenue from local sources	$ 538,158	$ 486,488	$ 51,670
REVENUE FROM STATE SOURCES			
Restricted grants-in-aid:			
Transportation:			
Regular and vocational	$ 461,819	$ 465,000	$ (3,181)
Special education	274,297	200,000	74,297
Total transportation	736,116	665,000	71,116
Total restricted grants-in-aid	736,116	665,000	71,116
Total revenue from state sources	$ 736,116	$ 665,000	$ 71,116
Total direct revenue	$ 1,274,274	$ 1,151,488	$ 122,786

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Transportation Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Pupil transportation services:			
Salaries	$ 776,935	$ 654,320	$ 122,615
Employee benefits	50,275	39,775	10,500
Purchased services	92,886	641,212	(548,326)
Supplies & materials	127,662	137,800	(10,138)
Capital outlay	848,535	10,600	837,935
Other objects	-	212	(212)
Total pupil transportation services	1,896,293	1,483,919	412,374
Total support services	$ 1,896,293	$ 1,483,919	$ 412,374
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	$ 23,877	$ -	$ 23,877
Debt service - payments of principal on long-term debt:			
Other objects	589,472	-	589,472
Total debt services	$ 613,349	$ -	$ 613,349
Total direct expenditures	$ 2,509,642	$ 1,483,919	$ 1,025,723
Excess (deficiency) of revenue over expenditures	$ (1,235,368)	$ (332,431)	$ (902,937)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 249,688	$ 127,216	$ 122,472
FICA/Medicare only purposes levies	449,729	544,623	(94,894)
Total ad valorem taxes levied by district	699,417	671,839	27,578
Payments in lieu of taxes:			
Corporate personal property replacement taxes	85,000	85,000	-
Total payments in lieu of taxes	85,000	85,000	-
Earnings on investments:			
Interest on investments	4,579	-	4,579
Total earnings on investments	4,579	-	4,579
Other revenue from local sources:			
Other local revenues	866	-	866
Total other revenue from local sources	866	-	866
Total revenue from local sources	$ 789,862	$ 756,839	$ 33,023
Total direct revenue	$ 789,862	$ 756,839	$ 33,023

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Employee benefits	$ 117,021	$ 121,803	$ (4,782)
Special education programs:			
Employee benefits	152,195	103,053	49,142
CTE programs:			
Employee benefits	4,300	4,813	(513)
Interscholastic programs:			
Employee benefits	26,176	17,302	8,874
Summer school program:			
Employee benefits	1	10	(9)
Driver's education programs:			
Employee benefits	209	542	(333)
Bilingual programs:			
Employee benefits	1,019	987	32
Total instruction	$ 300,921	$ 248,510	$ 52,411
SUPPORT SERVICES			
Support services - pupils:			
Guidance services:			
Employee benefits	$ 5,304	$ 4,356	$ 948
Health services:			
Employee benefits	32,525	27,085	5,440
Speech pathology & audiology services:			
Employee benefits	-	238	(238)
Total support services - pupils	37,829	31,679	6,150

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - instructional staff:			
Improvement of instruction services:			
Employee benefits	1,806	40	1,766
Educational media services:			
Employee benefits	14,036	13,815	221
Total support services - instructional staff	15,842	13,855	1,987
Support services - general administration:			
Board of education services:			
Employee benefits	11,420	4,583	6,837
Executive administration services:			
Employee benefits	12,569	7,385	5,184
Total support services - general administration	23,989	11,968	12,021
Support services - school administration:			
Office of the principal services:			
Employee benefits	52,505	56,430	(3,925)
Total support services - school administration	52,505	56,430	(3,925)
Support services - business:			
Fiscal services:			
Employee benefits	5,384	206,103	(200,719)
Operations and maintenance of plant services:			
Employee benefits	113,375	117,622	(4,247)
Pupil transportation services:			
Employee benefits	104,683	85,975	18,708
Food services:			
Employee benefits	45,599	32,456	13,143
Total support services - business	269,041	442,156	(173,115)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Municipal Retirement / Social Security Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Employee benefits	35,805	19,874	15,931
Total support services - central	35,805	19,874	15,931
Total support services	$ 435,011	$ 575,962	$ (140,951)
Total direct expenditures	$ 735,932	$ 824,472	$ (88,540)
Excess (deficiency) of revenue over expenditures	$ 53,930	$ (67,633)	$ 121,563

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Capital Projects Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ -	$ 1,000	$ (1,000)
Total ad valorem taxes levied by district	-	1,000	(1,000)
Earnings on investments:			
Interest on investments	1,395	-	1,395
Total earnings on investments	1,395	-	1,395
Other revenue from local sources:			
Impact fees from municipal or county governments	526	1,000	(474)
Total other revenue from local sources	526	1,000	(474)
Total revenue from local sources	$ 1,921	$ 2,000	$ (79)
Total direct revenue	$ 1,921	$ 2,000	$ (79)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Capital Projects Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition and construction services:			
Capital outlay	$ -	$ -	$ -
Total facilities acquisition and construction services	-	-	-
Total support services	$ -	$ -	$ -
Total direct expenditures	$ -	$ -	$ -
Excess (deficiency) of revenue over expenditures	$ 1,921	$ 2,000	$ (79)

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Working Cash Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 127,407	$ 121,622	$ 5,785
Total ad valorem taxes levied by district	127,407	121,622	5,785
Earnings on investments:			
Interest on investments	7,298	-	7,298
Total earnings on investments	7,298	-	7,298
Total revenue from local sources	$ 134,705	$ 121,622	$ 13,083
Total direct revenue	$ 134,705	$ 121,622	$ 13,083

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 1,103,689	$ 990,000	$ 113,689
Total ad valorem taxes levied by district	1,103,689	990,000	113,689
Earnings on investments:			
Interest on investments	8,100	-	8,100
Total earnings on investments	8,100	-	8,100
Total revenue from local sources	$ 1,111,789	$ 990,000	$ 121,789
Total direct revenue	$ 1,111,789	$ 990,000	$ 121,789

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
INSTRUCTION			
Regular programs:			
Supplies and materials	$ 19,351	$ -	$ 19,351
Total regular programs	19,351	-	19,351
Interscholastic programs:			
Salaries	-	22,464	(22,464)
Supplies and materials	-	75,000	(75,000)
Capital outlay	-	20,000	(20,000)
Total interscholastic programs	-	117,464	(117,464)
Total instruction	$ 19,351	$ 117,464	$ (98,113)
SUPPORT SERVICES			
Support services - pupils:			
Health services:			
Salaries	$ -	$ 18,387	$ (18,387)
Supplies and materials	212	-	212
Total health services	212	18,387	(18,175)
Total support services - pupils	212	18,387	(18,175)
Support services - general administration:			
Board of education services:			
Purchased services	-	65,000	(65,000)
Total board of education services	-	65,000	(65,000)
Executive administration services:			
Salaries	148,941	46,500	102,441
Employee benefits	18,711	25,589	(6,878)
Total executive administration services	167,652	72,089	95,563

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Claims paid from self insurance fund:			
Purchased services	1,134	-	1,134
Total claims paid from self insurance fund	1,134	-	1,134
Risk management and claims services payments:			
Purchased services	2,100	100,000	(97,900)
Total claims paid from self insurance fund	2,100	100,000	(97,900)
Total support services - general administration	170,886	237,089	(66,203)
Support services - school administration:			
Office of the principal services:			
Salaries	85,163	85,200	(37)
Employee benefits	25,504	20,241	5,263
Total office of the principal services	110,667	105,441	5,226
Total support services - school administration	110,667	105,441	5,226
Support services - business:			
Operation and maintenance of plant services:			
Salaries	21,609	20,000	1,609
Employee benefits	2,869	2,000	869
Purchased services	30,509	-	30,509
Supplies and materials	(306)	-	(306)
Capital outlay	168,360	142,000	26,360
Total operation & maintenance of plant services	223,041	164,000	59,041
Food services:			
Capital outlay	3,180	-	3,180
Total food services	3,180	-	3,180
Total support services - business	226,221	164,000	62,221

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Tort Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
Support services - central:			
Information services:			
Salaries	-	56,182	(56,182)
Purchased services	16,538	-	16,538
Total information services	16,538	56,182	(39,644)
Total support services - central	16,538	56,182	(39,644)
Total support services	$ 524,524	$ 581,099	$ (56,575)
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other districts & gov't units - tuition (in-state):			
Payments for special education programs tuition:			
Other objects	$ 220,000	$ 220,000	$ -
Total payments for special education programs	220,000	220,000	-
Total payments to other gov't units tuition (in-state)	220,000	220,000	-
Total payments to other districts & gov't units	$ 220,000	$ 220,000	$ -
Total direct expenditures	$ 763,875	$ 918,563	$ (154,688)
Excess (deficiency) of revenue over expenditures	$ 347,914	$ 71,437	$ 276,477

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Fire Prevention and Safety Fund

Statement of Revenue Received - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	$ 127,407	$ 121,622	$ 5,785
Total ad valorem taxes levied by district	127,407	121,622	5,785
Earnings on investments:			
Interest on investments	1,841	-	1,841
Total earnings on investments	1,841	-	1,841
Total revenue from local sources	$ 129,248	$ 121,622	$ 7,626
Total direct revenue	$ 129,248	$ 121,622	$ 7,626

See accompanying notes to financial statements.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Fire Prevention and Safety Fund

Statement of Expenditures Disbursed - Actual and Budget
Year ended June 30, 2025

	Actual	Budget	Actual over (under) Budget
SUPPORT SERVICES			
Support services - business:			
Operation & maintenance of plant services:			
Purchased services	$ -	$ 75,000	$ (75,000)
Total operation & maintenance of plant services	-	75,000	(75,000)
Total support services - business	-	75,000	(75,000)
Total support services	$ -	$ 75,000	$ (75,000)
PAYMENTS TO OTHER DIST & GOVT UNITS			
Other payments to in-state govt. units:			
Other objects	$ 75,000	$ -	$ 75,000
Total payments to other govt units	$ 75,000	$ -	$ 75,000
Total direct expenditures	$ 75,000	$ 75,000	$ -
Excess (deficiency) of revenue over expenditures	$ 54,248	$ 46,622	$ 7,626

See accompanying notes to financial statements.

(1) Summary of Significant Accounting Policies

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

(a) Principles Used to Determine the Scope of the Reporting Entity

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

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

Joint agreements have been determined not to be part of the reporting entity after applying the manifesting of oversight, scope of public service and special financing relationships criteria, and, are therefore excluded from the accompanying financial statements because the District does not control the assets, operations or management of the joint agreements. In addition, the District is not aware of any entity which would exercise such oversight as to result in the District being considered a component unit of the entity.

(b) Basis of Presentation – Fund Accounting

These financial statements comply with the regulatory basis of reporting as prescribed by the Illinois State Board of Education.

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

Governmental Funds

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

Educational Fund – This fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.

Student Activity Funds consist of funds owned, operated, and managed by an organization, club, or association within the student body under the guidance or direction of one or more staff members for educational, recreational, or cultural purposes. The school board, superintendent, or district employees have direct involvement with the decisions of how funds are spent or attained. Due to the District's administrative involvement with the Student Activity Funds, these funds are reported as part of the Educational Fund in the financial statements.

Operations and Maintenance Fund – This fund is also a general operating fund used to account for costs of maintaining school buildings.

Debt Service Fund – This fund is a debt retirement fund. Resources of this fund are used to retire principal and interest maturities of outstanding bond obligations and other long-term debt instruments.

Transportation Fund – This fund is a special revenue fund used to account for the costs of transporting pupils to and from school and school activities.

Municipal Retirement/Social Security Fund – This fund is a special revenue fund used to pay the District's share of municipal retirement benefits for covered employees. The District's share of Social Security and Medicare-only is also paid from this fund.

Capital Projects Fund – Proceeds of construction bond issues, the capital improvement tax levy, and if applicable, school facility occupation tax proceeds are accounted for in this fund.

Working Cash Fund – The resources of this fund are held by the District to be used for temporary interfund loans to any fund of the District for which taxes are levied.

Tort Fund – This fund is a special revenue fund used to account for tort immunity or tort judgment purposes.

Fire Prevention and Safety Fund – Proceeds of fire prevention and safety bond issues and tax levy are accounted for in this fund.

Fiduciary Funds

Fiduciary funds consist of funds received from an independent, outside source in which the school board is acting in an administrative capacity. Neither the school board, the superintendent, nor any district employee has the right of approval for how the funds are spent or raised, nor do they have direct financial involvement in the funds. The district has fiduciary responsibility for the funds but does not have any control over the funds. Fiduciary funds may include outside, independent scholarship funds in which the district has no authority to decide how the funds are attained or awarded. Fiduciary funds may also include trust funds which have been established in connection with the District's employee benefit plans. Fiduciary funds are reported as *Agency Funds* in the financial statements.

Governmental Funds – Measurement Focus

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

General Fixed Assets and General Long-Term Debt Account Groups

The accounting and reporting treatment applied to the fixed assets and long-term liabilities associated with a fund are determined by its measurement focus. Fixed assets used in governmental fund type operations are accounted for in the General Fixed Assets Account Group, rather than in governmental funds. Long-term liabilities expected to be financed from governmental funds are accounted for in the General Long-Term Debt Account Group, not in the governmental funds.

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

(c) Basis of Accounting

Basis of accounting refers to when revenue received and expenditures paid are recognized in the accounts and how they are reported on the financial statements. The District maintains its accounting records for all funds and account groups on the cash basis of accounting under guidelines prescribed by the Illinois State Board of Education. Accordingly, revenue is recognized and recorded in the accounts when cash is received. In the same manner, expenditures are recognized and recorded upon the disbursement

of cash. Assets of a fund are only recorded when cash is received or when a right to receive cash exists which arises from a previous cash transaction. Liabilities of a fund, similarly, result from previous cash transactions.

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

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

(d) Budgets and Budgetary Accounting

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1. The original budget was passed on September 5, 2024 and was not amended. The budget lapses at the end of each fiscal year.

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

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.

2. A public hearing is held as to such budget prior to final action.

3. Prior to October 1, the budget is legally adopted through passage of a resolution.

4. Formal budgetary integration is employed as a management control device during the year.

5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.

6. The Board of Education may amend the budget by the same procedures required of its original adoption.

(e) Cash

The District considers cash on hand, cash on deposit with banks and other institutions, certificates of deposit, money market accounts, and repurchase agreements to be cash for financial statement purposes.

(f) Investments

All investments are reported at fair value. The District has adopted a formal written investment policy. The institutions in which investments are made must be approved by the Board of Education. The District's investments consist of The Illinois Funds Local Government Investment Pool.

(g) Commingled Accounts

The District uses common bank accounts to hold the monies of more than one fund. Interest earned on these common accounts is credited to each participating fund based on its approximate share of the account prior to the payment of interest.

Occasionally one or more of the funds participating in the common bank account will incur overdrafts (deficits) in the account. The overdrafts result from expenditures which have been approved by the Board of Education. Negative balances incurred in commingled bank accounts at year end are shown as interfund receivables/interfund payables in the financial statements.

(h) General Fixed Assets

General fixed assets with expected useful lives that exceed one year and cost more than $500, are recorded as expenditures paid in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group. All fixed assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation is computed using the straight line method over estimated lives ranging from three to fifty years. Estimated lives are determined based on the policies prescribed by the Illinois State Board of Education.

Certain contracts establish intangible assets based on the District's right to use the assets of another entity. Lease assets are initially measured at an amount equal to the initial measurement of the related lease liability plus any payments made prior to the lease term, less lease incentives, and plus ancillary charges necessary to place the lease into service. Right-to-use lease assets are amortized on a straight-line basis over the life of the related lease. Subscription-based information technology arrangements (SBITA) are initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized on a straight-line basis over the subscription term.

(2) Property Taxes

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on November 7, 2024. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during June, July, August, September, October, and November. Taxes recorded in these financial statements are from the 2024, 2023, and prior tax levies.

The following are the tax rate limits permitted by the *Illinois Compiled Statutes* and by local referendum and the actual rates levied per $100 of assessed valuation:

	- 2024 Levy Year -		- 2023 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	3.4800	3.3988	3.4800	3.4800
Special education	0.0400	0.0391	0.0400	0.0400
Oper. & maint.	0.5000	0.4883	0.5000	0.5000
Debt Service	As needed	0.6107	As needed	0.6779
Transportation	0.2000	0.1953	0.2000	0.2000
Municipal retirement	As needed	0.1334	As needed	0.0522
Social security	As needed	0.1334	As needed	0.2239
Working cash	0.0500	0.0488	0.0500	0.0500
Tort immunity	As needed	0.4445	As needed	0.4070
Facilities leasing	0.0500	0.0488	0.0500	0.0500
Fire prevention and safety	0.0500	0.0488	0.0500	0.0500
		5.5900		5.7310

(3) Cash Deposits and Investments

The District is allowed to invest in securities as authorized by the Illinois Public Funds Investment Act - 30 ILCS 235/2 and 6; and the Illinois School Code - 105 ILCS 5/8-7.

Cash and investments as of June 30, 2025 are classified in the accompanying financial statements as follows:

Statement of Assets and Liabilities Arising from Cash Transactions	
Cash	$ 12,148,999
Investments	1,614,915
Total cash and investments	$ 13,763,914

Cash and investments as of June 30, 2025 consist of the following:	
Cash on hand	$ -
Deposits with financial institutions	
District	11,899,524
Student activity funds	249,475
Investments	
District	1,614,915
Student activity funds	-
Total cash and investments	$ 13,763,914

Deposits – custodial credit risk

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

Safekeeping and custody arrangements

The preferred method of safekeeping is to have pledged securities registered in the District's name and held by a third-party custodian. Safekeeping practices should qualify for the Governmental Accounting Standards Board (GASB) Statement No. 3 Deposits with Financial Institution, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements, Category I, the highest recognized safekeeping procedures.

As of June 30, 2025, $11,819,206 of the District's bank balance of $13,917,142, were exposed to custodial credit risk as follows:

Uninsured and collateralized by securities held by the pledging financial institution	$ 11,819,206

Investments

As of June 30, 2025, the District had the following investments:

Investment	Fair Value
Illinois Funds Money Market Fund	$ 1,614,915

The Illinois Funds Money Market Fund (formerly known as IPTIP) is a money market fund created in 1975 by the Illinois General Assembly. Its primary purpose is to provide the Public Treasurer and other custodians of public funds with an alternative investment vehicle which enable them to earn a competitive rate of return of fully collateralized investments, while maintaining immediate access to invested funds. The monies invested by the individual participants are pooled together and invested in U.S. Treasury bills and notes backed by full faith and credit of the U.S. Treasury. In addition, monies are invested in fully collateralized time deposits in Illinois financial institutions, in collateralized repurchase agreements, and in treasury mutual funds that invest in U.S. Treasury obligations and collateralized repurchase agreements. Investments in Illinois Funds Money Market Fund are valued at the funds share price which is equivalent to fair market value.

Interest rate risk

In accordance with its investment policy, the District limits its exposure to interest rate risk, by structuring its portfolio to provide sufficient liquidity to pay District obligations as they come due.

Credit risk is the risk that an issuer of an investment will not fulfill its obligations to the holder of the investment. The District's investment policy seeks to minimize credit risk by requiring investment in securities allowed under the investment policy. The Illinois Funds is rated AAAm by Standard & Poor's at June 30, 2025.

Custodial credit risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, the District will not be able to recover the value of its investment or collateral securities that are in the possession of another party. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to indirect investments in securities through the use of mutual funds or governmental investment pools such as Illinois Funds.

Concentration of credit risk

No investment in any one issuer, other than U.S. Treasury securities, mutual funds, and Illinois Funds, represent 5% or more of the District's total investments.

(4) Changes in General Fixed Assets, Depreciation, and Amortization

Under the regulatory basis of accounting, fixed assets, depreciation, and amortization are not recorded and therefore the financial statements do not reflect the amounts below.

Assets at Cost

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Life in Years
Nondepreciable assets:					
Land	$ 2,569,982	-	-	2,569,982	N/A
Construction in progress	-	-	-	-	N/A
Total nondepreciable assets	2,569,982	-	-	2,569,982	
Depreciable assets:					
Buildings and improvements	38,010,046	1,015,660	-	39,025,706	50
Temporary buildings	-	-	-	-	20
Land improvements	1,642,304	74,221	-	1,716,525	20
10-year equipment	6,481,507	618,789	-	7,100,296	10
5-year equipment	715,240	201,151	74,722	841,669	5
3-year equipment	-	-	-	-	3
Total depreciable assets	46,849,097	1,909,821	74,722	48,684,196	
Right-to-use lease assets:					
10-year equipment	-	-	-	-	10
5-year equipment	69,052	-	-	69,052	5
3-year equipment	1,071,013	752,535	-	1,823,548	3
Total right-to-use lease assets	1,140,065	752,535	-	1,892,600	
Subscription-based information technology arrangement assets	-	-	-	-	Varies
Total general fixed assets	$ 50,559,144	2,662,356	74,722	53,146,778	

Accumulated Depreciation, Accumulated Amortization, and Undepreciated Cost (Net)

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Cost (Net) 6/30/2025
Nondepreciable assets:					
Land	$ -	-	-	-	2,569,982
Construction in progress	-	-	-	-	-
Total nondepreciable assets	-	-	-	-	2,569,982
Accumulated depreciation:					
Depreciable assets:					
Buildings and improvements	15,580,536	721,541	-	16,302,077	22,723,629
Temporary buildings	-	-	-	-	-
Land improvements	1,094,399	57,194	-	1,151,593	564,932
10-year equipment	2,928,535	592,171	-	3,520,706	3,579,590
5-year equipment	240,268	60,583	-	300,851	540,818
3-year equipment	-	-	-	-	-
Total depreciable assets	19,843,738	1,431,489	-	21,275,227	27,408,969
Accumulated amortization:					
Right-to-use lease assets:					
10-year equipment	-	-	-	-	-
5-year equipment	32,412	16,911	-	49,323	19,729
3-year equipment	442,837	584,745	-	1,027,582	795,966
Total right-to-use lease assets	475,249	601,656	-	1,076,905	815,695
Subscription-based information technology arrangement assets	-	-	-	-	-
Total accumulated depreciation, amortization, and cost (net)	$ 20,318,987	2,033,145	-	22,352,132	30,794,646

(5) Employee Pensions and Other Benefit Plans

The District participates in multiple retirement plans to provide retirement benefits to its employees. For the year ended June 30, 2025, the District recorded a total of $1,782,592 in payments to the various retirement plans as detailed below.

It should be noted that actuarial accrued liabilities, deferred inflows of resources and deferred out flows of resources are not recorded in the financial statements since the District uses the regulatory basis of accounting as prescribed or permitted by the Illinois State Board of Education as described in Note 1.

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

Plan description

The employer participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was

created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. 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/fy2024; 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 1 members have TRS or reciprocal system service prior to January 1, 2011. Tier 1 members qualify for retirement benefits at age 62 with five years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest 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 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different from Tier 1.

Essentially all Tier 1 retirees receive an annual 3 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 2 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.

Public Act 100-0023, enacted in 2017, creates an optional Tier 3 hybrid retirement plan, but it has not yet gone into effect. Public Act 100-0587, enacted in 2018, requires TRS to offer two temporary benefit buyout programs that expire on June 30, 2026. One program allows retiring Tier 1 members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier 1 and 2 members to receive a partial lump-sum payment in lieu of a retirement annuity. Both programs will begin in 2019 and are funded by bonds issued by the state of Illinois.

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. For the year ended June 30, 2025, the District reported expenditures of $962,580 for this contribution.

- ***On behalf contributions to TRS.***

  The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, state of Illinois contributions recognized by the employer were based on the state's proportionate share of with the pension expense associated with the employer, and the employer recognized revenue and expenditures of $5,476,800 in pension contributions from the state of Illinois.

- ***2.2 formula contributions.***

  Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were $62,033 and are deferred because they were paid after the June 30, 2024 measurement date.

- ***Federal and special trust fund contributions.***

  When TRS members are paid from federal and special trust funds administered by the employer, there is a statutory requirement for the employer 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, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2025, salaries totaling $5,787 were paid from federal and special trust funds that

required employer contributions of $598. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

- ***Employer retirement cost contributions.***

  Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 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, 2025, the employer paid $14,306 to TRS for employer contributions due on salary increases in excess of 6 percent and $10,559 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the employer had 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 employer. The state's support and total are for disclosure purposes only. The amount of the employer's 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 employer were as:

Employer's proportionate share of the net pension liability	$ 820,546
State's proportionate share of the net pension liability associated with the employer	68,415,911
Total	$ 69,236,457

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. 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, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was .0009556151 percent, which was an increase of .0000390359 from its proportion measured as of June 30, 2023.

At June 30, 2025, the employer had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 3,086	$ 2,130
Net difference between projected and actual earnings on pension plan investments	-	7,045
Changes of assumptions	11,306	435
Changes in proportion and differences between employer contributions and proportionate share of contributions	48,568	34,185
Employer contributions subsequent to the measurement date	-	-
Total	$ 62,960	$ 43,795

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense as follows in these reporting years:

Year ended June 30,	
2026	$ (11,592)
2027	12,099
2028	6,026
2029	8,967
2030	3,665

Actuarial assumptions

The total pension liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were 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 scale 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
Global equity	37.0%	7.55%
Private equity	15.0%	10.28%
Public income	18.0%	5.81%
Private credit	8.0%	9.20%
Real assets	18.0%	7.01%
Diversifying strategies	4.0%	5.18%
Total	100%	

Discount rate

At June 30, 2024, the discount rate used to measure the total pension liability was 7.0 percent, which was the same as the June 30, 2023 rate. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions, and state contributions will be made at the current statutorily-required rates.

Based on those assumptions, TRS's fiduciary net position at June 30, 2024 was projected to be available to make all projected future benefit payments to current active and inactive members and all benefit recipients. Tier 1's liability is partially funded by Tier 2 members, as the Tier 2 member contribution is higher than the cost of Tier 2 benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered, so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the employer's proportionate share of the net pension liability to changes in the discount rate

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.0 percent, as well as what the employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.0 percent) or 1-percentage-point higher (8.0 percent) than the current rate.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	$ 1,013,397	$ 820,546	$ 660,680

TRS fiduciary net position

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

(b) Illinois Municipal Retirement Fund Pension Plan

Plan Description. The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section 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 Comprehensive Annual Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. That report may be obtained online 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).

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.

Employees Covered by Benefit Terms. As of December 31, 2024, the following employees were covered by the benefit terms:

Retirees and beneficiaries currently receiving benefits	129
Inactive plan members entitled to but not yet receiving benefits	170
Active members	137
Total	436

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rate for calendar year 2024 was 6.73%. For the fiscal year ended June 30, 2025, the District contributed $261,789 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Net Pension Liability. The District's net pension liability was measured as of December 31, 2024. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date.

Actuarial Assumptions. The following are the methods and assumptions used to determine total pension liability at December 31, 2024:

- The actuarial cost method used was Entry Age Normal.
- The asset valuation method used was Market Value of Assets.
- The inflation rate was assumed to be 2.25%.
- Salary increases were expected to be 2.85% to 13.75%, including inflation.
- The investment rate of return was assumed to be 7.25%.
- Projected retirement age was from the Experience-based table of rates, specific to the type of eligibility condition. Last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

- For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021.
- For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2021.
- The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation.

  The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	33.5%	4.35%
International Equities	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternatives	12.5%	4.85%-6.25%
Cash Equivalents	1.0%	3.60%
	100%	

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:

1. 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
2. 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 4.08%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2023	$ 14,404,513	$ 13,698,789	$ 705,724
Changes for the year:			
Service cost	273,691	-	273,691
Interest on the total pension liability	1,021,523	-	1,021,523
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	255,815	-	255,815
Changes of assumptions	-	-	-
Contributions - employer	-	236,719	(236,719)
Contributions - employee	-	158,238	(158,238)
Net investment income	-	1,363,752	(1,363,752)
Benefit payments, including refunds of employee contributions	(902,778)	(902,778)	-
Other (net transfer)	-	(405,739)	405,739
Net changes	648,251	450,192	198,059
Balances at December 31, 2024	$ 15,052,764	$ 14,148,981	$ 903,783

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, 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:

	Single Discount Rate Assumption		
	1% Decrease	Current	1% Increase
	6.25%	7.25%	8.25%
Total pension liability	$ 16,641,643	$ 15,052,764	$ 13,771,430
Plan fiduciary net position	14,148,981	14,148,981	14,148,981
Net pension (asset) liability	$ 2,492,662	$ 903,783	$ (377,551)

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. Pension expense as reflected in the financial statements for the fiscal year ended June 30, 2025 was $261,789. At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	$ 175,441	$ -
Changes of assumptions	-	7,724
Net difference between projected and actual earnings on pension plan investments	1,189,241	867,889
Total deferred amounts to be recognized in pension expense in future periods	1,364,682	875,613
Pension contributions made subsequent to the measurement date	-	-
Total deferred amounts related to pensions	$ 1,364,682	$ 875,613

Deferred outflows of resources and (deferred inflows) of resources related to pensions will be recognized in pension expense in future periods as follows:

Year Ending December 31	Net Deferred Outflows (Inflows) of Resources
2025	$ 293,587
2026	454,109
2027	(177,885)
2028	(80,742)
2029	-
	$ 489,069

(c) Aggregate Information

Since the District participates in more than one retirement plan, GASB 68 requires disclosure of the following, which aggregates selected information from the Teachers' Retirement System and the Illinois Municipal Retirement Fund.

	TRS	IMRF	Total
Net Pension Liabilities	$ 820,546	$ 903,783	$ 1,724,329
Net Pension Assets	-	-	-
Deferred Outflows of Resources	62,960	1,364,682	1,427,642
Deferred Inflows of Resources	43,795	875,613	919,408
Pension expenditures for the year ended June 30, 2025	1,050,076	261,789	1,311,865

(d) Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid $269,760, the total required contribution for the current fiscal year.

(e) Medicare

All employees, except certified personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the Medicare health insurance program. The District paid $200,967, the total required contribution for the current fiscal year.

(6) Fund Balance Reporting

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

(a) Nonspendable Fund Balance

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

(b) Restricted Fund Balance

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

1. Special Education
   Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2025, expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.

2. Leasing Levy
   Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2025, expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.

3. State Grants
   Proceeds from state grants and the related expenditures have been included in multiple District funds. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of $9,108. This balance is included in the financial statements as Reserved in the Educational Fund.

4. Federal Grants
   Proceeds from federal grants and the related expenditures have been included in multiple District funds. At June 30, 2025, expenditures disbursed exceeded revenues received for these purposes, resulting in no restricted fund balance.

5. IMRF/Social Security
   Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. Revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of $562,256. For purposes of Regulatory reporting, the Social Security portion of the fund balance, $457,124 will be classified as Reserved, and the Municipal Retirement portion of the fund balance, $105,132. will be classified as Unreserved.

6. Student Activity Funds
   Cash receipts and the related cash disbursements of Student Activity Funds are accounted for in the Educational Fund. At June 30, 2025, revenue received for Student Activity Funds exceeded expenditures disbursed for those specific purposes resulting in a restricted fund balance of $249,475. This balance is included in the financial statements as Reserved in the Educational Fund.

(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.

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

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2025, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2025 amounted to $908,628. This amount is shown as Unreserved in the Educational Fund.

(d) Assigned Fund Balance

The assigned fund balance classification refers to amounts that are constrained by the government's intent to be used for a specific purpose, but are neither restricted nor committed. Intent may be expressed by (a) the School Board itself or (b) the finance committee or by the Superintendent when the School Board has delegated the authority to assign amounts to be used for specific purposes.

The District budgets property tax revenue based on the tax levy approved by the Board the previous December. For the fiscal year ending June 30, 2026, the District budgets property tax revenue based on the 2024 tax levy of which $7,913,376 was received by the District prior to June 30, 2025 and is therefore included as revenue under the cash method of accounting in this fiscal year. Of this amount, $4,896,053 were received in the Educational, Operations and Maintenance and Working Cash funds. The amount of assigned fund balance is limited to the overall respective fund balances after applying restrictions and commitments as described previously. For purposes of Regulatory reporting, these amounts are shown as Unreserved in the financial statements.

(e) Unassigned Fund Balance

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

(f) Regulatory – Fund Balance Definitions

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

(g) Reconciliation of Fund Balance Reporting

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

	Generally Accepted Accounting Principles					Regulatory Basis	
Fund	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	258,583	908,628	4,811,459	3,607,767	258,583	9,327,854
Operations & Maintenance	-	-	-	15,471	-	-	15,471
Debt Service	-	999,052	-	-	-	-	999,052
Transportation	-	678,995	-	-	-	-	678,995
Municipal Retirement	-	562,256	-	-	-	457,124	105,132
Capital Projects	-	7,390	-	-	-	-	7,390
Working Cash	-	-	-	69,123	1,057,332	-	1,126,455
Tort	-	649,067	-	-	-	-	649,067
Fire Prevention & Safety	-	224,279	-	-	-	-	224,279

(h) Expenditures of Fund Balance

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

(7) Long-Term Debt

As of June 30, 2025, the District had long-term debt outstanding in the amount of $6,578,964. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

Bonded Indebtedness

Bonded indebtedness current requirements for principal and interest expenditures are payable from future revenues of the Debt Service Fund. The revenues consist principally of property taxes collected by the District and interest earnings.

Bonded indebtedness consists of the following:

General Obligation School Bonds, Series 2016A

Original Issue	$11,095,000
Interest Rate	3.89% Average coupon
Issue Date	March 20, 2016
Interest Date	June 1 and December 1

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 1,485,000	$ 163,668	$ 1,648,668
2027	1,205,000	115,894	1,320,894
2028	1,245,000	79,144	1,324,144
2029	1,280,000	40,469	1,320,469
2030	655,000	10,234	665,234
	$ 5,870,000	$ 409,409	$ 6,279,409

Lease Obligations

The District entered into a three year lease agreement for four 74-passenger buses and one 26-passenger adaptable school bus, effective February 1, 2023. The lease requires annual payments of $118,680, beginning February 1, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.05%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $342,117. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made the final principal lease payment of $115,913 and interest payment of $2,767 during the year ended June 30, 2025.

The District entered into a three year lease agreement for seven 74-passenger buses, effective February 1, 2023. The lease requires annual payments of $173,147, beginning February 1, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.05%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $499,129. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of $159,135 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 166,847	$ 6,300	$ 173,147

The District entered into a three year lease agreement for two buses, effective July 1, 2023. The lease requires annual payment of $50,098, beginning July 31, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 7.998%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $152,223. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of $43,000 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 46,567	$ 3,530	$ 50,097

The District entered into a three year lease agreement for two buses, effective March 1, 2025. The lease requires annual payment of $36,659, beginning March 31, 2025, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 8.990%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $100,824. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of $36,659 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 29,631	$ 7,028	$ 36,659
2027	34,534	2,125	36,659
	$ 64,165	$ 9,153	$ 73,318

The District entered into a three year lease agreement for two buses, effective July 1, 2024. The lease requires annual payment of $234,765, beginning July 31, 2024, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 7.998%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $651,711. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal lease payment of $234,765 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 198,724	$ 36,041	$ 234,765
2027	218,222	16,543	234,765
	$ 416,946	$ 52,584	$ 469,530

In accordance with regulatory requirements, these leases are included in the General Long-Term Debt Account Group and the annual principal and interest payments are recorded in the Transportation Fund.

The District entered into a five year lease agreement for a skid loader, effective August 8, 2022. The lease requires annual payments of $15,014, beginning August 8, 2022, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 4.278%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of $69,052. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made a principal payment of $13,834 during the year ended June 30, 2025.

The future minimum lease obligations and the net present value of these minimum lease payments as of June 30, 2025 were as follows:

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 14,439	$ 575	$ 15,014

In accordance with regulatory requirements, the lease is included in the General Long-Term Debt Account Group and the annual principal and interest payments are recorded in the Debt Service Fund.

Long-term liability activity for the year ended June 30, 2025 was as follows:

	Balance 7/1/2024	Issued	Retired	Balance 6/30/2025
Bonds	$ 7,290,000	$ -	$ 1,420,000	$ 5,870,000
Leases	559,735	752,535	603,306	708,964
Subscriptions	-	-	-	-
	$ 7,849,735	$ 752,535	$ 2,023,306	$ 6,578,964

Total future cash flow requirements of the District for retirement of principal and interest for all categories of debt obligations are as follows:

Total Long-Term Debt

Fiscal year ending June 30,	Principal	Interest	Total
2026	$ 1,941,208	$ 217,452	$ 2,158,660
2027	1,457,756	134,562	1,592,318
2028	1,245,000	79,144	1,324,144
2029	1,280,000	40,469	1,320,469
2030	655,000	10,234	665,234
	$ 6,578,964	$ 481,861	$ 7,060,825

(8) Legal Debt Margin

2024 equalized assessed valuation		$ 271,449,116
Statutory debt limitation		
13.8% of 2024 equalized assessed valuation		$ 37,459,978
Less total indebtedness:		
Bonds	$ 5,870,000	
Leases	708,964	
Subscriptions	-	6,578,964
Legal Debt Margin		$ 30,881,014

(9) Interfund Loans

There were no interfund loans made or repaid during the fiscal year ended June 30, 2025.

(10) Interfund Transfers

From	To	Transferred	Purpose
Operations & Maintenance Fund	Debt Services Fund	$ 15,014	To pay principal & interest on GASB 87 lease

(11) Overexpenditure of Budget

The District over expended its budget in the following funds during the fiscal year ended June 30, 2025.

Fund	Expenditures	Budget
Educational	$ 20,584,272	$ 17,775,815
Transportation	$ 2,509,642	$ 1,483,919

All other funds were operated within the legal confines of their budgets during the fiscal year ended June 30, 2025.

(12) Joint Agreements

The District is a member of Ogle County Educational Cooperative Joint Agreement located at 417 N. Colfax, Box 52, Byron, IL 61010, along with other area school districts to provide special education services. The District pays tuition to the Cooperative based upon the Cooperative's budgeted expenditures and the District's special education enrollment. The District made payments to the Ogle County Educational Cooperative during the fiscal year ended June 30, 2025 in the amount of $2,053,890.

The District has an operating agreement with the Julia Hull District Library which is located on the Stillman Valley High School campus. The Library reimburses the District for the cost of certain librarian and aides salaries and benefits and other operating costs. During the fiscal year ended June 30, 2025, the District received $86,344 from the Library.

The District is also a member of Career Education Associates of North Central Illinois (CEANCI) located at 4151 Samuelson Road, Rockford, Illinois, 61109. CEANCI provides technical education services and receives state grants and reallocates to member districts. During the fiscal year ended June 30, 2025, the District made no payments to CEANCI for technical education services and received payments of $3,236 from CEANCI for expenditure reimbursements.

The District's pupils benefit from programs administered under these joint agreements, and the District benefits from jointly administered grants and programming. The District does not have any equity interest in these joint agreements. The joint agreements are separately audited and are not included in these financial statements. Financial information about the joint agreements can be obtained by contacting them at the addresses given above.

(13) Other Postemployment Benefits (OPEB)

(a) Teacher Health Insurance Security (THIS) Fund

The employer 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 Illinois legislature for the benefit of retired Illinois public school

teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

- ***On behalf contributions to the THIS Fund***

  The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were $68,811 and the employer recognized revenue and expenditures of this amount during the year.

- ***Employer contributions to the THIS Fund***

  The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025, the employer paid $71,684 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

The publicly available financial report of the THIS Fund may be found on the website of the Illinois Auditor General: **http://www.auditor.illinois.gov/Audit-Reports/ABC-List.asp**. The current reports are listed under "Central Management Services." Prior reports are available under "Healthcare and Family Services."

(b) Non-certified employees

The District has evaluated its potential liability for other postemployment benefits. The District provides continued health insurance coverage at the active employer rate to all IMRF eligible employees in accordance with Illinois statues, which creates an implicit

subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. For the year ended June 30, 2025, five former employees have chosen to stay in the District's health insurance plan. Because this would result in an immaterial implicit subsidy, the District has chosen not to calculate this implicit subsidy in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions.*

Additionally, the District has no former employees for whom the District is providing an explicit subsidy and no current employees with agreements for future explicit subsidies upon retirement. Therefore, the District has not recorded any postemployment benefit liability as of June 30, 2025.

(14) Risk Management

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District participates in the Illinois Association of School Board Workers' Compensation Self Insurance Trust. Estimated payments are made annually to the Trust to cover claims, however, additional assessments could be required if the Trust reflects a deficit. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(15) Contingencies

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

(16) Unemployment Compensation

The District is self-insured for unemployment compensation. The District is therefore liable to the state for any payments made to any of its former employees claiming benefits. During the fiscal year ended June 30, 2025, the District paid $1,469 to the Illinois Department of Employment Security for unemployment compensation.

(17) Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is,

recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through December 19, 2025, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Teachers' Retirement System of the State of Illinois
Schedule of the Employer's Proportionate Share
of The Net Pension Liability

	FY24*	FY23*	FY22*	FY21*	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*
Employer's proportion of the net pension liability	1.2%	1.1%	1.1%	1.2%	1.3%	1.4%	1.4%	2.8%	1.9%	4.4%
Employer's proportionate share of the net pension liability	$ 820,546	$ 778,914	$ 746,194	$ 750,336	$ 802,527	$ 851,226	$ 820,640	$ 1,512,485	$ 1,024,330	$ 2,004,876
State's proportionate share of the net pension liability associated with the employer	68,415,911	67,220,699	64,727,369	62,886,158	62,858,097	60,580,839	56,217,313	52,302,135	54,232,859	43,627,531
Total	$ 69,236,457	$ 67,999,613	$ 65,473,563	$ 63,636,494	$ 63,660,624	$ 61,432,065	$ 57,037,953	$ 53,814,620	$ 55,257,189	$ 45,632,407
Employer's covered-employee payroll	$ 10,699,171	$ 10,258,869	$ 9,579,607	$ 9,094,682	$ 8,634,603	$ 8,055,518	$ 7,824,046	$ 7,589,180	$ 7,165,586	$ 7,010,602
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.7%	7.6%	7.8%	8.3%	9.3%	10.6%	10.5%	19.9%	14.3%	28.6%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%

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

Teachers' Retirement System of the State of Illinois
Schedule of Employer Contributions

Statutorily-required contribution	$ 1,025,579	$ 983,378	$ 918,267	$ 889,474	$ 827,715	$ 772,252	$ 751,985	$ 736,609	$ 723,187	$ 732,250
Contributions in relation to the statutorily-required contribution	1,024,613	983,354	916,947	900,786	716,492	771,310	781,862	731,446	751,378	746,982
Contribution deficiency (excess)	$ 966	$ 24	$ 1,320	$ (11,312)	$ 111,223	$ 942	$ (29,877)	$ 5,163	$ (28,191)	$ (14,732)
Employer's covered-employee payroll	$ 10,699,171	$ 10,258,869	$ 9,579,607	$ 9,094,682	$ 8,634,603	$ 8,055,518	$ 7,824,046	$ 7,589,180	$ 7,165,586	$ 7,010,602
Contributions as a percentage of covered-employee payroll	9.58%	9.59%	9.57%	9.90%	8.30%	9.57%	9.99%	9.64%	10.49%	10.66%

See notes to other information.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Illinois Municipal Retirement Fund
Schedule of Changes in Net Pension Liability and Related Ratios

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	$ 273,691	$ 281,312	$ 259,857	$ 223,936	$ 243,349	$ 204,214	$ 176,104	$ 194,711	$ 190,464	$ 226,984
Interest on the total pension liability	1,021,523	986,992	917,673	856,938	841,840	805,530	764,455	766,453	721,103	707,450
Differences between expected and actual experience of the total pension liability	255,815	113,752	571,138	469,343	(51,823)	154,000	320,671	(81,883)	244,027	(203,737)
Changes of assumptions	-	(30,462)	-	-	(125,701)	-	289,890	(309,727)	(11,420)	10,938
Benefit payments, including refunds of employee contributions	(902,778)	(840,217)	(766,337)	(694,549)	(684,880)	(680,075)	(614,243)	(559,536)	(549,391)	(507,599)
Net change in total pension liability	648,251	511,377	982,331	855,668	222,785	483,669	936,877	10,018	594,783	234,036
Total pension liability – beginning	14,404,513	13,893,136	12,910,805	12,055,137	11,832,352	11,348,683	10,411,806	10,401,788	9,807,005	9,572,969
Total pension liability – ending (a)	15,052,764	14,404,513	13,893,136	12,910,805	12,055,137	11,832,352	11,348,683	10,411,806	10,401,788	9,807,005
Plan fiduciary net position										
Contributions – employer	236,719	185,966	197,549	226,981	224,493	158,473	203,124	167,584	176,264	188,457
Contributions – employee	158,238	135,296	133,599	120,676	107,845	112,742	101,533	74,652	78,655	80,248
Net investment income	1,363,752	1,383,537	(1,918,050)	2,187,784	1,679,534	1,931,159	(625,049)	1,727,093	622,964	45,700
Benefit payments, including refunds of employee contributions	(902,778)	(840,217)	(766,337)	(694,549)	(684,880)	(680,075)	(614,243)	(559,536)	(549,391)	(507,599)
Other (net transfer)	(405,739)	382,320	70,205	52,151	(31,904)	3,146	184,414	(212,512)	123,068	56,506
Net change in plan fiduciary net position	450,192	1,246,902	(2,283,034)	1,893,043	1,295,088	1,525,445	(750,221)	1,197,281	451,560	(136,688)
Plan fiduciary net position – beginning	13,698,789	12,451,887	14,734,921	12,841,878	11,546,790	10,021,345	10,771,566	9,574,285	9,122,725	9,259,413
Plan fiduciary net position – ending (b)	14,148,981	13,698,789	12,451,887	14,734,921	12,841,878	11,546,790	10,021,345	10,771,566	9,574,285	9,122,725
Net pension (asset) liability – ending (a)-(b)	$ 903,783	$ 705,724	$ 1,441,249	$ (1,824,116)	$ (786,741)	$ 285,562	$ 1,327,338	$ (359,760)	$ 827,503	$ 684,280
Plan fiduciary net position as a percentage of the total pension liability	94.00%	95.10%	89.63%	114.13%	106.53%	97.59%	88.30%	103.46%	92.04%	93.02%
Covered valuation payroll	$ 3,517,353	$ 3,010,759	$ 2,930,982	$ 2,605,981	$ 2,343,344	$ 2,194,877	$ 1,982,961	$ 1,656,452	$ 1,713,054	$ 1,769,644
Net pension (asset) liability as a percentage of covered valuation payroll	25.69%	23.44%	49.17%	-70.00%	-33.57%	13.01%	66.94%	-21.72%	48.31%	38.67%

See notes to other information.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Other Information (unaudited)

June 30, 2025

Illinois Municipal Retirement Fund
Schedule of Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)	Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
2015	$ 188,290	$ 188,457	$ (167)	$ 1,769,644	10.65%
2016	176,273	176,264	9	1,713,054	10.29%
2017	167,964	167,584	380	1,656,452	10.12%
2018	200,874	203,124	(2,250)	1,982,961	10.24%
2019	158,031	158,473	(442)	2,194,877	7.22%
2020	224,492	224,493	(1)	2,343,344	9.58%
2021	226,981	226,981	-	2,605,981	8.71%
2022	197,548	197,549	(1)	2,930,982	6.74%
2023	170,409	185,966	(15,557)	3,010,759	6.18%
2024	236,718	236,719	(1)	3,517,353	6.73%

See notes to other information.

(1) Teachers Retirement System of the State of Illinois – Changes of Assumption

For the 2024 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 August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent. For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent. 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 percent, including an inflation rate of 3.0 percent and real return of 4.5 percent. 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.

(2) Illinois Municipal Retirement Fund Pension Plan – Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate*

(a) Valuation Date

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

(b) Methods and Assumptions Used to Determine 2024 Contribution Rates

Actuarial cost method	Aggregate entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization Period	Non-Taxing bodies: 10-year rolling period. Taxing bodies (Regular, SLEP, and ECO groups): 19-year closed period. Early retirement incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of early retirement incentive. SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 14 years for most employers

	(five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).
Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. 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.

(c) Other Information

There were no benefit changes during the year.

* Based on valuation assumptions used in the December 31, 2022, actuarial valuation; note two year lag between valuation and rate setting.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Elementary & High School:				
Academic Bowl	$ 548	$ 100	$ -	$ 648
Art Fees	1,205	2,838	3,765	278
Band Trip	(2)	639	-	637
Baseball	2,131	11,563	12,561	1,133
Bass Fishing	59	-	-	59
Book Club	873	150	298	725
Boys Basketball	4,844	8,121	1,536	11,429
Girls Basketball	5,720	8,306	8,178	5,848
Color Guard	166	-	-	166
Cheerleaders	4,534	14,843	15,880	3,497
Chess Club	2,682	868	872	2,678
Choir	3,005	4,696	5,191	2,510
Choir Trip	4,299	355	-	4,654
Muscial	19,855	23,901	20,982	22,774
Environmental	360	1,198	1,066	492
Esports	1,351	1,865	1,265	1,951
Fall Play	6,513	2,480	3,147	5,846
FFA	2,505	50,543	44,964	8,084
Football	9,203	42,534	45,752	5,985
FBLA	9	1,385	1,098	296
FBLA Store	295	-	-	295
Golf	2,398	1,656	904	3,150
Grade School Musical	395	-	-	395
Horticulture	5,292	14,647	18,792	1,147
Industrial Arts Club	2,739	4,583	5,528	1,794
Integrity Fund	1,318	6,764	6,832	1,250
Library - High School	2,453	45	-	2,498
Graphics Club	2,923	25,877	25,216	3,584
Band	1,848	414	1,553	709
Math Team	221	658	575	304
National Honors Society	631	3,923	4,415	139
Carried Forward	$ 90,373	$ 234,952	$ 230,370	$ 94,955

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Carried Forward	$ 90,373	$ 234,952	$ 230,370	$ 94,955
Outdoor Club	2,246	980	858	2,368
Pride Club	505	-	-	505
Pom Poms	1,069	-	162	907
Renaissance Team	1,820	2,605	3,025	1,400
Scholarship Testing	9,733	6,346	6,594	9,485
Soccer - Boys	4,945	1,438	1,821	4,562
Soccer - Girls	4,256	1,309	485	5,080
Social Fund	859	1,080	686	1,253
Girls Softball	157	10,006	8,580	1,583
Spanish	394	1,220	1,179	435
Spanish Honor	133	20	191	(38)
Student Council	4,683	10,106	9,853	4,936
Students for Students	5,339	-	-	5,339
Take Action Leg	262	220	175	307
Tournament Fund	4,906	56,688	51,881	9,713
Track - Boys & Girls	8,541	-	688	7,853
Volleyball	2,205	17,461	17,718	1,948
Wrestling	8,213	15,702	23,205	710
Yearbook	3,160	2,448	3,842	1,766
Wellness	790	15,135	14,850	1,075
Highland PBIS	3,251	3,639	4,277	2,613
Monroe Center PBIS	8,643	1,318	2,978	6,983
Highland Library Club	4,664	1,522	2,078	4,108
Junior High Library	2,100	3,762	3,514	2,348
Monroe Center Library Club	3,226	27,250	14,315	16,161
Class of 2028	670	3,316	3,240	746
Class of 2023	-	40	-	40
Class of 2024	196	860	1,056	-
Class of 2025	(2,727)	20,444	14,480	3,237
Class of 2026	1,660	21,846	17,674	5,832
Class of 2027	1,663	2,290	1,307	2,646
K-5 Outdoor	11,836	-	2,684	9,152
Elementary & High School total	$ 189,771	$ 464,003	$ 443,766	$ 210,008

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Student Activity Funds

Schedule of Revenues Received and Expenditures Disbursed
For the year ended June 30, 2025

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Junior High:				
6th Grade	$ (1,575)	$ 3,960	$ 1,477	$ 908
6th Grade Math	32	-	-	32
6th Grade literature	-	471	-	471
7th Grade Literature	-	81	-	81
7th Grade	19	-	-	19
7th Grade Math	291	897	522	666
8th Grade	3,034	4,554	6,538	1,050
Academic Team	-	80	-	80
Art	(6)	6	-	-
Athletics	65	-	-	65
MJHS Musical	-	3,500	1,047	2,453
Band	7,122	380	4,603	2,899
Basketball Summer Camp	1,963	938	1,157	1,744
Boys Basketball	1,872	534	-	2,406
Cash	989	1,393	2,065	317
Cheerleading	1,700	150	-	1,850
Chorus	5,253	2,904	8,118	39
Sunshine Club	-	1,370	619	751
Psychologist MJHS	1	49	-	50
Concession Stand	5,973	6,874	6,615	6,232
Counseling Department	210	81	50	241
Leader in Me/ Light House	1,194	132	290	1,036
English Department	282	-	-	282
Girls Basketball	251	542	-	793
PE	122	500	-	622
Life Skills	310	130	120	320
Miscellaneous	150	100	-	250
Office	-	153	153	-
PBIS	715	564	283	996
Student Council	2,212	16,827	16,391	2,648
Track	2,181	170	-	2,351
Volleyball	698	70	119	649
Wrestling	811	234	259	786
Yearbook	6,490	830	940	6,380
Junior High total	$ 42,359	$ 48,474	$ 51,366	$ 39,467
Total student activity funds	$ 232,130	$ 512,477	$ 495,132	$ 249,475

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

Schedule of Average Daily Attendance, Operating Expense per Pupil,
And Total Operating Expense
(unaudited)

Year ended June 30,	Average Daily Attendance	Operating Expense Per Pupil	Total Operating Expense
2016	1650	$ 9,655	$ 15,932,760
2017	1591	9,287	14,779,067
2018	1681	9,096	15,293,803
2019	1533	10,632	16,302,620
2020	1467	11,346	16,644,492
2021	1377	12,261	16,878,812
2022	1308	14,310	18,715,149
2023	1344	14,446	19,413,163
2024	1332	15,779	21,019,343
2025	1308	16,793	21,958,492

Independent Auditor's Report on Compliance for Each Major Program and on Internal Control Over Compliance Required by the Uniform Guidance

Board of Education
Meridian Community Unit School District No. 223
Ogle County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Meridian Community Unit School District No. 223's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of Meridian Community Unit School District No. 223's major federal programs for the year ended June 30, 2025. Meridian Community Unit School District No. 223's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, Meridian Community Unit School District No. 223 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the "Auditor's Responsibilities for the Audit of Compliance" section of our report.

We are required to be independent of Meridian Community Unit School District No. 223 and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of Meridian Community Unit School District No. 223's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to Meridian Community Unit School District No. 223's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on Meridian Community Unit School District No. 223's compliance based on our audit. 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 generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about Meridian Community Unit School District No. 223's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Meridian Community Unit School District No. 223's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of Meridian Community Unit School District No. 223's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of Meridian Community Unit School District No. 223's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying schedule of findings and questioned costs as items 2025-001 and 2025-002. Our opinion on each major federal program is not modified with respect to these matters.

Government Auditing Standards requires the auditor to perform limited procedures on Meridian Community Unit School District No. 223's response to the noncompliance findings identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Meridian Community Unit School District No. 223's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the "Auditor's Responsibilities for the Audit of Compliance" section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Penning Group, LLC

Freeport, Illinois
December 19, 2025

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
Year Ended June 30, 2025

	Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	Assistance Listing Number	ISBE Project Number	Federal Expenditures	
U.S. Department of Agriculture:					
	Through Illinois State Board of Education:				
(M)	DoD Fresh Fruits and Vegetables Program (non-cash)	10.555	2025	$ 23,107	
(M)	Commodities Program (non-cash)	10.555	2025	31,818	
(M)	National School Lunch Program	10.555	24-4210-00	48,091	
(M)	National School Lunch Program	10.555	25-4210-00	206,466	
(M)	COVID-19 ARP Nutrition Funding - Nutrition Supply Chain Assistance	10.555	24-4210-SC	2,374	
	Subtotal 10.555				$ 311,856
(M)	School Breakfast Program	10.553	24-4220-00	11,320	
(M)	School Breakfast Program	10.553	25-4220-00	54,907	
	Subtotal 10.553				66,227
	Subtotal Child Nutrition Cluster				378,083
	Total Through USDA Programs				378,083
U.S. Department of Education:					
	Through Illinois State Board of Education:				
(M)	Fed. Sp. Ed. IDEA Flow-Through	84.027A	25-4620-00	326,339	
	Subtotal 84.027A				326,339
(M)	Fed. Sp. Ed. Pre-School Flow-Through	84.173A	25-4600-00	8,770	
	Subtotal 84.173				8,770
	Subtotal Special Education (IDEA) Cluster				335,109
	Title I - Low Income	84.010A	25-4300-00	198,943	
	Subtotal 84.010A				198,943
	Title II - Teacher Quality	84.367A	25-4932-00	32,576	
	Subtotal 84.367A				32,576
	Title IV - Student Support & Academic Enrich	84.424A	25-4400-00	13,710	
	Subtotal 84.424A				13,710
	Through Career Education Association of North Central Illinois:				
	CTE - Perkins Title II C - Secondary	84.048A	25-4745-00	3,576	
	Subtotal 84.048A				3,576
	Total Through USDE Programs				583,914
U.S. Department of Health and Human Services:					
	Through Illinois Dept. of Health and Family Services:				
	Medicaid Administrative Outreach	93.778	25-4991-00	23,990	
	Subtotal 93.778				23,990
	Total Through USDHHS Programs				23,990
U.S. Department of Justice:					
	Through Office of Community Oriented Policing Services:				
	COPS	16.710	15JCOPS-23-GG-04792-SCAX	500,000	
	Subtotal 16.710				500,000
	Total Through USDJ Programs				500,000
U.S. Department of Transportation:					
	Safe Routes to School	20.200	2025	13,140	
	Subtotal 20.200				13,140
	Total Through USDT Programs				13,140
Total Federal Awards					$ 1,499,127

(M) Program was audited as a major program as defined by Sec. 200.518.

See the accompanying notes to the Schedule of Expenditures of Federal Awards.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ended June 30, 2025

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **Meridian Community Unit School District No. 223** and is presented on the **cash basis of accounting**. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the **general purpose** financial statements.

Note 2: Indirect Facilities & Administration costs

Auditee elected to use 10% de minimis cost rate? _____ YES X NO

Note 3: Subrecipients

Of the federal expenditures presented in the schedule, **Meridian Community Unit School District No. 223** provided federal awards to subrecipients as follows:

Program Title/Subrecipient Name	Federal CFDA Number	Amount Provided to Subrecipient
None		

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by **Meridian Community Unit School District No. 223** and **should be** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555):	$31,818		
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	$23,107	Total Non-Cash	**$54,925**

Note 5: Other Information

Insurance coverage in effect paid with Federal funds during the fiscal year:

Property	$0
Auto	$0
General Liability	$0
Workers Compensation	$0
Loans/Loan Guarantees Outstanding at June 30:	$0
District had Federal grants requiring matching expenditures	No
	(Yes/No)

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

Type of auditor's report issued: Adverse - GAAP / Unmodified - Cash Basis
(Unmodified, Qualified, Adverse, Disclaimer)

INTERNAL CONTROL OVER FINANCIAL REPORTING:

- Material weakness(es) identified? ___ YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? X YES ___ None Reported
- Noncompliance material to the financial statements noted? ___ YES X NO

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

- Material weakness(es) identified? ___ YES X None Reported
- Significant Deficiency(s) identified that are not considered to be material weakness(es)? ___ YES X None Reported

Type of auditor's report issued on compliance for major programs: Unmodified
(Unmodified, Qualified, Adverse, Disclaimer)

Any audit findings disclosed that are required to be reported in accordance with §200.516 (a)? ___ YES X NO

IDENTIFICATION OF MAJOR PROGRAMS:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
10.555, 10.553	Child Nutrition Cluster	378,083
84.027,84.173	Special Education Cluster	335,109
	Total Amount Tested as Major	$713,192

Total Federal Expenditures for 7/1/24-6/30/25 $ 1,499,127

% tested as Major **47.57%**

Dollar threshold used to distinguish between Type A and Type B programs: $750,000.00

Auditee qualified as low-risk auditee? ___ YES x NO

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER **2025- 001** **2. THIS FINDING IS:** [ ] New [x] **Repeat from Prior Year?**
Year originally reported? 2021

3. Criteria or specific requirement
The District is responsible for preparation of accurate financial statements.

4. Condition
Material audit adjustments were identified during the fiscal year 2025 financial audit.

5. Context
Adjustments were needed in order to properly report certain items of revenue and expense in accordance with provisions of the Illinois School Code and the Illinois Program Accounting Manual (IPAM).

6. Effect
Several material audit adjustments were necessary to arrive at accurate financial statements.

7. Cause
Unfamiliarity with specific accounts required by ISBE for proper reporting in the AFR, primarily in unique reporting situations.

8. Recommendation
The District should consult with ISBE or reference the Illinois Program Accounting Manual for proper recording of financial transactions.

9. Management's response
See corrective action plan.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER **2025- 002** **2. THIS FINDING IS:** [x] New [ ] **Repeat from Prior Year?**
Year originally reported?

3. Criteria or specific requirement
The district should be performing reconciliations of payroll liability accounts and should have a District Treasurer oversee the accounting functions.

4. Condition
Payroll liability account reconciliations were not performed in a timely manner during the year.

5. Context
During the course of performing audit procedures, we noted payroll liability accounts had not been reconciled.

6. Effect
Significant journal entries were required to correct payroll liability accounts.

7. Cause
Lack of oversight.

8. Recommendation
The District should implement procedures to ensure review of payroll liability accounts in a timely manner.

9. Management's response
See corrective action plan.

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

1. FINDING NUMBER: **2025-** _____ **2. THIS FINDING IS:** ☐ New ☐ Repeat from Prior year?
Year originally reported? _____

3. Federal Program Name and Year: _____

4. Project No.: _____ **5. CFDA No.:** _____

6. Passed Through: _____

7. Federal Agency: _____

8. Criteria or specific requirement (including statutory, regulatory, or other citation)

9. Condition

10. Questioned Costs

11. Context

12. Effect

13. Cause

14. Recommendation

15. Management's response

MERIDIAN COMMUNITY UNIT SCHOOL DISTRICT NO. 223

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Year Ended June 30, 2025

Finding Number	Condition	Current Status
2024-001	Material audit adjustments were identified during the fiscal year 2024 financial audit.	Still exists
2024-002	The September 30, 2023 IDEA Flow Through, ARP ID and ARP PS expenditure reports, and the December 31, 2023 Agriculture Education 20, Agriculture Education 30, Early Childhood Block Grant, IDEA Pre-K and IDEA Flow Through expenditure reports were not filed within the required time frame.	Resolved
2024-003	The June 30, 2024 ESSER Digital Equity D3 expenditure report reflects expenditures that were not supported by the District's documentation of the program for fiscal year 2024.	Resolved

MERIDIAN
SCHOOL DISTRICT #223

Meridian Community Unit School District 223

Phone: (815) 645-2230 • Fax: (815) 645-4325
www.meridian223.org

CORRECTIVE ACTION PLAN
Year Ended June 30, 2025

Finding Number: 2025-001

Summary of Finding:
Material audit adjustments were identified during the fiscal year 2025 financial audit.

District Response and Action Plan:
The District acknowledges the finding and has posted all recommended adjustments. To prevent recurrence, management will implement a more thorough year-end review process. We will consult with our auditors and the Illinois State Board of Education (ISBE) regarding unique reporting situations as they arise throughout the year. Additionally, staff will reference the Illinois Program Accounting Manual (IPAM) more frequently to ensure transactions are recorded in the proper accounts prior to the audit.

Contact Person: Stacey Mannix, District Bookkeeper

Anticipated Completion Date: 12/19/2025

Finding Number: 2025-002

Summary of Finding:
Payroll liability account reconciliations were not performed in a timely manner during the year.

District Response and Action Plan:
The District will correct liability balances for the current year. Management has assigned specific responsibility for the monthly reconciliation of all payroll and benefit liability accounts. The Superintendent will review these reconciliations on a quarterly basis to ensure they are being completed timely and that any variances are investigated and resolved immediately.

Contact Person: Michael Plourde, Superintendent

Anticipated Completion Date: 1/31/2026

Appendix C

Form of Continuing Disclosure Undertaking

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

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Community Unit School District Number 223, Ogle and Winnebago Counties, Illinois (the *"District"*), in connection with the issuance of $_____ General Obligation School Bonds, Series 2026A (the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 4th day of November, 2026 (as supplemented by a notification of sale, the *"Resolution"*).

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

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

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

Annual Financial Information means information of the type contained under the following headings and subheadings of the Official Statement:

FINANCIAL INFORMATION
- Trend of EAV
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Repayment Schedule
- Debt Statement (with respect to the District's debt only)
- Debt Ratios (with respect to the District's debt only)

SUMMARY OF OPERATING RESULTS
- General Fund Revenue Sources
- Summary of Operating Funds and Debt Service Fund
- On-Behalf Payments Summary (table only)
- Budget Summary

SCHOOL DISTRICT FINANCIAL PROFILE (last paragraph only)

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

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

Commission means the Securities and Exchange Commission.

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

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

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

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

MSRB means the Municipal Securities Rulemaking Board.

Official Statement means the Official Statement, dated _____, 2026, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. All filings required under this Agreement will be filed on EMMA under these CUSIP Numbers. If the Bonds are refunded after the date hereof, the District will also make all filings required under this Agreement under any new CUSIP Numbers assigned to the Bonds as a result of such refunding,

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMUNITY UNIT SCHOOL DISTRICT
NUMBER 223, OGLE AND WINNEBAGO
COUNTIES, ILLINOIS

By _____
President, Board of Education

Date: _____, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

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

Annual Financial Information exclusive of Audited Financial Statements will be submitted to EMMA by 270 days after the last day of the District's fiscal year (currently June 30), beginning with the fiscal year ending June 30, 2026. Audited Financial Statements as described below should be filed at the same time as the Annual Financial Information. If Audited Financial Statements are not available when the Annual Financial Information is filed, Audited Financial Statements will be submitted to EMMA within 30 days after availability to the District.

Audited Financial Statements will be prepared in accordance with accounting principles mandated by the Illinois State Board of Education.

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

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

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

---

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

EXHIBIT III
CUSIP NUMBERS

MATURITY (DEC. 1)	CUSIP NUMBER (676895)

Appendix D

Specimen Municipal Bond Insurance Policy

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _____

Risk Premium: $_____
Member Surplus Contribution: $_____
Total Insurance Payment: $_____

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

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

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

SPECIMEN

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: _____
Authorized Officer

SPECIMEN

Notices (Unless Otherwise Specified by BAM)

Email:
claims@buildamerica.com
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN