PRELIMINARY OFFICIAL STATEMENT, DATED APRIL 22, 2025

NEW ISSUE
BOOK-ENTRY ONLY
BANK QUALIFIED—2025A BONDS

Ratings:
S&P: "AA" (Stable Outlook)
BAM INSURED
S&P: "A" (Stable Outlook) UNDERLYING
See "BOND RATINGS" herein

Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the 2025A 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 2025A Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the 2025B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion. The 2025A Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

Community Unit School District Number 64
Cass and Morgan Counties, Illinois
(Virginia)
$2,715,000* General Obligation School Bonds, Series 2025A
$355,000* Taxable General Obligation Refunding School Bonds, Series 2025B

Dated: Date of Delivery **Due: December 1, as further described on the inside cover page**

The General Obligation School Bonds, Series 2025A (the *"2025A Bonds"*), and Taxable General Obligation Refunding School Bonds, Series 2025B (the *"2025B Bonds"* and, together with the 2025A Bonds, the *"Bonds"*), of Community Unit School District Number 64, Cass and Morgan Counties, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Heartland Bank and Trust Company, Normal, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of $5,000 or any integral multiple thereof.

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

Proceeds of the 2025A Bonds will be used to (a) construct fire prevention and life safety improvements to the existing school buildings of the District, (b) pay certain interest on the 2025A Bonds and (c) pay costs associated with the issuance of the 2025A Bonds. Proceeds of the 2025B Bonds will be used to (a) refund certain of the District's outstanding bonds, (b) pay certain interest on the 2025B Bonds and (c) pay costs associated with the issuance of the 2025B Bonds. See "USE OF PROCEEDS" herein.

The 2025A Bonds are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2032,* at the redemption price of par plus accrued interest to the redemption date. The 2025B Bonds are not subject to redemption prior to maturity. See "THE BONDS—Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under a municipal bond insurance policy (the *"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 herein.

In the opinion of Bond Counsel, the Bonds 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" herein.

The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated, St Louis, Missouri (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about May 15, 2025.

The date of this Official Statement is _____________ 2025.

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* Preliminary, subject to change.

Community Unit School District Number 64
Cass and Morgan Counties, Illinois
(Virginia)

$2,715,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2025A

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (147670)
2035	$185,000	%	%	
2036	205,000	%	%	
2037	220,000	%	%	
2038	240,000	%	%	
2039	255,000	%	%	
2040	275,000	%	%	
2041	300,000	%	%	
2042	320,000	%	%	
2043	345,000	%	%	
2044	370,000	%	%	

$355,000* TAXABLE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2025B

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (147670)
2032	$ 30,000	%	%	
2033	155,000	%	%	
2034	170,000	%	%	

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

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

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

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.

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

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

The Underwriter has 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.

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

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

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COMMUNITY UNIT SCHOOL DISTRICT NUMBER 64
CASS AND MORGAN COUNTIES, ILLINOIS
(VIRGINIA)

651 South Morgan Street
Virginia, Illinois 62691

Board of Education(1)

Casey French
President

Sarah Brockhouse	Dustin Fritsche *Secretary*	Beth Cox
Marc Giovannini	Gary Bell *Vice President*	Stephanie Hobrock

Administration

Mekelle Neathery
Superintendent

Lori Niemeier
School Treasurer

Professional Services

Underwriter
Stifel, Nicolaus & Company, Incorporated
St. Louis, Missouri

Bond Counsel and Disclosure Counsel
Chapman and Cutler LLP
Chicago, Illinois

Bond Registrar, Paying Agent and Escrow Agent
Heartland Bank and Trust Company
Normal, Illinois

Auditor
Pehlman & Dold, P.C.
Springfield, Illinois

(1) A school board election was held on April 1, 2025. The Board of Education will be reorganized May 7, 2025, to reflect the election of board members and officers.

OFFICIAL STATEMENT

Community Unit School District Number 64
Cass and Morgan Counties, Illinois
(Virginia)
$2,715,000* General Obligation School Bonds, Series 2025A
$355,000* Taxable General Obligation Refunding School Bonds, Series 2025B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 64, Cass and Morgan Counties, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation School Bonds, Series 2025A (the *"2025A Bonds"*), and Taxable General Obligation Refunding School Bonds, Series 2025B (the *"2025B Bonds"* and, together with the 2025A Bonds, the *"Bonds"*).

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

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 14th day of April, 2025 (as supplemented by a notification of sale, the *"Bond Resolution"*).

Proceeds of the 2025A Bonds will be used to (a) construct fire prevention and life safety improvements to the existing school buildings of the District (the *"Project"*), (b) pay interest on the 2025A Bonds through December 1, 2026, and (c) pay costs associated with the issuance of the 2025A Bonds. Proceeds of the 2025B Bonds will be used to (a) refund certain of the District's outstanding General Obligation School Bonds, Series 2011A, dated March 1, 2011 (the *"Series 2011A Bonds"* and, those Series 2011A Bonds being refunded, the *"Refunded Bonds"*),

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* Preliminary, subject to change.

(b) pay interest on the 2025B Bonds through December 1, 2026, and (c) pay costs associated with the issuance of the 2025B Bonds. See "USE OF PROCEEDS" herein.

GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of $5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (*"DTC"*). Principal of and interest on the Bonds will be payable by Heartland Bank and Trust Company, Normal, Illinois (the *"Registrar"*).

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

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

REGISTRATION AND TRANSFER

The Registrar will maintain books (the *"Register"*) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a 2025A Bond or 2025A Bonds for the unredeemed portion of a 2025A Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2025A Bond after notice calling such 2025A Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2025A Bonds.

REDEMPTION

Optional Redemption. The 2025B Bonds are not subject to redemption prior to maturity. The 2025A Bonds 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 2025A Bonds of a single maturity to be selected by the Registrar), on December 1, 2032,* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The 2025[_] Bonds due on December 1 of the years 20__ and 20__ are subject to mandatory redemption, in integral multiples of $5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on December 1 of the years and in the principal amounts as follows:

FOR THE 2025[_] BONDS DUE DECEMBER 1, 20__

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

FOR THE 2025[_] BONDS DUE DECEMBER 1, 20__

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

[The principal amounts of 2025A Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2025A Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the District may determine. In addition,]on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the District shall, purchase 2025[_] Bonds required to be retired on such mandatory redemption date. Any such 2025[_] Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

General. The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2025A Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2025A Bonds of a single maturity, the particular 2025A Bonds or portions of 2025A Bonds to be redeemed shall be selected by lot by the Registrar from the 2025A Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2025A Bonds are held in a book-entry system, in which case the selection of 2025A Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery

* Preliminary, subject to change.

shall provide for the selection for redemption of 2025A Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of 2025A Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the District by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the 2025A Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the 2025A 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 2025A Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such 2025A 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 2025A Bonds or portions of 2025A 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 2025A Bonds or portions of 2025A 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 2025A Bonds or portions of 2025A Bonds shall cease to bear interest. Upon surrender of such 2025A Bonds for redemption in accordance with said notice, such 2025A Bonds will be paid by the Registrar at the redemption price.

SECURITY

The Bonds, in the opinion of Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel (*"Bond Counsel"*), are valid and legally binding upon the District and are payable 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 the interest due on the Bonds up to and including December 1, 2026, which is expected to be paid from Bond proceeds. The Bond Resolution will be filed with the County Clerks of Cass and Morgan Counties, 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 B for the proposed forms of opinions of Bond Counsel.

USE OF PROCEEDS

THE PROJECT

Proceeds of the 2025A Bonds will be used to fund the Project, namely, to replace portions of the HVAC system in the 1971/1981 addition of the school building. The District expects to complete the Project by August 2025. Proceeds of the 2025A Bonds will also be used to pay interest due on the 2025A Bonds up to and including December 1, 2026. The cost of the Project is estimated at $2.94 million. The District expects to pay any Project costs not funded with proceeds of the 2025A Bonds with funds from the Working Cash Fund and/or the Health Life Safety Fund.

THE REFUNDING

Proceeds of the 2025B Bonds, along with funds on hand and lawfully available (the *"Available Funds"*) will be used to refund the Refunded Bonds for debt restructuring purposes and to pay interest due on the 2025B Bonds up to and including December 1, 2026. The Refunded Bonds are further described as follows:

SERIES 2011A BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT PREVIOUSLY REFUNDED	AMOUNT REFUNDED BY THE 2025B BONDS*	CALL PRICE	CALL DATE
2025	$ 350,000	$ 35,000	$ 0	NA	Not Callable
2026	380,000	40,000	50,000	NA	Not Callable
2027	415,000	45,000	130,000	NA	Not Callable
2028	265,000	0	135,000	NA	Not Callable
TOTAL	$1,410,000	$120,000	$315,000		

* Preliminary, subject to change.

Certain proceeds received from the sale of the 2025B Bonds and the Available Funds will be deposited in an Escrow Account (the *"Escrow Account"*) to be held by Heartland Bank and Trust Company, Normal, Illinois (the *"Escrow Agent"*), under the terms of an Escrow Agreement, dated as of the date of issuance of the 2025B Bonds, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the *"Government Securities"*) and to provide an initial cash deposit.

The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the maturity dates thereof.

VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds will be verified by Robert Thomas CPA, LLC, Shawnee Mission, Kansas. Such verification shall be based upon information supplied by the hereinafter defined Underwriter.

SOURCES AND USES

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

SOURCES:	2025A BONDS	2025B BONDS
Principal Amount	$	$
Available Funds		
[Net] Original Issue Premium/(Discount)		
Total Sources	$	$
USES:		
Costs of the Project	$	$
Deposit to Escrow Account to pay the Refunded Bonds		
Pay Interest on the Bonds		
Costs of Issuance*		
Total Uses	$	$

* Includes underwriter's discount, bond insurance premium and other issuance costs.

RISK FACTORS

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

Construction Risks

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

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

Finances of the State of Illinois

State funding sources constituted 27.64% of the District's General Fund revenue sources for the fiscal year ended June 30, 2024. While the finances of the State of Illinois (the *"State"*) have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

Local Economy

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

Bond Ratings

The Bonds have received an underlying credit rating from S&P (as defined herein) 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.

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 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 "LIMITED CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the Securities and Exchange Commission (the *"Commission"*) under the Securities Exchange Act of 1934, as amended (the *"Exchange Act"*), and may adversely affect the transferability and liquidity of the Bonds and their market price.

SUITABILITY OF INVESTMENT

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the 2025A Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

FUTURE CHANGES IN LAWS

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

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX MATTERS" herein, interest on the 2025A Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the 2025A 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 2025A Bonds are not subject to any special redemption.

There are or may be pending in the Congress of the United States (*"Congress"*) legislative proposals relating to the federal tax treatment of interest on the 2025A Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the 2025A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the 2025A Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2025A 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 2025A Bonds, regardless of the ultimate outcome.

CYBERSECURITY

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

BANKRUPTCY

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

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 (the *"Code"*). No member of BAM is liable for the obligations of BAM. The address of the principal executive offices of BAM is: 200 Liberty Street, 27th Floor, New York, New York 10281, 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 December 31, 2024, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$498.6 million, \$253.4 million and \$245.2 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.

THE DISTRICT

GENERAL DESCRIPTION

The District was organized in 1908 and is located in western central Illinois, approximately 100 miles north of St. Louis, Missouri, 30 miles northwest of the City of Springfield, Illinois, and 20 miles south of the City of Jacksonville, Illinois. The District lies primarily in Cass County (the *"County"*) (comprising 97.85% of the District's 2023 equalized assessed valuation (*"EAV"*)), with a small portion in Morgan County (comprising 2.15% of the District's 2023 EAV). The District encompasses an area of approximately 107 square miles and serves the City of Virginia (the *"City"*) (comprising 25.80% of the District's 2023 EAV), the County Seat of the County, and unincorporated areas (comprising 74.20% of the District's 2023 EAV).

The District is served by Interstate 72, which is approximately 34 miles south of the District, and State Routes 78 and 125. Commercial air service is available at Lambert-St. Louis International Airport and Abraham Lincoln Capital Airport in Springfield. An Amtrak terminal is also located in Springfield.

Higher education is offered at Illinois College in Jacksonville, Illinois, and Lincoln Land Community College District No. 526 (*"Lincoln Land Community College"*) and the University of Illinois in Springfield as well as various colleges and universities in St. Louis and the surrounding area.

The District provides pre-Kindergarten through 12th grade education and currently operates one facility.

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

DISTRICT ADMINISTRATION

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

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Mekelle Neathery	Superintendent	2022
Lori Niemeier	School Treasurer	2023

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

BOARD OF EDUCATION[(1)]

OFFICIAL	POSITION	TERM EXPIRES
Casey French	President	April 2025
Gary Bell	Vice President	April 2025
Dustin Fritsche	Secretary	April 2027
Sarah Brockhouse	Member	April 2027
Beth Cox	Member	April 2025
Marc Giovannini	Member	April 2025
Stephanie Hobrock	Member	April 2025

(1) A school board election was held on April 1, 2025. The Board will be reorganized May 7, 2025 to reflect the election of Board members and officers.

ENROLLMENT

HISTORICAL		PROJECTED	
2020/2021	341	2025/2026	348
2021/2022	350	2026/2027	350
2022/2023	349	2027/2028	347
2023/2024	350	2028/2029	347
2024/2025	352	2029/2030	349

Source: The District.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2024-2025 school year, the District had 52 full-time employees and 6 part-time employees. Of the total number of employees, approximately 22 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	June 2027	VEA-IEA	22

POPULATION DATA

According to the U.S. Census Bureau 2019-2023 American Community Survey, the District's current population is approximately 2,236. The estimated populations of the City, the County and the State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The City	1,728	1,611	1,514	-6.02%
The County	13,695	13,642	13,042	-4.40%
The State	12,419,647	12,830,632	12,812,508	-0.14%

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

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)*

CALENDAR YEAR	SERIES 2011A BONDS (DEC. 1)	SERIES 2022 BONDS(1) (DEC. 1)	PLUS: THE 2025A BONDS(2) (DEC. 1)	PLUS: THE 2025B BONDS(2) (DEC. 1)	LESS: THE REFUNDED BONDS(2) (DEC. 1)	TOTAL OUTSTANDING BONDS(2)
2025	$ 315,000					$ 315,000
2026	340,000				$ 50,000	290,000
2027	370,000				130,000	240,000
2028	265,000	$ 134,000			135,000	264,000
2029		420,000				420,000
2030		435,000				435,000
2031		450,000				450,000
2032		403,000		$ 30,000		433,000
2033				155,000		155,000
2034				170,000		170,000
2035			$ 185,000			185,000
2036			205,000			205,000
2037			220,000			220,000
2038			240,000			240,000
2039			255,000			255,000
2040			275,000			275,000
2041			300,000			300,000
2042			320,000			320,000
2043			345,000			345,000
2044			370,000			370,000
TOTAL	$1,290,000	$1,842,000	$2,715,000	$355,000	$315,000	$5,887,000

* Does not include alternate revenue bonds, such as the General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2017 (the *"Series 2017 Bonds"*), which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the Series 2017 Bonds are extended for collection by the County Clerks.

(1) Taxable General Obligation School Bonds, Series 2022, dated January 11, 2022 (the *"Series 2022 Bonds"*).

(2) Preliminary, subject to change.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	SERIES 2017 BONDS (DEC. 1)
2025	$ 61,000[(1)]
2026	66,000[(1)]
2027	65,000
2028	69,000[(1)]
2029	73,000[(1)]
2030	72,000[(1)]
2031	76,000
2032	80,000[(1)]
2033	84,000[(1)]
2034	87,000[(1)]
2035	89,000
TOTAL	$822,000

(1) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDS
(As of March 4, 2025)

Taxing Body	Outstanding Bonds[1]	Applicable to the District: Percent	Applicable to the District: Amount
Beardstown Park District	$ 288,000	0.635%	$ 1,828
Lincoln Land Community College	37,515,000	0.673%	252,461
TOTAL OVERLAPPING GENERAL OBLIGATION BONDS			$254,289

Source: With respect to the applicable taxing bodies and the information used to calculate the percentage of overlapping EAV, the County Clerks' Offices. Information regarding the outstanding bonds of the overlapping taxing bodies was obtained from publicly-available sources.

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

SELECTED FINANCIAL INFORMATION

2023 Estimated Full Value of Taxable Property:	$	166,578,846
2023 EAV:	$	55,526,282[1]
Population Estimate:		2,236
General Obligation Bonds:	$	5,887,000[2][3]
Other Direct General Obligation Debt:	$	229,887[4]
Total Direct General Obligation Debt:	$	6,116,887[2]
Percentage to Full Value of Taxable Property:		3.67%[2]
Percentage to EAV:		11.02%[2]
Debt Limit (13.8% of EAV):	$	7,662,627[5]
Percentage of Debt Limit:		79.83%[2]
Per Capita:	$	2,736[2]
General Obligation Bonds:	$	5,887,000[2][3]
Overlapping General Obligation Bonds:	$	254,289
General Obligation Bonds and Overlapping General Obligation Bonds:	$	6,141,289[2]
Percentage to Full Value of Taxable Property:		3.69%[2]
Percentage to EAV:		11.06%[2]
Per Capita:	$	2,747[2]

(1) Includes Incremental EAV (as hereinafter defined) in the amount of $1,633,350. See "–Tax Increment Financing District Located Within the District" herein.
(2) Preliminary, subject to change.
(3) Does not include alternate revenue bonds, such as the Series 2017 Bonds, which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on the Series 2017 Bonds are extended for collection by the County Clerks.
(4) Represents a bus lease.
(5) Incremental EAV is included in the calculation of the District's statutory debt limit. The District receives property tax revenues from the property included in the tax increment financing (*"TIF"*) district to the extent that the District has entered into an intergovernmental agreement regarding the TIF district. See "–Tax Increment Financing District Located Within the District" herein.

Composition of EAV

	2019	2020	2021	2022	2023
By Property Type					
Residential	$12,386,015	$13,267,092	$13,210,742	$13,956,313	$14,455,009
Farm	26,544,145	28,613,763	30,470,828	32,811,758	35,059,676
Commercial	3,631,670	4,271,147	4,185,752	4,292,382	4,353,887
Industrial	102,750	102,680	100,340	24,360	24,360
Total EAV(1)	$42,664,580	$46,254,682	$47,967,662	$51,084,813	$53,892,932

Source: County Clerks' Offices.
(1) Does not include Incremental EAV.

	2019	2020	2021	2022	2023
By County					
The County	$41,673,470	$45,226,462	$46,893,262	$50,051,033	$52,736,582
Morgan County	991,110	1,028,220	1,074,400	1,033,780	1,156,350
Total EAV(1)	$42,664,580	$46,254,682	$47,967,662	$51,084,813	$53,892,932

Source: County Clerks' Offices.
(1) Does not include Incremental EAV.

Trend of EAV

Levy Year	EAV(1)	% Change in EAV from Previous Year
2019	$42,664,580	+3.67%(2)
2020	46,254,682	+8.41%
2021	47,967,662	+3.70%
2022	51,084,813	+6.50%
2023	53,892,932	+5.50%

Source: County Clerks' Offices.
(1) Does not include Incremental EAV.
(2) Based on the District's 2018 EAV of $41,155,860.

TAX INCREMENT FINANCING DISTRICT LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in a TIF district, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the *"Base EAV"*). Any incremental increases in property tax revenue produced by the increase in EAV (the *"Incremental EAV"*) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the immediate future.

Location/ Name of TIF	Year Established	Base EAV	2023 EAV	Incremental EAV
Virginia TIF District	2011	$2,112,645	$3,745,995	$ 1,633,350
			Total Incremental EAV	$ 1,633,350
			2023 EAV	53,892,932
			Total EAV	$55,526,282

Source: Cass County Clerk's Office.

The District has entered into an intergovernmental agreement with respect to the Virginia TIF district pursuant to which the District receives payment of certain TIF funds with respect to the TIF district. Pursuant to such agreement, in the last five fiscal years, the District has received $50,636 and expects to receive approximately $16,000 per year for the foreseeable future.

TAXES EXTENDED AND COLLECTED

Tax Levy Year/ Collection Year	Taxes Extended	Taxes Collected and Distributed(1)	Percent Collected
2019/20	$2,611,381	$2,609,249	99.92%
2020/21	2,786,683	2,784,726	99.93%
2021/22	2,874,277	2,872,053	99.92%
2022/23	2,962,020	2,956,017	99.80%
2023/24	3,095,212	3,091,184	99.87%

Source: Cass and Morgan County Treasurers' Offices.
(1) Excludes interest.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per $100 EAV)

PURPOSE	2019	2020	2021	2022	2023	MAXIMUM RATE
Educational	$2.79000	$2.79000	$2.79000	$2.79000	$2.79000	$2.79000
Bonds and Interest	0.97611	0.91604	0.88855	0.83877	0.81253	No Limit
Operations and Maintenance	0.50000	0.50000	0.50000	0.50000	0.50000	0.50000
IMRF	0.18751	0.17296	0.17722	0.08809	0.09278	No Limit
Transportation	0.20000	0.20000	0.20000	0.20000	0.20000	0.20000
Working Cash	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000
Fire Prevention/Safety	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000
Special Education	0.04000	0.04000	0.04000	0.04000	0.04000	0.04000
Liability Insurance	1.07818	1.08098	1.07374	1.08643	1.02982	No Limit
Social Security	0.18751	0.17296	0.17722	0.10767	0.11134	No Limit
Lease/Purchase/Rental	0.05000	0.05000	0.05000	0.05000	0.05000	0.05000
TOTAL	$6.10931	$6.02294	$5.99673	$5.80096	$5.72647	

Source: Cass County Clerk's Office.

REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

TAXING AUTHORITY	2019	2020	2021	2022	2023
The District	$6.10931	$6.02294	$5.99673	$5.80096	$5.72647
Ambulance Service	0.25000	0.25000	0.25000	0.25000	0.25000
County Highway	0.20800	0.20800	0.20800	0.20800	0.20800
The County	0.95602	0.82191	0.57478	0.44962	0.39472
Extension Service	0.02901	0.02706	0.02581	0.02414	0.02277
Mental Health Department	0.06963	0.06493	0.06194	0.05792	0.05463
Public Health Department	0.07427	0.06926	0.00000	0.06178	0.05827
Lincoln Land Community College	0.49405	0.49537	0.49746	0.48383	0.47988
MTA #3	0.01991	0.01845	0.01776	0.01660	0.01570
Virginia Township	0.30691	0.28330	0.27785	0.26312	0.25136
Virginia Township Road and Bridge	0.30486	0.29532	0.30059	0.29808	0.29182
TOTAL(1)	$8.82197	$8.55654	$8.21092	$7.91405	$7.75362

Source: Cass County Clerk's Office.

(1) The total of such rates is the property tax rate paid by a typical resident living in an unincorporated area in the District.

Ten Largest Taxpayers

Taxpayer Name	2023 EAV	Percent of District's Total EAV
Western Grain Marketing, LLC	$ 816,170	1.47%
Snow Farms, LLC	792,785	1.43%
Individual	611,765	1.10%
Growmark, Inc. (1)	600,090	1.08%
Individual	591,325	1.06%
Trust	565,665	1.02%
Ross Roy Heirs LP	451,425	0.81%
Gillcrest Farms, Inc.	449,390	0.81%
Trust	412,335	0.74%
Individual	400,500	0.72%
Total	$5,691,450	10.25%

Source: Cass County Clerk's Office. Values shown include Incremental EAV (if any).

The above taxpayers represent 10.25% of the District's 2023 EAV of $55,526,282 (includes Incremental EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

(1) Pursuant to Growmark's successful property tax appeal, the District expects its EAV to decrease by approximately $300,875, resulting in approximately $17,300 less in property tax receipts for the District.

Retailers' Occupation Tax and Service Occupation Tax

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

Calendar Year	State Sales Tax Distribution(1)
2020	$129,071
2021	154,184
2022	184,680
2023	172,809
2024	168,180

Source: The Department.

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

SCHOOL FACILITIES SALES TAX

The County School Facility Occupation Tax Law, as amended (the *"Sales Tax Law"*), authorizes a countywide sales tax to be used exclusively for school facility purposes (the *"Sales Tax"*) to be imposed in any county, other than Cook County, following a successful referendum therefor. "School facility purposes" is defined in the Sales Tax Law and includes (a) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures and durable equipment, the acquisition and improvement of real property required, or expected to be required, in connection with capital facilities and fire prevention, safety, energy conservation, disabled accessibility, school security and specified repair purposes set forth under Section 17-2.11 of the School Code and (b) payment of bonds or other obligations issued for school facility purposes or issued to refund such bonds or other obligations, *provided* that the taxes levied to pay such bonds are abated by the sales tax proceeds used to pay such bonds. The Sales Tax may be imposed only in 0.25% increments and may not exceed 1%.

The question of imposing a 1% Sales Tax was approved by a majority of the voters of (i) the County at the election held on November 4, 2008, and (ii) Morgan County at the election held on November 14, 2014. The District has used and expects to continue to use its share of the Sales Tax to pay debt service on the Series 2017 Bonds and for pay-as-you-go capital projects.

The amount of Sales Tax Revenues received by the District over the last five fiscal years is set forth in the following table:

ANNUAL SALES TAX REVENUES

FISCAL YEAR	REVENUES	% CHANGE
2020	$104,140	+8.01%(1)
2021	113,088	+8.59%
2022	136,820	+20.99%(2)
2023	137,392	+0.42%
2024	191,679	+39.51%(3)

Source: The District's audited financial statements for the fiscal years ended June 30, 2020-2024.

(1) Based on 2019 Sales Tax Revenues of $96,413.

(2) The significant increase in Sales Tax Revenues is due in large part to a change in State law that made the Statewide sales tax applicable to internet sales and increased sales (including internet sales) during the COVID-19 pandemic.

(3) Going forward, the District expects the Sales Tax Revenues will be similar to the fiscal year 2023 Sales Tax Revenues.

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, 2020, through the most-recently ended fiscal year of June 30, 2024, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2025:

FISCAL YEAR ENDED JUNE 30	CPPRT RECEIPTS
2020	$ 91,866
2021	116,523
2022	253,991
2023	287,085
2024	189,095
2025 (Projected)	127,408

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

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

LARGEST EMPLOYERS

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

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
JBS	Pork processing	Beardstown	2,000
Reynolds Consumer Products	Polyethylene film	Jacksonville	800
Jacksonville Memorial Hospital	Hospital	Jacksonville	677
DXC Technology	Call center	Jacksonville	350
Illinois College	Private liberal arts college	Jacksonville	320
Jacksonville Correctional Center	Correctional center	Jacksonville	314
Blue Cross Blue Shield	Health insurance	Jacksonville	300
Illinois School for the Deaf	Government education	Jacksonville	250
Pathway Services Unlimited, Inc.	Human services	Jacksonville	215
Nestle USA, Inc., Beverage Division	Coffee creamer	Jacksonville	180
Elm City Center	Contract packaging and mass mailing	Jacksonville	170
Bound To Stay Bound Books, Inc.	Children and young adult library bookbinding	Jacksonville	150
KAG Specialty Products Group, LLC	Regional and local trucking services	Jacksonville	150
Sunrise FS, a Division of Growmark, Inc.	Agricultural seed, fertilizer blending, petroleum and irrigation products for farm and home applications	Virginia	140
Illinois School for the Visually Impaired	Government education	Jacksonville	135
CCK Automations, Inc.	Printed circuit boards, including plastic injection molding	Jacksonville	122
Jacksonville Journal Courier	Newspaper printing	Jacksonville	105
Kenan Advantage Group	Distribution/general commodities	Jacksonville	100

Source: Jacksonville Regional Economic Development Corporation, 2025 Illinois Services and 2025 Illinois Manufacturers Directories and the Illinois Department of Corrections.

UNEMPLOYMENT RATES

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

	THE CITY	THE COUNTY	THE STATE
2019 – Average	4.5%	4.0%	4.0%
2020 – Average[(1)]	5.4%	6.8%	9.3%
2021 – Average	4.3%	5.1%	6.1%
2022 – Average	3.9%	4.4%	4.6%
2023 – Average	4.2%	4.4%	4.5%
2024 – Average	N/A	4.8%	5.1%

Source: State of Illinois Department of Employment Security.
(1) The District attributes the increase in unemployment rates to the COVID-19 pandemic.

HOUSING VALUE AND INCOME STATISTICS

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

	THE CITY	THE COUNTY	THE STATE
Median Home Value	$93,500	$95,500	$250,500
Median Household Income	51,818	64,907	81,702
Median Family Income	59,688	76,426	103,504
Per Capita Income	28,608	32,047	45,104

Source: U.S. Census Bureau 2019-2023 American Community Survey 5-Year Estimates released by the U.S. Census Bureau December 12, 2024.

SHORT-TERM BORROWING

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

FUTURE DEBT

Except for the Bonds, the District does not currently anticipate issuing any debt in the next six months.

DEFAULT RECORD

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

WORKING CASH FUND

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

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

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

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

WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2020	$ 346,716
2021	376,421
2022	1,817,465(1)
2023	1,858,071
2024	1,754,242

Source: Compiled from the District's audited financial statements for the fiscal years ended June 30, 2020-2024.

(1) Increase in the fund balance is due to the issuance of the Series 2022 Bonds and the proceeds thereof being deposited into the Working Cash Fund.

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 the County and Morgan County. 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 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 1.50% 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, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

EXEMPTIONS

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

An annual General Homestead Exemption provides that the EAV of certain property owned and used for residential purposes (*"Residential Property"*) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of $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 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 equalized assessed valuation in the county beginning January 1 of the year following the date of the referendum. With respect to multi-county taxing bodies, the Limitation Law becomes applicable only after (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 equalized assessed valuation 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. Morgan 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 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.

SCHOOL DISTRICT FINANCIAL PROFILE

The Illinois State Board of Education (*"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
2019	2.90	Early Warning	3.25	Review
2020	3.25	Review	3.25	Review
2021	3.25	Review	3.25	Review
2022	3.70	Recognition	3.70	Recognition
2023	3.80	Recognition	3.80	Recognition
2024	3.80(1)	Recognition	NA	NA

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

State Aid

General

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

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For the fiscal year ended June 30, 2024, 27.64% of the District's General Fund revenue came from State funding sources. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District's revenue sources.

GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

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

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

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district's *"Base Funding Minimum"*). The Base Funding Minimum for the District for school year 2017-2018 was $666,110 (the *"Initial Base Funding Minimum"*). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

EVIDENCE-BASED FUNDING

FISCAL YEAR	BASE FUNDING MINIMUM	TIER NUMBER	AMOUNT OF NEW STATE FUNDS
2021	$714,074	NA(1)	NA(1)
2022	714,549	1	$39,439
2023	753,988	2	21,324
2024	775,312	2	17,966
2025 (Projected)	793,278	1	29,885

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

PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the *"Property Tax Relief Pool"*). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district's percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district's Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above. Of the $350 million of New State Funds appropriated in the Fiscal Year 2025 Budget, $50 million was allocated to the Property Tax Relief Pool, as was done in the prior three State budgets.

MANDATED CATEGORICAL STATE AID

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

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

In addition, although school districts are entitled to reimbursement for expenditures made under these programs, these reimbursements are subject to the State's appropriation process. In the event that the State does not appropriate an amount sufficient to fund fully the Mandated

Categorical State Aid owed to each school district, the total Mandated Categorical State Aid is proportionally reduced such that each school district receives the same percentage of its Mandated Categorical State Aid request with respect to a specific category of such aid as every other school district.

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

Competitive Grant State Aid

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

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

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

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

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

See *Exhibit C* 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 amount of funds the District received from ESSER I was $47,958. The District received additional funds in the amount of $170,021 pursuant to ESSER II. Finally, the District spent its $464,946 allocation of ESSER III funds.

RETIREMENT PLANS

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

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

BACKGROUND REGARDING PENSION PLANS

The Actuarial Valuation

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

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

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

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

Employer Funding of Teachers' Retirement System

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the fiscal years ended June 30, 2020, through June 30, 2024, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR ENDED JUNE 30	TRS CONTRIBUTION
2020	$13,012
2021	14,327
2022	20,422
2023	21,690
2024	22,470

Source: The audited financial statements of the District for the fiscal years ended June 30, 2020, through June 30, 2024.

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

ILLINOIS MUNICIPAL RETIREMENT FUND

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

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the *"IMRF Account"*) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the *"IMRF Board"*), as described below. The employees of a participating employer receive benefits solely from such employer's IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

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

See Note 6 to the Audit for additional information on the IMRF's actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

Contributions

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District's contribution rate for calendar year 2023 was 2.73% of covered payroll.

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

CALENDAR YEAR	IMRF CONTRIBUTION
2019	$66,676
2020	78,231
2021	44,768
2022	31,916
2023	14,759

Source: The audited financial statements of the District for the fiscal years ended June 30, 2020, through June 30, 2024.

Measures of Financial Position

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

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	FIDUCIARY NET POSITION AS A % OF TOTAL PENSION LIABILITY	DISCOUNT RATE
2019	$2,866,747	$2,782,582	$ 84,165	97.06%	7.25%
2020	2,844,915	3,084,709	(239,794)	108.43%	7.25%
2021	2,838,339	3,431,073	(592,734)	120.88%	7.25%
2022	2,879,532	2,788,153	91,379	96.83%	7.25%
2023	2,858,092	2,936,656	(78,564)	102.75%	7.25%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2019, through June 30, 2024.

See Note 6 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.

TEACHER HEALTH INSURANCE SECURITY FUND

The District participates in the Teacher Health Insurance Security Fund (the *"THIS Fund"*), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For the fiscal year ended June 30, 2024, the District paid $29,277 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 7 to the Audit.

BOND RATINGS

S&P is expected to assign the Bonds a rating of "AA" (Stable Outlook) based on the Policy to be issued by BAM. S&P has assigned the Bonds an underlying rating of "A" (Stable Outlook). These ratings reflect only the views of S&P. An explanation of the methodology for such ratings may be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P 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 will not be changed by S&P if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the 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 "LIMITED CONTINUING DISCLOSURE," the form of which is attached hereto as APPENDIX C, neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the ratings or to oppose any such revision or withdrawal.

TAX MATTERS

THE 2025A BONDS

Federal tax law contains a number of requirements and restrictions which apply to the 2025A 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 2025A 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 2025A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2025A Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2025A 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 Code. Interest on the 2025A 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 2025A 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 2025A 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 2025A Bonds is the price at which a substantial amount of such maturity of the 2025A 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 2025A 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 2025A 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 2025A 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 included 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 2025A Bonds who dispose of 2025A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2025A Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2025A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2025A Bond is purchased at any time for a price that is less than the 2025A 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 2025A 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 2025A 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 2025A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2025A Bonds.

An investor may purchase a 2025A 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 2025A 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 2025A Bond. Investors who purchase a 2025A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2025A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2025A 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 2025A 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 2025A 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 2025A Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2025A 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 2025A 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 2025A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2025A 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 2025A 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 2025A Bonds is not exempt from present State income taxes. Ownership of the 2025A 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 2025A Bonds. Prospective purchasers of the 2025A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

THE 2025B BONDS

Interest on the 2025B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the 2025B Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the 2025B Bonds should consult their tax advisors with respect to the inclusion of interest on the 2025B Bonds in gross income for federal income tax purposes and any collateral tax consequences.

Interest on the 2025B Bonds is not exempt from present State income taxes. Ownership of the 2025B 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 2025B Bonds. Prospective purchasers of the 2025B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the 2025A Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LIMITED CONTINUING DISCLOSURE

Because at the time of the delivery of the Bonds the District will be an "obligated person" (as such term is defined in the Rule) with respect to less than $10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds, the District is required to provide to the Municipal Securities Rulemaking Board (the *"MSRB"*), as specified in the Rule, annual financial information or operating data regarding the District which annual financial information and operating data shall include, at a minimum, that annual financial information and operating data which is customarily prepared by the District and is publicly available. Consequently, pursuant to the Rule, the District will enter into a Continuing Disclosure Undertaking (the *"Undertaking"*) for the benefit of the beneficial owners of the Bonds to send the financial information to the MSRB for purposes of the Rule and to provide notice of certain events to 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 financial information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX C.

The District expects to 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 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. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

AUDITED FINANCIAL STATEMENTS

The audited financial statements of the District for the fiscal year ended June 30, 2024 (the *"Audit"*), contained in APPENDIX A, including the independent auditor's report accompanying the Audit, have been prepared by Pehlman & Dold, P.C., Springfield, Illinois (the *"Auditor"*), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

BOOK-ENTRY ONLY SYSTEM

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants (*"Direct Participants"*) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (*"DTCC"*). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (*"Indirect Participants"*). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at **www.dtcc.com**.

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

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

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

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

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

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

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

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

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

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

CERTAIN LEGAL MATTERS

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois (*"Chapman and Cutler"*), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor.

NO LITIGATION

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

UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the *"Agreement"*) between the District and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the *"Underwriter"* or *"Stifel"*), the Underwriter has agreed to purchase the 2025A Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2025A Bonds. Pursuant to the terms of the Agreement between the District and the Underwriter, the Underwriter has agreed to purchase the 2025B Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2025B Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

AUTHORIZATION

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

/s/ ______________________________

Superintendent
Community Unit School District Number 64,
Cass and Morgan Counties, Illinois

___________________, 2025

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's 2025 budget. Exhibit C provides information on the general fund revenue sources of the District.

EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE, FISCAL YEARS ENDED JUNE 30, 2020-2024

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	$ 124,703	$ 9,439	$ 58,175	$ 18,719	$ 32,938	$262,066	$ 319,936	$ 2,893	$83,920	$ 912,789
Revenues	2,391,819	317,086	531,196	203,437	195,885	0	26,780	445,396	20,787	4,132,386
Expenditures	2,342,098	317,333	501,731	208,232	132,498	103,619	0	432,946	9,797	4,048,254
Other Sources (Uses)	0	0	0	6,250	0	0	0	0	0	6,250
Ending Balance, 6/30/20	$ 174,424	$ 9,192	$ 87,640	$ 20,174	$ 96,325	$158,447	$ 346,716	$ 15,343	$94,910	$1,003,171
Beginning Balance	$ 174,424	$ 9,192	$ 87,640	$ 20,174	$ 96,325	$158,447	$ 346,716	$ 15,343	$94,910	$1,003,171
Revenues	2,496,020	348,984	541,422	231,259	164,564	26,535	29,705	466,589	21,426	4,326,504
Expenditures	2,492,194	312,122	505,210	187,723	119,539	96,142	0	464,837	60,074	4,237,841
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	$ 178,250	$ 46,054	$123,852	$ 63,710	$141,350	$ 88,840	$ 376,421	$ 17,095	$56,262	$1,091,834
Beginning Balance	$ 178,250	$ 46,054	$123,852	$ 63,710	$141,350	$ 88,840	$ 376,421	$ 17,095	$56,262	$1,091,834
Revenues	3,195,593	488,113	677,245	219,835	205,685	44,000	36,044	623,641	28,460	5,518,616
Expenditures	2,630,906	348,075	501,070	209,975	101,754	32,445	0	516,427	13,590	4,354,242
Net Transfers	100,000	0	0	0	0	0	(100,000)	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	1,505,000	0	0	1,505,000
Ending Balance, 6/30/22	$ 842,937	$186,092	$300,027	$ 73,570	$245,281	$100,395	$1,817,465	$124,309	$71,132	$3,761,208
Beginning Balance	$ 842,937	$186,092	$300,027	$ 73,570	$245,281	$100,395	$1,817,465	$124,309	$71,132	$3,761,208
Revenues	3,072,002	532,825	508,127	307,055	161,687	110,941	40,606	526,809	24,459	5,284,511
Expenditures	2,875,814	467,625	523,355	246,648	89,867	28,537	0	493,218	1,350	4,726,414
Net Transfers	0	44,000	0	0	0	(44,000)	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/23	$1,039,125	$295,292	$284,799	$133,977	$317,101	$138,799	$1,858,071	$157,900	$94,241	$4,319,305
Beginning Balance	$1,039,125	$295,292	$284,799	$133,977	$317,101	$138,799	$1,858,071	$157,900	$94,241	$4,319,305
Revenues	3,517,384	249,909	416,322	244,394	98,731	191,679	46,171	542,282	62,227	5,369,099
Expenditures	3,334,217	319,200	518,841	292,066	89,000	116,044	0	595,320	57,535	5,322,223
Net Transfers	0	0	0	150,000	0	0	(150,000)	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/24	$1,222,292	$226,001	$182,280	$236,305	$326,832	$214,434	$1,754,242	$104,862	$98,933	$4,366,181

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

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2025

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
FUND BALANCE AS OF 7/1/24	$1,210,879	$225,518	$182,280	$ 84,676	$328,651	$215,843	$1,897,851	$102,961	$98,933	$4,347,592
ESTIMATED REVENUE	3,045,641	227,333	420,580	434,065	86,814	140,000	31,235	437,995	21,236	4,844,899
ESTIMATED EXPENDITURES	3,214,804	388,423	533,022	435,667	89,583	387,500	0	479,625	37,550	5,566,175
OTHER SOURCES (USES)	0	0	0	0	0	100,000	(100,000)	0	0	0
ESTIMATED FUND BALANCE 6/30/25	$1,041,716	$ 64,428	$ 69,838	$ 83,074	$325,882	$ 68,343	$1,829,086	$ 61,331	$82,619	$3,626,316

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

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as "on-behalf" payments.

Exhibit C — General Fund Revenue Sources, Fiscal Years Ended June 30, 2020-2024

	Year Ended June 30, 2020	Year Ended June 30, 2021	Year Ended June 30, 2022	Year Ended June 30, 2023	Year Ended June 30, 2024
Local Sources	59.27%	57.97%	62.14%	58.78%	54.40%
State Sources	30.68%	28.78%	24.38%	22.13%	27.64%
Federal Sources	10.05%	13.26%	13.48%	19.09%(1)	17.96%(1)
Total	100.00%	100.00%	100.00%	100.00%	100.00%

Source: The audited financial statements of the District for the fiscal years ended June 30, 2020-June 30, 2024. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

(1) Increase in Federal Sources is due in large part to the District's receipt of ESSER funds. See "State Aid-Federal COVID-19 Funds Distributed to the District" herein.

APPENDIX A

AUDITED FINANCIAL STATEMENTS OF THE DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Todd J. Anderson, C.P.A.
Jamie L. Nichols, C.P.A.
Robin L. Malloy, C.P.A.

Pehlman & Dold, P.C.

CERTIFIED PUBLIC ACCOUNTANTS

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Joseph B. Dold, C.P.A. (1953-2005)
Robert E. Ritter, C.P.A., Retired
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INDEPENDENT AUDITORS' REPORT

To the President and Board of Education
Virginia Community Unit School District No. 64
Virginia, Illinois

Opinions

We have audited the accompanying cash basis financial statements of Virginia Community Unit School District No. 64, Virginia, Illinois, which comprise the statement of assets and liabilities arising from cash transactions, of each fund as of June 30, 2024, and the related statement of revenues received, expenditures disbursed, other sources (uses) and changes in fund balance, statement of revenues received, and statement of expenditures disbursed - budget to actual, for each fund, for the year then ended, and the related notes to the financial statements.

Qualified Opinion on Regulatory Basis of Accounting

In our opinion, except for the effects, if any, of the valuation of fixed assets as noted in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of each fund of Virginia Community Unit School District No. 64, Virginia, Illinois, as of June 30, 2024, and their respective cash receipts and disbursements, and budgetary results for the year then ended, on the basis of 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" paragraph, 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 Virginia Community Unit School District No. 64, Virginia, Illinois, as of June 30, 2024, the changes in its financial position, or, where applicable, its cash flows 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 the Virginia Community Unit School District No. 64, Virginia, Illinois 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 audit opinions.

Basis for Qualified Opinion on Regulatory Basis of Accounting

The District does not maintain a formal record system for the general fixed asset account group as shown on the statement of assets and liabilities arising from cash transactions. Capital assets of the District, as of July 1, 1966, were calculated by School District officials in accordance with guidelines promulgated by the Illinois State Board of Education. These valuations have been adjusted for transactions since July 1, 1966, and have been recorded in the fixed asset group of accounts. We did not attempt to establish these values.

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

As described in Note 1, the financial statements are prepared by Virginia Community Unit School District No. 64, Virginia, Illinois, on the basis of the financial reporting provisions of 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 with 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 of 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 Virginia Central Community Unit School District No. 64, Virginia, Illinois' ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with 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 Virginia Community Unit School District No. 64, Virginia, Illinois' 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 Virginia Community Unit School District No. 64, Virginia, Illinois' ability to continue as a going concern for a reasonable period of time.

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

Other Matters

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Virginia Community Unit School District No. 64, Virginia, Illinois' financial statements. The information provided on pages 2 through 4, supplementary schedules on pages 25 through 35, statistical section on pages 36 through 39 and the itemization schedule on page 44, supplementary information relative to pensions and other post-retirement benefits, and Schedule for Agency Funds are presented for purposes of additional analysis and are not a required part of the financial statements. Such information, except for the average daily attendance figure, included in the computation of operating expense per pupil on page 38 and per capita tuition charges on page 39, and the supplementary information relative to pensions and other post-retirement benefits, is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion except for the effects, if any, of the valuation of fixed assets as noted in the "Basis for Qualified Opinion on Regulatory Basis of Accounting" paragraph, the information is fairly stated, in all material respects, in relation to the financial statements as a whole. The information on pages 37 through 38, and page 39, is propagated from information in the audited financial statements, but we take no responsibility for the accuracy of those calculations. The Report on Shared Services or Outsourcing on page 40 contains unaudited information concerning prior, current, and future year expenditures which was provided by the District. The Administrative Cost Worksheet on pages 43 contains unaudited information concerning the current year budget which was provided by the District. The actual expenditure information on this page is fairly stated in all material respects in relation to the financial statements taken as a whole. The average daily attendance figure, included in the computation of operating expense per pupil on page 38 and per capita tuition charges on page 39, and the supplementary information relative to pensions and other post-retirement benefits, have not been subjected to the auditing procedures applied in the audit of the financial statements, and accordingly, we do not express an opinion or provide any assurance on them.

The accompanying consolidated year-end financial report (CYEFR), as required by the *Grant Accountability and Transparency Act (GATA), 30 ILCS 708* was subjected to auditing procedures applied by us in the audit of the June 30, 2024 financial statements and, in our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 5, 2024, on our consideration of Virginia Community Unit School District No. 64, Virginia, Illinois' 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 Virginia Community Unit School District No. 64, Virginia, Illinois' 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 Virginia Community Unit School District No. 64, Virginia, Illinois' internal control over financial reporting and compliance.

Respectfully submitted,

Pehlman & Dold, P.C.

PEHLMAN & DOLD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SPRINGFIELD, ILLINOIS
November 5, 2024

Todd J. Anderson, C.P.A.
Jamie L. Nichols, C.P.A.
Robin L. Malloy, C.P.A.

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

To the President and Board of Education
Virginia Community Unit School District No. 64
Virginia, Illinois

We have audited, in accordance with the 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 Virginia Community Unit School District No. 64, Virginia, Illinois as of and for the year ended June 30, 2024, and the related notes to the financial statements, and have issued our report thereon dated November 5, 2024, which was adverse because financial statements are not prepared in accordance with accounting principles generally accepted in the United States of America. However, the financial statements were found to be fairly stated on the cash basis of accounting, in accordance with regulatory reporting requirements established by the Illinois State Board of Education, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards,* issued by the Comptroller General of the United States.

As described more fully in Note 1, Virginia Community Unit School District No. 64 has prepared the aforementioned financial statements using accounting practices prescribed by the Illinois State Board of Education, which practices differ from accounting principles generally accepted in the United States of America.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Virginia Community Unit School District No. 64, Virginia, Illinois' 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 Virginia Community Unit School District No. 64, Virginia, Illinois' internal control. Accordingly, we do not express an opinion on the effectiveness of Virginia Community Unit School District No. 64, Virginia, Illinois' 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether Virginia Community Unit School District No. 64, Virginia, Illinois' financial statements are free from 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 G*overnment Auditing Standards*.

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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Pehlman & Dold, P.C.

PEHLMAN & DOLD, P.C.
CERTIFIED PUBLIC ACCOUNTANTS
SPRINGFIELD, ILLINOIS
November 5, 2024

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2024

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES***

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

These financial statements have been issued to comply with regulatory provisions prescribed by the Illinois State Board of Education and do not include financial statements in compliance with Government Accounting Standards Board (GASB) Statement 34, *Basic Financial Statements and Management's Discussion and Analysis for State and Local Government, and* Government Accounting Standards Board (GASB) Statement 54*, Fund Balance Reporting and Governmental Fund Type Definitions*, in accordance with accounting principles generally accepted in the United States of America.

FINANCIAL 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 as compound units. 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.

The joint agreements and other outside agencies with activities which benefit the citizens of the District 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.

DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS

The accounts of the District are organized on the basis of funds and account groups, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets and liabilities (arising from cash transactions), fund balance, revenue received and expenditures disbursed. The District maintains individual funds required by the State of Illinois.

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 Fund Types:

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

Education and Operations and Maintenance Funds – The Education and Operations and Maintenance Funds are the general operating funds of the District. They are used to account for all financial resources except those required to be accounted for in another fund. Special Education is included in the Education Fund.

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES*** *- continued*

DESCRIPTIONS OF FUNDS AND ACCOUNT GROUPS

Governmental Fund Types: - continued

Debt Service Fund – The Debt Service Fund accounts for the accumulation of resources for, and the payment of general long-term debt principal, interest, and related costs.

Transportation Fund – The Transportation Fund is used to account for proceeds from revenues specified for use by the District for transportation of students either to and from school or for other purposes.

Municipal Retirement/Social Security Fund (IMRF) – IMRF accounts for the accumulation of resources for, and the payment of municipal retirement, social security, and Medicare.

Capital Projects Fund – The Capital Projects Fund is to be used for the acquisition or construction of major capital facilities.

Tort Fund – The Tort Fund accounts for the accumulation of resources for, and the payment of expenditures in connection with defending or otherwise protecting the District against any liability or loss.

Fire Prevention and Safety Fund – The Fire Prevention and Safety Fund is used to account for proceeds from revenues specified for fire prevention and safety projects.

Fiduciary Fund Types:

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

Working Cash Fund – The Working Cash Fund is used to account for proceeds from bonds sold for working cash purposes by the District and for proceeds from working cash tax levies.

Student Activity Funds – The Student Activity Funds account for assets held by the District as an agent for the students, other individuals, private organizations, other governmental units, and/or other funds. These funds are custodial in nature and do not involve the measurement of the results of operations. The amounts due to activity funds' organizations are equal to assets. These funds are now included in the Education Fund.

Account Group:

General Fixed Assets – Fixed assets used in operations (general fixed assets) are accounted for in the General Fixed Assets Account Group. Purchases of property and equipment are recorded as capital outlay expenditures of the various funds and as additions to the General Fixed Assets Account Group.

General Long-term Debt – Long-term liabilities are accounted for in the General Long-term Debt Account Group. Payments on general long-term debt are made through the various funds of the District.

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.

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES*** *- continued*

BASIS OF ACCOUNTING

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

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

BUDGET AND BUDGETARY ACCOUNTING

The budget for all Governmental Fund Types and for the Working Cash Fund is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with Chapter 122, Paragraph 17.1 of the Illinois Revised Statutes. The budget was passed on September 18, 2023, and amended on June 28, 2024.

For each fund, total fund expenditures disbursed may not legally exceed the budgeted amounts. The budget lapses at the end of each fiscal year.

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

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

2. A public hearing is conducted to obtain taxpayer comments.

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

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

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

6. The Board of Education may amend the budget (in other ways) by the same procedures required of its original adoption.

CASH AND INVESTMENTS

Except where otherwise required, the District maintains all deposits in a bank account in the name of the District. These deposits are invested on a short-term basis with interest income being allocated to the Funds based on their respective balance. The District's investments consist primarily of certificates of deposit and money market accounts. Investments are stated at the lower of cost or market and gains or losses on the sale of investments are recognized upon realization. The District has no formal investment and cash management policy. The institutions in which investments are made must be approved by the Board of Education.

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES*** *- continued*

GENERAL FIXED ASSETS

General fixed assets have been acquired for general governmental purposes. At the time of purchase, assets are recorded as expenditures disbursed in the Governmental or Activity Funds and capitalized at cost in the general fixed assets account group, except that land and buildings acquired prior to July 1, 1966, are stated at estimated original cost as determined by guidelines for evaluation on a cost basis promulgated by the Illinois State Board of Education for establishing values at that date. Donated general fixed assets are stated at estimated fair market value as of the date of acquisition. The capitalization threshold for all fixed assets is $5,000. Depreciation accounting is not considered applicable (except to determine the per capita tuition charge). Depreciation for this purpose was calculated using the straight-line method.

The estimated useful lives for fixed assets are as follows:

Property Type	Estimated Useful Life (in years)
Building and Building Improvements	25-50
Site Improvements and Infrastructure	20
Capitalized Equipment	3-10

For the year ended June 30, 2024, depreciation used in calculating per capita tuition charge was $466,926, which includes $1,185 depreciation on non-capitalized equipment.

Interest paid on long-term debt associated with the acquisition of capital assets is not capitalized. During the year ended June 30, 2024, the District expensed $203,841 as interest on long-term debt in the Debt Service Fund.

FUND BALANCE REPORTING

According to the Government Accounting Standards Board (GASB 54) fund balances are to be classified into five major classifications: Nonspendable, Restricted, Committed, Assigned and Unassigned. The regulatory model followed by the District only reports Reserved and Unreserved fund balances.

GASB 54 Fund Balances Definitions:

The Government Accounting Standards Board (GASB) has issued Statement No. 54, Fund Balance Reporting and Government Fund Type Definitions (GASB 54). This statement defines the different types of fund balances that a governmental entity must use for financial reporting purposes.

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES*** *- continued*

FUND BALANCE REPORTING

GASB 54 requires the fund balance amounts to be properly reported within one of the fund balance categories listed below:

Nonspendable – 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 into cash, such as inventory and prepaid amounts. Due to the District using the cash basis of accounting, all such items are expensed at the time of purchase, therefore, the nonspendable classification is not applicable.

Restricted – Restricted fund balance classification includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, such as creditors, grantors or contributors, or through enabling legislation. The District has several different revenue sources that fall into this category, and can be accounted for within different funds. Some examples may include state and federal grants and certain tax levies. Such tax levies that are levied for a specific purpose are for Special Education, IMRF, Social Security, Tort Immunity, Leasing, Fire Prevention and Safety, and Debt Service. Any excess revenues over disbursements will result in restricted balances.

Committed – Committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the Board of Education at the highest level of decision-making authority, such as a resolution. A similar action must be made to remove or modify any previously committed amounts. Committed amounts will also incorporate contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Unpaid Employment Contracts – Employment contracts for services rendered during the school year for employment electing twelve-month payment schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2024, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2024 was $237,595.

Assigned – Assigned fund balance classification is intended to be used by the government for a specific purpose but do not meet the criteria to be classified as restricted or committed. Intent may be expressed by the School Board itself, by the finance committee, or by the Superintendent when the School Board has delegated the authority to assign amounts.

Unassigned – Unassigned fund balance classification is the residual classification for the government’s general operating funds that do not meet the requirements of the other fund balance classifications. The general operating funds of the District are the Education Fund, Operations and Maintenance Fund, Transportation Fund and Working Cash Fund.

Regulatory – Fund Balance Definitions:

Reserved – Reserved fund balances are those balances that are reserved by an external source for a specified purpose, other than the regular purpose of any given fund.

Unreserved – Unreserved fund balances are all those that are not reserved for a specified purpose of the fund.

Reconciliation of Fund Balance Reporting:

The first five columns of the following table represent fund balance reporting according to generally accepted accounting principles, and GASB 54. The last two columns represent fund balance reporting under the regulatory accounting model utilized by the District in preparation of the financial statements.

Note 1. ***REPORTING ENTITY, DESCRIPTION OF FUNDS AND ACCOUNT GROUPS, AND SIGNIFICANT ACCOUNTING POLICIES*** *- continued*

FUND BALANCE REPORTING

	Generally Accepted Accounting Principles/GASB 54				Regulatory Basis	
Fund	Restricted	Committed	Assigned	Unassigned	Reserved	Unreserved
Education	$ 56,796	$ 237,595		$ 984,697	$ 56,796	$1,222,292
Operations & Maintenance				226,001		226,001
Debt Service	182,280					182,280
Transportation	86,306					86,306
Municipal Retirement/ Social Security	328,652					328,652
Capital Projects	214,434				201,005	13,429
Working Cash				1,904,334		1,904,334
Tort Liability	104,862					104,862
Fire Prevention & Safety	98,933					98,933

Expenditure of Fund Balances:

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

Note 2. ***PROPERTY TAXES***

The District's property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The 2022 levy was passed by the board on December 18, 2023. Property taxes attached as an enforceable lien on property as of January 1 and are payable in two installments on, or about, June 1 and September 1. The District receives significant distributions of tax receipts approximately one month after these due dates. Taxes recorded in these financial statements are from the 2023 and prior levies.

The following are the tax rate limits permitted by the School Code and by local referendum and the actual rates levied per $100.00 of assessed valuation:

		Actual	
	Limit	2022 Levy	2023 Levy
Educational	2.79000	2.79000	2.79000
Tort Immunity	As Needed	1.08643	1.02982
Special Education	.04000	.04000	.04000
Operations, Building and Maintenance	.50000	.50000	.50000
Transportation	.20000	.20000	.20000
Municipal Retirement	As Needed	.08809	.09278
Social Security	As Needed	.10767	.11134
Working Cash	.05000	.05000	.05000
Fire Prevention and Safety	.05000	.05000	.05000
Lease	.05000	.05000	.05000
Bond and Interest	As Needed	.83877	.81253
		5.80096	5.72647

Note 3. ***SPECIAL TAX LEVIES***

(a) Tort Immunity:

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Tort Fund. These receipts are restricted to future tort immunity disbursements in accordance with Chapter 85, paragraph 9-101 to 9-107 of the Illinois Revised Statutes. At June 30, 2024, there was excess cumulative receipts over cumulative disbursements of $157,900.

The restricted balance at June 30, 2024 was determined as follows:

	Tort Fund
Restricted Balance at July 1, 2023	$157,900
Revenue:	
Tort levy	536,663
Interest	1
Refund of prior years expense	5,618
Expenditures:	
Risk management	(465,072)
Liability insurance	(66,868)
Workman's compensation insurance	(52,352)
Legal/services	(11,028)
Restricted Balance at June 30, 2024	$104,862

(b) Special Education:

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. The portion of this fund's equity which represents the excess cumulative receipts over cumulative disbursements is restricted for the special education disbursements in accordance with Section 17-2.2A of the School Code. There were no excess cumulative receipts over disbursements at June 30, 2024.

(c) Lease:

Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Education Fund. The portion of this fund's equity which represents the excess cumulative receipts over cumulative disbursements is restricted for future lease disbursements. There were no excess cumulative receipts over disbursements at June 30, 2024.

Note 4. ***CASH AND INVESTMENTS***

Statutes allow the District to invest in obligations of the U.S. Treasury or any U.S. Agency whose obligations are guaranteed by the full faith and credit of the United States of America as to principal and interest; interest bearing accounts of banks insured by the Bank Insurance Fund; commercial paper of U.S. Corporations with assets exceeding $500,000,000 provided the obligations are rated in the 3 highest classifications by at least 2 rating services and mature no later than 180 days from purchase; money market mutual funds registered under the Investment Company Act of 1940; repurchase agreements, interest bearing accounts of savings and loan associations insured by the Savings Association Insurance Fund; dividend bearing accounts of Illinois or Federally chartered credit unions provided such accounts are insured; and the Public Treasurers Investment Pool.

Note 4. ***CASH AND INVESTMENTS -*** *continued*

All funds of the District must be deposited and invested according to these statues. Depository banks use the Dedicated Method of collateralization, placing approved pledged securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) Insurance. External investment pools use the Pooling Method of collateralization. Due to the nature of external investment pools, participants maintain separate investment accounts representing a proportionate share of the pool assets and its respective collateral. Collateral is maintained in the name of the investment pool.

The following is disclosed regarding coverage as of June 30, 2024.

a) The Total amount of FDIC coverage as of June 30, 2024 was $500,000.

b) Dedicated Method: The market value of securities pledged was $4,766,314.

(a) Deposits:

At June 30, 2024, the carrying amount of the District's deposits (cash and interest-bearing demand accounts at financial institutions) was $1,446,435, and the bank balance was $885,438.

A reconciliation of the cash and cash equivalents on the financial statements is as follows:

Cash in banks – now accounts	$1,446,435

(b) Investments:

Statutes authorize the District to invest in, but not limited to, interest bearing time accounts at financial institutions and external investment pools. The carrying value of investments owned at year end was $2,909,482, which approximates fair market value.

Similar to cash deposits, investments held at a financial institution can be categorized according to three levels of risk.

		Investment Maturities			
Investment Type	Fair Value	Less than 6 Months	6 Months to 1 Year	1-5 Years	Rating
Petefish Skiles & Co. Investment Gold Account	$1,630,165	$1,630,165			Unrated
Petefish Skiles & Co. Certificates of Deposit	1,279,317	1,279,317			Unrated
	$2,909,482	$2,909,482		$	

(c) Investment Policies:

Interest Rate Risk: The District has no formal policy on interest rate risk. Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District can manage its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

Note 4. ***CASH AND INVESTMENTS -*** *continued*

Custodial credit risk: The District has no formal policy on custodial credit risk. Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. Of the District's total cash and investments, $-0- was subject to custodial credit risk.

Credit risk: The District has no formal policy on credit risk. Generally, credit risk is the risk that an issuer of a debt type investment will not fulfill its obligation to the holder of the investment. This is measured by assignment of a rating by a nationally recognized rating organization. U.S. Government securities or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk exposure.

Concentration risk: The Board places no limit on the amount that can be invested with any single issuer. All of the District's investments are more than 5 percent of total investments or $145,474. Petefish, Skiles & Co. represents 100 percent of the District's investments.

Note 5. ***CHANGES IN GENERAL FIXED ASSETS***

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Non-depreciable land	$ 4,192	$	$	$ 4,192
Construciton in progress		5,878		5,878
Land improvements	185,300			185,300
Buildings and improvements	21,580,500	115,044		21,695,544
Other equipment	606,711	60,703		667,414
Transportation equipment	361,803	136,814		498,617
Total general fixed assets	22,738,506	318,436		23,056,942
Less: Accumulated depreciation	6,651,646	465,741		7,117,387
Net fixed assets	$16,086,860	$ 147,305	$	$15,939,555

The District prepares its financial statements using accounting practices prescribed by the Illinois State Board of Education. These practices do not allow depreciation to be recorded in the General Fixed Asset Account Group. As explained in Note 1, depreciation is calculated only in determining the per capita tuition charge.

Note 6. ***RETIREMENT FUND COMMITMENTS***

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

- ***Plan description***

The District participates in the Teacher's 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.

Note 6. ***RETIREMENT FUND COMMITMENTS***

TRS issues a publicly available financial report that can be obtained at http://www.trsil.org/financial/cafrs/fy2023; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

- ***Benefits provided***

TRS provides retirement, disability, and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I members qualify for retirement benefits at age 62 with 5 years of service, at age 60 with 10 years, or age 55 with 20 years. The benefit is determined by the average of the four highest years of creditable earnings within the last 10 years of creditable service and the percentage of average salary to which the member is entitled. Most members retire under a formula that provides 2.2 percent of the final average salary up to a maximum of 75 percent with 34 years of service.

Tier II members quality 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 II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

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

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

- ***Contributions***

The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provided 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 the creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. Creditable earnings for the year ended June 30, 2024 are $1,864,782.

On behalf contributions to TRS. The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2024, state of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $962,601 in pension contributions from the state of Illinois.

Note 6. ***RETIREMENT FUND COMMITMENTS***

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, 2024 were $10,816, and were fully paid by June 30, 2024.

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, 2024, the employer pension contribution was 10.49 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2024, salaries totaling $109,945 were paid from federal and special trust funds that required employer contributions of $11,654. Since the District prepared its financial statements on the cash basis, these contributions were expensed when paid. All contributions were paid by year end.

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, 2024, the employer made no payments to TRS for employer contributions due on salary increases in excess of 6 percent and no payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, The District has an unreported 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 unrecognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as follows:

District's proportionate share of the net pension	$ 132,377
State's proportionate share of the net pension liability associated with the District	11,424,232
Total	$11,556,609

Note 6. ***RETIREMENT FUND COMMITMENTS***

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021. The District'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, 2023, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2023, the District's proportion was .0001557736 percent, which was a decrease of .0000393232 from its proportion measured as of June 30, 2022.

For the year ended June 30, 2024, the District recognized pension expense of $22,470. Additionally, for the year ended June 30, 2024, the District recognized pension expense of $962,601 and revenue of $962,601 for support provided by the state. If the District prepared its financial statements in accordance with GAAP, at June 30, 2024, the District would have reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 550	$ 534
Net difference between projected and actual earnings on pension plan investment		4
Changes of assumptions	452	116
Changes in proportion and differences between District contributions and proportionate share of contributions	19,433	42,889
	$20,435	$43,543

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense as follows if the District prepared GAAP financial statements:

2024	$(8,484)
2025	(7,033)
2026	(845)
2027	(3,282)
2028	(3,464)
	$(23,108)

- ***Actuarial assumptions***

The total pension liability in the June 30, 2023, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.5 percent
Salary increases	8.75 at one year of service to 3.75% at 20 years of service
Investment rate of return	7.0 percent, net of pension plan investment expense, including inflation

Note 6. ***RETIREMENT FUND COMMITMENTS***

In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience, with generational improvement based on scale 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%	5.35%
Private equity	15.0	8.03
Income	26.0	4.32
Real assets	18.0	4.60
Diversifying strategies	4.0	3.40
Total	100%	

- ***Discount Rate***

At June 30, 2022, the discount rate used to measure the total pension liability was 7.00 percent, which was the same as the June 30, 2022 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, 2023 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients. Tier I's liability is partially-funded by Tier II members, as the Tier II member contribution is higher than the cost of Tier II benefits. Due to this subsidy, contributions from future members in excess of the service cost are also included in the determination of the discount rate. All projected future payments were covered so the long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

The following presents the employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 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 (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate.

Note 6. ***RETIREMENT FUND COMMITMENTS***

	1% Decrease (6.00%)	*Current Discout Rate* (7.00%)	*1% Increase* (8.00%)
District's proportionate share of net pension liability	$162,938	$132,377	$107,015

- ***TRS fiduciary net position***

Detailed information about the TRS's fiduciary net position as of June 30, 2023 is available in the separately issued TRS *Comprehensive Annual Financial Report.*

(b) Illinois Municipal Retirement Fund Pension Plan – Regular (RP)

- ***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. The report is available for download at www.imrf.org.

- ***Benefits Provided***

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

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 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 of the 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
- ½ of the increase in the Consumer Price Index of the original pension amount.

Note 6. ***RETIREMENT FUND COMMITMENTS***

- ***Employees Covered by Benefit Terms***.

As of December 31, 2023, the following employees were covered by the benefit terms:

	IMRF
Retirees and Beneficiaries currently receiving benefits	30
Inactive Plan Members entitled to but not yet receiving benefits	26
Active Plan Members	19
Total	75

- ***Contributions***.

As set by statute, The District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statue 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 2023 was 3.39%. The District's annual contribution rate for calendar year 2023 was 2.73%. For the fiscal year ended June 30, 2024, the District contributed $42,624 to the plan. The District also contributed for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

- ***Net Pension (Asset) Liability***.

The District's net pension (asset) liability was measured as of December 31, 2023. The total pension liability used to calculate the net pension (asset) 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, 2023:

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Fair 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 according to an experience study from years 2020 to 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 as of December 31, 2023:

Note 6. ***RETIREMENT FUND COMMITMENTS***

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Domestic Equity	34.5%	5.00%
International Equity	18.0%	6.35%
Fixed Income	24.5%	4.75%
Real Estate	10.5%	6.30%
Alternative Investments	11.5%	6.05-8.65%
Cash Equivalents	1.0%	3.80%
Total	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 member 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 3.77% and the resulting single discount rate is 7.25%.

- ***Changes in Net Pension (Asset) Liability.***

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) – (B)
Balance December 31, 2022	$2,879,532	$2,788,153	$ 91,379
Changes for the year:			
Service Cost	46,601		46,601
Interest on Total Pension Liability	201,583		201,583
Difference between Expected and Actual Experience of Total Pension Liability	(15,818)		(15,818)
Changes of Assumptions	(9,053)		(9,053)
Contributions – Employer		14,759	(14,759)
Contributions – Employees		24,349	(24,349)
Net Investment Inc.		320,786	(320,786)
Benefit Payments including Refunds	(244,753)	(244,753)	
Other (net transfer)		33,362	(33,362)
Net Changes in NPL(A)	(21,440)	(148,503)	(169,943)
Balance December 31, 2023	$2,858,092	$2,936,656	$(78,564)

Note 6. ***RETIREMENT FUND COMMITMENTS***

- ***Sensitivity of the Net Pension (Asset) Liability to Changes in the Discount Rate****.*

The following presents the plan's net pension (asset) liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	1% Lower (6.25%)	Current Discount (7.25%)	1% Higher (8.25%)
Net Pension (Asset) Liability	$205,025	$(78,564)	$(308,504)

- ***Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pension****.*

For the year ended June 30, 2024, the District recognized pension expense of $17,818. At June 30, 2024, the District has unreported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Deferred Amounts Related to Pensions	Deferred Outflows of Resources	Deferred Inflows of Resources
Deferred Amounts to be Recognized in Pension Expense in Future Periods		
Differences between expected and actual experience	$ 32,830	$ 9,954
Changes of assumptions		5,697
Net difference between projected and actual earnings on pension plan investments	440,494	277,418
Total deferred amounts to be recognized in pension expense in future periods	$473,324	$293,069

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions would be recognized in pension expense in future periods as follows if the District was on the accrual basis of accounting:

Year Ending December 31	Net Deferred Outflow of Resources
2024	$ 33,067
2025	50,314
2026	121,852
2027	(24,978)
Total	$180,255

(c) Aggregate Pension Reporting:

The following aggregate pension information is provided:

Plan	TRS	IMRF	Total
Pension expense reported on modified cash basis	$22,470	$17,818	$40,288

(d) Social Security:

Employees not qualifying for coverage under the Illinois Downstate Teachers' Retirement System or the Illinois Municipal Retirement Fund are considered *"non-participating employees".* These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security.

Note 7. ***POST EMPLOYMENT BENEFITS OTHER THAN PENSION***

- ***Plan Description***

The District participates in the Teacher Retirement Insurance Program (also referred to as TRIP or the Teacher Health Insurance Security Fund (THIS)), 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. Detailed information about the OPEB plan's fiduciary net position is available in the separately issued publicly available financial report that can be obtained at http://www.auditor.illinois.gov/Audit-Reports/Compliance-Agency-List/CMS/THISF/FY23-CMS-THISF-Fin-Allocations-Full.pdf

- ***Benefits Provided***

TRIP health coverage provides medical, prescription, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants may participate in the state-administered preferred provider organization plan or choose from several managed care options. TRIP is administered in accordance with the State Employees Group Insurance Act of 1971 (5 ILCS 375/6.5) which establishes the eligibility and benefit provisions of the plan.

The State Employees Group Insurance Act of 1971 (*5 ILCS 375/6.6*) outlines the benefit provisions of the TRIP 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 required all active contributors to TRS who are not employees of a state agency covered by the state employees' health plan to make a contribution to the TRIP Fund.

- ***Contributions***

Active members were required to contribute .9 percent of pay during the year ended June 30, 2024 to the TRIP Fund. The District also makes contributions to the TRIP Fund. The employer TRIP Fund contribution was .67 percent during the year ended June 30, 2024. For the year ended June 30, 2024, the District paid $29,277 to the TRIP Fund, which was 100 percent of the required contribution.

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 TRIP Fund***

The state of Illinois makes employer retiree health insurance contributions on behalf of the District. The District recognized $12,494 of revenue and expenditures during the year.

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

At June 30, 2024, the Virginia Community Unit School District No. 64, had an unreported liability of $43,879 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2022. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions for the OPEB plan relative to the projected contributions of all participating school districts, actuarially determined. At June 30, 2024, the District's proportion was .006156 percent, which was a decrease of 0.000128 from its proportion measured as of June 30, 2022 (.006028 percent).

For the year ended June 30, 2024, the District recognized OPEB expense of $12,494. At June 30, 2024, the District had unreported deferred outflows of resources and deferred inflow of resources related to OPEB from the following sources:

Note 7. ***POST EMPLOYMENT BENEFITS OTHER THAN PENSION***

Deferred Amounts Related to OPEB	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$	$ 245,030
Changes of assumptions	5,816	862,461
Net difference between projected and actual earnings on OPEB plan investments	177	2
Changes in proportion and difference between District contributions and proportionate share of contributions	196,313	258,087
Total deferred amounts relate to OPEB	$202,306	$1,365,581

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB, which were calculated as of June 30, 2022, would be recognized in the District's OPEB expense as follows if the District prepared GAAP financial statements:

Year Ending June 30	Net Deferred Inflow of Resources
2024	$(232,655)
2025	(232,655)
2026	(232,655)
2027	(232,655)
2028	(232,655)
Total	$(1,163,275)

Actuarial assumptions: The total OPEB liability was determined by an actuarial valuation as of June 30, 2021, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial Valuation Date	June 30, 2022
Measurement Date	June 30, 2023
Discount Rate	3.86% at June 30, 2023 and 3.69% at June 30, 2022
Investment Rate of Return	2.75%, net of OPEB plan investment expense, including inflation for all plan years
Inflation	2.25%
Wage Inflation (used to project payroll)	3.50%

Healthcare Cost Trend:
- Non-Medicare Medical and Rx – 8.00% for 2025 decreasing gradually to 4.25% in 2040
- Medicare Medical and Rx – 0% for 2024 to 2028, 19.42% in 2029 to 2033, and 6.08% in 2034 declining gradually to 4.25% in 2040
- Retiree Premium – 5.00% for 2023 trending to 4.25% in 2039

Participation: Eighty percent of future retirees 64 and under and 60 percent 65 and older that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage.

Mortality rates for Retirement and Beneficiary Annuitants were based on PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants were based on PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement were based on PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

Note 7. ***POST EMPLOYMENT BENEFITS OTHER THAN PENSION***

- ***Discount Rate***

Projected benefit payments are required to be discounted to their actuarial present values using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since the THIS Fund is financed on a pay-as-you-go basis, the long-term expected rate of return on OPEB plan investments was determined to be 0%; therefore, the discount rate used is consistent with the 20-year general obligation bond index described above. The discount rates are 3.86 percent as of June 30, 2023, and 3.69 percent as of June 30, 2022.

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

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

	1% Decrease (2.86%)	Current Discount Rate (3.86%)	1% Increase (4.86%)
District's Total OPEB Liability	$489,926	$438,791	$393,625

- ***Sensitivity of the District's Proportionate Share of the Collective Net OPEB Liability to Changes in the Healthcare Cost Trend Rates***

The following presents the District's proportionate share of the collective net OPEB liability using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current trend rates are 8.0% in 2023, decreasing to an ultimate trend rate of 4.25% in 2038.

	1% Decrease	Healthcare Cost Trend Rate Assumptions	1% Increase
District's Total OPEB Liability	$373,447	$438,791	$518,778

Note 8. ***CHANGES IN GENERAL LONG-TERM DEBT***

(a) Virginia Community Unit School District No.64 issued General Obligation Refunding Bonds, *"Series 2011A",* in the amount of $3,460,000, dated March 1, 2011. The bonds were used to demolish a portion of and build and equip an addition to, alter, repair and equip and improve the site of the Virginia Elementary/Junior High/High School Building, as well as advance refund a portion of the District's outstanding bonds, and pay for certain costs of issuance. Interest is due on the bonds semiannually each June 1 and December 1. The balance of the bonds at June 30, 2024 was $1,580,000. A portion of the bonds were defeased during the prior fiscal year. Accordingly, the trust account assets and the liability for the defeased bonds are not presented as assets or liabilities in the statements and are not included in the debt tables. Principal and interest payments are being paid out of the Debt Service Fund.

Note 8. ***CHANGES IN GENERAL LONG-TERM DEBT***

Future cash requirements of the bonds are as follows:

Year Ending June 30,	Rate of Interest	Principal	Interest	Total
2025	7.75%	$ 290,000	$ 104,038	$ 394,038
2026	7.25%	315,000	82,106	397,106
2027	7.25%	340,000	58,362	398,362
2028 - 2035	7.25%	635,000	42,231	677,231
Total		$1,580,000	$ 286,737	$1,866,737

(b) Virginia Community Unit School District No. 64 issued General Obligation Refunding (Alternative Revenue Source), *Series 2017*, to advance refund a portion of the outstanding obligation of *Series 2011B*. The advance refunding proceeds were placed in an escrow account to provide for the future debt service requirements of the above mentioned bond. Interest is due on the Series 2017 bonds semi-annually each June 1 and December 1, and principal payments are due annually on each December 1. The balance at June 30, 2024 was $885,000. Principal and interest payments are being paid out of the Debt Service Fund.

The following is future payment obligations on the bonds, *Series 2017*:

Year Ending June 30,	Rate of Interest	Principal	Interest	Total
2024	2.75%	$ 63,000	$ 32,128	$ 95,128
2025	2.75%	61,000	30,207	91,207
2026	2.75%	66,000	28,238	94,238
2026-2036	3.10-4.00%	695,000	132,007	827,007
		$885,000	$222,580	$1,107,580

(c) On July 1, 2019, the District signed a promissory note with Petefish, Skiles and Co. Bank to finance the purchase of four 2021 Blue Bird school buses with a total cost of $318,728. The District made an initial down payment of $70,000 and financed the remaining balance. The financed amount, which includes a transaction fee of $75, was $248,403. The promissory note calls for three annual principal and interest payments of $69,280 and a final payment at maturity of $69,277. The promissory note carried an interest rate of 4.45% and matured on July 1, 2023. The promissory note was fully repaid in the current fiscal year. Principal and interest payments were paid out of the Transportation Fund.

The District has elected to capitalize the buses as principal is paid. As of June 30, 2024, $318,728 of the asset cost is included in the General Fixed Asset Account Group.

Note 8. ***CHANGES IN GENERAL LONG-TERM DEBT***

(d) Virginia Community Unit School District No.64 issued General Obligation Bonds, *"Series 2022",* in the amount of $1,842,000, dated January 11 2022. The bonds were used increase the working cash fund of the District, refund certain outstanding general obligation bonds, and pay costs associated with the issuance of the Bonds. Interest is due on the bonds semiannually each June 1 and December 1. The balance of the bonds at June 30, 2024 was $1,842,000. Principal and interest payments are being paid out of the Debt Service Fund.

The following is future payment obligations on the bonds, *Series 2022*:

Year Ending June 30,	Rate of Interest	Principal	Interest	Total
2025	0.0%	$	$ 43,855	$ 43,855
2026	0.0%		43,855	43,855
2027	0.0%		43,855	43,855
2028	0.0%		43,855	43,855
2029	0.0%	134,000	42,415	176,415
2030-2032	2.15-2.55%	1,708,000	83,588	1,791,588
		$1,842,000	$ 301,423	$2,143,423

Changes in long term debt:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024
Construction Bonds	$1,840,000	$	$ 260,000	$1,580,000
Refunding Bonds	940,000		55,000	885,000
General Obligation Bonds	1,842,000			1,842,000
Promissory Note – Petefish, Skiles & Co. Bank	66,325		66,325	
Total long-term debt	$4,688,325	$	$ 381,325	$4,307,000

Note 9. ***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 the audits will be insignificant to District operations.

Note 10. ***ESTIMATES***

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

Note 11. ***JOINT VENTURE***

Virginia Community Unit School District No. 64 participates in a joint agreement with the Sangamon Area Special Education District, who provides special education services to various school districts. The District pays tuition annually to the Sangamon Area Special Education District for providing these services to the District's qualifying students. For the year ended June 30, 2024, the District paid $526,207 in special education tuition.

The District does not have an equity interest in this joint venture. Sangamon Area Special Education District is separately audited and is not a part of these financial statements. A copy of their audit report can be obtained by contacting Sangamon Area Special Education District, Springfield, Illinois.

Note 12. *DISCLOSURE OF RISK*

(a) Significant losses are covered by commercial insurance for all major programs: property, liability, and workers' compensation. During the year ended June 30, 2024, there were no significant reductions in coverage. Also, there have been no settlement amounts which have exceeded insurance coverage over the past four years.

(b) The District is insured under a retrospectively-rated policy for workers' compensation coverage. Whereas, the initial premium may be adjusted based on actual experience. Adjustments in premiums are recorded when paid or received. During the year ended June 30, 2024, there were no significant adjustments in premiums based on actual experience.

Note 13. *LEGAL DEBT MARGIN*

Assessed valuation (2023 tax levy year)	$53,892,952
Debt limit 15.0% of assessed value *	$ 8,083,943
Less Indebtedness Outstanding Subject to Legal Debt Margin	4,307,000
Legal Debt Margin	$ 3,776,943

Alternate Revenue Bonds are not applicable against the legal debt margin.

* Pursuant to Section 105 ILCS 5/19-1(b)(4) of the School Code, the District's allowable debt limitation percentage is 15 percent. The percentage of assessed value is increased from 13.8 percent to 15 percent due to the issuance of site and construction bonds approved by more than 2/3 of the voters during an election.

Note 14. *SUBSEQUENT EVENTS*

Management and the District Board have evaluated subsequent events through November 5, 2024, which is the date the financial statements were available to be issued. As of November 5, 2024, there were no subsequent events required disclosure in the financial statements.

Note 15. *LONG TERM OPERATING LEASES*

In prior years, the District entered into one operating agreement with CDS Office Technologies for the lease of one copier. The lease is in effect until March 2025, with a monthly lease payment of $349. In addition to the monthly lease payments, the District is required to pay per copy charges on the copier. The District is providing insurance on the leased equipment. Lease payments are being paid out of the Education Fund.

Minimum future operating lease payments are as follows:

Year Ending June 30,	Lease Payments
2025	$ 3,141
	$ 3,141

Note 16. ***OVER EXPENDITURE OF BUDGET***

The following fund had an excess of expenditures over budget for the year ended June 30, 2024.

Fund	Budgeted Expenditures	Actual Expenditures	Excess of Actual Over Budgeted Expenditures
Transportation Fund	$282,898	$292,206	$ 9,168

Note 17. ***INTERFUND ACTIVITY***

Interfund activity may arise from two types of transactions. One type of transaction occurs when a fund pays for a good or service that a portion of the benefit belongs to another fund. The second type of transaction occurs when one fund provides a good or service to another fund. In addition to the two types of transactions, permanent operating transfers or interfund loans may also result by Board resolution. Interfund loans are used to finance activities of a fund which has temporarily over extended its current available resources. All interfund loans are considered short-term.

During the year ended June 30, 2024, the District transferred $150,000 from Working Cash Fund to Transportation Fund for the purchase of a bus.

Note 18. ***RESERVED FUND BALANCE***

During the fiscal year, the District receives various revenue sources that, based upon restrictions from outside sources, must be spent for a particular purpose. Any excess cumulative receipts over disbursements at June 30, 2024 are considered to be reserved fund balances. The District has several revenue sources received within different funds that fall into these categories.

State Grants – Proceeds from state grants and the related expenditures have been included in the Educational, Operations and Maintenance, and Transportation Funds. At June 30, 2024 there was no restricted fund balance due to State Grants, expenditures disbursed exceeded revenue received.

Federal Grants – Proceeds from federal grants and the related expenditures have been included in the Educational and Debt Services Funds. At June 30, 2024 cumulative expenditures disbursed exceeded cumulative revenue received from federal grants, resulting in no restricted fund balances.

Special Education – Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. Expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.

Leasing Levy – Cash disbursed and the related cash receipts of this restricted tax levy are accounted for in the Education Fund. Expenditures disbursed exceeded revenues received for this purpose, resulting in no restricted fund balance.

School Facilities Occupation Tax – Proceeds from school-specific county sales tax revenues are restricted to expenditures for the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures, and durable equipment. Funds may also be used for the payment of bonds or other obligations issued or refunded for the purpose of the aforementioned expenditures. As of June 30, 2024, the Capital Projects fund had $201,005 from sales tax revenue.

Student Activity Funds – At June 30, 2024 there was a balance due to the activity accounts of $56,796 which is included in the Education Fund's reserved fund balance

Note 19. ***IMPLEMENTATION OF NEW ACCOUNTING POLICIES***

Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements* (SBITAs) is effective for reported periods beginning after June 15, 2022. The objective of this statement is to better meet the information needs of financial statement users by establishing uniform accounting and financial reporting requirements for SBITAs. Improving the comparability of financial statements among governments that have entered into SBITAs, and enhancing the understandability, reliability, relevance, and consistency of information about SBITAs. This pronouncement did not impact the preparation of these financial statements due to the basis of accounting as described in Note #1.

SUPPLEMENTAL INFORMATION

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

SUPPLEMENTARY INFORMATION
RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
MOST RECENT CALENDAR YEARS

Calendar Year Ended *December 31*	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability										
Service Cost	$ 46,601	$ 46,632	$ 43,544	$ 46,411	$ 48,007	$ 44,332	$ 42,387	$ 33,579	$ 41,322	$ 45,574
Interest on the Total Pension Liability	201,583	196,666	198,652	200,611	197,713	187,090	190,977	186,715	173,228	
Differences between Expected and Actual Experience of the Total Pension Liability	(15,818)	95,932	4,540	5,915	32,358	150,066	(896)	31,661	165,521	85,253
Changes of Assumptions	(9,053)			(28,968)		68,318	(81,649)	(2,689)	2,698	87,788
Benefit Payments, including Refunds of Employee Contributions	(244,753)	(298,037)	(253,312)	(245,801)	(228,796)	(209,414)	(197,835)	(202,476)	(189,040)	(113,590)
Net Change in Total Pension Liability	(21,440)	41,193	(6,576)	(21,382)	49,282	240,392	(47,016)	46,790	193,729	261,621
Total Pension Liability – Beginning	2,879,532	2,838,339	2,844,915	2,866,747	2,817,465	2,577,073	2,624,089	2,577,299	2,383,570	2,121,949
Total Pension Liability - Ending (A)	$2,858,092	$2,879,532	$2,838,339	$2,844,915	$2,866,747	$2,817,465	$2,577,073	$2,624,089	$2,577,299	$2,383,570
Plan Fiduciary Net Position										
Contributions - Employer	$ 14,759	$ 31,916	$ 44,768	$ 78,231	$ 66,676	$ 83,943	$ 77,681	$ 41,505	$ 30,928	$ 36,423
Contributions - Employees	24,349	22,618	21,922	20,709	21,695	20,416	18,159	16,918	25,965	22,730
Net Investment Income	320,786	(490,915)	548,255	421,077	492,437	(171,677)	428,846	157,650	11,511	35,833
Benefit Payments, including Refunds of Employee Contributions	(244,753)	(298,037)	(253,312)	(245,801)	(228,796)	(209,414)	(197,835)	(202,476)	(189,040)	(113,590)
Other (Net Transfer)	33,362	91,498	(15,269)	27,911	28,542	108,001	(44,703)	(4,197)	31,501	32,969
Net Change in Plan Fiduciary Net Position	148,503	(642,920)	346,363	302,127	380,554	(168,731)	282,148	9,400	(89,135)	114,365
Plan Fiduciary Net Position - Beginning	2,788,153	3,431,073	3,084,709	2,782,582	2,402,028	2,570,759	2,288,611	2,279,211	2,368,346	2,253,981
Plan Fiduciary Net Position - Ending (B)	$2,936,656	$2,788,153	$3,431,073	$3,084,709	$2,782,582	$2,402,028	$2,570,759	$2,288,611	$2,279,211	$2,368,346
Net Position (Asset) Liability – Ending (A)-(B)	$(78,564)	$ 91,379	$(592,734)	$(239,794)	$ 84,165	$ 415,437	$ 6,314	$ 335,478	$ 298,088	$ 15,224
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	102.75%	96.83%	120.88%	108.43%	97.06%	85.25%	99.75%	87.22%	88.43%	99.36%
Covered Valuation Payroll	$ 541,438	$ 502,618	$ 487,149	$ 460,186	482,113	$ 453,689	$ 403,537	$ 375,952	$ 331,849	$ 383,757
Net Pension Liability as a Percentage of Covered Valuation Payroll	(14.51)%	18.18%	(121.67)%	(52.11)%	17.46%	91.57%	1.56%	89.23%	89.83%	3.97%

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

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

SUPPLEMENTARY INFORMATION
RELATIVE TO ILLINOIS MUNICIPAL RETIREMENT FUND

SCHEDULE OF EMPLOYER CONTRIBUTIONS
MOST RECENT CALENDAR YEARS

Calendar Year Ended December 31,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Valuation Payroll	Actual Contribution as a Percentage of Covered Valuation of Payroll
2014	$ 37,838	$ 36,423	$1,415	$383,757	9.49%
2015	30,928	30,928		331,849	9.32%
2016	41,505	41,505		375,952	11.04%
2017	77,681	77,681		403,537	19.25%
2018	78,216	83,943	(5,727)	453,689	18.50%
2019	66,676	66,676		482,113	13.83%
2020	78,232	78,231	1	460,186	17.00%
2021	44,769	44,768	1	487,149	9.19%
2022	31,916	31,916		502,618	6.35%
2023	14,781*	14,759	22	541,438	2.73%

*Estimated based on contribution rate of 2.73% and covered valuation payroll of $541,438.

Notes to Schedule:
Summary of Actuarial Methods and Assumptions used in the Calculation of the 2021 Contribution Rate*

Valuation Date:

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

Methods and Assumptions Used to Determine 2023 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): 20-year closed period.
Early Retirement Incentive plan liabilities: a period up to 10 years selected by the Employer upon adoption of ERI.
SLEP supplemental liabilities attributable to Public Act 94-712 were financed over 15 years for most employers (five employers were financed over 16 years; one employer was financed over 17 years; two employers were financed over 18 years; one employer was financed over 21 years; three employers were financed over 24 years; four employers were financed over 25 years; and one employer was financed over 26 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 to 2019.

Mortality: For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes during the year.

*Based on Valuation Assumptions used in the December 31, 2021 actuarial valuation.

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

SUPPLEMENTARY INFORMATION
RELATIVE TO THE TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

SCHEDULE OF EMPLOYER'S PROPORTIONAL SHARE OF THE NET PENSION LIABILITY
(DOLLAR AMOUNTS IN THOUSANDS)

	FY23*	FY22*	FY21*	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*	FY14*
District's proportion of the net pension liability	.00015547736%	.0001950968%	.0001582802%	.0001856454%	.0002080329%	.0002188876%	.000524152%	.0004878856%	.0006757466%	.0006380577%
District's proportionate share of the net pension liability	$ 132	$ 164	$ 124	$ 160	$ 169	$ 171	$ 400	$ 385	$ 443	$ 388
State's proportionate share of the net pension liability associated with the District	11,424	14,189	10,349	12,536	12,008	11,687	12,033	12,069	9,856	8,963
Total	$11,556	$14,353	$10,473	$12,696	$12,177	$11,858	$12,433	$12,454	$10,299	$9,351
District's covered-employee payroll	$ 1,865	$ 1,650	$ 1,735	$ 1,654	$ 1,641	$ 1,542	$ 1,561	$ 1,608	$ 1,521	$1,521
District's proportional share of the net pension liability as a percentage of its covered-employee payroll	7.08%	9.94%	7.15%	9.7%	10.3%	11.1%	25.6%	23.9%	29.1%	25.5%
Plan fiduciary net position as a percentage of the total pension liability	43.9%	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%	43.0%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(DOLLAR AMOUNTS IN THOUSANDS)

	FY23	FY22	FY21	FY20	FY19	FY18	FY17	FY16	FY15	FY14
Contractually-required contribution	$ 190	$ 169	$ 176	$ 158	$ 161	$ 151	$ 154	$ 166	$ 162	$ 167
Contributions in relation to the contractually-required contribution	191	169	176	159	164	152	155	166	162	164
Contribution deficiency (excess)	$(1)	$	$	$(1)	$(3)	$(1)	$(1)	$	$	$ 3
District's covered-employee payroll	$1,865	$1,650	$1,735	$1,654	$1,641	$1,542	$1,561	$2,868	$1,521	$1,521
Contributions as a percentage of covered-employee payroll	10.19%	10.24%	10.14%	9.61%	10.00%	9.86%	9.87%	10.87%	10.65%	10.98%

Changes of Assumptions

For the 2022 and 2023 measurement years, the assumed investment rate of return was 7.0 percent, including an inflation rate of 2.5 percent and a real return of 4.5 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

For the 2021 - 2016 measurement years, the assumed investment rate of return was 7.0 percent, 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, but the rates of increase in the 2018 measurement year were slightly higher.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and a 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.

For the 2014 measurement year, the assumed investment, rate of return was also 7.5 percent, including an inflation rate of 3.0 percent and a real return of 4.5 percent. However, salary increases were assumed to vary by age.

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

SUPPLEMENTARY INFORMATION
RELATIVE TO THE TEACHERS' HEALTH INSURANCE SECURITY FUND
OF THE STATE OF ILLINOIS

SCHEDULE OF EMPLOYER'S PROPORTIONAL SHARE OF
THE NET OPEB LIABILITY
(DOLLAR AMOUNTS IN THOUSANDS)

	FY 23*	FY 22*	FY 21*	FY 20*	FY 19*	FY 18*	FY 17*
District's proportion of the net pension liability	.006156%	.006028%	.005523%	.006485%	.0206290%	.006574%	.007062%
District's proportionate share of the collective net OPEB liability	$ 439	$ 413	$1,218	$1,734	$1,732	$1,734	$1,833
State's proportionate share of the collective net OPEB liability associated with the District	593	561	701	2,349	2,357	2,326	2,407
Total	$1,032	$ 974	$1,919	$4,083	$4,098	$4,058	$4,240
District's covered-employee payroll	$1,865	$1,650	$1,735	$1,654	$1,641	$1,542	$1,561
District's proportional share of the collective net OPEB liability as a percentage of its covered-employee payroll	23.54%	25.03%	70.2%	104.8%	106.1%	112.3%	117.4%
Plan fiduciary net position as a percentage of the total OPEB liability	6.21%	5.24%	1.40%	.70%	.25%	-.07%	-.17%

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

SCHEDULE OF EMPLOYER CONTRIBUTIONS
(DOLLAR AMOUNTS IN THOUSANDS)

	FY 23	FY 22	FY 21	FY 20	FY 19	FY 18	FY 17
Contractually-required contribution	$ 29	$ 26	$ 27	$ 36	$ 35	$ 33	$ 32
Contributions in relation to the contractually-required contribution	29	26	29	37	35	33	32
Contribution deficiency (excess)	$	$	$(2)	$(1)	$ -0-	$ -0-	$ -0-
District's covered-employee payroll	$1,865	$1,650	$1,735	$1,654	$1,641	$1,542	$1,561
Contributions as a percentage of covered-employee payroll	1.55%	1.58%	1.67%	2.24%	2.13%	2.14%	2.05%

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

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

SUPPLEMENTARY INFORMATION
RELATIVE TO TEACHERS' HEALTH INSURANCE SECURITY FUND
OF THE STATE OF ILLINOIS

Notes to Schedule of Contributions:

Valuation Date:	June 30, 2022
Measurement Date:	June 30, 2023
Sponsor's Fiscal Year End:	June 30, 2024

Methods and Assumptions Used to Determine 2018 Contribution Rates:

Actuarial Cost Method:	Entry Age Normal, used to measure the Total OPEB Liability
Contribution Policy:	Benefits are financed on a pay-as-you-go basis. Contribution rates are defined by statute. For fiscal year end June 30, 2024, contribution rates are 0.90% of pay for active members, 0.67% of pay for school districts and 0.90% of pay for the State. Retired members contribute a percentage of premium rates. The goal of the policy is to finance current year costs plus a margin for incurred but not paid plan costs.
Asset Valuation Method:	Market value
Investment Rate of Return:	2.75%, net of OPEB plan investment expense, including inflation for all plan years.
Inflation:	2.25%
Salary Increases:	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition. Last updated June 30, 2021, actuarial valuation.
Mortality:	Retirement and Beneficiary Annuitants: PubT-2010 Retiree Mortality Table, adjusted for TRS experience. Disabled Annuitants: PubNS-2010 Non-Safety Disabled Retiree Table. Pre-Retirement: PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Healthcare Cost Trend Rates:	Trend rates for plan year 2024 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2025 and decrease gradually to an ultimate rate of 4.25% in 2040. For MAPD costs, trend rates are 0% in 2024 to 2028, 19.42% in 2029 to 2033, and 6.08 in 2034, declining gradually to an ultimate rate of 4.25% in 2040.
Aging Factors:	Based on the 2013 SOA Study "Health Care Costs – From Birth to Death"
Expenses:	Health administrative expenses are included in the development of the per capital claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

VIRGINIA COMMUNITY UNIT SCHOOL DISTRICT NO. 64
Virginia, Illinois

AGENCY FUNDS - STUDENT ACTIVITY FUNDS
For the Year Ended June 30, 2024

	Balance July 1, 2023	Receipts	Disbursements	Balance June 30, 2024
Class of 2024	$ 9,941	$ 154	$ 10,095	$
Class of 2025	5,783	5,926	2,049	9,660
Class of 2026	3,030	2,390	592	4,828
Class of 2027	104	3,637	100	3,641
8th Grade Class	1,154	4,499	3,691	1,962
Tournament	237	438	424	251
JH Girls Basketball	3,784	9,982	12,270	1,496
Track	1,971	1,170	662	3,019
Golf	325	5,237	5,380	182
Bass Fishing	1,261		30	1,231
JH Volleyball	1,805	7,382	6,920	2,267
JH Boys Basketball	305	1,040	500	845
JH Boys Baseball	1,021	660	1,423	258
Junior High Cheerleaders	1,348	3,023	1,809	2,562
FFA	6,221	21,333	22,891	4,663
JH Speech		45	45	
Industrial Arts Club	4,000		101	3,899
Library	4	2,985	2,822	167
Musical Fund	1,057		282	775
National Honor Society	1,287	200	125	1,362
Junior High National Honor Society	42	70	96	16
PBIS	540	1,477	1,981	36
Elementary PBIS	1,965		130	1,835
PE	231	2,305	2,384	152
Redbird Memorial Fund	201			201
Scholastic JH	460	350	903	(93)
Scholastic HS	1,989	1,230	1,052	2,167
Student Council	269	3,908	2,329	1,848
Junior High Student Council	627	270	131	766
Student Activity	855	3,891	4,003	743
Sunshine	934	540	370	1,104
Yearbook	865	806	733	938
Concessions	2,000	30,538	29,296	3,242
Interest	747	157	131	773
Totals	$56,363	$116,183	$115,750	$56,796

SUPPLEMENTAL INFORMATION REQUIRED BY THE GRANT ACCOUNTABILITY AND TRANSPARENCY ACT (GATA), 30 ILCS 708

Grantee Name	Virginia Community Unit School District #64
ID Numbers	**Audit:**52698 **Grantee:**676213 **UEI:**XMVAFNAG8ND3 **FEIN:**376002525
Audit Period	7/1/2023 - 6/30/2024
Last Update	12/5/2024 8:32:38 AM
Program Count	18

EXPENDITURES BY PROGRAM

CSFA #	Program Name	State	Federal	Total	Match
586-18-1015	Agriculture Education: Incentive	2,460.00	0.00	2,460.00	0.00
586-00-1581	Agriculture Education: Three Circles Grant	7,929.00	0.00	7,929.00	0.00
586-18-0868	Early Childhood Block Grant: Preschool for All 3-5	116,110.00	0.00	116,110.00	0.00
586-64-0417	Fed. - Sp. Ed. - I.D.E.A. - Flow Through	0.00	99,214.00	99,214.00	0.00
586-57-0420	Fed. - Sp. Ed. - Pre-School Flow Through: IDEA Part B - Consolidated Application	0.00	5,176.00	5,176.00	0.00
586-62-2402	Federal Programs - Elementary and Secondary School Emergency Relief Grant	0.00	0.00	0.00	0.00
586-62-2578	Federal Programs: ARP - LEA American Rescue Plan	0.00	232,981.00	232,981.00	0.00
586-43-2483	Federal Programs: Digital Equity Formula	0.00	6,073.00	6,073.00	0.00
478-00-0251	Medical Assistance Program	0.00	4,380.00	4,380.00	0.00
586-18-0407	National School Lunch Program	0.00	123,138.00	123,138.00	0.00
586-18-2330	Non-Cash Commodity Value	0.00	15,257.00	15,257.00	0.00
586-18-0406	School Breakfast Program	0.00	20,160.00	20,160.00	0.00
586-43-3167	State Programs: Computer Science Equity Grant Program	0.00	0.00	0.00	0.00
586-41-3184	State Programs: Teacher Vacancy Grant Pilot Program	101,552.00	0.00	101,552.00	0.00
586-18-0410	Summer Food Service Program	0.00	38,798.00	38,798.00	0.00
586-62-0414	Title I - Low Income: Improving the Academic Achievement of the Disadvantaged	0.00	64,960.00	64,960.00	0.00
586-62-0430	Title II - Teacher Quality: Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders	0.00	9,998.00	9,998.00	0.00
586-62-1588	Title IVA Student Support and Academic Enrichment	0.00	12,191.00	12,191.00	0.00
	All other federal expenditures		24,530.00	24,530.00	
	TOTALS	228,051.00	656,856.00	884,907.00	0.00

EXPENDITURES BY CATEGORY

Amount	Category
62,904.00	Personal Services (Salaries and Wages)
16,333.00	Fringe Benefits
141,736.00	Supplies
18,081.00	Contractual Services

1,239.00	1st Quarter (Jul.-Sept.) Admin. Expenditures
661.00	2nd Quarter (Oct.-Dec.) Admin. Expenditures
1,354.00	3rd Quarter (Jan.-Mar.) Admin. Expenditures
1,126.00	4th Quarter (Apr.-Jun.) Admin. Expenditures
209,420.00	Expenditure-Grant Projects during the Audit Period
108,618.00	Prior year project lapse expends in CY
197,353.00	Revenues-Grant Projects during the Audit Period
758,825.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-1015
Program Name	Agriculture Education: Incentive
Popular Name	Agriculture Education Incentive; FRIS 3235(20-25); Agriculture Education
Program Contact	**Name:**Andrew Klein **Phone:**217-785-4293 **Email:**aklein@isbe.net
State Amount Expended	2460.00
Federal Amount Expended	0.00

Expenditures by Category

2,460.00	Expenditure-Grant Projects during the Audit Period
2,460.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-00-1581
Program Name	Agriculture Education: Three Circles Grant
Popular Name	Three Circles Grant; Agriculture Education
Program Contact	**Name:**Andrew Klein **Phone:**217-785-4293 **Email:**aklein@isbe.net
State Amount Expended	7929.00
Federal Amount Expended	0.00

Expenditures by Category

7,929.00	Expenditure-Grant Projects during the Audit Period
7,929.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0868
Program Name	Early Childhood Block Grant: Preschool for All 3-5
Popular Name	Preschool for All Ages 3 to 5; FRIS 3705(00), 3705(20); Early Childhood - Block Grant
Program Contact	**Name:**Carisa Hurley Davis **Phone:**217-524-4835 **Email:**churley@isbe.net
State Amount Expended	116110.00
Federal Amount Expended	0.00

Expenditures by Category

111,893.00	Expenditure-Grant Projects during the Audit Period
4,217.00	Prior year project lapse expends in CY
116,110.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-64-0417
Program Name	Fed. - Sp. Ed. - I.D.E.A. - Flow Through
Popular Name	IDEA Part B Flow-Through; Fed. - Sp. Ed. - I.D.E.A. - Flow Through
Program Contact	**Name:**Tammy Greco **Phone:**217-782-5589 **Email:**tgreco@isbe.net
State Amount Expended	0.00
Federal Amount Expended	99214.00

Expenditures by Category

99,214.00	Prior year project lapse expends in CY
99,214.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-57-0420
Program Name	Fed. - Sp. Ed. - Pre-School Flow Through: IDEA Part B - Consolidated Application
Popular Name	IDEA Part B Preschool; Fed. - Sp. Ed. - Pre-School Flow Through
Program Contact	**Name:** Tammy Greco **Phone:** 217-782-5589 **Email:** tgreco@isbe.net
State Amount Expended	0.00
Federal Amount Expended	5176.00

Expenditures by Category

5,176.00	Expenditure-Grant Projects during the Audit Period
5,176.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-2402
Program Name	Federal Programs - Elementary and Secondary School Emergency Relief Grant
Popular Name	Elementary and Secondary School Relief Grant; Other Federal Programs
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	0.00

Expenditures by Category

0.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-2578
Program Name	Federal Programs: ARP - LEA American Rescue Plan
Popular Name	ARP – LEA American Rescue Plan (ARP-ESSER III)
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	232981.00

Expenditures by Category

62,904.00	Personal Services (Salaries and Wages)
16,333.00	Fringe Benefits
135,663.00	Supplies
18,081.00	Contractual Services
232,981.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-43-2483
Program Name	Federal Programs: Digital Equity Formula
Popular Name	Digital Equity Formula; FRIS 4998(DE), 4998(DG), 4998(D2); Other Federal Programs
Program Contact	**Name:**Erich Grauke **Phone:**217-782-4322 **Email:**egrauke@isbe.net
State Amount Expended	0.00
Federal Amount Expended	6073.00

Expenditures by Category

6,073.00	Supplies
6,073.00	TOTAL

State Agency	Department Of Healthcare And Family Services
CSFA Number	478-00-0251
Program Name	Medical Assistance Program
Popular Name	Medicaid
Program Contact	**Name:**Health Benefits Hotline **Phone:**217-785-8036 **Email:**https://www2.illinois.gov/hfs/MedicalClients/Pages
State Amount Expended	0.00
Federal Amount Expended	4380.00

Expenditures by Category

1,239.00	1st Quarter (Jul.-Sept.) Admin. Expenditures
661.00	2nd Quarter (Oct.-Dec.) Admin. Expenditures
1,354.00	3rd Quarter (Jan.-Mar.) Admin. Expenditures
1,126.00	4th Quarter (Apr.-Jun.) Admin. Expenditures
4,380.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0407
Program Name	National School Lunch Program
Popular Name	National School Lunch Program (NSLP); FRIS 4210(10); National School Lunch Program
Program Contact	**Name:**Roxanne Ramage **Phone:**217-782-2491 **Email:**rramage@isbe.net
State Amount Expended	0.00
Federal Amount Expended	123138.00

Expenditures by Category

123,138.00	Revenues-Grant Projects during the Audit Period
123,138.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-2330
Program Name	Non-Cash Commodity Value *This program was added by the grantee*
Popular Name	Commodity Assistance
Program Contact	**Name:**Mark Haller **Phone:**217-782-2491 **Email:**mhaller@isbe.net
State Amount Expended	0.00
Federal Amount Expended	15257.00

Expenditures by Category

15,257.00	Revenues-Grant Projects during the Audit Period
15,257.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-18-0406
Program Name	School Breakfast Program
Popular Name	School Breakfast Program; FRIS 4220(00);School Breakfast Program
Program Contact	**Name:**Roxanne Ramage **Phone:**217-782-2491 **Email:**rramage@isbe.net
State Amount Expended	0.00
Federal Amount Expended	20160.00

Expenditures by Category

20,160.00	Revenues-Grant Projects during the Audit Period
20,160.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-43-3167
Program Name	State Programs: Computer Science Equity Grant Program
Popular Name	Computer Science Equity Grant Program
Program Contact	**Name:**Neha Thakkar **Phone:**217-782-4322 **Email:**standards@isbe.net
State Amount Expended	0.00
Federal Amount Expended	0.00

State Agency	State Board Of Education
CSFA Number	586-41-3184
Program Name	State Programs: Teacher Vacancy Grant Pilot Program
Popular Name	Teacher Vacancy Grant Pilot Program
Program Contact	**Name:**Jennifer Kirmes **Phone:**312-814-1088 **Email:**jkirmes@isbe.net
State Amount Expended	101552.00
Federal Amount Expended	0.00

State Agency	State Board Of Education
CSFA Number	586-18-0410
Program Name	Summer Food Service Program *This program was added by the grantee*
Popular Name	Summer Food Service Program for Children; FRIS 4225(00); Summer Food Service Program
Program Contact	**Name:**Kari Broughton **Phone:**217-782-2491 **Email:**KBROUGHT@isbe.net
State Amount Expended	0.00
Federal Amount Expended	38798.00

Expenditures by Category

38,798.00	Revenues-Grant Projects during the Audit Period
38,798.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-0414
Program Name	Title I - Low Income: Improving the Academic Achievement of the Disadvantaged
Popular Name	Title I - Improving the Academic Achievement of the Disadvantaged; Title I - Low Income
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	64960.00

Expenditures by Category

59,773.00	Expenditure-Grant Projects during the Audit Period
5,187.00	Prior year project lapse expends in CY
64,960.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-0430
Program Name	Title II - Teacher Quality: Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders
Popular Name	ESEA of 1965: Title II, Part A - Preparing, Training, and Recruiting High-Quality Teachers, Principals, and Other School Leaders; Title II - Teacher Quality
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	9998.00

Expenditures by Category

9,998.00	Expenditure-Grant Projects during the Audit Period
9,998.00	TOTAL

State Agency	State Board Of Education
CSFA Number	586-62-1588
Program Name	Title IVA Student Support and Academic Enrichment
Popular Name	Title IV Student Support and Academic Enrichment (SSAE); Title IV Student Support and Academic Enrich
Program Contact	**Name:**Denise Blaney **Phone:**217-785-1969 **Email:**dblaney@isbe.net
State Amount Expended	0.00
Federal Amount Expended	12191.00

Expenditures by Category

12,191.00	Expenditure-Grant Projects during the Audit Period
12,191.00	TOTAL

APPENDIX B-1

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2025A BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 64,
Cass and Morgan 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 64, Cass and Morgan Counties, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2025A (the *"Bonds"*), to the amount of $__________, dated ____________, 2025, due serially on December 1 of the years and in the amounts and bearing interest as follows:

the Bonds 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 (the *"Code"*). Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

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

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

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

APPENDIX B-2

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2025B BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 64,
Cass and Morgan 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 64, Cass and Morgan Counties, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Refunding School Bonds, Series 2025B (the *"Bonds"*), to the amount of $__________, dated ___________, 2025, due serially on December 1 of the years and in the amounts and bearing interest as follows:

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

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

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

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

APPENDIX C

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

This Continuing Disclosure Undertaking (this *"Agreement"*) is executed and delivered by Community Unit School District Number 64, Cass and Morgan Counties, Illinois (the *"District"*), in connection with the issuance of $__________ General Obligation School Bonds, Series 2025A (the *"2025A Bonds"*), and $__________ Taxable General Obligation Refunding School Bonds, Series 2025B (the *"2025B Bonds"* and, together with the 2025A Bonds, the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 14th day of April, 2025 (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; CERTIFICATIONS. This Agreement is executed and delivered by the District as of the date set forth below, for the benefit of the beneficial owners of the Bonds and in order to assist the Participating Underwriters in complying with the requirements of the Rule (as defined below). This Agreement is prepared in compliance with paragraph (d)(2) of the Rule.

The District represents that:

(a) it will be the only obligated person with respect to the Bonds at the time the Bonds are delivered to the Participating Underwriters and that no other person is expected to become so committed at any time after issuance of the Bonds; and

(b) at the time of the delivery of the Bonds to the Participating Underwriters, the District will be an "obligated person" (as such term is defined in the Rule) with respect to less than $10,000,000 in aggregate amount of outstanding municipal securities, including the Bonds and excluding municipal securities that were offered in a transaction exempt from the Rule pursuant to paragraph (d)(1) of the Rule.

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

Commission means the Securities and Exchange Commission.

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

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

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

Financial Information means the financial information and operating data described in *Exhibit I*.

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

Financial Obligation 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 __________, 2025, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

3. CUSIP NUMBERS. The CUSIP Numbers of the Bonds are set forth in *Exhibit III*. The District will include CUSIP Numbers in all disclosure materials described in Sections 4 and 5 of this Agreement.

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Financial Information at least annually to EMMA in such manner and format and accompanied by identifying information as is prescribed

by the MSRB or the Commission at the time of delivery of such information. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. 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. In the event of a failure of the District to comply with any provision of this Agreement, the beneficial owner of any Bond may seek mandamus or specific performance by court order, to cause the District to comply with its obligations under this Agreement. A default under this Agreement shall not be deemed a default under the Resolution, and the sole remedy under this Agreement in the event of any failure of the District to comply with this Agreement shall be an action to compel performance.

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

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

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

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

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

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

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 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 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. CONTACT INFORMATION. Specific questions or inquiries relating to Financial Information Disclosure and Reportable Events Disclosure should be directed to:

Name: Mekelle Neathery
Title: Superintendent
Community Unit School District Number 64
Address: 651 South Morgan Street
Virginia, Illinois 62691
Phone: (217) 452-3085

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

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 64,
CASS AND MORGAN COUNTIES, ILLINOIS

By ___________________________________
President, Board of Education

Date: ________________, 2025

Exhibit I
Financial Information

"Financial Information" means the District's annual audited financial statements prepared in accordance with accounting principles mandated by the Illinois State Board of Education. The Financial Information 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, 2025. If audited financial statements are not available when the Financial Information is required to be filed, the District will submit the Financial Information to EMMA within 30 days after availability to the District. There shall be specified the date as of which such information was prepared. All or a portion of the Financial Information may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in an Official Statement, the Official Statement must be available on EMMA; the Official Statement need not be available from the Commission. The District shall clearly identify each such item of information included by reference.

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

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

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

EXHIBIT III
CUSIP NUMBERS

2025A BONDS

MATURITY (DECEMBER 1)	CUSIP NUMBER (147670)

2025B BONDS

MATURITY (DECEMBER 1)	CUSIP NUMBER (147670)

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

BAM

MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: _____

MEMBER: [NAME OF MEMBER]

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

Effective Date: _________

Risk Premium: $__________
Member Surplus Contribution: $ _________
Total Insurance Payment: $_________

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

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

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

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

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

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

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

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: ____
Authorized Officer

Notices (Unless Otherwise Specified by BAM)

Email:
  claims@buildamerica.com
Address:
  200 Liberty Street, 27th floor
  New York, New York 10281
Telecopy:
  212-962-1524 (attention: Claims)