PRELIMINARY OFFICIAL STATEMENT, DATED FEBRUARY 12, 2026

NEW ISSUE
BOOK-ENTRY ONLY

Ratings:
S&P: "AA" (Stable Outlook)
AG INSURED
MOODY'S: "A3" 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 2026A Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the 2026A Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the 2026B Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

Community Unit School District Number 202
Knox County, Illinois
(Knoxville)
$27,980,000* General Obligation School Bonds, Series 2026A
$1,965,000* Taxable General Obligation School Bonds, Series 2026B

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

The General Obligation School Bonds, Series 2026 (the *"2026A Bonds"*), and the Taxable General Obligation School Bonds, Series 2026B (the *"2026B Bonds"* and, together with the 2026A Bonds, the *"Bonds"*), of Community Unit School District Number 202, Knox County, Illinois (the *"District"*), will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York (*"DTC"*). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by 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 June 1, 2026.

Proceeds of the 2026A Bonds will be used to (a) refund certain of the District's outstanding bonds, (b) increase the working cash fund of the District, (c) construct fire prevention and life safety improvements to the existing school buildings of the District, (d) pay certain interest on the 2026A Bonds and (e) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) increase the working cash fund of the District, (b) pay certain interest on the 2026B Bonds and (c) pay costs associated with the issuance of the 2026B Bonds. See "USE OF PROCEEDS" herein.

The 2026A Bonds due on or after December 1, 2036,* are subject to redemption prior to maturity at the option of the District, as a whole or in part, on any date on or after December 1, 2035,* at the redemption price of par plus accrued interest to the redemption date. The 2026B 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 an insurance policy (the *"Bond Insurance Policy"*) to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. (*"AG"*). See "BOND INSURANCE" and APPENDIX D herein.

ASSURED GUARANTY®

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. Certain legal matters will be passed upon for the Underwriter by its counsel, Gilmore & Bell, P.C., Edwardsville, Illinois. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about March 5, 2026.

STIFEL

The date of this Official Statement is February _____, 2026.

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* Preliminary, subject to change.

Community Unit School District Number 202
Knox County, Illinois
(Knoxville)

$27,980,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026A

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (499350)
2026	$ 35,000	%	%	
2027	65,000	%	%	
2028	100,000	%	%	
2029	135,000	%	%	
2030	170,000	%	%	
2031	215,000	%	%	
2032	255,000	%	%	
2033	300,000	%	%	
2034	350,000	%	%	
2035	405,000	%	%	
2036	460,000	%	%	
2037	520,000	%	%	
2038	580,000	%	%	
2039	650,000	%	%	
2040	720,000	%	%	
2041	795,000	%	%	
2042	875,000	%	%	
2043	960,000	%	%	
2044	1,050,000	%	%	
2045	1,150,000	%	%	
2046	1,250,000	%	%	
2047	1,360,000	%	%	
2048	1,470,000	%	%	
2049	1,595,000	%	%	
2050	1,720,000	%	%	
2051	1,855,000	%	%	
2052	2,000,000	%	%	
2053	2,150,000	%	%	
2054	2,310,000	%	%	
2055	2,480,000	%	%	

* 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 2026A Bonds.

$1,965,000* TAXABLE GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026B

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

MATURITY (DECEMBER 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (499350)
2026	$340,000	%	%	
2027	365,000	%	%	
2028	390,000	%	%	
2029	420,000	%	%	
2030	450,000	%	%	

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* Preliminary, subject to change.

** CUSIP data herein is provided by 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 2026B 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 AG and the Bond Insurance Policy has been obtained from AG. 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.

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG 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.

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Exhibit B — Budget, Fiscal Year Ending June 30, 2026
Exhibit C — General Fund Revenue Sources, Fiscal Years Ended June 30, 2021-2025

APPENDICES

Appendix A — Audited Financial Statements of the District for the Fiscal Year Ended June 30, 2025
Appendix B — Proposed Forms of Opinions of Bond Counsel
Appendix C — Proposed Form of Continuing Disclosure Undertaking
Appendix D — Specimen Municipal Bond Insurance Policy

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 202
KNOX COUNTY, ILLINOIS
(KNOXVILLE)

809 East Main Street
Knoxville, Illinois 61448

Board of Education

Vicki Rose
President

Dr. Suzanne Harshbarger	Derek Clayton *Secretary*	Chuck Hillery
Darcy Young	Duane Ratermann *Vice President*	Sam Stevens

Administration

Jeff Whitsitt
*Interim Superintendent**

Tom Walters
School Treasurer

Professional Services

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

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

Underwriter's Counsel
Gilmore & Bell, P.C.
Edwardsville, Illinois

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

Auditor
Lauterbach & Amen, LLP
Naperville, Illinois

* The District has hired a new Superintendent to begin employment on July 1, 2026. See "THE DISTRICT—District Administration" herein for more information.

OFFICIAL STATEMENT

Community Unit School District Number 202
Knox County, Illinois
(Knoxville)
$27,980,000* General Obligation School Bonds, Series 2026A
$1,965,000* Taxable General Obligation School Bonds, Series 2026B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 202, Knox County, Illinois (the *"District"*), in connection with the offering and sale of its General Obligation School Bonds, Series 2026A (the *"2026A Bonds"*), and Taxable General Obligation School Bonds, Series 2026B (the *"2026B Bonds"* and, together with the 2026A Bonds, the *"Bonds"*).

The District operates on a fiscal year which begins on July 1 of a calendar year and ends on June 30 of the subsequent calendar year. References in this Official Statement to *"Fiscal Year"* followed by a given year with respect to the District are a reference to the fiscal year ending on June 30th of such year (*e.g. "Fiscal Year 2025"* refers to the District's fiscal year which began on July 1, 2024, and ended on June 30, 2025).

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

THE BONDS

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to the School Code of the State of Illinois (the *"School Code"*), the Local Government Debt Reform Act of the State of Illinois (the *"Debt Reform Act"*), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the *"Board"*) on the 19th day of February, 2026 (the *"Bond Resolution"*).

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* Preliminary, subject to change.

Proceeds of the 2026A Bonds will be used to (a) refund the District's outstanding General Obligation School Bonds, Series 2014, dated June 26, 2014 (the *"2014 Bonds"* or the *"Refunded Bonds"*), (b) increase the working cash fund of the District (the *"Working Cash Fund"*), (c) construct fire prevention and life safety improvements to the existing school buildings of the District, (d) pay certain interest on the 2026A Bonds and (e) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (a) increase the Working Cash Fund, (b) pay certain interest on the 2026B Bonds and (c) pay costs associated with the issuance of the 2026B Bonds. See "USE OF PROCEEDS" herein.

Pursuant to the Debt Reform Act, bonds issued to increase the Working Cash Fund, bonds issued for the purpose of purchasing, constructing, or improving real or personal property, including bonds issued pursuant to Sections 17-2.11 of the School Code (health life safety bonds), and any bonds issued to refund or continue to refund those bonds, may become due within 30 years from their date.

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 June 1, 2026.

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 2026A Bond or 2026A Bonds for the unredeemed portion of a 2026A 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 2026A Bond after notice calling such 2026A Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2026A Bonds.

REDEMPTION

Optional Redemption. The 2026B Bonds are not subject to optional redemption prior to maturity. The 2026A Bonds due on or after December 1, 2036,* are subject to redemption prior to maturity at the option of the District as a whole or in part in integral multiples of $5,000 in any order of their maturity as determined by the District (less than all of the 2026A Bonds of a single maturity to be selected by the Registrar), on December 1, 2035,* and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

Mandatory Sinking Fund Redemption. The 2026A 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 2026A BONDS DUE DECEMBER 1, 20__

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

FOR THE 2026A BONDS DUE DECEMBER 1, 20__

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

The principal amounts of 2026A Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2026A 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 2026A Bonds required to be retired on such mandatory redemption date. Any such 2026A 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.

* Preliminary, subject to change.

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 2026A Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2026A Bonds of a single maturity, the particular 2026A Bonds or portions of 2026A Bonds to be redeemed shall be selected by lot by the Registrar from the 2026A Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026A Bonds are held in a book-entry system, in which case the selection of 2026A Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of 2026A Bonds or portions thereof in principal amounts of $5,000 and integral multiples thereof.

Unless waived by any holder of 2026A 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 2026A 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 2026A 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 2026A 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 2026A 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 2026A Bonds or portions of 2026A 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 2026A Bonds or portions of 2026A 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 2026A Bonds or portions of 2026A Bonds shall cease to bear interest. Upon surrender of such 2026A Bonds for redemption in accordance with said notice, such 2026A 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 on June 1, 2026, which will be paid from proceeds of the Bonds. The Bond Resolution will be filed with the County Clerk of Knox County, Illinois (the *"County Clerk"*), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in 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 2026A BONDS

The Project

A portion of the proceeds of the 2026A Bonds, including the amount of proceeds of the 2026A Bonds properly abated and transferred from the Working Cash Fund, will be used to construct an addition to the existing junior high school building. Once complete, the addition will serve the District's junior high students. The existing junior high school facility will be renovated and remodeled to serve elementary school students after the closure of Mable Woosley (the *"Project"*). The District anticipates completing the Project by August 1, 2028, but has until the summer of 2029 to do so. Construction of the new junior high school is expected to begin in spring or summer of 2026, with junior high students moving into the new facility in fall 2027. Renovations to the existing junior high building are scheduled to start during the 2027/28 school year and be finished in time for elementary students to occupy the renovated space at the start of the 2028/29 school year, at which point the current elementary building will be closed. Upon completion of the Project, all students will be located on a single campus, and the District expects a significant reduction in operation and maintenance costs.

Proceeds of the 2026A Bonds will also be used to pay interest due on the 2026A Bonds on June 1, 2026.

The Refunding

A portion of the proceeds of the 2026A Bonds will be used to refund the Refunded Bonds for debt restructuring purposes. The Refunded Bonds are further described as follows:

THE REFUNDED BONDS

MATURITY (DECEMBER 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2026A BONDS*	CALL PRICE	CALL DATE*
2026	$ 295,000	$ 295,000	100.00%	March 16, 2026
2027	310,000	310,000	100.00%	March 16, 2026
2028	325,000	325,000	100.00%	March 16, 2026
2029	340,000	340,000	100.00%	March 16, 2026
2030	360,000	360,000	100.00%	March 16, 2026
2031	375,000(1)	375,000	100.00%	March 16, 2026
2032	400,000(1)	400,000	100.00%	March 16, 2026
2033	415,000	415,000	100.00%	March 16, 2026
TOTAL	$2,820,000	$2,820,000		

* Preliminary, subject to change.
(1) Mandatory sinking fund payment.

Certain proceeds received from the sale of the Bonds will be deposited with the paying agent for the Refunded Bonds, namely, Heartland Bank and Trust Company, Normal, Illinois (the *"Prior Paying Agent"*). The moneys so deposited with the Prior Paying Agent will be held in cash, uninvested (the *"Cash Deposit"*). The Cash Deposit will be sufficient to pay the principal of and interest on the Refunded Bonds upon redemption prior to maturity.

THE 2026B BONDS

After proper abatement and transfer from the Working Cash Fund, proceeds of the 2026B Bonds would be available to supplement the operating funds of the District. Proceeds of the 2026B Bonds will also be used to pay interest due on the 2026B Bonds on June 1, 2026.

SOURCES AND USES

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

SOURCES:	2026A BONDS	2026B BONDS
Principal Amount	$	$
[Net] Original Issue Premium/(Discount)		
Total Sources	$	$
USES:		
Costs of the Project(1)	$	$
Deposit with Prior Paying Agent		
Deposit to Working Cash Fund	(2)	
Pay Interest on the Bonds		
Costs of Issuance(3)		
Total Uses	$	$

(1) Net of amounts of the 2026A Bonds to be abated from the Working Cash Fund.
(2) To be used for the Project.
(3) 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 43.73% of the District's combined Educational Fund and Operations and Maintenance Fund (the *"General Fund"*) revenue sources for Fiscal Year 2025. 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.

FEDERAL REVENUES

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States (*"Congress"*). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 11.38% of the District's General Fund revenue sources for Fiscal Year 2025, or the District's ability to comply with federal laws and regulations in the future.

LOCAL ECONOMY

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

LOSS OR CHANGE OF BOND RATINGS

The Bonds have received a credit rating from Moody's (as defined herein) and are expected to receive an insured credit rating from S&P (as defined herein). 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 hereinafter-defined Underwriter is not obligated to engage in secondary market trading or to repurchase any of the Bonds at the request of the owners thereof.

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

CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the *"Rule"*) adopted by the SEC (as defined herein) 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 2026A Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

FUTURE CHANGES IN LAWS

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

FACTORS RELATING TO TAX EXEMPTION

As discussed under "TAX MATTERS—The 2026A Bonds" herein, interest on the 2026A Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the 2026A Bonds were issued, as a result of future acts or omissions of the District in violation of its covenants in the Bond Resolution. Should such an event of taxability occur, the 2026A Bonds are not subject to any special redemption.

There are or may be pending in Congress legislative proposals relating to the federal tax treatment of interest on the 2026A Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the 2026A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Finally, reduction or elimination of the tax-exempt status of obligations such as the 2026A Bonds could have an adverse effect on the District's ability to access the capital markets to finance future capital or operational needs by reducing market demand for such obligations or materially increasing borrowing costs of the District.

The tax-exempt bond office of the Internal Revenue Service (the *"Service"*) is conducting audits of tax-exempt bonds, both compliance checks and full audits, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2026A Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the 2026A Bonds, regardless of the ultimate outcome.

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, Assured Guaranty Inc. (*"AG"*) will issue its Municipal Bond Insurance Policy (the *"Policy"*) for the Bonds. 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, Maryland, California, Connecticut or Florida insurance law.

ASSURED GUARANTY INC.

AG is a Maryland domiciled financial guaranty insurance company and an indirect subsidiary of Assured Guaranty Ltd. (*"AGL"* and together with its subsidiaries, *"Assured Guaranty"*), a Bermuda-based holding company whose shares are publicly traded and are listed on the New York Stock Exchange under the symbol "AGO." AGL, through its subsidiaries, provides credit enhancement products to the U.S. and non-U.S. public finance (including infrastructure) and structured finance markets and participates in the asset management business through ownership interests in Sound Point Capital Management, LP and certain of its investment management affiliates. Only AG is obligated to pay claims under the insurance policies AG has issued, and not AGL or any of its shareholders or other affiliates.

AG's financial strength is rated "AA" (stable outlook) by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC (*"S&P"*), "AA+" (stable outlook) by Kroll Bond Rating Agency, Inc. (*"KBRA"*) and "A1" (stable outlook) by Moody's Investors Service, Inc. (*"Moody's"*). Each rating of AG should be evaluated independently. An explanation of the significance of the above ratings may be obtained from the applicable rating agency. The above ratings are not recommendations to buy, sell or hold any security, and such ratings are subject to revision or withdrawal at any time by the rating agencies, including withdrawal initiated at the request of AG in its sole discretion. In addition, the rating agencies may at any time change AG's long-term rating outlooks or place such ratings on a watch list for possible downgrade in the near term. Any downward revision or withdrawal of any of the above ratings, the assignment of a negative outlook to such ratings or the placement of such ratings on a negative watch list may have an adverse effect on the market price of any security guaranteed by AG. AG only guarantees scheduled principal and scheduled interest payments payable by the issuer of bonds insured by AG 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 relevant insurance policy), and does not guarantee the market price or liquidity of the securities it insures, nor does it guarantee that the ratings on such securities will not be revised or withdrawn.

Merger of Assured Guaranty Municipal Corp. Into Assured Guaranty Inc.

On August 1, 2024, Assured Guaranty Municipal Corp., a New York domiciled financial guaranty insurance company and an affiliate of AG (*"AGM"*), merged with and into AG, with AG as the surviving company (such transaction, the *"Merger"*). Upon the Merger, all liabilities of AGM, including insurance policies issued or assumed by AGM, became obligations of AG.

Current Financial Strength Ratings

On August 4, 2025, KBRA announced it had affirmed AG's insurance financial strength rating of "AA+" (stable outlook).

On June 30, 2025, S&P announced it had affirmed AG's financial strength rating of "AA" (stable outlook). On August 1, 2024, S&P stated that following the Merger, there is no change in AG's financial strength rating of "AA" (stable outlook).

On July 10, 2024, Moody's, following Assured Guaranty's announcement of the Merger, announced that it had affirmed AG's insurance financial strength rating of "A1" (stable outlook).

AG can give no assurance as to any further ratings action that S&P, Moody's and/or KBRA may take. For more information regarding AG's financial strength ratings and the risks relating thereto, see AGL's Annual Report on Form 10-K for the fiscal year ended December 31, 2024.

Capitalization of AG

At September 30, 2025:

- The policyholders' surplus of AG was approximately $3,268 million.
- The contingency reserve of AG was approximately $1,481 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately $2,431 million. Such amount includes (i) 100% of the net unearned premium reserve and net deferred ceding commission income of AG, and (ii) the net unearned premium reserves and net deferred ceding commissions of AG's wholly owned subsidiary Assured Guaranty UK Limited (*"AGUK"*), and its 99.9999% owned subsidiary Assured Guaranty (Europe) SA (*"AGE"*).

The policyholders' surplus, contingency reserve, and net unearned premium reserves and net deferred ceding commission income of AG were determined in accordance with statutory accounting principles. The net unearned premium reserves and net deferred ceding commissions of AGUK and AGE were determined in accordance with accounting principles generally accepted in the United States of America.

Incorporation of Certain Documents by Reference

Portions of the following documents filed by AGL with the Securities and Exchange Commission (the *"SEC"*) that relate to AG are incorporated by reference into this Official Statement and shall be deemed to be a part hereof:

(i) the Annual Report on Form 10-K for the fiscal year ended December 31, 2024 (filed by AGL with the SEC on February 28, 2025);

(ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2025 (filed by AGL with the SEC on May 9, 2025);

(iii) the Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2025 (filed by AGL with the SEC on August 8, 2025); and

(iv) the Quarterly Report on Form 10-Q for the quarterly period ended September 30, 2025 (filed by AGL with the SEC on November 7, 2025).

All information relating to AG included in, or as exhibits to, documents filed by AGL with the SEC pursuant to Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, excluding Current Reports or portions thereof "furnished" under Item 2.02 or Item 7.01 of Form 8-K, after the filing of the last document referred to above and before the termination of the offering of the Bonds shall be deemed incorporated by reference into this Official Statement and to be a part hereof from the respective dates of filing such documents. Copies of materials incorporated by reference are available over the internet at the SEC's website at http://www.sec.gov, at AGL's website at http://www.assuredguaranty.com, or will be provided upon request to Assured Guaranty Inc.: 1633 Broadway, New York, New York 10019, Attention: Communications Department (telephone (212) 974-0100). Except for the information referred to above, no information available on or through AGL's website shall be deemed to be part of or incorporated in this Official Statement.

Any information regarding AG included herein under the caption "BOND INSURANCE—Assured Guaranty Inc." or included in a document incorporated by reference herein (collectively, the *"AG Information"*) shall be modified or superseded to the extent that any subsequently included AG Information (either directly or through incorporation by reference) modifies or supersedes such previously included AG Information. Any AG Information so modified or superseded shall not constitute a part of this Official Statement, except as so modified or superseded.

Miscellaneous Matters

AG makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, AG 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 AG supplied by AG and presented under the heading "BOND INSURANCE".

THE DISTRICT

GENERAL DESCRIPTION

The District is located solely in Knox County, Illinois (the *"County"*) in western Illinois, approximately 50 miles south of the Quad-Cities metropolitan area, 185 miles southwest of the City of Chicago, Illinois, and 190 miles north of the City of St. Louis. The District includes the City of Knoxville (the *"City"*) (approximately 28.08% of the District's 2024 equalized assessed valuation (*"EAV"*)), the Village of East Galesburg (approximately 8.23% of the District's 2024 EAV), a small portion of the City of Galesburg (approximately 1.42% of the District's 2024 EAV), and certain unincorporated areas (approximately 62.26% of the District's 2024 EAV).

Higher education is offered at Carl Sandburg Community College District No. 518 (*"Carl Sandburg 518"*) and Knox College, both located in Galesburg, Monmouth College in Monmouth and Western Illinois University in Macomb.

The District is served by a transportation network which includes Interstate 74, U.S. routes 34 and 150, and Illinois Routes 41 and 164. Commercial air travel is available at either the Quad City International Airport in Moline, Illinois, located approximately 45 miles north of the District, or the General Wayne A. Downing Peoria International Airport in Peoria, Illinois, located approximately 45 miles southeast of the District.

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
Jeff Whitsitt	Interim Superintendent*	2025
Tom Walters	School Treasurer	2015

* Jeff Whitsitt has served as the Interim Superintendent since July 2025. The Board has selected Dr. Andrew Brooks to start on July 1, 2026, as the new superintendent. Dr. Brooks was the Superintendent for 19 years at Delavan Community Unit School District Number 703.

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

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Vicki Rose	President	April 2027
Duane Ratermann	Vice President	April 2027
Derek Clayton	Secretary	April 2029
Dr. Suzanne Harshbarger	Member	April 2027
Chuck Hillery	Member	April 2029
Darcy Young	Member	April 2029
Sam Stevens	Member	April 2027

ENROLLMENT

HISTORICAL		PROJECTED	
2021/2022	966	2026/2027	885
2022/2023	941	2027/2028	866
2023/2024	914	2028/2029	855
2024/2025	954	2029/2030	864
2025/2026	913	2030/2031	864

Source: The District.

District Facilities

The District serves students in grades PK-12 and currently operates the following classroom buildings and the District's administration building:

Building	Current Grades	Number of Students	Built	Last Renovated
Mable Woosley(1)	PK-4	381	1958	1999
Knoxville Junior High	5-8	268	1977	NA
Knoxville High School	9-12	257	2012	NA

Source: The District.

(1) As part of the Project, Mable Woosley Elementary School will be retired. See "USE OF PROCEEDS—The 2026A Bonds—The Project" herein.

District Financial Overview and Management Actions

The District attributes the structural imbalance experienced over recent years primarily to not addressing the right sizing of staff. Despite a decline in enrollment of approximately 180 students over the past several years, staffing levels were maintained for the original, higher enrollment figures. Although the prior administration recognized the need to reduce staff, appropriate action was not taken in a timely manner. In July 2025, the District eliminated one administrator position and reassigned a staff member to classroom duties rather than creating an additional position; this staff member had previously been funded through hereinafter-defined ESSER funds. The District anticipates two upcoming retirements and does not expect to fill those positions. Additionally, the District expects to implement a reduction in force (RIF) for the family and consumer science program due to low enrollment. The District is also evaluating changes to its health insurance program to reduce costs.

For Fiscal Year 2025, the District adopted an amended budget with a $737,000 deficit in the Educational Fund (exclusive of a $350,000 transfer from the Working Cash Fund). The prior administration budgeted for the District's usual June property tax payment to be received in Fiscal Year 2025. That tax payment, however, was not received until July (Fiscal Year 2026). As a result, the Educational Fund local revenues for Fiscal Year 2025 were under budget by $735,000. State and federal revenues, however, finished Fiscal Year 2025 stronger than originally anticipated. Thus, the actual financial performance in the Educational Fund in Fiscal Year 2025 reflected a deficit of $795,000 (exclusive of the $350,000 transfer from the Working Cash Fund).

The District's Fiscal Year 2026 budget was unbalanced, reflecting a deficit of $474,455 in the Educational Fund and $177,794 in the Operations and Maintenance Fund. The District is currently trending ahead of budget and projects near-balanced operations as a result of savings stemming from reduced staffing as well as the additional property tax revenue (noted above) that was not included in the original Fiscal Year 2026 budget. The administration believes that staffing levels are now closely aligned with current and projected enrollment. Additionally, $2,000,000 of proceeds of the 2026B Bonds will be added to the Working Cash Fund, which will reimburse for the $350,000 that was transferred to the Educational Fund in Fiscal Year 2025. The additional money will also provide additional moneys, if necessary, for future operational cost pressures.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2025-2026 school year, the District had 130 full-time employees and 20 part-time employees. Of the total number of employees, approximately 76 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 2026	KEA/IEA/NEA	76

POPULATION DATA

According to the 2020-2024 American Community Survey 5-Year Estimates (released by the U.S. Census Bureau January 29, 2026), the estimated population of the District is 5,806. The estimated populations of the City, County and 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	3,183	2,911	2,901	-0.34%
The County	55,836	52,919	49,967	-5.58%
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	THE 2014 BONDS (DEC 1)	PLUS: THE 2026A BONDS[1] (DEC. 1)	PLUS: THE 2026B BONDS[1] (DEC. 1)	LESS: THE REFUNDED BONDS[1] (DEC. 1)	TOTAL OUTSTANDING BONDS[1]
2026	$ 295,000	$ 35,000	$ 340,000	$ 295,000	$ 375,000
2027	310,000	65,000	365,000	310,000	430,000
2028	325,000	100,000	390,000	325,000	490,000
2029	340,000	135,000	420,000	340,000	555,000
2030	360,000	170,000	450,000	360,000	620,000
2031	375,000[2]	215,000		375,000	215,000
2032	400,000[2]	255,000		400,000	255,000
2033	415,000	300,000		415,000	300,000
2034		350,000			350,000
2035		405,000			405,000
2036		460,000			460,000
2037		520,000			520,000
2038		580,000			580,000
2039		650,000			650,000
2040		720,000			720,000
2041		795,000			795,000
2042		875,000			875,000
2043		960,000			960,000
2044		1,050,000			1,050,000
2045		1,150,000			1,150,000
2046		1,250,000			1,250,000
2047		1,360,000			1,360,000
2048		1,470,000			1,470,000
2049		1,595,000			1,595,000
2050		1,720,000			1,720,000
2051		1,855,000			1,855,000
2052		2,000,000			2,000,000
2053		2,150,000			2,150,000
2054		2,310,000			2,310,000
2055		2,480,000			2,480,000
TOTAL	$2,820,000	$27,980,000	$1,965,000	$2,820,000	$29,945,000

* Does not include alternate revenue bonds, such as the 2020 Bonds (as hereinafter defined), which, under the Debt Reform Act, are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerk.

(1) Preliminary, subject to change.

(2) Mandatory sinking fund payment.

ALTERNATE REVENUE BONDS (PRINCIPAL ONLY)

CALENDAR YEAR	THE 2020[1] BONDS (DECEMBER 1)
2026	$ 475,000[2]
2027	485,000[2]
2028	495,000[2]
2029	500,000[2]
2030	515,000[2]
2031	525,000[2]
2032	535,000[2]
2033	540,000[2]
2034	555,000[2]
2035	180,000
TOTAL	$4,805,000

(1) General Obligation Refunding School Bonds (Alternate Revenue Source), Series 2020, dated December 15, 2020 (the *"2020 Bonds"*).
(2) Mandatory sinking fund payment.

OVERLAPPING GENERAL OBLIGATION BONDS
(As of December 15, 2025)

TAXING BODY	OUTSTANDING BONDS[1]	APPLICABLE TO THE DISTRICT PERCENT	AMOUNT
The City of Galesburg	$20,715,000	0.544%	$ 112,652
Carl Sandburg 518	27,140,000	6.075%	1,648,857
TOTAL OVERLAPPING BONDED DEBT			$1,761,509

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

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

SELECTED FINANCIAL INFORMATION

2024 Estimated Full Value of Taxable Property:	$	500,186,259
2024 EAV:	$	166,728,753[1]
Population Estimate:		5,806
General Obligation Bonds:	$	29,945,000[2][3]
Other Direct General Obligation Debt:	$	0
Total Direct General Obligation Debt:	$	29,945,000[2]
Percentage to Full Value of Taxable Property:		5.99%[2]
Percentage to EAV:		17.96%[2]
Debt Limit (13.8% of EAV):	$	23,008,568[4]
Percentage of Debt Limit:		130.15%[2][5]
Per Capita:	$	5,158[2]
General Obligation Bonds:	$	29,945,000[2][3]
Overlapping General Obligation Bonds:	$	1,761,509
General Obligation Bonds and Overlapping General Obligation Bonds:	$	31,706,509[2]
Percentage to Full Value of Taxable Property:		6.34%[2]
Percentage to EAV:		19.02%[2]
Per Capita:	$	5,461[2]

(1) Includes Incremental EAV (as hereinafter defined) in the amount of $6,887,460. 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 2020 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 2020 Bonds are extended for collection by the County Clerk.

(4) Incremental EAV is included in the calculation of the District's statutory debt limit. The District does not receive property tax revenues with respect to the incremental increase of the EAV of property included in the tax increment financing (*"TIF"*) district. See "Tax Increment Financing District Located Within the District" herein.

(5) Certain of the 2026A Bonds and the 2026B Bonds are Working Cash Fund Bonds, which under the School Code may be issued in amounts that exceed the debt limit.

COMPOSITION OF EAV

	2020	2021	2022	2023	2024
By Property Type					
Residential	$ 60,761,460	$ 63,833,249	$ 68,618,033	$ 72,890,198	$ 83,714,373
Farm	38,877,015	41,402,072	44,566,180	47,707,687	52,250,224
Commercial	10,725,310	10,895,030	11,207,570	11,612,090	12,824,130
Industrial	2,311,286	1,564,067	1,566,068	1,635,860	1,848,386
Mineral	0	0	0	0	180,200
Railroad	6,915,588	8,255,428	9,259,273	9,719,274	9,023,980
Total EAV(1)	$119,590,659	$125,949,846	$135,217,124	$143,565,109	$159,841,293

Source: County Clerk's Office.
(1) Does not include Incremental EAV.

TREND OF EAV

LEVY YEAR	EAV(1)	% CHANGE IN EAV FROM PREVIOUS YEAR
2020	$119,590,659	4.23%(2)
2021	125,949,846	5.32%
2022	135,217,124	7.36%
2023	143,565,109	6.17%
2024	159,841,293	11.34%

Source: County Clerk's Office.
(1) Does not include Incremental EAV.
(2) Based on the District's 2019 EAV of $114,735,603.

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	2024 EAV	INCREMENTAL EAV
Knoxville TIF I	2003[(1)]	$6,769,245	$13,656,705	$ 6,887,460
			Total Incremental EAV	$ 6,887,460
			2024 EAV	159,841,293
			Total EAV	$166,728,753

Source: County Clerk's Office.
(1) In January 2025, this TIF district was extended for an additional twelve years and will expire in 2037.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED[(1)]	PERCENT COLLECTED
2020/21	$5,231,320	$5,218,271	99.75%
2021/22	5,443,063	5,430,190	99.76%
2022/23	5,975,708	5,970,326	99.91%
2023/24	6,427,760	6,419,565	99.87%
2024/25	7,157,188	7,149,027	99.89%

Source: Knox County Treasurer's Office.
(1) Excludes interest.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per $100 EAV)

PURPOSE	2020	2021	2022	2023	2024	MAXIMUM RATE
Educational	$2.90000	$2.90000	$2.90000	$2.90000	$2.89227	$2.90000
Bonds and Interest	0.33784	0.30517	0.30099	0.28663	0.25743	No Limit
Building	0.50000	0.49641	0.50000	0.50000	0.49867	0.50000
IMRF	0.02175	0.02224	0.05547	0.05225	0.02503	No Limit
Transportation	0.20000	0.19857	0.20000	0.20000	0.19947	0.20000
Working Cash	0.05000	0.04965	0.05000	0.05000	0.04987	0.05000
Fire Prevention/Safety	0.05000	0.04965	0.05000	0.05000	0.04987	0.05000
Special Education	0.04000	0.03972	0.04000	0.04000	0.03990	0.04000
Tort Immunity	0.19754	0.19056	0.19377	0.30378	0.27285	No Limit
Social Security	0.02175	0.02224	0.05547	0.05225	0.15641	No Limit
Lease	0.05000	0.04965	0.05000	0.05000	0.04987	0.05000
Total District Tax Rate	$4.36888	$4.32386	$4.39570	$4.48491	$4.49164	

Source: County Clerk's Office.

REPRESENTATIVE TOTAL TAX RATES

(Per $100 EAV)

TAXING AUTHORITY	2020	2021	2022	2023	2024
The District	$4.36888	$4.32386	$4.39570	$4.48491	$4.49164
The County	1.28778	1.28988	1.29716	1.26367	1.23765
Knoxville Fire Protection District	0.28865	0.27764	0.26465	0.25314	0.23507
Carl Sandburg 518	0.64292	0.60442	0.59083	0.62082	0.62805
Knox Co. Soil & Water Conservation	0.00054	0.00055	0.00053	0.00052	0.00051
Multi-Township District South	0.04332	0.04212	0.04101	0.04079	0.04427
Knox Township	0.15721	0.15779	0.15421	0.14696	0.13093
Knox Township Road	0.41497	0.41469	0.41088	0.40179	0.37904
The City	1.09037	1.05346	1.03551	1.01514	0.91637
Total Representative Tax Rate(1)	$8.29464	$8.16441	$8.19048	$8.22774	$8.06353

Source: County Clerk's Office.

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

TEN LARGEST TAXPAYERS

TAXPAYER NAME	DESCRIPTION	2024 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Burlington Northern & Santa Fe Railway Co.	Railroad	$ 9,015,650	5.41%
Roserock Holdings, LLC	Love's Travel Stop – gas station/convenience store	2,105,020	1.26%
Gates Rubber Co.	Manufacturer of industrial and automotive belts and hoses	1,842,290	1.10%
Individual	Farm	1,490,770	0.89%
Block Farms, Inc.	Farm	1,331,780	0.80%
Oak Run Property Owners Association Inc.	Public golf course	1,080,080	0.65%
Individual	Farm	708,040	0.42%
Trust	Farm	624,470	0.37%
Birkey's Farm Store, Inc.	Farm equipment sales	596,580	0.36%
Knoxville AL, LLC c/o Peterson Health Systems, Inc.	Assisted living facility	590,560	0.35%
		$19,385,240	11.63%

Source: Knox County Supervisor of Assessment's office and Knox County Clerk's office. Values shown include Incremental EAV (if any).
The above taxpayers represent 11.63% of the District's 2024 EAV of $166,728,753 (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.

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.

STATE SALES TAX DISTRIBUTION[1]

CALENDAR YEAR	THE CITY
2020	$214,695
2021	316,029
2022	374,311
2023	360,219
2024	378,431
2025[2]	321,362

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.

(2) Through September 2025.

CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

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

The following table sets forth the amount of CPPRT received by the District over the last five years and the estimated amount to be received in Fiscal Year 2026:

Fiscal Year	CPPRT Receipts
2021	$283,949
2022	618,935
2023	699,579
2024	460,796
2025	305,548
2026 (estimated)	311,845

Source: Fiscal Years 2021 through 2025 Audits and the Department for Fiscal Year 2026.

School Facilities Sales Tax

On October 17, 2007, the General Assembly (*"General Assembly"*) of the State enacted the County School Facility Occupation Tax Law of the State of Illinois, as amended (the *"Sales Tax Law"*), which 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 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 the County at the general election held on November 2, 2010. In Fiscal Year 2025, the District received $857,311 as its share of the Sales Tax and expects to receive approximately $950,000 in Fiscal Year 2026. The District is using the Sales Tax for pay-as-you-go capital projects and to pay debt service on the 2020 Bonds.

The Sales Tax is collected by the Department and held by the State Treasurer in the School Facility Occupation Tax Fund. By the 25th day of each month, the Department must certify to the State Comptroller the amount to be disbursed to the regional superintendent of schools for each county in which the taxes have been imposed and collected during the second preceding calendar month. Within 10 days after its receipt of such certification from the Department, the Comptroller is required to cause orders to be drawn for the amounts contained in the certification.

Within 30 days after receiving any Sales Tax, each regional superintendent must disburse the Sales Tax to each school district that is located in the county in which the tax was collected. The Sales Tax is disbursed on an enrollment basis and allocated based upon the number of each school district's pupils that reside within the county collecting the tax divided by the total number of students for all school districts within the county. Enrollment is based on the head count of the students residing in the county on the last school day of September of each year as reported on the Public School Fall Enrollment/Housing Report produced by the Illinois State Board of Education (*"ISBE"*). All Sales Tax received by a school district must be maintained in a special fund known as the School Facility Occupation Tax Fund and may only be used for school facility purposes.

LARGEST EMPLOYERS

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

Employer	Product or Service	Location	Approximate Number of Employees
Smithfield Foods, Inc.	Pork processing and packing	Monmouth	1,700
BNSF Railway	Railroad operations	Galesburg	1,031
OSF HealthCare	Regional medical center	Galesburg	1,025
Galesburg CUSD #205	K-12 education	Galesburg	546
Knox College	Higher education	Galesburg	460
Kress Corp.	Contract manufacturing of custom off-road material handling equipment for the steel, mining and construction industries, including large fabrications and weldments and engineering services	Brimfield	250
Midstate Manufacturing Co.	Steel fabrication and machining job shop	Galesburg	210
Blick Art Materials	Distributor of arts and crafts supplies and related products	Galesburg	200
Derby Industries, LLC	Contract packaging and manufacturing services	Galesburg	200
Bridgeway	Human services organization	Galesburg	200
Marmon Renew	Customized refrigeration systems, including beverage dispensers	Monmouth	195
Carl Sandburg 518	Community college	Galesburg	195
Warren Achievement Center	Wooden pallets, skids, contract packaging and crafts, including computerized routing and subassembly	Monmouth	140
Americold Logistics	Local and long-distance refrigerated pork trucking services for national food producers, retailers, regional grocery stores and foodservice providers	Monmouth	130
Gates Corp., Galesburg Div.	Rubber slab stock and spiral hoses	Galesburg	121
Corteva AgriScience, LLC	Corn and soybean processing	Woodhull	110
The District	K-12 education	Knoxville	104
G & M Distributors, Inc.	Distributor of beverages, including beer, soft drinks, liquor and wine	Galesburg	100
General Mills, Inc.	Breakfast cereal distribution	Galesburg	100
LG Seeds	Seed, corn, alfalfa and soybean processing	Elmwood	100
WestRock Co.	Corrugated shipping boxes and containers	Galesburg	100

Source: 2025 Illinois Services and 2025 Illinois Manufacturers Directories, Knox County Area Partnership for Economic Development, Illinois State Board of Education, and employer websites.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates, as well as the average unemployment rates for the twelve-month period ending August 2025, for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
2020 – Average(1)	7.7%	8.5%	9.3%
2021 – Average	6.1%	6.6%	6.1%
2022 – Average	5.5%	5.4%	4.6%
2023 – Average	5.9%	5.4%	4.5%
2024 – Average	5.3%	5.2%	5.0%
2025 – Average(2)	NA	4.8%	4.7%

Source: State of Illinois Department of Employment Security.
(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.
(2) Twelve-month average unemployment rate. Not available for municipalities, such as the City, with a population of less than 25,000.

HOUSING VALUE AND INCOME STATISTICS

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

	THE CITY	THE COUNTY	THE STATE
Median Home Value	$145,300	$111,900	$ 263,300
Median Household Income	82,863	57,030	83,390
Median Family Income	103,156	82,396	106,018
Per Capita Income	34,327	31,878	46,406

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

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
2021	$ 91,144
2022	154,122
2023	222,583
2024	295,205
2025	19,095(1)

Source: Compiled from the District's audited financial statements for Fiscal Years 2021 through 2025.
(1) The Board abated $350,000 to the Educational Fund to ensure that operating expenses were covered.

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. 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. 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 Clerk 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

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	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2020	2.90	Early Warning	2.90	Early Warning
2021	2.90	Early Warning	2.90	Early Warning
2022	2.90	Early Warning	2.90	Early Warning
2023	3.25	Review	3.25	Review
2024	3.00	Early Warning	3.00	Early Warning

State Aid

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For Fiscal Year 2025, 43.73% 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.

On June 16, 2025, Governor Pritzker signed the State's $55.2 billion general funds budget (Public Act 104-0003) for the fiscal year ending June 30, 2026 (the *"Fiscal Year 2026 Budget"*). The Fiscal Year 2026 Budget increased funding for K-12 education by approximately $275 million. The Fiscal Year 2026 Budget appropriated General State Aid in an amount $300 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model 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 $3,950,945 (the *"Initial Base Funding Minimum"*). Mandated Categorical State Aid (as hereinafter defined) received by the District in Fiscal Year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidenced-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in Fiscal Year 2026.

FISCAL YEAR	EVIDENCE-BASED FUNDING
2021	$4,326,745
2022	4,520,866
2023	4,613,550
2024	4,717,434
2025	4,792,660
2026 (projected)	4,844,606

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025, for historical amounts and ISBE for the amount projected for Fiscal Year 2026. The projected amount of Evidenced-Based Funding for Fiscal Year 2026 consists of the Base Funding Minimum plus anticipated New State Funds for Fiscal Year 2026.

The District was placed in Tier Two for Fiscal Years 2025 and 2026.

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.

For each of the last three fiscal years, $50 million of General State Aid was allocated to the Property Tax Relief Pool. In the Fiscal Year 2026 Budget, no funds were allocated to the Property Tax Relief Pool.

MANDATED CATEGORICAL STATE AID

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

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

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

Categorical State Aid request with respect to a specific category of such aid as every other school district.

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are "mandatory" under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the 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 District received $146,039 pursuant to ESSER I, $569,340, pursuant to ESSER II and $1,278,037 pursuant to ESSER III. The District used ESSER funds for learning loss, summer enrichment, after school programs, new boilers at the elementary school building, additional counseling, a school nurse, salaries and overtime costs. All ESSER funds have been spent.* The District did retain a reading interventionist that was previously paid from ESSER funds. This position has transitioned to a teacher position and is now being paid from the District's operating 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 4 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

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* After an audit, the District returned $110,000 of ESSER funds because expenditures were not spent correctly. The returned amount will be paid from the Educational Fund in Fiscal Year 2026. The District filed an appeal with the State requesting authorization to reallocate those funds. Since the request was made after the expenditure period expired, however, the State denied the reallocation.

BACKGROUND REGARDING PENSION PLANS

The Actuarial Valuation

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

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

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

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

TEACHERS' RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

The District participates in TRS, which is a cost-sharing multiple-employer defined benefit pension plan that was created by the General Assembly for the benefit of Illinois public school teachers outside 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 4 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 Fiscal Years 2021 through 2025, all amounts contributed by the District to TRS were as follows:

FISCAL YEAR	TRS CONTRIBUTION
2021	$29,423
2022	29,381
2023	44,546
2024	31,955
2025	31,582

Source: The audited financial statements of the District for Fiscal Years 201 through 2025.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 4 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 4 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 2024 was 2.97% of covered payroll.

For the calendar years ended December 31, 2020, through December 31, 2024, the District contributed the following amounts to IMRF:

CALENDAR YEAR	IMRF CONTRIBUTION
2020	$75,206
2021	79,915
2022	62,210
2023	45,935
2024	51,443

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 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 2020 through 2024, 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
2020	$4,990,402	$5,823,567	$ (833,165)	116.70%	7.25%
2021	5,044,070	6,461,968	(1,417,898)	128.11%	7.25%
2022	5,222,899	5,394,130	(171,231)	103.28%	7.25%
2023	5,531,338	5,929,697	(398,359)	107.20%	7.25%
2024	5,833,525	6,495,802	(662,277)	111.35%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company as of December 31, 2024.

See Note 4 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 Fiscal Year 2025, the District paid $36,483 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 4 to the Audit.

Bond Ratings

S&P is expected to assign the Bonds an insured rating of AA (Stable Outlook) based on the Policy to be issued by AG at the time of issuance and delivery of the Bonds. Moody's has assigned the Bonds an underlying rating of "A3". These ratings reflect only the views of such rating agencies. An explanation of the methodology for such ratings may be obtained from such rating agencies. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's and AG 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 such rating agencies 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 "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 2026A BONDS

Federal tax law contains a number of requirements and restrictions which apply to the 2026A Bonds, including investment restrictions, periodic payments of arbitrage profits to the United States, requirements regarding the proper use of bond proceeds and the facilities financed therewith, and certain other matters. The District has covenanted to comply with all requirements that must be satisfied in order for the interest on the 2026A Bonds to be excludible from gross income for federal income tax purposes. Failure to comply with certain of such covenants could cause interest on the 2026A Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the 2026A Bonds.

Subject to the District's compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the 2026A Bonds is excludible from the gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended (the *"Code"*). Interest on the 2026A Bonds may affect the corporate alternative minimum tax for certain corporations.

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

Ownership of the 2026A Bonds may result in collateral federal income tax consequences to certain taxpayers, including, without limitation, corporations subject to the branch profits tax, financial institutions, certain insurance companies, certain S corporations, individual recipients of Social Security or Railroad Retirement benefits and taxpayers who may be deemed to have incurred (or continued) indebtedness to purchase or carry tax-exempt obligations. Prospective purchasers of the 2026A Bonds should consult their tax advisors as to applicability of any such collateral consequences.

The issue price for original issue discount (as further discussed below) and market discount purposes (the *"OID Issue Price"*) for each maturity of the 2026A Bonds is the price at which a substantial amount of such maturity of the 2026A Bonds is first sold to the public (excluding bond houses and brokers and similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The OID Issue Price of a maturity of the 2026A Bonds may be different from the price set forth, or the price corresponding to the yield set forth, on the inside cover page hereof.

If the OID Issue Price of a maturity of the 2026A Bonds is less than the principal amount payable at maturity, the difference between the OID Issue Price of each such maturity, if any, of the Bonds (the *"OID Bonds"*) and the principal amount payable at maturity is original issue discount.

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not 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 2026A Bonds who dispose of 2026A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2026A Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2026A Bonds subsequent to the initial public offering should consult their own tax advisors.

If a 2026A Bond is purchased at any time for a price that is less than the 2026A Bond's stated redemption price at maturity or, in the case of an OID Bond, its OID Issue Price plus accreted original issue discount (the *"Revised Issue Price"*), the purchaser will be treated as having purchased a 2026A Bond with market discount subject to the market discount rules of the Code (unless a statutory *de minimis* rule applies). Accrued market discount is treated as taxable ordinary income and is recognized when a 2026A Bond is disposed of (to the extent such accrued discount does not exceed gain realized) or, at the purchaser's election, as it accrues. Such treatment would apply to any purchaser who purchases an OID Bond for a price that is less than its Revised Issue Price. The applicability of the market discount rules may adversely affect the liquidity or secondary market price of such 2026A Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the 2026A Bonds.

An investor may purchase a 2026A Bond at a price in excess of its stated principal amount. Such excess is characterized for federal income tax purposes as "bond premium" and must be amortized by an investor on a constant yield basis over the remaining term of the 2026A Bond in a manner that takes into account potential call dates and call prices. An investor cannot deduct amortized bond premium relating to a tax-exempt bond. The amortized bond premium is treated as a reduction in the tax-exempt interest received. As bond premium is amortized, it reduces the investor's basis in the 2026A Bond. Investors who purchase a 2026A Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the 2026A Bond's basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the 2026A Bond.

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2026A Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued prior to enactment. Prospective purchasers of the 2026A Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

The Service has an ongoing program of auditing tax-exempt obligations to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether or not the Service will commence an audit of the 2026A Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2026A Bondholders may have no right to participate in such procedure. The commencement of an audit could adversely affect the market value and liquidity of the 2026A Bonds until the audit is concluded, regardless of the ultimate outcome.

Payments of interest on, and proceeds of the sale, redemption or maturity of, tax-exempt obligations, including the 2026A Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any 2026A Bond owner who fails to provide an accurate Form W-9 Request for Taxpayer Identification Number and Certification, or a substantially identical form, or to any 2026A Bond owner who is notified by the Service of a failure to report any interest or dividends required to be shown on federal income tax returns. The reporting and backup withholding requirements do not affect the excludability of such interest from gross income for federal tax purposes.

Interest on the 2026A Bonds is not exempt from present State income taxes. Ownership of the 2026A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026A Bonds. Prospective purchasers of the 2026A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

THE 2026B BONDS

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

Interest on the 2026B Bonds is not exempt from present State income taxes. Ownership of the 2026B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026B Bonds. Prospective purchasers of the 2026B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

CONTINUING DISCLOSURE

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

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.

The District failed to file notice of a rating downgrade on December 14, 2022. 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 Fiscal Year 2025 (the *"Audit"*), contained in APPENDIX A, including the independent auditor's report accompanying the Audit, have been prepared by Lauterbach & Amen, LLP, Naperville, 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 SEC. 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. Certain legal matters will be passed upon for the Underwriter by its counsel, Gilmore & Bell, P.C., Edwardsville, Illinois.

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 2026A Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2026A Bonds. Pursuant to the terms of the Agreement between the District and the Underwriter, the Underwriter has agreed to purchase the 2026B Bonds at an aggregate purchase price of $___________. The purchase price will produce an underwriting spread of ____% of the principal amount of the 2026B 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 traded 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 202,
Knox County, Illinois

______________, 2026

EXHIBITS

Exhibit A shows the District's recent financial history. Exhibit B provides information on the District's Fiscal Year 2026 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, 2021-2025

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	$ 2,229,545	$ (20,846)	$ (358,325)	$ 116,273	$ 287,637	$ 0	$ 34,940	$268,930	$509,798	$ 3,067,952
Revenues	9,108,461	561,938	1,074,254	635,742	333,251	0	56,204	220,696	56,582	12,047,128
Expenditures	9,447,094	650,771	919,803	739,141	323,797	0	0	190,245	2,950	12,273,801
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/21	$ 1,890,912	$ (109,679)	$ (203,874)	$ 12,874	$ 297,091	$ 0	$ 91,144	$299,381	$563,430	$ 2,841,279
Beginning Balance	$ 1,890,912	$ (109,679)	$ (203,874)	$ 12,874	$ 297,091	$ 0	$ 91,144	$299,381	$563,430	$ 2,841,279
Revenues	10,217,539	629,249	1,231,291	610,457	674,082	0	62,978	247,465	63,089	13,736,150
Expenditures	10,137,716	709,538	958,819	937,003	342,199	0	0	215,089	293,041	13,593,405
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/22	$ 1,970,735	$ (189,968)	$ 68,598	$ (313,672)	$ 628,974	$ 0	$154,122	$331,757	$333,478	$ 2,984,024
Beginning Balance	$ 1,970,735	$ (189,968)	$ 68,598	$ (313,672)	$ 628,974	$ 0	$154,122	$331,757	$333,478	$ 2,984,024
Revenues	10,967,782	1,258,683	1,113,913	1,453,616	203,281	160,487	68,461	257,140	69,342	15,552,705
Expenditures	10,711,238	852,240	946,024	1,034,528	386,574	0	0	278,760	0	14,209,364
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/23	$ 2,227,279	$ 216,475	$ 236,487	$ 105,416	$ 445,681	$160,487	$222,583	$310,137	$402,820	$ 4,327,365
Beginning Balance	$ 2,227,279	$ 216,475	$ 236,487	$ 105,416	$ 445,681	$160,487	$222,583	$310,137	$402,820	$ 4,327,365
Prior Period Adjustment	0	0	0	0	(224,472)	0	0	0	0	(224,472)
Beginning Balance, restated	$ 2,227,279	$ 216,475	$ 236,487	$ 105,416	$ 221,209	$160,487	$222,583	$310,137	$402,820	$ 4,102,893
Revenues	9,879,102	1,095,870	982,844	1,254,845	210,437	254,524	72,622	270,699	77,020	14,097,963
Expenditures	10,842,197	681,256	970,635	1,026,712	297,994	215,000	0	296,187	1,890	14,331,871
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/24	$ 1,264,184	$ 631,089	$ 248,696	$ 333,549	$ 133,652	$200,011	$295,205	$284,649	$477,950	$ 3,868,985
Beginning Balance	$ 1,264,184	$ 631,089	$ 248,696	$ 333,549	$ 133,652	$200,011	$295,205	$284,649	$477,950	$ 3,868,985
Revenues	10,234,246	800,547	1,228,114	989,932	295,844	5,115	73,890	389,453	78,534	14,095,675
Expenditures	10,999,744	685,380	971,538	1,001,313	298,528	57,998	0	654,145	30,193	14,698,839
Net Transfers	350,000	0	0	0	0	0	(350,000)	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/25[2]	$ 848,686	$ 746,256	$ 505,272	$ 322,168	$ 130,968	$147,128	$ 19,095	$ 19,957	$526,291	$ 3,265,821

Source: Fiscal Years 2021 through 2025 Audits.

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

(2) The deficit spending in the Educational Fund is due in part to the District budgeting for receipt of a property tax payment in June 2025 (prior to the end of the fiscal year) which payment was not received until the following fiscal year.

EXHIBIT B — BUDGET, FISCAL YEAR ENDING JUNE 30, 2026

	ED[1]	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
EST. BEGINNING BALANCE, 7/1/25	$ 850,999	$ 658,669	$ 505,272	$ 324,051	$299,998	$147,128	$ 19,095	$ 19,957	$526,291	$ 3,351,460
REVENUES	10,731,894[2]	1,032,624	1,120,500	1,107,849	309,500	5,000	86,317	443,622	92,708	14,930,014
EXPENDITURES	11,206,349	1,210,418	977,729	1,102,558	185,000	0	0	432,500	0	15,114,553
OTHER SOURCES (USES)	0	0	0	0	0	0	0	0	0	0
EST. ENDING BALANCE, 6/30/26	$ 376,544	$ 480,875	$ 648,043	$ 329,342	$424,498	$152,128	$105,412	$ 31,079	$618,999	$ 3,166,921

Source: Budget for the District for Fiscal Year 2026. 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 Fiscal Year 2025.

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

(2) The District excluded from the Fiscal Year 2026 budget the additional property tax payment that was anticipated for Fiscal Year 2025 but was actually received in Fiscal Year 2026.

EXHIBIT C — GENERAL FUND REVENUE SOURCES, FISCAL YEARS ENDED JUNE 30, 2021-2025

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023	YEAR ENDED JUNE 30, 2024	YEAR ENDED JUNE 30, 2025
Local Sources	41.76%	42.19%	45.64%	46.51%	44.89%
State Sources	47.36%	43.92%	35.71%	42.73%	43.73%
Federal Sources	10.88%	13.89%	18.65%(1)	10.76%	11.38%
TOTAL	100.00%	100.00%	100.00%	100.00%	100.00%

Source: Fiscal Years 2021 through 2025 Audits. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

(1) The increase in Federal Sources is due in 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, 2025

KNOXVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202 KNOXVILLE, ILLINOIS

ANNUAL FINANCIAL REPORT

FOR THE FISCAL YEAR ENDED
JUNE 30, 2025

809 E. Main Street
Knoxville, IL 61448
Phone: 309.289.2328
www.bluebullets.org

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FINANCIAL SECTION

This section includes:

- Independent Auditor's Report
- Management's Discussion and Analysis
- Basic Financial Statements
- Other Supplementary Information
- Supplemental Schedules

INDEPENDENT AUDITOR'S REPORT

This section includes the opinion of the District’s independent auditing firm.

Lauterbach & Amen
668 N. River Road
Naperville, IL 60563
630.393.1483
lauterbachamen.com

INDEPENDENT AUDITOR'S REPORT

October 13, 2025

Members of the Board of Education
Knoxville Community Unit School District No. 202
Knoxville, Illinois

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying modified cash basis financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Knoxville Community Unit School District No. 202 (the District), Illinois, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective modified cash basis financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Knoxville Community Unit School District No. 202, Illinois, as of June 30, 2025, and the respective changes in financial position for the year then ended in accordance with the modified cash basis of accounting as described in Note 1.

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 District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Basis of Accounting

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the modified cash basis of accounting described in Note 1, and for determining that the modified cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Knoxville Community Unit School District No. 202, Illinois' basic financial statements. The other supplementary information and supplemental schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, other supplementary information and supplemental schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 13, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Lauterbach & Amen, LLP

LAUTERBACH & AMEN, LLP

BASIC FINANCIAL STATEMENTS

The basic financial Statements include integrated sets of financial statements as required by the GASB. The sets of statements include:

- Government-Wide Financial Statements
- Fund Financial Statements
    - Governmental Funds

In addition, the notes to the financial statements are included to provide information that is essential to a user's understanding of the basic financial statements.

Statement of Net Position - Modified Cash Basis
June 30, 2025

	Governmental Activities
ASSETS	
Current Assets	
Cash and Investments	$ 3,506,696
Noncurrent Assets	
Capital Assets	
Nondepreciable	323,210
Depreciable	49,189,614
Accumulated Depreciation	(16,189,689)
Total Noncurrent Assets	33,323,135
Total Assets	36,829,831
LIABILITIES	
Current Liabilities	
Payroll Deductions	88,897
Current Portion of Long-Term Debt	750,000
Total Current Liabilities	838,897
Noncurrent Liabilities	
General Obligation Bonds - Net	7,625,000
Total Liabilities	8,463,897
NET POSITION	
Net Investment in Capital Assets	24,948,135
Restricted	
Student Activities	146,821
Operations and Maintenance	746,256
Tort Immunity	19,957
Working Cash	19,095
Transportation	322,168
Municipal Retirement/Social Security	130,968
Debt Service	505,272
Capital Projects	673,419
Unrestricted	853,843
Total Net Position	28,365,934

The notes to the financial statements are an integral part of this statement.

Statement of Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

		Program Revenues		(Expenses)/ Revenues
	Expenses	Charges for Services	Operating Grants/ Contributions	Governmental Activities
Governmental Activities				
Instruction	$ 5,804,319	442,987	1,536,145	(3,825,187)
Support Services	7,798,818	—	448,020	(7,350,798)
Payments to Other Districts/Govts.	1,332,809	—	—	(1,332,809)
State Retirement Contributions	2,979,547	—	2,979,547	—
Interest on Long-Term Debt	246,538	—	—	(246,538)
Total Governmental Activities	18,162,031	442,987	4,963,712	(12,755,332)

General Revenues	
Taxes	
Property Taxes, Levied for General Purposes	3,634,324
Property Taxes, Levied for Specific Purposes	1,627,014
Property Taxes, Levied for Debt Services	359,209
Intergovernmental	
Personal Property Replacement Taxes	305,548
State and Federal Aid	4,795,510
Earnings on Investments	167,510
Other General Revenues	985,860
	11,874,975
Change in Net Position	(880,357)
Net Position - Beginning	29,246,291
Net Position - Ending	28,365,934

The notes to the financial statements are an integral part of this statement.

Balance Sheet - Governmental Funds
June 30, 2025

See Following Page

Balance Sheet - Governmental Funds - Modified Cash Basis
June 30, 2025

	General
ASSETS	
Cash and Investments	$ 1,864,804
LIABILITIES	
Payroll Deductions	78,832
FUND BALANCES	
Restricted	932,129
Unassigned	853,843
Total Fund Balances	1,785,972
Total Liabilities and Fund Balances	1,864,804

The notes to the financial statements are an integral part of this statement.

Special Revenue Transportation	Debt Service	Capital Projects Fire Prevention and Safety	Nonmajor	Totals
332,021	505,272	526,291	278,308	3,506,696
9,853	—	—	212	88,897
322,168	505,272	526,291	278,096	2,563,956
—	—	—	—	853,843
322,168	505,272	526,291	278,096	3,417,799
332,021	505,272	526,291	278,308	3,506,696

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Total Governmental Fund Balance to the Statement of Net Position - Governmental Activities - Modified Cash Basis
June 30, 2025

Total Governmental Fund Balances	$ 3,417,799
Amounts reported for Governmental Activities in the Statement of Net Position are different because:	
Capital assets used in Governmental Activities are not financial resources and therefore, are not reported in the funds.	33,323,135
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
General Obligation Bonds Payable	(8,375,000)
Net Position of Governmental Activities	28,365,934

The notes to the financial statements are an integral part of this statement.

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds
For the Fiscal Year Ended June 30, 2025

See Following Page

Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

	General
Revenues	
Local Sources	
Property Taxes	$ 4,817,079
Personal Property Replacement Taxes	154,802
Earnings on Investments	114,791
Other Revenue from Local Sources	536,261
State Sources	4,825,618
Federal Sources	1,256,037
On-Behalf Payments - State of Illinois	2,979,547
Total Revenues	14,684,135
Expenditures	
Instruction	5,671,857
Support Services	5,649,614
Payments to Other Districts and Govt. Units	1,254,118
Debt Service	
Principal Retirement	—
Interest and Fiscal Charges	—
On-Behalf Expenditures	2,979,547
Total Expenditures	15,555,136
Net Change in Fund Balances	(871,001)
Fund Balances - Beginning	2,656,973
Fund Balances - Ending	1,785,972

The notes to the financial statements are an integral part of this statement.

Special Revenue Transportation	Debt Service	Capital Projects Fire Prevention and Safety	Nonmajor	Totals
250,643	359,209	62,658	130,958	5,620,547
—	—	—	150,746	305,548
5,994	11,594	15,876	19,255	167,510
35,275	857,311	—	—	1,428,847
698,020	—	—	—	5,523,638
—	—	—	—	1,256,037
—	—	—	—	2,979,547
989,932	1,228,114	78,534	300,959	17,281,674
—	—	—	126,125	5,797,982
1,001,313	—	30,193	151,710	6,832,830
—	—	—	78,691	1,332,809
—	725,000	—	—	725,000
—	246,538	—	—	246,538
—	—	—	—	2,979,547
1,001,313	971,538	30,193	356,526	17,914,706
(11,381)	256,576	48,341	(55,567)	(633,032)
333,549	248,696	477,950	333,663	4,050,831
322,168	505,272	526,291	278,096	3,417,799

The notes to the financial statements are an integral part of this statement.

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of the Governmental Funds to the Statement of Activities - Governmental Activities - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	$ (633,032)
Amounts reported for Governmental Activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital Outlays	11,000
Depreciation Expense	(983,325)
The issuance of long-term debt provides current financial resources to Governmental Funds, while the repayment of the principal on long-term debt consumes the current financial resources of the governmental funds.	
Retirement of Debt	725,000
Changes in Net Position of Governmental Activities	(880,357)

The notes to the financial statements are an integral part of this statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Knoxville Community Unit School District No. 202 (the District) operates an Elementary School, Junior High School, and Senior High School in Knox County. The District operates under current standards prescribed by the Illinois State Board of Education in accordance with the provision of the 23 Illinois Administrative Code 100, Subtitle A, Subchapter C. The District operates under a locally elected seven-member Board form of government.

The basic financial statements of the District have been presented on a modified cash basis of accounting. The modified cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements. The more significant of the District's accounting policies are described below.

REPORTING ENTITY

The accompanying financial statements present the government and its component units, entities for which the government is considered to be financially accountable. Blended component units are, in substance, part of the primary government's operations, even though they are legally separate entities. Thus, blended component units are appropriately presented as funds of the primary government. Each discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is both legally and substantively separate from the government. Management has determined that there are no fiduciary component units that are required to be included in the financial statements of the District and there are no discretely component units to include in the reporting entity.

BASIS OF PRESENTATION

Government-Wide Statements

The District's basic financial statements include both government-wide (reporting the District as a whole) and fund financial statements (reporting the District's major funds). Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type. The District's operating activities are all considered governmental activities, that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered business-type activities. The District first utilizes restricted resources to finance qualifying activities.

The government-wide Statement of Activities reports both the gross and net cost of each of the District's functions (instruction, support services, etc.). The functions are supported by general government revenues (property and personal property replacement taxes, earnings on investments, etc.). The Statement of Activities reduces gross expenses (including depreciation) by related program revenues, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property and personal property replacement taxes, earnings on investments, etc.).

This government-wide focus is more on the sustainability of the District as an entity and the change in the District's net position resulting from the current year's activities.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

BASIS OF PRESENTATION - Continued

Fund Financial Statements

The financial transactions of the District are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets/deferred outflows, liabilities/deferred inflows, fund equity, revenues and expenditures/expenses. An emphasis is placed on major funds within the governmental category. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

> Total assets/deferred outflows, liabilities/deferred inflows, revenues, or expenditures/expenses of that individual governmental fund are at least 10 percent of the corresponding total for all funds of that category or type.

The various funds are reported by generic classification within the financial statements. The following fund types are used by the District:

Governmental Funds

The focus of the governmental funds' measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the governmental funds of the District:

General Fund is the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The General Fund is a major fund and is comprised of the Educational, Operations and Maintenance, Tort Immunity, and Working Cash Accounts.

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Transportation Fund is used to account for revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants. Additionally, the District maintains one nonmajor special revenue fund.

Debt Service Funds are used to account for the accumulation of funds for the periodic payment of principal and interest on general long-term debt. The District maintains one major debt service fund. The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities. The District maintains one major capital projects fund. The Fire Prevention and Safety Fund is used to account for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes. Additionally, the District maintains one nonmajor capital projects fund.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Measurement focus is a term used to describe “which” transactions are recorded within the various financial statements. Basis of accounting refers to “when” transactions are recorded, regardless of the measurement focus applied.

Measurement Focus

The government-wide financial statements are reported using the economic measurement focus within the limitations of the modified cash basis of accounting.

Governmental fund and financial statements are reported using a "current financial resources" measurement focus within the limitations of the modified cash basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds used fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus is the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets/deferred outflows, liabilities/deferred inflows (whether current or noncurrent) associated with their activities are reported.

Basis of Accounting

The financial statements are presented using the modified cash basis of accounting, which is a basis of accounting other than GAAP as established by GASB. This basis recognizes assets, liabilities, net position, receipts, and expenditures when they result from cash transactions with a provision for depreciation in the government-wide statements.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods and services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements. In addition, other economic assets, deferred outflows, liabilities, and deferred inflows that do not result from a cash transaction or event are not reported, and the measurement of reported assets and liabilities does not involve adjustment to fair value. Lastly, the net pension liability as calculated under GASB Statement No. 68 and the total OPEB liability as calculated under GASB Statement No. 75 have not been recorded, and pension expense in the financial statements represents cash paid during the year rather than the amount calculated under GASB Statement No. 68 and GASB Statement No. 75.

If the District utilized the basis of accounting recognized as generally accepted in the United States of America, the fund financial statements for governmental funds would use the modified accrual basis of accounting.

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

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION

Cash and Investments

For the purpose of the Statement of Net Position, cash and cash equivalents are considered to be cash on hand, demand deposits, and cash with fiscal agents.

Investments are generally reported at fair value. Short-term investments are reported at cost, which approximates fair value. For investments, the District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. All of the District's investments are in 2a7-like investment pools that are measured at the net asset value per share determined by the pool.

Capital Assets

Capital assets purchased or acquired with an original cost of $5,000 or more, depending on asset class, are reported at historical cost or estimated historical cost. Contributed assets are reported at acquisition value as of the date received. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. General capital assets are long-lived assets of the District as a whole. When purchased, such assets are recorded as expenditures in the governmental funds and capitalized. The valuation basis for general capital assets is historical cost, or where historical cost is not available, estimated historical costs based on replacement costs.

Depreciation on all assets is computed and recorded using the straight-line method of depreciation over the following estimated useful lives:

Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 20 Years
Equipment	5 - 10 Years

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses at the time of issuance.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

ASSETS/DEFERRED OUTFLOWS, LIABILITIES/DEFERRED INFLOWS, AND NET POSITION - Continued

Net Position

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

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

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

Unrestricted - All other net position balances that do not meet the definition of “restricted” or “net investment in capital assets.”

Use of Estimates

The preparation of financial statements requires management to make estimates and assumption that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

BUDGETARY INFORMATION

The budget for all 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 105, Paragraph 5/17.1 of the Illinois Compiled Statutes. 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.

- 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.
- A public heating is conducted to obtain taxpayer comments.
- Prior to October 1, the budget is legally adopted through passage of a resolution.
- Formal budgetary integration is employed as a management control device during the year.

NOTE 2 - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY - Continued

BUDGETARY INFORMATION - Continued

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

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

EXCESS OF ACTUAL EXPENDITURES OVER BUDGET IN INDIVIDUAL FUNDS

The following funds had an excess of actual expenditures over budget as of the date of this report:

Fund	Excess
Educational Account - General	$ 201,847
Operations and Maintenance Account - General	12,455
Transportation	100,782
Fire Prevention and Safety	30,193

NOTE 3 - DETAIL NOTES ON ALL FUNDS

PROPERTY TAXES

Property taxes for June 30, 2024 attach as an enforceable lien on January 1, on property values assessed as of the same date. Taxes are levied by December of the subsequent fiscal year (by passage of a Tax Levy Ordinance). Tax bills are prepared by the County and are payable in two installments, on or about June 1, and September 1. The County collects such taxes and remits them periodically.

PERSONAL PROPERTY REPLACEMENT TAXES

Personal property replacement tax revenues are first allocated to the extent required by Illinois law in the Municipal Retirement/Social Security Fund with the balance allocated to funds at the discretion of the District.

DEPOSITS AND INVESTMENTS

Under State law, limits are imposed as to investments in commercial paper, corporate bonds, and mutual funds in which the District may invest, as well as the Illinois School District Liquid Asset Fund Plus (ISDLAF+).

The ISDLAF+ is a non-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. It is not registered with the SEC as an investment company. Investments are sold valued at share price, which is the price for which the investment could be sold.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

DEPOSITS AND INVESTMENTS - Continued

Deposits. At year-end, the carrying amount of the District's deposits totaled $2,971,510 and the bank balances totaled $3,284,075. Additionally, the District has $535,186 invested in ISDLAF+ which have maturities of less than one year.

Interest Rate Risk. Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy states that the investment portfolio shall provide sufficient liquidity to pay the District's obligations as they become due. In this regard, the maturity and marketability of investments shall be considered.

Credit Risk. Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. Besides investing in security instruments authorized under State Statute, the District's investment policy further states that every investment is made with safety as the primary and over-riding concern. Each investment transaction shall ensure that capital loss is avoided. At year-end, the District's investments ISDLAF+ were rated AAAm by Standard and Poor's.

Custodial Credit Risk - Deposits. With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires all amounts deposited with financial institutions in excess of any insurance limit shall be collateralized in accordance with the Public Fund Investment Act, 30 ILCS235/. At year-end, the entire amount of the bank balance of deposits was covered by collateral, federal depository or equivalent insurance.

Custodial Credit Risk - Investments. For an investment, this is the risk that in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy states that all amounts invested with financial institutions in excess of any insurance limit shall be collateralized in accordance with the Public Funds Investment Act, 30 ILCS235/. The preferred method for safekeeping is to have securities registered in the District's name and held by a third part custodian. Safekeeping should qualify for the Governmental Accounting Standards Board's Statement No. 3, Category I, the highest recognized safekeeping procedures. At year end, the District investments in ISDLAF+ were not subject to custodial credit risk.

Concentration of Credit Risk. This is the risk of loss attributed to the magnitude of the District's investment in a single issuer. The District's investment policy states that the investment portfolio is diversified as to materials and investments, as appropriate to the nature, purpose, and amount of the funds. At year-end, the District does not have any investments over 5 percent of the total cash and investment portfolio (other than investments issued or explicitly guaranteed by the U.S. government and investments in mutual funds, external investment pools, and other pooled investments).

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

CAPITAL ASSETS

Governmental Activities

Governmental capital asset activity for the year was as follows:

	Beginning Balances	Increases	Decreases	Ending Balances
Nondepreciable Capital Assets				
Land	$ 186,182	—	—	186,182
Construction in Progress	137,028	—	—	137,028
	323,210	—	—	323,210
Depreciable Capital Assets				
Buildings and Improvements	46,773,243	11,000	—	46,784,243
Land Improvements	188,080	—	—	188,080
Equipment	2,217,291	—	—	2,217,291
	49,178,614	11,000	—	49,189,614
Less Accumulated Depreciation				
Buildings and Improvements	13,076,656	899,221	—	13,975,877
Land Improvements	133,036	7,619	—	140,655
Equipment	1,996,672	76,485	—	2,073,157
	15,206,364	983,325	—	16,189,689
Total Net Depreciable Capital Assets	33,972,250	(972,325)	—	32,999,925
Total Net Capital Assets	34,295,460	(972,325)	—	33,323,135

Depreciation expense was charged to governmental activities as follows:

Instruction	$ 6,337
Support Services	976,988
	983,325

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT

General Obligation Bonds

The District issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General Obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Issue	Beginning Balances	Issuances	Retirements	Ending Balances
$3,625,000 General Obligation Refunding Bonds of 2014 - Due in annual installments of $255,000 to $415,000 plus semi-annual interest at 0.00% - 4.75% through December 1, 2033.	$ 3,370,000	—	270,000	3,100,000
$7,045,000 General Obligation ARS Refunding Bonds of 2020 - Due in annual installments of $180,000 to $555,000 plus semi-annual interest at 1.90% through December 1, 2035.	5,730,000	—	455,000	5,275,000
	9,100,000	—	725,000	8,375,000

Long-Term Liabilities Activity

Changes in long-term liabilities during the fiscal year were as follows:

Type of Debt	Beginning Balances	Additions	Deductions	Ending Balances	Amounts Due within One Year
Governmental Activities					
General Obligation Bonds	$ 9,100,000	—	725,000	8,375,000	750,000

The general obligation bonds are being liquidated by the Debt Service Fund.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

LONG-TERM DEBT - Continued

Debt Service Requirements to Maturity

The annual debt service requirements to maturity are as follows:

Fiscal	General Obligation Bonds	
Year	Principal	Interest
2026	$ 750,000	227,230
2027	770,000	207,732
2028	795,000	186,513
2029	820,000	163,689
2030	840,000	139,275
2031	875,000	113,883
2032	900,000	86,996
2033	935,000	58,520
2034	955,000	28,952
2035	555,000	8,692
2036	180,000	1,710
Totals	8,375,000	1,223,192

Legal Debt Margin

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. At year-end the legal debt margin is as follows:

Assessed Valuation - 2024	$ 166,728,753
Legal Debt Limit - 13.8% of Assessed Value	23,008,568
Amount of Debt Applicable to Limit	3,100,000
Legal Debt Margin	19,908,568

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS

In the governmental fund financial statements, the District considers restricted amounts to have been spent when an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available. The District first utilizes committed, then assigned and then unassigned fund balance when an expenditure is incurred for purposes for which all three unrestricted fund balances are available.

The following is a schedule of fund balance classifications for the governmental funds as of the date of this report:

		Special Revenue		Capital Projects		
	General	Transportation	Debt Service	Fire Prevention and Safety	Nonmajor	Totals
Fund Balances						
Restricted						
Student Activities	$ 146,821	—	—	—	—	146,821
Operations and Maintenance	746,256	—	—	—	—	746,256
Tort Immunity	19,957	—	—	—	—	19,957
Working Cash	19,095	—	—	—	—	19,095
Transportation	—	322,168	—	—	—	322,168
Municipal Retirement/Social Security	—	—	—	—	130,968	130,968
Debt Service	—	—	505,272	—	—	505,272
Capital Projects	—	—	—	526,291	147,128	673,419
	932,129	322,168	505,272	526,291	278,096	2,563,956
Unassigned	853,843	—	—	—	—	853,843
Total Fund Balances	1,785,972	322,168	505,272	526,291	278,096	3,417,799

Nonspendable Fund Balance. Consists of resources that cannot be spent because they are either: a) not in a spendable form; or b) legally or contractually required to be maintained intact.

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

Committed Fund Balance. Consists of resources constrained (issuance of an ordinance) to specific purposes by the government itself, using its highest level of decision-making authority, the Board of Education; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest-level action to remove or change the constraint.

NOTE 3 - DETAIL NOTES ON ALL FUNDS - Continued

FUND BALANCE CLASSIFICATIONS - Continued

Assigned Fund Balance. Consists of amounts that are constrained by the Board of Education' intent to be used for specific purposes but are neither restricted nor committed. Intent is expressed by a) the Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's highest level of decision-making authority is the Board of Education, who is authorized to assign amounts to a specific purpose.

Unassigned Fund Balance. Consists of residual net resources of a fund that has not been restricted, committed, or assigned within the General Fund and deficit fund balances of other governmental funds.

Minimum Fund Balance Policy. The District shall maintain year-end fund balance to revenue ratio of no less than 15% to ensure the District's ability to maintain levels of service and pay its obligations in a prompt manner in spite of unforeseen events or unexpected expenses.

NET POSITION CLASSIFICATION

Net investment in capital assets was comprised of the following as of June 30, 2025:

Governmental Activities		
Capital Assets - Net of Accumulated Depreciation	$	33,323,135
Less: Capital Related Debt		
General Obligations Bonds		(8,375,000)
Net Investment in Capital Assets		24,948,135

NOTE 4 - OTHER INFORMATION

CONTINGENT LIABILITIES

Litigation

From time to time, the District is party to various pending claims and legal proceedings with respect to employment, civil rights, property taxes and other matters. Although the outcome of such matters cannot be forecasted with certainty, it is the opinion of management and the District attorney that the likelihood is remote that any such claims or proceedings will have a material adverse effect on the District's financial position or results of operations.

State and Federal Contingencies

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

NOTE 4 - OTHER INFORMATION - Continued

RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; natural disasters; and injuries to the District's employees. The District has purchased insurance from private insurance companies. Risks covered included certain types of liabilities and bonds. Premiums have been displayed as expenditures/expenses in appropriate funds. There were no significant changes in insurance coverages from the prior year and settlements did not exceed insurance coverage in any of the past three fiscal years.

OTHER POST-EMPLOYMENT BENEFITS

Teachers' Health Insurance Security Fund

Plan Description

The District participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the City of Chicago. THIS health coverage includes provisions for medical, prescription drug, and behavioral health benefits, but does not provide vision, dental, or life insurance benefits. Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Beginning February 1, 2015, annuitants who were enrolled in Medicare Parts A and B may be eligible to enroll in Medicare Advantage Plans.

Benefits Provided. The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Fund and amendments to the plan can be made only by legislative action with the Governor's approval. The plan is administered by 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 the State, to contribute to the THIS Fund.

Plan Description

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 THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were $49,007, and the District recognized revenues and expenditures of this amount during the year.

Employer Contributions to THIS Fund. The District also makes contributions to THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025 the District paid $36,483 to the THIS Fund, which was 100 percent of the required contribution.

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

Actuarial Assumptions. The total OPEB liability was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified.

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Plan Description - Continued

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.
Investment Rate of Return:	2.75%, net of OPEB plan investment expense, including inflation, for all plan years.
Healthcare Cost Trend Rates:	Trend rates for plan year 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 230 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25 in 2041.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants mortality rates were based on the PubNS-2010 Non-Safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Employee Mortality Table. All tables reflect future mortality improvements using Projection Scale MP-2020.

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

Single Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bond with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity's index's "20-year Municipal GO AA Index" has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023.

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

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

Sensitivity of the Employer'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 one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
Employer's Proportionate Share of the OPEB Liability	$ 1,632,769	1,463,061	1,313,445

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

The following table shows the plan's net OPEB liability as of June 30, 2024, using current trend rates and sensitivity trend rates that are either one percentage point higher or lower. The current claims trend rates are 6.00% in 2025, 8.00% in 2026, decreasing to an ultimate trend rate of 4.25% in plan year end 2041. Post-Medicare per capita costs: Based on actual increase in 2025, 15.00% from 2026 to 2030, 7.00% in 2031 decreasing ratably to an ultimate trend rate of 4.25% in 2041.

	1% Decrease	Healthcare Cost Trend Rates	1% Increase
Employer's Proportionate Share of the OPEB Liability	$ 1,259,689	1,463,061	1,705,050

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability that reflected a reduction for State OPEB support provided to the District. The collective net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of the District, actuarially determined. At June 30, 2024, the District's proportion was 0.018495 percent, which was an increase of 0.000483 percent from its proportion measured as of June 30, 2023. The State's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

Employer's Proportionate Share of the Net OPEB Liability	$	1,463,061
State's Proportionate Share of the Net OPEB Liability Associated with the Employer		1,986,899
Total		3,449,960

For the year ending June 30, 2025, the District recognized OPEB revenue and expense of $49,007 for support provided by the State. For the year ending June 30, 2025, the District recognized OPEB expense of $36,482 on a modified cash basis. At June 30, 2025 under the GAAP basis of accounting, the District would have reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

At June 30, 2025 under the GAAP basis of accounting, the District would have reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

		Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	$	40,372	(616,648)	(576,276)
Net Difference Between Projected and Actual Earnings on Pension Investments		—	(2,058,073)	(2,058,073)
Changes of Assumptions		382	(1,177)	(795)
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions		235,379	(204,776)	30,603
Total Pension Expense to be Recognized in Future Periods		276,133	(2,880,674)	(2,604,541)
Employer Contributions Subsequent to the Measurement Date		36,482	—	36,482
Totals		312,615	(2,880,674)	(2,568,059)

NOTE 4 - OTHER INFORMATION - Continued

OTHER POST-EMPLOYMENT BENEFITS - Continued

Teachers' Health Insurance Security Fund - Continued

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

Under the GAAP basis of accounting, the District would report $36,482 as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date and would be recognized as a reduction of the collective net OPEB liability in the reporting year ended June 30, 2026. In addition, under the GAAP basis of accounting, the District would report deferred outflows of resources and deferred inflows of resources related to OPEB that would be recognized in OPEB expense in future periods as follows:

Fiscal Year		Net Deferred (Inflows) of Resources
2026	$	(526,056)
2027		(509,105)
2028		(502,565)
2029		(462,899)
2030		(357,399)
Thereafter		(246,517)
Total		(2,604,541)

Retiree's Health Plan

The Knoxville Community High School District No. 202 has evaluated its potential other postemployment benefits liability. Former employees who choose to retain their rights to health insurance through the Knoxville Community High School District No. 202 are required to pay 100% of the current premium. Based upon a review of census data and plan provisions, as well as minimal utilization rates, it has been determined that any liability is immaterial to the financial statements in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Additionally, the Knoxville Community High School District No. 202 provides no explicit benefit. Therefore, the Knoxville Community High School District No. 202 has not recorded a liability as of June 30, 2025.

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS

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

The aggregate amounts for the pension plans are:

	Pension Expense	Net Pension Liability/ (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources
Teacher's Retirement System of the State of Illinois	$ 31,534	439,060	70,517	42,240
Illinois Municipal Retirement Fund	51,607	(662,277)	273,874	5,033
	83,141	(223,217)	344,391	47,273

Teachers' Retirement System (TRS)

Plan Descriptions, Provisions and Funding Policies

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the City of Chicago. TRS members include all active 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 only be made by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for TRS's administration. TRS issues a publicly available financial report that can be obtained at https://www.trsil.org/financial/acfrs; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling 888-678-3675, option 2.

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Benefits Provided

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

Tier 2 members qualify for retirement benefits at age 67 with 10 years of service, or a discounted annuity can be paid at age 62 with 10 years of service. Creditable earnings for retirement purposes are capped and the final average salary is based on the highest consecutive eight years of creditable service rather than the highest four. Disability provisions for Tier 2 are identical to those of Tier 1. Death benefits are payable under a formula that is different than Tier 1.

Essentially all Tier 1 retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier 2 annual increases will be the lesser of three percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

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

Contributions

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

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

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Contributions - Continued

On Behalf Contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, State of Illinois contributions recognized by the employer were based on the State's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $2,930,540 in pension contributions from the State.

2.2 Formula Contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025 were $31,582 and are deferred because they were paid after the June 30, 2024 measurement date.

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the fiscal year ended June 30, 2025, salaries totaling $0 were paid from federal and special trust funds that required employer contributions of $0, which was equal to the District's actual contributions. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

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

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the employer paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent, $0 for salary increases in excess of 3 percent and $0 for sick leave days granted in excess of the normal annual allotment.

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

At June 30, 2024, the employer reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 follows below:

Employer's Proportionate Share of the Net Pension Liability	$ 439,060
State's Proportionate Share of the Net Pension Liability Associated with the Employer	36,608,157
Total	37,047,217

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was 0.000511 percent, which was an increase of 0.000031 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the employer recognized pension expense of $2,930,540 and revenue of $2,930,540 for support provided by the state. For the year ending June 30, 2026, the District recognized pension expense of $31,534 on a modified cash basis. At June 30, 2025 under the GAAP basis of accounting, the employer would have reported deferred outflows of resources and deterred inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	$ 1,651	(1,140)	511
Net Difference Between Projected and Actual Earnings on Pension Investments	—	(3,770)	(3,770)
Changes of Assumptions	6,050	(233)	5,817
Changes in Proportion and Differences Between Employer Contributions and Proportionate Share of Contributions	31,282	(37,097)	(5,815)
Total Pension Expense to be Recognized in Future Periods	38,983	(42,240)	(3,257)
Employer Contributions Subsequent to the Measurement Date	31,534	—	31,534
Totals	70,517	(42,240)	28,277

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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

Under the GAAP basis of accounting, the District would report $31,534 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Under the GAAP basis of accounting, other amounts would be reported as deferred outflows of resources and deferred inflows of resources related to pensions and would be recognized in pension expense as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ (11,340)
2027	(1,786)
2028	819
2029	6,407
2030	2,643
Thereafter	—
Total	(3,257)

Actuarial Assumptions

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

Inflation:	2.50 Percent
Salary Increases:	Varies by Amount of Service Credit
Investment Rate of Return:	7.00 Percent, Net of Pension Plan Investment Expense, Including Inflation

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully-generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used on a fully-generational basis using projection scale table MP-2020.

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

Actuarial Assumptions - Continued

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Global Equity	37.0%	7.6%
Private Equity	15.0%	10.3%
Public Income	18.0%	5.8%
Private Credit	8.0%	9.2%
Real Assets	18.0%	7.0%
Diversifying Strategies	4.0%	5.2%
Total	100.0%	

Discount Rate

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

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

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Teachers' Retirement System (TRS) - Continued

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 one percentage-point lower or one percentage-point higher than the current rate.

	1% Decrease (8.00%)	Current Discount Rate (7.00%)	1% Increase (6.00%)
Employer's Proportionate Share of the OPEB Liability	$ 542,251	439,060	353,519

TRS Fiduciary Net Position

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

Illinois Municipal Retirement Fund (IMRF)

Plan Descriptions

Plan Administration. 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 defined benefit agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section of this document. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

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

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

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

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

Plan Membership. As of December 31, 2024, the measurement date, the following employees were covered by the benefit terms:

Inactive Plan Members Currently Receiving Benefits	45
Inactive Plan Members Entitled to but not yet Receiving Benefits	68
Active Plan Members	65
Total	178

Contributions. As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. For the fiscal year ended June 30, 2025, the District's contribution was 3.20% of covered payroll.

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

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

Actuarial Assumptions. The total pension liability was determined by an actuarial valuation performed, as of December 31, 2024, using the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Fair Value
Actuarial Assumptions	
Interest Rate	7.25%
Salary Increases	2.85% to 13.75%
Cost of Living Adjustments	2.75%
Inflation	2.25%

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) 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:

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Plan Descriptions - Continued

Actuarial Assumptions - Continued.

Asset Class	Target	Long-Term Expected Real Rate of Return
Fixed Income	24.50%	5.20%
Domestic Equities	33.50%	4.35%
International Equities	18.00%	5.40%
Real Estate	10.50%	6.40%
Blended	12.50%	4.85% - 6.25%
Cash and Cash Equivalents	1.00%	3.60%

Discount Rate

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

Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension (asset) to changes in the discount rate. The table below presents the net pension (asset) of the District calculated using the discount rate as well as what the District's net pension (asset) would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Net Pension (Asset)	$ (23,846)	(662,277)	(1,174,790)

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

Changes in the Net Pension (Asset)

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) (A) - (B)
Balances at December 31, 2023	$ 5,531,338	5,929,697	(398,359)
Changes for the Year:			
Service Cost	162,179	—	162,179
Interest on the Total Pension Liability	394,933	—	394,933
Changes of Benefit Terms	—	—	—
Difference Between Expected and Actual Experience of the Total Pension Liability	75,215	—	75,215
Changes of Assumptions	—	—	—
Contributions - Employer	—	51,443	(51,443)
Contributions - Employees	—	77,942	(77,942)
Net Investment Income	—	589,102	(589,102)
Benefit Payments, Including Refunds of Employee Contributions	(330,140)	(330,140)	—
Other (Net Transfer)	—	177,758	(177,758)
Net Changes	302,187	566,105	(263,918)
Balances at December 31, 2024	5,833,525	6,495,802	(662,277)

NOTE 4 - OTHER INFORMATION - Continued

RETIREMENT SYSTEMS - Continued

Illinois Municipal Retirement Fund (IMRF) - Continued

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

For the year ended June 30, 2025, the District recognized pension expense of $51,607 on a modified cash basis. At June 30, 2025 under the GAAP basis of accounting, the District would report deferred outflows or resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Totals
Differences Between Expected and Actual Experience	$ 98,905	—	98,905
Changes of Assumptions	—	(5,033)	(5,033)
Net Difference Between Projected and Actual Earnings on Pension Plan Investments	145,446	—	145,446
Total Pension Expense to be Recognized in Future Periods	244,351	(5,033)	239,318
Pension Contributions Made Subsequent to the Measurement Date	29,523	—	29,523
Total Deferred Amounts Related to IMRF	273,874	(5,033)	268,841

Under the GAAP basis of accounting, the District would report $29,523 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that would be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. In addition, under the GAAP basis of accounting, the District would report amounts as deferred outflows of resources and deferred inflows of resources related to pensions that would be recognized in pension expense in future periods as follows:

Fiscal Year	Net Deferred Outflows/ (Inflows) of Resources
2026	$ 124,181
2027	222,508
2028	(75,366)
2029	(32,005)
2030	—
Thereafter	—
Total	239,318

OTHER SUPPLEMENTARY INFORMATION

Other supplementary information includes financial statements and schedules not required by the GASB, nor a part of the basic financial statements, but are presented for purposes of additional analysis.

Such statements and schedules include:

- Schedule Employer Contributions
  Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Collective Net OPEB Liability
  Teacher's Health Insurance Security Fund
- Schedule of Employer's Proportionate Share of the Net Pension Liability and Employer Contributions
  Teachers' Retirement System - Last Ten Fiscal Years
- Schedule Employer Contributions
  Illinois Municipal Retirement Fund - Last Ten Fiscal Years
- Schedule of Changes in the Employer's Net Pension Liability/(Asset)
  Illinois Municipal Retirement Fund - Last Ten Measurement Years
- Combining Statements - General Fund Accounts
- Budgetary Comparison Schedules - General Fund Accounts
- Budgetary Comparison Schedules - Major Governmental Funds
- Combining Statements - Nonmajor Governmental Funds
- Budgetary Comparison Schedules - Nonmajor Governmental Funds

Teacher's Health Insurance Security Fund
Schedule of Employer Contributions
June 30, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2018	$ 38,221	$ 38,221	$ —	$ 4,343,302	0.88%
2019	40,366	40,366	—	4,387,624	0.92%
2020	42,950	42,950	—	4,668,463	0.92%
2021	43,228	43,228	—	4,698,699	0.92%
2022	33,789	33,789	—	5,043,198	0.67%
2023	33,953	33,953	—	5,067,642	0.67%
2024	36,914	36,914	—	5,509,535	0.67%
2025	36,482	36,482	—	5,445,171	0.67%

Note:
This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

Teacher's Health Insurance Security Fund
Schedule of Employer Contributions - Continued
June 30, 2025

Notes to the Schedule of Employer Contributions

Valuation Date	6/30/2023
Measurement Date	6/30/2024
Sponsor's Fiscal Year End	6/30/2025

Methods and Assumptions Used to Determine Actuarial Liability and Contributions:

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 for the actuarial valuation as of June 30, 2021.
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 2025 are based on actual premium increases. For non-medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are based on actual premium increases for 2025, 15.00% in 2026 to 2030 and 7.00% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.
Aging Factors	Based on the 2013 SOA Study “Health Care Costs - From Birth to Death”.
Expenses	Health administrative expenses are included in the development of the per capita claims costs. Operating expenses are included as a component of the Annual OPEB Expense.

Teacher's Health Insurance Security Fund
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability
June 30, 2025

See Following Page

KNOXVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202

Teacher's Health Insurance Security Fund
Schedule of the Employer's Proportionate Share of the Collective Net OPEB Liability
June 30, 2025

		6/30/2018
Employer's Proportion of the Net OPEB Liability		0.018541%
Employer's Proportionate Share of the Net OPEB Liability	$	4,811,357
State's Proportionate Share of the Net OPEB Liability Associated with the Employer		6,318,556
Total		11,129,913
Employer's Covered Payroll	$	4,265,040
Employer's Proportionate Share of the Net OPEB Liability as a % of its Covered Payroll		112.81%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability		(0.17%)

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

This schedule is intended to show information for ten years. Information for additional years will be displayed as it becomes available.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
0.018314%	0.017807%	0.018476%	0.018739%	0.018587%	0.018012%	0.018495%
4,824,953	4,928,562	4,939,602	4,133,012	1,272,254	1,283,769	1,463,061
6,478,897	6,673,974	6,691,763	5,603,712	1,730,800	1,736,081	1,986,899
11,303,850	11,602,536	11,631,365	9,736,724	3,003,054	3,019,850	3,449,960
4,343,302	4,387,624	4,668,463	4,698,699	5,043,198	5,067,642	5,509,535
111.09%	112.33%	105.81%	87.96%	25.23%	25.33%	26.56%
(0.07%)	0.25%	0.70%	1.40%	5.24%	6.21%	7.43%

Teachers' Retirement System

Schedule of the Employer's Proportionate Share of the Net Pension Liability and Employer Contributions - Last Ten Fiscal Years

June 30, 2025

		6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Net Pension Liability		0.001484%	0.001482%	0.001501%
Employer's Proportionate Share of the Net Pension Liability	$	971,866	1,170,162	1,146,431
State's Proportionate Share of the Net Pension Liability Associated with the Employer		24,354,409	32,801,589	31,578,699
Total		25,326,275	33,971,751	32,725,130
Employer's Covered Payroll	$	3,792,125	4,119,987	4,265,040
Employer's Proportionate Share of the Net Pension Liability as a % of its Covered-Employee Payroll		25.63%	28.40%	26.88%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability		41.50%	36.40%	39.30%
Contractually-Required Contribution	$	23,896	24,737	25,191
Contributions in Relation to the Contractually Required Contribution		23,607	25,513	25,092
Contribution Excess (Deficiency)	$	(289)	776	(99)
Employer's Covered Payroll	$	4,119,987	4,265,040	4,343,302
Contributions as a % of Covered Payroll		0.57%	0.60%	0.58%

Notes:

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

For the 2024 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent*. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

For the 2015 measurement year, the assumed investment rate of return was 7.5 percent, including an inflation rate of 3.0 percent and 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 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent.

6/30/2019	6/30/2020	6/30/2021	6/30/2022	6/30/2023	6/30/2024	6/30/2025
0.000606%	0.000560%	0.000556%	0.000564%	0.000466%	0.000480%	0.000511%
472,361	453,916	479,183	440,054	390,388	408,328	439,060
32,358,726	32,304,704	37,532,087	36,881,161	33,863,581	35,238,895	36,608,157
32,831,087	32,758,620	38,011,270	37,321,215	34,253,969	35,647,223	37,047,217
4,343,302	4,387,624	4,668,463	4,698,699	5,043,198	5,067,642	5,509,535
10.88%	10.35%	10.26%	9.37%	7.74%	8.06%	7.97%
40.00%	39.60%	37.80%	45.10%	42.80%	43.90%	45.40%
25,448	27,077	27,252	29,251	29,392	31,955	31,582
25,368	27,015	27,333	29,423	29,381	31,869	31,534
(80)	(62)	81	172	(11)	(86)	(48)
4,387,624	4,668,463	4,698,699	5,043,198	5,067,642	5,509,535	5,445,171
0.58%	0.58%	0.58%	0.58%	0.58%	0.58%	0.58%

Illinois Municipal Retirement Fund
Schedule of Employer Contributions - Last Ten Fiscal Years
June 30, 2025

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Excess/ (Deficiency)	Covered Payroll	Contributions as a Percentage of Covered Payroll
2016	$ 69,553	$ 69,553	$ —	$ 942,449	7.38%
2017	60,980	60,980	—	912,874	6.68%
2018	63,832	63,832	—	976,036	6.54%
2019	67,799	67,799	—	1,043,080	6.50%
2020	42,713	42,957	244	1,106,549	3.88%
2021	75,206	75,206	—	1,272,513	5.91%
2022	79,915	79,915	—	1,414,431	5.65%
2023	62,210	62,210	—	1,559,138	3.99%
2024	49,383	49,383	—	1,735,926	2.84%
2025	51,607	51,607	—	1,614,497	3.20%

Notes to the Required Supplementary Information:

Actuarial Cost Method	Aggregate Entry Age Normal
Amortization Method	Level % Pay (Closed)
Remaining Amortization Period	19 Years
Asset Valuation Method	5-Year Smoothed Fair Value
Inflation	2.25%
Salary Increases	2.75% to 13.75%, Including Inflation
Investment Rate of Return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
June 30, 2025

See Following Page

Illinois Municipal Retirement Fund
Schedule of Changes in the Employer's Net Pension Liability/(Asset) - Last Ten Measurement Years
June 30, 2025

	12/31/2015	12/31/2016	12/31/2017
Total Pension Liability			
Service Cost	$ 99,717	104,887	103,186
Interest	312,844	324,327	333,511
Changes in Benefit Terms	—	—	—
Differences Between Expected and Actual Experience	57,562	7,781	(61,330)
Change of Assumptions	—	—	(169,202)
Benefit Payments, Including Refunds of Member Contributions	(337,694)	(301,523)	(325,837)
Net Change in Total Pension Liability	132,429	135,472	(119,672)
Total Pension Liability - Beginning	4,290,244	4,422,673	4,558,145
Total Pension Liability - Ending	4,422,673	4,558,145	4,438,473
Plan Fiduciary Net Position			
Contributions - Employer	$ 69,553	60,980	63,832
Contributions - Members	42,886	41,080	43,922
Net Investment Income	22,553	307,635	864,550
Benefit Payments, Including Refunds of Member Contributions	(337,694)	(301,523)	(325,837)
Other (Net Transfer)	76,161	25,211	(225,066)
Net Change in Plan Fiduciary Net Position	(126,541)	133,383	421,401
Plan Net Position - Beginning	4,623,243	4,496,702	4,630,085
Plan Net Position - Ending	4,496,702	4,630,085	5,051,486
Employer's Net Pension Liability/(Asset)	$ (74,029)	(71,940)	(613,013)
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	101.67%	101.58%	113.81%
Covered Payroll	$ 942,449	912,874	976,036
Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll	(7.85%)	(7.88%)	(62.81%)

Changes of Assumptions. Changes in assumptions related to the discount rate were made in 2015 through 2018 and 2020. Changes in assumptions related to the demographics were made in 2017 and 2023.

12/31/2018	12/31/2019	12/31/2020	12/31/2021	12/31/2022	12/31/2023	12/31/2024
105,225	112,699	126,125	125,786	144,680	158,392	162,179
324,775	336,596	347,504	354,279	357,870	372,771	394,933
—	—	—	—	—	—	—
93,265	30,088	39,380	(93,030)	36,823	110,570	75,215
108,806	—	(79,762)	—	—	(12,429)	—
(321,492)	(325,400)	(345,880)	(333,367)	(360,544)	(320,865)	(330,140)
310,579	153,983	87,367	53,668	178,829	308,439	302,187
4,438,473	4,749,052	4,903,035	4,990,402	5,044,070	5,222,899	5,531,338
4,749,052	4,903,035	4,990,402	5,044,070	5,222,899	5,531,338	5,833,525
67,799	42,957	75,206	79,915	62,210	45,935	51,443
54,574	49,963	58,777	63,650	70,162	76,277	77,942
(325,119)	917,148	772,191	1,016,313	(852,104)	605,344	589,102
(321,492)	(325,400)	(345,880)	(333,367)	(360,544)	(320,865)	(330,140)
120,269	(34,125)	(34,787)	(188,110)	12,438	128,876	177,758
(403,969)	650,543	525,507	638,401	(1,067,838)	535,567	566,105
5,051,486	4,647,517	5,298,060	5,823,567	6,461,968	5,394,130	5,929,697
4,647,517	5,298,060	5,823,567	6,461,968	5,394,130	5,929,697	6,495,802
101,535	(395,025)	(833,165)	(1,417,898)	(171,231)	(398,359)	(662,277)
97.86%	108.06%	116.70%	128.11%	103.28%	107.20%	111.35%
1,043,080	1,106,549	1,272,513	1,414,431	1,559,138	1,695,039	1,732,058
9.73%	(35.70%)	(65.47%)	(100.25%)	(10.98%)	(23.50%)	(38.24%)

INDIVIDUAL FUND DESCRIPTIONS

GENERAL FUND

The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund includes the Educational, Operations and Maintenance, Tort Immunity, and Working Cash Accounts.

SPECIAL REVENUE FUNDS

The Special Revenue Funds are used to account for the proceeds of specific revenue sources (other than fiduciary funds or capital project funds) that are legally restricted to expenditure for specified purposes.

Transportation Fund

The Transportation Fund is used to account for revenues and expenditures made for student transportation. Revenues are derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement/Social Security Fund

The Municipal Retirement/Social Security Fund is used to account for the District's portions of pension contributions to the Illinois Municipal Retirement Fund, payment to Medicare, and payments to the Social Security System for noncertified employees. Revenues to finance contributions are derived primarily from local property taxes and personal property replacement taxes.

DEBT SERVICE FUND

The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs. The primary revenue source is local property taxes levied specifically for debt service and transfers from other funds.

CAPITAL PROJECTS FUNDS

The Capital Projects Fund is used to account for financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

Fire Prevention and Safety Fund

The Fire Prevention and Safety Fund is used to account for state-approved life safety projects financed through bond issues or local property taxes levied specifically for such purposes.

Capital Projects Fund

The Capital Projects Fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities. Revenues are derived from bond and debt certificate proceeds or transfers from other funds.

General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Budget			Variance
	Original	Final	Actual	with Final Budget
Revenues				
Local Sources				
Property Taxes	$ 5,598,731	5,625,104	4,817,079	(808,025)
Personal Property Replacement Taxes	193,441	336,335	154,802	(181,533)
Earnings on Investments	129,000	133,910	114,791	(19,119)
Other	351,000	417,284	536,261	118,977
State Sources	4,704,959	4,730,691	4,825,618	94,927
Federal Sources	881,708	928,243	1,256,037	327,794
Total Direct Revenues	11,858,839	12,171,567	11,704,588	(466,979)
On-Behalf Payments - State of Illinois	—	—	2,979,547	2,979,547
Total Revenues	11,858,839	12,171,567	14,684,135	2,512,568
Expenditures				
Instruction	5,599,939	5,591,739	5,671,857	(80,118)
Support Services	5,593,278	5,692,530	5,649,614	42,916
Payments to Other Districts and Government Units	1,024,525	1,077,255	1,254,118	(176,863)
Total Direct Expenditures	12,217,742	12,361,524	12,575,589	(214,065)
On-Behalf Payments	—	—	2,979,547	(2,979,547)
Total Expenditures	12,217,742	12,361,524	15,555,136	(3,193,612)
Net Change in Fund Balances	(358,903)	(189,957)	(871,001)	(681,044)
Fund Balances - Beginning			2,656,973	
Fund Balances - Ending			1,785,972	

KNOXVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202

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

	Educational Account	Operations and Maintenance Account	Tort Immunity Account	Working Cash Account	Totals
ASSETS					
Cash and Investments	$ 1,077,881	747,871	19,957	19,095	1,864,804
LIABILITIES					
Payroll Deductions	77,217	1,615	—	—	78,832
FUND BALANCES					
Restricted	146,821	746,256	19,957	19,095	932,129
Unassigned	853,843	—	—	—	853,843
Total Fund Balances	1,000,664	746,256	19,957	19,095	1,785,972
Total Liabilities and Fund Balances	1,077,881	747,871	19,957	19,095	1,864,804

General Fund - By Account
Combining Statement of Revenues, Expenditures and Changes in Fund Balance - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

	Educational Account	Operations and Maintenance Account	Tort Immunity Account	Working Cash Account	Eliminations	Totals
Revenues						
Local Sources						
Property Taxes	$ 3,747,112	626,607	380,702	62,658	—	4,817,079
Personal Property Replacement	71,447	83,355	—	—	—	154,802
Earnings on Investments	68,638	26,170	8,751	11,232	—	114,791
Other	471,846	64,415	—	—	—	536,261
State Sources	4,825,618	—	—	—	—	4,825,618
Federal Sources	1,256,037	—	—	—	—	1,256,037
Total Direct Revenues	10,440,698	800,547	389,453	73,890	—	11,704,588
On-Behalf Payments - State of Illinois	2,979,547	—	—	—	—	2,979,547
Total Revenues	13,420,245	800,547	389,453	73,890	—	14,684,135
Expenditures						
Instruction	5,598,770	—	73,087	—	—	5,671,857
Support Services	4,383,176	685,380	581,058	—	—	5,649,614
Payments to Other Districts	1,254,118	—	—	—	—	1,254,118
Total Direct Expenditures	11,236,064	685,380	654,145	—	—	12,575,589
On-Behalf Expenditures	2,979,547	—	—	—	—	2,979,547
Total Expenditures	14,215,611	685,380	654,145	—	—	15,555,136
Excess (Deficiency) of Revenues						
Over (Under) Expenditures	(795,366)	115,167	(264,692)	73,890	—	(871,001)
Other Financing Sources (Uses)						
Transfers In	350,000	—	—	—	(350,000)	—
Transfers Out	—	—	—	(350,000)	350,000	—
	350,000	—	—	(350,000)	—	—
Net Change in Fund Balance	(445,366)	115,167	(264,692)	(276,110)	—	(871,001)
Fund Balances - Beginning	1,446,030	631,089	284,649	295,205	—	2,656,973
Fund Balances - Ending	1,000,664	746,256	19,957	19,095	—	1,785,972

Educational Account - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 4,240,794	4,240,794	3,634,324	(606,470)
Leasing Purposes Levy	58,416	72,658	62,658	(10,000)
Special Education Purposes Levy	47,999	60,130	50,130	(10,000)
Personal Property Replacement Taxes	—	71,447	71,447	—
Earnings on Investments	90,000	90,000	68,638	(21,362)
Food Service	120,000	120,000	113,970	(6,030)
District/School Activity Income	50,000	56,869	263,321	206,452
Textbook Income	70,000	70,000	65,696	(4,304)
Other Revenue from Local Sources	105,500	106,000	28,859	(77,141)
	4,782,709	4,887,898	4,359,043	(528,855)
State Sources				
Unrestricted - Evidence Based Funding	4,216,560	4,216,560	4,542,660	326,100
Special Education	50,000	52,375	66,075	13,700
Career and Technical Education	14,899	14,899	15,144	245
State Free Lunch and Breakfast	2,500	2,500	5,091	2,591
Driver Education	7,000	7,000	8,441	1,441
Early Childhood - Block Grant	162,000	185,357	185,357	—
Other Restricted Revenue from State Sources	2,000	2,000	2,850	850
	4,454,959	4,480,691	4,825,618	344,927
Federal Sources				
Food Service	420,000	427,239	463,461	36,222
Title I	175,279	210,488	210,488	—
Title IV	240,487	220,221	252,948	32,727
Title II	28,421	52,774	52,774	—
Medicaid Matching Funds - Fee-for-Service Program	—	—	28,138	28,138
Other Restricted Revenue from Federal Sources	17,521	17,521	248,228	230,707
	881,708	928,243	1,256,037	327,794
Total Direct Revenues	10,119,376	10,296,832	10,440,698	143,866
On-Behalf Payments	—	—	2,979,547	2,979,547
Total Revenues	10,119,376	10,296,832	13,420,245	3,123,413

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures				
Instruction				
Regular Programs				
Salaries	$ 4,069,951	4,158,529	4,015,661	142,868
Supplies and Materials	19,551	19,551	23,314	(3,763)
	4,089,502	4,178,080	4,038,975	139,105
Pre-K Programs				
Salaries	165,793	107,008	109,032	(2,024)
Employee Benefits	97	97	97	—
Supplies and Materials	1,890	1,890	1,992	(102)
	167,780	108,995	111,121	(2,126)
Special Education Programs				
Salaries	734,298	668,651	660,856	7,795
Supplies and Materials	1,000	1,000	—	1,000
	735,298	669,651	660,856	8,795
Remedial and Supplemental Programs K-12				
Salaries	42,660	28,605	11,605	17,000
Purchased Services	25,194	25,194	25,194	—
Supplies and Materials	124,425	124,425	124,853	(428)
	192,279	178,224	161,652	16,572
CTE Programs				
Purchased Services	600	600	627	(27)
Interscholastic Programs				
Salaries	264,451	233,073	233,073	—
Purchased Services	44,410	44,410	49,436	(5,026)
Supplies and Materials	16,699	16,699	14,583	2,116
Other Objects	27,175	27,175	27,519	(344)
	352,735	321,357	324,611	(3,254)

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Instruction - Continued				
Driver's Education Programs				
Salaries	$ 55,495	55,495	55,962	(467)
Purchased Services	6,250	6,250	8,646	(2,396)
	61,745	61,745	64,608	(2,863)
Student Activity Fund				
Other Objects	—	—	236,320	(236,320)
Total Instruction	5,599,939	5,518,652	5,598,770	(80,118)
Support Services				
Pupils				
Guidance Services				
Salaries	173,261	140,076	137,309	2,767
Supplies and Materials	850	850	406	444
	174,111	140,926	137,715	3,211
Health Services				
Salaries	98,399	80,890	97,708	(16,818)
Purchased Services	3,500	3,500	3,380	120
Supplies and Materials	2,682	2,682	3,330	(648)
Capital Outlay	400	400	—	400
	104,981	87,472	104,418	(16,946)
Total Pupils	279,092	228,398	242,133	(13,735)

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Instructional Staff				
Educational Media Services				
Salaries	$ 266,891	229,507	232,130	(2,623)
Employee Benefits	—	—	134,675	(134,675)
Purchased Services	8,000	8,000	5,684	2,316
Supplies and Materials	15,216	15,216	20,127	(4,911)
	290,107	252,723	392,616	(139,893)
Assessment and Testing				
Supplies and Materials	158,000	135,385	129,096	6,289
Total Instructional Staff	448,107	388,108	521,712	(133,604)
General Administration				
Board of Education Services				
Salaries	3,700	3,700	3,000	700
Employee Benefits	1,568,362	1,598,656	1,371,108	227,548
Purchased Services	123,316	123,316	122,810	506
Supplies and Materials	30,963	30,963	13,072	17,891
Other Objects	45,112	45,112	44,871	241
	1,771,453	1,801,747	1,554,861	246,886
Executive Administration Services				
Salaries	229,142	213,157	213,157	—
Employee Benefits	22,120	22,120	198	21,922
Purchased Services	3,500	3,500	4,083	(583)
Other Objects	600	600	229	371
	255,362	239,377	217,667	21,710
Total General Administration	2,026,815	2,041,124	1,772,528	268,596

Educational Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Continued

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
School Administration				
Office of the Principal Services				
Salaries	$ 535,175	488,472	524,475	(36,003)
Purchased Services	1,000	1,000	—	1,000
Supplies and Materials	300	300	—	300
Other Objects	3,944	3,944	4,119	(175)
Total School Administration	540,419	493,716	528,594	(34,878)
Business				
Fiscal Services				
Salaries	68,606	68,606	73,899	(5,293)
Supplies and Materials	1,000	1,000	673	327
	69,606	69,606	74,572	(4,966)
Food Services				
Salaries	271,255	275,889	303,783	(27,894)
Purchased Services	11,300	11,300	10,541	759
Supplies and Materials	607,000	607,000	608,736	(1,736)
Other Objects	100	100	270	(170)
	889,655	894,289	923,330	(29,041)
Operations and Maintenance of Plant Services				
Purchased Services	16,270	16,270	16,270	—
Supplies and Materials	278,231	301,042	298,200	2,842
	294,501	317,312	314,470	2,842

Educational Account - General Fund
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis - Continued
For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Expenditures - Continued				
Support Services - Continued				
Business - Continued				
Pupil Transportation Services				
Purchased Services	$ —	—	80	(80)
Supplies and Materials	8,500	5,757	5,757	—
	8,500	5,757	5,837	(80)
Total Business	1,262,262	1,286,964	1,318,209	(31,245)
Total Support Services	4,556,695	4,438,310	4,383,176	55,134
Payments to Other Districts and Governmental Units				
Regular Programs	40,406	34,736	24,312	10,424
Special Education Programs	925,960	984,360	1,169,111	(184,751)
CTE Programs	58,159	58,159	60,695	(2,536)
Total Payments to Other District and Governmental Units	1,024,525	1,077,255	1,254,118	(176,863)
Total Direct Expenditures	11,181,159	11,034,217	11,236,064	(201,847)
On-Behalf Payments	—	—	2,979,547	(2,979,547)
Total Expenditures	11,181,159	11,034,217	14,215,611	(3,181,394)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,061,783)	(737,385)	(795,366)	(57,981)
Other Financing Sources				
Transfers In	—	350,000	350,000	—
Net Change in Fund Balance	(1,061,783)	(387,385)	(445,366)	(57,981)
Fund Balance - Beginning			1,446,030	
Fund Balances Ending			1,000,664	

Operations and Maintenance Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 742,423	742,423	626,607	(115,816)
Personal Property Replacement Taxes	193,441	264,888	83,355	(181,533)
Earnings on Investments	20,000	24,910	26,170	1,260
Other Revenue from Local Sources	5,500	64,415	64,415	—
State Sources				
Unrestricted - Evidence Based Funding	250,000	250,000	—	(250,000)
Total Revenues	1,211,364	1,346,636	800,547	(546,089)
Expenditures				
Support Services				
Business				
Operations and Maintenance of Plant Services				
Salaries	469,556	463,398	491,485	(28,087)
Purchased Services	100,312	100,312	83,569	16,743
Supplies and Materials	104,963	104,963	106,074	(1,111)
Capital Outlay	4,252	4,252	4,252	—
Total Expenditures	679,083	672,925	685,380	(12,455)
Net Change in Fund Balance	532,281	673,711	115,167	(558,544)
Fund Balance - Beginning			631,089	
Fund Balances Ending			746,256	

Tort Immunity Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 436,380	436,380	380,702	(55,678)
Earnings on Investments	10,000	10,000	8,751	(1,249)
Total Revenues	446,380	446,380	389,453	(56,927)
Expenditures				
Instruction	—	73,087	73,087	—
Support Services				
Pupils	—	65,761	65,761	—
General Administration	357,500	515,534	515,297	237
Total Expenditures	357,500	654,382	654,145	237
Net Change in Fund Balance	88,880	(208,002)	(264,692)	(56,690)
Fund Balance - Beginning			284,649	
Fund Balances Ending			19,957	

Working Cash Account - General Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 72,719	72,719	62,658	(10,061)
Earnings on Investments	9,000	9,000	11,232	2,232
Total Revenues	81,719	81,719	73,890	(7,829)
Expenditures	—	—	—	—
Excess (Deficiency) of Revenues Over (Under) Expenditures	81,719	81,719	73,890	(7,829)
Other Financing (Uses)				
Transfers Out	—	(350,000)	(350,000)	—
Net Change in Fund Balance	81,719	(268,281)	(276,110)	(7,829)
Fund Balance - Beginning			295,205	
Fund Balances Ending			19,095	

Transportation - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 301,089	301,089	250,643	(50,446)
Earnings on Investments	1,000	6,042	5,994	(48)
Other Revenue from Local Sources	5,000	35,275	35,275	—
	307,089	342,406	291,912	(50,494)
State Sources				
Unrestricted - Evidence Based Funding	250,000	250,000	250,000	—
Transportation - Regular and Vocational	320,541	320,541	303,575	(16,966)
Transportation - Special Education	171,763	171,763	144,445	(27,318)
	742,304	742,304	698,020	(44,284)
Total Revenues	1,049,393	1,084,710	989,932	(94,778)
Expenditures				
Support Services				
Business				
Pupil Transportation Services				
Salaries	394,030	351,485	448,220	(96,735)
Purchased Services	19,800	19,800	409,301	(389,501)
Supplies and Materials	136,712	136,712	132,792	3,920
Capital Outlay	392,534	392,534	11,000	381,534
Total Expenditures	943,076	900,531	1,001,313	(100,782)
Net Change in Fund Balance	106,317	184,179	(11,381)	(195,560)
Fund Balance - Beginning			333,549	
Fund Balances Ending			322,168	

Debt Service Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 419,848	419,848	359,209	(60,639)
Earnings on Investments	9,000	9,000	11,594	2,594
Other Revenue from Local Sources	700,000	700,000	857,311	157,311
Total Revenues	1,128,848	1,128,848	1,228,114	99,266
Expenditures				
Debt Service				
Principal Retirement	725,000	725,000	725,000	—
Interest and Fiscal Charges	246,538	246,538	246,538	—
Total Expenditures	971,538	971,538	971,538	—
Net Change in Fund Balance	157,310	157,310	256,576	99,266
Fund Balance - Beginning			248,696	
Fund Balances Ending			505,272	

Fire Prevention and Safety - Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 72,773	72,773	62,658	(10,115)
Earnings on Investments	13,000	13,000	15,876	2,876
Total Revenues	85,773	85,773	78,534	(7,239)
Expenditures				
Support Services				
Business				
Operations and Maintenance of Plant Services				
Purchased Services	—	—	30,193	(30,193)
Net Change in Fund Balance	85,773	85,773	48,341	(37,432)
Fund Balance - Beginning			477,950	
Fund Balances Ending			526,291	

Nonmajor Governmental Funds
Combining Balance Sheet - Modified Cash Basis
June 30, 2025

	Special Revenue		
	Municipal Retirement/ Social Security	Capital Projects	Totals
ASSETS			
Cash and Investments	$ 131,180	147,128	278,308
LIABILITIES			
Accounts Payable	—	—	—
Payroll Deductions	212	—	212
Total Liabilities	212	—	212
FUND BALANCES			
Restricted	130,968	147,128	278,096
Total Liabilities and Fund Balances	131,180	147,128	278,308

Nonmajor Governmental Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Modified Cash Basis
For the Fiscal Year Ended June 30, 2025

	Special Revenue		
	Municipal Retirement/ Social Security	Capital Projects	Totals
Revenues			
Local Sources			
Property Taxes	$ 130,958	—	130,958
Personal Property Replacement Taxes	150,746	—	150,746
Earnings on Investments	14,140	5,115	19,255
Total Revenues	295,844	5,115	300,959
Expenditures			
Instruction	126,125	—	126,125
Support Services	93,712	57,998	151,710
Payments to Other District and Governments	78,691	—	78,691
Total Expenditures	298,528	57,998	356,526
Net Change in Fund Balance	(2,684)	(52,883)	(55,567)
Fund Balances - Beginning	133,652	200,011	333,663
Fund Balances - Ending	130,968	147,128	278,096

Municipal Retirement/Social Security - Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Property Taxes				
General Levy	$ 75,597	75,597	65,479	(10,118)
FICA/Medicare Purposes Levy	75,597	75,597	65,479	(10,118)
Personal Property Replacement Taxes	150,000	150,000	150,746	746
Earnings on Investments	13,000	13,000	14,140	1,140
Total Revenues	314,194	314,194	295,844	(18,350)
Expenditures				
Instruction				
Regular Programs	305,000	305,000	126,125	178,875
Support Services				
Business				
Operations and Maintenance of Plant Services	—	—	86,202	(86,202)
Pupil Transportation Services	—	—	7,510	(7,510)
Total Support Services	305,000	305,000	219,837	85,163
Payments to Other Districts and Governmental Units				
Special Education Programs	—	—	78,691	(78,691)
Total Expenditures	305,000	305,000	298,528	6,472
Net Change in Fund Balance	9,194	9,194	(2,684)	(11,878)
Fund Balance - Beginning			133,652	
Fund Balances Ending			130,968	

Capital Projects Fund

Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual - Modified Cash Basis

For the Fiscal Year Ended June 30, 2025

	Original Budget	Final Budget	Actual	Variance with Final Budget
Revenues				
Local Sources				
Earnings on Investments	$ 10,000	4,786	5,115	329
Other Revenue from Local Sources	200,000	200,000	—	(200,000)
Total Revenues	210,000	204,786	5,115	(199,671)
Expenditures				
Support Services				
Business				
Facilities Acquisition and Construction Services				
Capital Outlay	200,000	57,998	57,998	—
Net Change in Fund Balance	10,000	146,788	(52,883)	(199,671)
Fund Balance - Beginning			200,011	
Fund Balances Ending			147,128	

SUPPLEMENTAL SCHEDULES

Long-Term Debt Requirements
General Obligation Refunding Bonds of 2014
June 30, 2025

Date of Issue	June 1, 2014
Date of Maturity	December 1, 2033
Authorized Issue	$3,625,000
Interest Rates	0.00% - 4.75%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	First Midstate Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	$ 280,000	131,470	411,470
2027	295,000	120,950	415,950
2028	310,000	108,850	418,850
2029	325,000	95,337	420,337
2030	340,000	80,375	420,375
2031	360,000	64,625	424,625
2032	375,000	47,619	422,619
2033	400,000	29,213	429,213
2034	415,000	9,856	424,856
	3,100,000	688,295	3,788,295

Long-Term Debt Requirements
General Obligation ARS Refunding Bonds of 2020
June 30, 2025

Date of Issue	December 15, 2020
Date of Maturity	December 1, 2035
Authorized Issue	$7,045,000
Interest Rate	1.90%
Interest Dates	June 1 and December 1
Principal Maturity Date	December 1
Payable at	First Midstate Inc.

CURRENT AND LONG-TERM PRINCIPAL AND INTEREST REQUIREMENTS

Fiscal Year	Principal	Interest	Totals
2026	$ 470,000	95,760	565,760
2027	475,000	86,782	561,782
2028	485,000	77,663	562,663
2029	495,000	68,352	563,352
2030	500,000	58,900	558,900
2031	515,000	49,258	564,258
2032	525,000	39,377	564,377
2033	535,000	29,307	564,307
2034	540,000	19,096	559,096
2035	555,000	8,692	563,692
2036	180,000	1,710	181,710
	5,275,000	534,897	5,809,897

KNOXVILLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202

Schedule of Assessed Valuations, Tax Levies, Extensions, and Collections - Last Six Tax Levy Years
June 30, 2025

	2019	2020	2021	2022	2023	2024
Assessed Valuation	$ 114,735,603	119,590,659	125,949,846	135,217,124	143,565,109	166,728,753
Tax Levy						
Educational	$ 3,367,495	3,493,366	3,687,000	3,981,275	4,163,388	4,623,042
Bond and Interest	398,748	404,025	384,351	406,990	411,501	411,479
Building	580,603	602,305	625,222	686,427	717,826	797,081
IMRF	25,000	26,000	28,000	75,000	75,013	40,008
Transportation	232,241	240,922	250,089	274,570	287,130	318,835
Working Cash	57,918	60,180	62,523	68,642	71,783	79,713
Fire Prevention Safety	57,918	60,180	52,523	68,642	71,783	79,713
Special Education	46,335	48,143	50,018	54,914	57,426	63,777
Tort Immunity	225,000	236,228	240,000	262,000	436,122	436,128
Social Security	25,000	26,000	28,000	75,000	75,013	250,008
Lease	57,918	60,180	62,523	68,642	71,783	79,713
	5,074,176	5,257,529	5,470,249	6,022,102	6,438,768	7,179,497
Tax Rates						
Educational	2.9000%	2.9000%	2.9000%	2.9000%	2.9000%	2.8922%
Bond and Interest	0.3475%	0.3378%	0.3052%	0.3010%	0.2866%	0.2574%
Building	0.5000%	0.5000%	0.4964%	0.5000%	0.5000%	0.4986%
IMRF	0.0218%	0.0218%	0.0222%	0.0555%	0.0523%	0.0250%
Transportation	0.2000%	0.2000%	0.1986%	0.2000%	0.2000%	0.1994%
Working Cash	0.0500%	0.0500%	0.0497%	0.0500%	0.0500%	0.0500%
Fire Prevention Safety	0.0500%	0.0500%	0.0497%	0.0500%	0.0500%	0.0500%
Special Education	0.0400%	0.0400%	0.0397%	0.0400%	0.0400%	0.0400%
Tort Immunity	0.1961%	0.1975%	0.1906%	0.1938%	0.3038%	0.2728%
Social Security	0.0218%	0.0218%	0.0222%	0.0555%	0.0523%	0.1564%
Lease	0.0500%	0.0500%	0.0497%	0.0500%	0.0500%	0.0498%
	4.3772%	4.3689%	4.3240%	4.3958%	4.4849%	4.4916%
Tax Extensions						
Educational	$ 3,327,332	3,468,129	3,652,546	3,921,296	4,163,388	4,623,042
Bond and Interest	398,752	404,025	384,361	406,990	411,501	411,479
Building	573,678	597,953	625,228	676,085	717,826	797,081
IMRF	25,001	26,011	28,011	75,005	75,013	40,008
Transportation	229,471	239,181	250,099	270,434	287,130	318,835
Working Cash	57,368	59,796	62,534	67,609	71,783	79,713
Fire Prevention Safety	57,368	59,796	52,534	67,609	71,783	79,713
Special Education	45,894	47,836	50,027	54,087	57,426	63,777
Tort Immunity	225,008	236,239	240,010	262,010	436,122	436,127
Social Security	25,001	26,011	28,011	75,005	75,013	250,007
Lease	57,368	59,795	62,534	67,609	71,783	79,713
	5,022,241	5,224,772	5,435,895	5,943,739	6,438,768	7,179,495
Tax Collections	$ 5,020,795	5,218,432	5,430,190	5,943,739	6,428,748	—
Percentage Collected	99.97%	99.88%	99.90%	100.00%	99.84%	—%

Note: Tax Levy 2024 will be collected in Fiscal Year 2026.

APPENDIX B-1

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2026A BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 202
Knox County, 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 202, Knox County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026A (the *"Bonds"*), to the amount of $__________, dated ____________, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2026	$	%
2027		%
2028		%
2029		%
2030		%
2031		%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%
2044		%
2045		%
2046		%
2047		%
2048		%
2049		%
2050		%
2051		%
2052		%
2053		%
2054		%
2055		%

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

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

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

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

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

APPENDIX B-2

PROPOSED FORM OF OPINION OF BOND COUNSEL

[2026B BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 202
Knox County, 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 202, Knox County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation School Bonds, Series 2026B (the *"Bonds"*), to the amount of $__________, dated ____________, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2026	$	%
2027		%
2028		%
2029		%
2030		%

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 202, Knox County, Illinois (the *"District"*), in connection with the issuance of $__________ General Obligation School Bonds, Series 2026A (the *"2026A Bonds"*), and $_______ Taxable General Obligation School Bonds, Series 2026B (the *"2026B Bonds"* and, together with the 2026A Bonds, the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 19th day of February, 2026 (the *"Resolution"*).

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

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

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

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

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

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

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

Commission means the Securities and Exchange Commission.

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

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

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

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

MSRB means the Municipal Securities Rulemaking Board.

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

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

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

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

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

State means the State of Illinois.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMUNITY UNIT SCHOOL DISTRICT
NUMBER 202, KNOX COUNTY, ILLINOIS

By ____________________________________
President, Board of Education

Date: ________________, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED FINANCIAL STATEMENTS

All or a portion of the Annual Financial Information and the Audited Financial Statements as set forth below may be included by reference to other documents which have been submitted to EMMA or filed with the Commission. If the information included by reference is contained in 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.

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

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

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

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

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

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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

2026A BONDS

MATURITY (DECEMBER 1)	CUSIP NUMBER (499350)
2026	
2027	
2028	
2029	
2030	
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
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2045	
2046	
2047	
2048	
2049	
2050	
2051	
2052	
2053	
2054	
2055	

2026B BONDS

MATURITY (DECEMBER 1)	CUSIP NUMBER (499350)
2026	
2027	
2028	
2029	
2030	

APPENDIX D

SPECIMEN MUNICIPAL BOND INSURANCE POLICY

ASSURED GUARANTY

MUNICIPAL BOND INSURANCE POLICY

ISSUER: Policy No.: -N

BONDS: $ in aggregate principal amount of Effective Date:

Premium: $

ASSURED GUARANTY INC. ("AG"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") (as set forth in the documentation providing for the issuance of and securing the Bonds) for the Bonds, for the benefit of the Owners or, at the election of AG, 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 Business Day next following the Business Day on which AG shall have received Notice of Nonpayment, AG will disburse to or for the benefit of each Owner of a Bond the face amount of principal of and interest on the Bond that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by AG, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of the 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 AG. 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 AG is incomplete, it shall be deemed not to have been received by AG for purposes of the preceding sentence and AG shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, who may submit an amended Notice of Nonpayment. Upon disbursement in respect of a Bond, AG shall become the owner of the Bond, any appurtenant coupon to the Bond or right to receipt of payment of principal of or interest on the Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under the Bond, to the extent of any payment by AG hereunder. Payment by AG to the Trustee or Paying Agent for the benefit of the Owners shall, to the extent thereof, discharge the obligation of AG under this Policy.

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 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 AG 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 of principal or interest that is Due for Payment made to an Owner by or on behalf of the Issuer which has been recovered from such Owner pursuant to the United States Bankruptcy Code by a trustee in bankruptcy in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means telephonic or telecopied notice, subsequently confirmed in a signed writing, or written notice by registered or certified mail, from an Owner, the Trustee or the Paying Agent to AG which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount and (d) the date such claimed amount 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 or any person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, AG 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 AG to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy.

This Policy sets forth in full the undertaking of AG, 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, (a) 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 and (b) this Policy may not be canceled or revoked. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW.

In witness whereof, ASSURED GUARANTY INC. has caused this Policy to be executed on its behalf by its Authorized Officer.

ASSURED GUARANTY INC.

By ______________________________
Authorized Officer

1633 Broadway, New York, N.Y. 10019 (212) 974-0100

Form 500 (8/24)