

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS⁺: AG INSURED
 S&P: “AA” (STABLE OUTLOOK)
 S&P UNDERLYING RATING: “A+” (STABLE OUTLOOK)

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 2
 WHITESIDE COUNTY, ILLINOIS
 (RIVER BEND)**

**\$14,135,000* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026A
 \$240,000* TAXABLE GENERAL OBLIGATION REFUNDING SCHOOL BONDS, SERIES 2026B**

Dated: Date of Issuance

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

The General Obligation School Bonds, Series 2026A (the “2026A Bonds”), and Taxable General Obligation Refunding School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Bonds”), of Community Unit School District Number 2, Whiteside County, Illinois (the “District”), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York (“DTC”). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on June 1 and December 1 of each year, with December 1, 2026, as the first interest payment date. Amalgamated Bank of Chicago, Chicago, Illinois, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the 2026A Bonds will be used to (i) pay presently outstanding and unpaid claims against the District, as more fully described herein, (ii) conform its existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois, by altering, reconstructing and repairing said facilities and having equipment purchased and installed therein, (iii) pay certain interest on the 2026A Bonds and (iv) pay costs associated with the issuance of the 2026A Bonds. See “USE OF PROCEEDS” herein.

Proceeds of the 2026B Bonds will be used to (i) refund a portion of the District’s General Obligation School Bonds, Series 2024, and (ii) pay costs associated with the issuance of the 2026B Bonds. See “USE OF PROCEEDS” herein.

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

The 2026A Bonds are subject to optional redemption prior to maturity on the dates and at the redemption price described herein under “THE BONDS – Optional Redemption.” The 2026B Bonds are not subject to optional redemption prior to maturity.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under an insurance policy to be issued concurrently with the delivery of the Bonds by Assured Guaranty Inc. (“AG”).



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. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about July 2, 2026.



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

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

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

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

\$14,135,000* General Obligation School Bonds, Series 2026A

<u>Maturity</u> <u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾</u> <u>(965772)</u>
2032	360,000			
2033	650,000			
2034	975,000			
2035	1,060,000			
2036	1,160,000			
2037	1,260,000			
2038	1,365,000			
2039	1,110,000			
2040	1,210,000			
2041	1,320,000			
2042	1,435,000			
2043	1,555,000			
2044	675,000			

\$240,000* Taxable General Obligation Refunding School Bonds, Series 2026B

<u>Maturity</u> <u>(December 1)</u>	<u>Amount (\$)*</u>	<u>Rate (%)</u>	<u>Yield (%)</u>	<u>CUSIP⁽¹⁾</u> <u>(965772)</u>
2033	240,000			

*Preliminary, subject to change.

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

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

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

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

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

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

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

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

Assured Guaranty Inc. (“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 of Municipal Bond Insurance Policy.

**Community Unit School District Number 2
Whiteside County, Illinois
(River Bend)
1110 3rd Street
Fulton, Illinois 61252
(815) 589-2711**

* * * * *

Board of Education

Daniel Portz, President
Andrew Meyers, Vice President
Mary Simmons, Secretary
Elizabeth Falls
Kyle Folk
Jay Ritchie
Travis Temple

School Treasurer

Jennifer Griser

Superintendent ⁽¹⁾

Dr. Darryl Hogue

Business Manager

Rachel Snyder

* * * * *

Paying Agent/Registrar/Escrow Agent

Amalgamated Bank of Chicago
30 North LaSalle Street, Suite 3800
Chicago, Illinois 60602

Independent Auditors

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

Verification Agent

Ritz & Associates PA
110 Cheshire Lane, Suite 390
Minnetonka, Minnesota 55305

Bond and Disclosure Counsel

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

Municipal Advisor

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

Underwriter

Stifel, Nicolaus & Company, Incorporated
501 North Broadway
St. Louis, Missouri 63102

(1) Dr. Hogue will retire at the end of the 2025-2026 school year. See "THE DISTRICT-Administration" herein for more information.

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Community Unit School District Number 2
Whiteside County, Illinois
(River Bend)
\$14,135,000* General Obligation School Bonds, Series 2026A
\$240,000* Taxable General Obligation Refunding School Bonds, Series 2026B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning Community Unit School District Number 2, Whiteside County, Illinois (the “District”), in connection with the offering and sale of its \$14,135,000* General Obligation School Bonds, Series 2026A (the “2026A Bonds”), and \$240,000* Taxable General Obligation Refunding School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Bonds”) This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

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

The Bonds will be dated as of the date of delivery and will mature as shown on the inside cover page of this Official Statement. Interest on the Bonds will be payable on each June 1 and December 1, beginning December 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 in Chicago, Illinois. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the “Record Date”).

The 2026A Bonds are subject to optional redemption prior to maturity as discussed under “Optional Redemption” herein. The 2026B Bonds are not subject to optional redemption prior to maturity.

*Preliminary, subject to change.

Registration and Exchange

The Bonds may be transferred, registered and assigned only on the registration books of the Registrar (the “Registrar”), and such registration shall be at the expense of the District; provided, however, that the District or the Registrar may require payment of a sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds, 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.

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

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, 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.

Authority and Purpose

The Bonds are issued pursuant to the School Code of the State of Illinois (the “School Code”), the Local Government Debt Reform Act of the State of Illinois (the “Debt Reform Act”), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education (the “Board”) of the District on April 22 2026 (as supplemented by a notification of sale, the “Bond Resolution”). Proceeds of the 2026A Bonds will be used to (i) pay presently outstanding and unpaid claims against the District, namely the District’s outstanding General Obligation Debt Certificates (Limited Tax), Series 2026, dated February 11, 2026 (the “Certificates” or the “Claims”), (ii) conform its existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois, by altering, reconstructing and repairing said facilities and having equipment purchased and installed therein, (iii) pay certain interest on the 2026A Bonds and (iv) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (i) refund a portion of the District’s General Obligation School Bonds, Series 2024, dated July 2, 2024 (the “2024 Bonds”),

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

Security and Payment

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

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Bonds except for a portion of the interest due on the Bonds up to and including December 1, 2027, which will be paid from proceeds of the Bonds and taxes extended to pay the Refunded Bonds (as hereinafter defined). The Bond Resolution will be filed with the County Clerk of The County of Whiteside, Illinois (the “County Clerk”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

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

Optional Redemption

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 a redemption price of par plus accrued interest to the redemption date.

The 2026B Bonds are not subject to optional redemption prior to maturity.

Redemption Procedures

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 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 will 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 thirty (30) days and not more than sixty (60) days prior to the date fixed for redemption to the 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.

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding 2026A Bonds are to be redeemed, the identification (and, in the case of partial redemption of 2026A Bonds, the respective principal amounts) of the 2026A Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such 2026A Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such 2026A Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the 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 was 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 portion of 2026A Bonds will 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.

USE OF PROCEEDS

The 2026A Bonds

A portion of the proceeds of the 2026A Bonds will be used to pay and redeem the Certificates on July 2, 2026 (the “Redemption Date”). Such proceeds of the 2026A Bonds in an amount sufficient to pay the principal and interest due on the Certificates on the Redemption Date will be deposited with the holder of the Certificates (the “Certificateholder”). The District issued the Certificates to alter, repair and equip school facilities, including building and equipping a gymnasium at the River Bend Middle School and the addition of a weight room, locker rooms, and a concession stand. Proceeds of the 2026A Bonds will also be used conform its existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois, by altering, reconstructing and repairing said facilities and having equipment purchased and installed therein. Such projects include a coating on the roof of each of the high school and middle school, and elementary school buildings (the “Project”). The District anticipates completing the Middle School project by fall of 2027 and the Project by summer of 2026. Proceeds of the 2026A Bonds will also be used to pay certain interest on the 2026A Bonds.

The 2026B Bonds

Proceeds of the 2026B Bonds will be used to refund certain of the 2024 Bonds (the “Refunded Bonds”). The purpose of the refunding is to manage the debt service of the District. The Refunded Bonds are further described below.

2024 Bonds

(Dated Date: July 2, 2024)

CUSIP (965772)	Maturities (December 1)	Original Outstanding Amount	Refunded Bonds*	Remaining Amount*	Redemption Price	Redemption Date
DR4	2026	\$ 140,000	\$ -	\$ 140,000	N/A	N/A
DS2	2027	330,000	-	330,000	N/A	N/A
DT0	2028	660,000	75,000	585,000	N/A	N/A
DU7	2029	710,000	60,000	650,000	N/A	N/A
DV5	2030	765,000	50,000	715,000	N/A	N/A
DW3	2031	820,000	35,000	785,000	N/A	N/A
DX1	2032	455,000	-	455,000	N/A	N/A
		<u>\$ 3,880,000</u>	<u>\$ 220,000</u>	<u>\$ 3,660,000</u>		

*Preliminary, subject to change.

Proceeds of the 2026B Bonds will be used to fund an irrevocable escrow account (the “Escrow Account”) consisting of cash and direct obligations of the United States of America (the “Government Obligations”). The Escrow Account will be held by Amalgamated Bank of

Chicago, Chicago, Illinois (the “Escrow Agent”), and will be used to pay the principal of and interest on the Refunded Bonds up to and including the maturity dates thereof. The Escrow Account will be held by the Escrow Agent pursuant to an escrow agreement between the District and the Escrow Agent which irrevocably directs the Escrow Agent to make all payments of the principal of and interest on the Refunded Bonds up to and including the maturity dates thereof. The Escrow Account will be funded in such amounts so that the initial cash deposit and the principal and interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the Refunded Bonds up to and including the maturity dates thereof.

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Obligations together with the initial cash deposit in the Escrow Account to pay the debt service on the Refunded Bonds will be verified by Ritz & Associates PA, Minnetonka, Minnesota (the “Verifier”). Such verification will be based upon information supplied by PMA Securities, LLC, Naperville, Illinois (the “Municipal Advisor” or “PMA”).

SOURCES AND USES

Estimated Sources of Funds

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

Estimated Uses of Funds

	<u>2026A Bonds</u>	<u>2026B Bonds</u>
Deposit with Certificateholder.....		
Costs of the Project.....		
Deposit to the Escrow Account.....		
Pay Interest on the Bonds.....		
Costs of Issuance ⁽¹⁾		
Total Uses	\$ _____ -	\$ _____ -

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

BOND INSURANCE

Bond Insurance Policy

Concurrently with the issuance of the Bonds, Assured Guaranty Inc. (“AG”) will issue its Municipal Bond Insurance Policy for the Bonds (the “Policy”). The Policy guarantees the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policy is not covered by any insurance security or guaranty fund established under New York, 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, and in the annuity reinsurance business through Assured Life Reinsurance Ltd. 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.

Current Financial Strength Ratings

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

On June 30, 2025, S&P announced that it had affirmed 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, 2025.

Capitalization of AG

At March 31, 2026:

- The policyholders' surplus of AG was approximately \$3,158 million.
- The contingency reserve of AG was approximately \$1,539 million.
- The net unearned premium reserves and net deferred ceding commission income of AG and its subsidiaries (as described below) were approximately \$2,402 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, 2025 (filed by AGL with the SEC on February 27, 2026); and
- (ii) the Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2026 (filed by AGL with the SEC on May 8, 2026).

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 (the “Exchange Act”), 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”.

BOOK-ENTRY SYSTEM

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P Global Ratings ("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 affect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

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

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances,

in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

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

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

A separate tax to pay principal of and interest on the Bonds will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in Whiteside County, Illinois (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 Illinois Department of Revenue (the "Department") assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property.

The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

Unpaid Taxes and Annual Tax Sales

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.5% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

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

When taxes go unpaid for more than 20 years, 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.

Recent federal court decisions have challenged the constitutionality of tax sale systems similar to the Illinois tax sale system in other states. In December 2025, a federal court determined that Cook County’s tax sale system is likewise unconstitutional based on those earlier rulings. The General Assembly (the “General Assembly”) of the State of Illinois (the “State”) has not yet considered legislation to modify the tax sale system in the State. The District makes no prediction as to the effect of such rulings on the State’s tax sale process or the likelihood, or effect, of any legislation modifying such tax sale process in the future.

Exemptions

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

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

The Homestead Improvement Exemption applies to Residential Property that has been improved or rebuilt in the two years following a catastrophic event, as defined in the Property Tax Code. The exemption is limited to an annual maximum amount of \$75,000 for up to four years to the extent the assessed value is attributable solely to such improvements or rebuilding.

The Senior Citizens Homestead Exemption annually reduces the EAV on residences owned and occupied by senior citizens. The maximum exemption is \$5,000. Beginning with tax year 2023, the maximum exemption in the Collar Counties is \$8,000.

The Senior Citizens Assessment Freeze Homestead Exemption freezes property tax assessments for homeowners who are 65 and older, reside in their property as their principal place of residence and receive a household income not in excess of the maximum income limitation. The maximum income limitation is \$65,000. This exemption grants to qualifying senior citizens an exemption equal to the difference between (a) the current EAV of the residence and (b) the EAV of a senior citizen’s residence for the year prior to the year in which he or she first qualifies and applies for the exemption, plus the EAV of improvements since such year.

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

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

earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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

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

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

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

Property Tax Extension Limitation Law

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

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts

payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

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

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

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. The County held an unsuccessful referendum on the applicability of the Limitation Law in November 1997.

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 in any way would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Bonds. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution.

RISK FACTORS

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

Construction Risks

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

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

Finances of the State of Illinois

State funding sources constituted 34.45% of the District’s combined Educational Fund and Operations and Maintenance Fund (the “General Fund”) revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years,

the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. 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 7.47% of the District's General Fund revenue sources for the fiscal year ended June 30, 2025, or the District's ability to comply with federal laws and regulations in the future.

Local Economy

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

Loss or Change of Bond Rating

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

Cybersecurity

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the

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

Secondary Market for the Bonds

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

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

Continuing Disclosure

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

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the 2026A Bonds is currently more valuable to high tax bracket investors than to investors that are in low tax brackets. As such, the value of the interest compensation to any particular investor will vary with individual tax rates and circumstances. Each prospective investor should carefully examine this Official Statement and its own financial condition to make a judgment as to its ability to bear the economic risk of such an investment, and whether or not the Bonds are an appropriate investment for such investor.

Future Changes in Laws

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

Factors Relating to Tax Exemption

As discussed under “TAX MATTERS” 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, to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 2026A Bondholders may have no right to participate in such proceeding. The commencement of an audit with respect to any tax-exempt obligations of the District could adversely affect the market value and liquidity of the 2026A Bonds, regardless of the ultimate outcome.

Bankruptcy

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors’ rights, to the exercise of judicial discretion in appropriate cases and to

limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

THE DISTRICT

General Description

The primarily rural, 80 square mile District is located in the County, approximately 45 miles northeast of the Quad-Cities metropolitan area consisting of Davenport, Iowa; Moline, Illinois; Rock Island, Illinois; Bettendorf, Iowa, and East Moline, Illinois. The District’s boundaries include the City of Fulton (the “City”) (42.46% of the District’s 2025 EAV) and the Village of Albany (the “Village”) (10.28% of the District’s 2025 EAV). The Mississippi River borders the western boundary of the District.

The Interstate 88 East-West Tollway is south of the City, with an interchange in Rock Falls at Route 30. Illinois Route 78 is ten miles east of the City and provides easy access to other towns. Illinois Route 84 is on the east edge of the City and Illinois Route 30 is on the south edge. Private air transportation and air freight service is available at Whiteside County Airport, 28 miles southeast of the City. The closest full-service commercial airport is in the Quad Cities, 42 miles southwest of the City.

The Quad Cities communities, located adjacent to the Mississippi River, have a broad network of highway, air, rail and mass transit systems. Interstate 80 (east to Chicago’s south suburbs and west to Des Moines, Iowa and Interstate 74 (southeast to Indianapolis via Peoria and Champaign) intersect. Interstate 88 (formerly Illinois Route 5) also connects the Quad Cities area northwest to Chicago. Five interstate bridges connect the Illinois and Iowa portions of the Quad Cities. Both sides of the Mississippi River are served by tax-supported transit systems.

Higher education is provided by Western Illinois University at its campus located in the Quad Cities in Moline which offers graduate and undergraduate programs. Sauk Valley Community College District No. 506 (“Sauk Valley College”) also serves the area. There are also three private four-year colleges in the Quad Cities: Augustana College, St. Ambrose University, and Palmer College.

Educational Facilities

The District operates four facilities.

<u>Facility</u>	<u>Grades</u>	Current	Capacity	<u>Constructed</u>	<u>Years of Additions/Renovations</u>
		<u>Enrollment</u>	<u>Enrollment</u>		
Fulton Blended Preschool.....	Pre-K	72	80	1996	-
Fulton Elementary School.....	K-5	418	490	1980	1992, 2019
River Bend Middle School.....	6-8	213	310	1961	1996, 2019
Fulton High School	9-12	265	420	1950	1961, 1996, 2002, 2021, 2022

Source: The District

Enrollments

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

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021-2022	939	2026-2027	1,000
2022-2023	942	2027-2028	1,000
2023-2024	957	2028-2029	1,000
2024-2025	998	2029-2030	1,000
2025-2026	984	2030-2031	1,000

Source: The District

Board of Education

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

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Daniel Portz	2029
Vice President.....	Andrew Meyers	2027
Secretary.....	Mary Simmons	2027
Member.....	Elizabeth Falls	2027
Member.....	Kyle Folk	2029
Member.....	Jay Ritchie	2027
Member.....	Travis Temple	2027
School Treasurer.....	Jennifer Griser	Appointed

Administration

The District's Superintendent is Dr. Darryl Hogue, who has been the Superintendent of the District since 2014. Prior to coming to the District, Dr. Hogue served as the Principal at Morrison Junior High School located in Morrison, Illinois. Dr. Hogue will retire at the end of the 2025-2026 school year. Ms. Kelli Parsons will become the Superintendent in July 2026. As Ms. Parsons earned her Superintendent endorsement, she completed her internship at the District. Prior to joining the District, Ms. Parsons was the Assistant Principal at Fulton Elementary School. Ms. Rachel Snyder has served as the Business Manager of the District since 2015.

Employees

The District has approximately 159 employees of whom 83 are certified employees and 76 are non-certified. Of the total number, the River Bend Education Association represents 146 members. The contract expires in summer 2026. A new three-year contract was recently completed and is expected to be approved by the Board at its June 17, 2026 meeting. The District considers its relationship with its employees to be good.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

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

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010-2020</u>
The District.....	N/A	6,638	6,547	-1.37
The City.....	3,881	3,481	3,647	+ 4.77
The Village	895	891	864	-3.03
The County	60,653	58,498	55,691	-4.80
The State	12,419,293	12,830,632	12,812,508	-0.14

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

Income and Housing

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

	The <u>District</u>	The <u>County</u>	The <u>State</u>	United <u>States</u>
Median Home Value.....	\$141,500	\$127,100	\$263,300	\$332,700
Median Household Income....	60,846	67,500	83,390	80,734
Median Family Income.....	85,938	86,228	106,018	99,999
Per Capita Income.....	37,358	37,312	46,406	44,673

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

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Village for the last five calendar years.

Calendar <u>Year</u>	<u>The City</u>	<u>The Village</u>
2021	\$ 43,030,913	\$ 5,308,075
2022	48,781,961	5,499,169
2023	45,582,564	5,843,414
2024	47,746,203	6,215,305
2025	59,007,069	7,091,631

Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes (“CPPRT”) are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the “Personal Property Tax”) with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the “Sharing Act”) was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2021, through the most recently completed fiscal year of June 30, 2025, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2026:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>CPPRT</u> <u>Receipts</u>
2021	\$ 353,165
2022	769,808
2023	870,110
2024	573,119
2025	380,029
2026 ⁽¹⁾	387,860

(1) Estimated.

Source: The District’s Annual Financial Report for the fiscal years ended June 30, 2021-2025 and the Department for fiscal year 2026.

School Facilities Sales Tax

On October 17, 2007, the General Assembly 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%.

Pursuant to the Sales Tax Law, a 1% Sales Tax was approved by a majority of the voters in the County. The District received \$740,256 during fiscal year 2025 from its share of the Sales Tax and has budgeted to receive \$740,000 in fiscal year 2026. The District has used such Sales Tax to pay debt service on its outstanding alternate bonds and for pay-as-you-go projects at the District. Going forward, the District also expects to use approximately \$300,000 to abate debt service on the 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 Area Employers

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

Company Name	Product or Service	Location	Approximate employees at location
Timken Drives LLC.....	Manufacturing of chains.....	Fulton	425
Agri-King, Inc.....	Animal feed supplements.....	Fulton	80
J.T. Cullen Co., Inc.....	Custom metal fabrication.....	Fulton	70
Fulton Corp.....	Mailbox supplier.....	Fulton	60
Pallet Recovery, Inc.....	Wooden pallets.....	Fulton	30
CertaSite Grand Rapids, LLC.....	Fire equipment service and repair.....	Fulton	25
Sloan Implement Co., Inc.....	Farm equipment wholesaler.....	Fulton	25
Zen-Noh Grain Corporation.....	Grain terminal.....	Albany	15
A. C. McCartney Equipment, Inc.....	Retail farm and lawn	Fulton	13
CF Industries, Inc.....	Liquid fertilizer distribution.....	Albany	10

Source: 2026 Manufacturers’ News, Inc. Illinois Manufacturers and Illinois Services Directories and the District.

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

Company Name	Product or Service	Location	Approximate employees at location
Tyson Foods, Inc.....	Meat packing & processing.....	Hillsdale, IL	2,400
MercyOne.....	Healthcare.....	Clinton, IA	850
Archer Daniels Midland.....	Manufacturing.....	Clinton, IA	760
Constellation Energy Corp.....	Nuclear generating station.....	Cordova, IL	740
Custom-Pak, Inc.....	Manufacturing.....	Clinton, IA	700
Nestle Purina PetCare.....	Manufacturing.....	Clinton, IA	680
Clinton CSD.....	Education.....	Clinton, IA	550
3M Co., Specialty Materials Resource Division.....	Chemicals and adhesives.....	Clinton, IA	470
MacLean-Fogg Component Solutions: Metform.....	Industrial fasteners.....	Savanna, IL	450
City of Clinton.....	Government.....	Clinton, IA	358

Source: 2026 Manufacturers’ News, Inc. Illinois Manufacturers and Illinois Services Directories, Clinton Regional Development Corporation and the District.

Historical Unemployment Statistics

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

	The City	The Village	The County	The State
Average, 2021. ⁽¹⁾	4.0%	4.3%	5.0%	6.1%
Average, 2022.....	3.5	3.8	4.2	4.6
Average, 2023.....	3.9	5.3	4.7	4.5
Average, 2024.....	3.9	5.6	4.7	5.0
Average, 2025.....	4.2	5.4	4.6	4.6
March, 2025.....	N/A ⁽²⁾	N/A ⁽²⁾	4.5	4.7
March, 2026.....	N/A ⁽²⁾	N/A ⁽²⁾	5.2	5.2

(1) The District attributes the increase in unemployment rates to the COVID-19 pandemic. See “STATE AID - Federal COVID-19 Legislation” herein.

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

Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

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

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

<u>Property Type</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential	\$ 90,864,638	\$ 94,419,561	\$ 103,271,408	\$ 112,345,515	\$ 120,599,419
Farm	19,458,765	21,178,286	23,324,884	25,268,795	28,080,376
Commercial	8,490,298	8,515,453	8,654,934	8,742,950	9,405,703
Mineral.....	-	181,002	334,815	331,559	401,559
Industrial	6,224,503	6,167,232	6,417,120	6,683,501	6,721,976
Railroad	5,367,242	5,950,602	6,344,554	5,957,336	5,905,720
Total..... ⁽¹⁾	<u>\$ 130,405,446</u>	<u>\$ 136,412,136</u>	<u>\$ 148,347,715</u>	<u>\$ 159,329,656</u>	<u>\$ 171,114,753</u>
Percent of Change.....	+ 2.21% ⁽²⁾	+ 4.61%	+ 8.75%	+ 7.40%	+ 7.40%
New Property Amounts..	\$1,092,243	\$898,701	\$741,566	\$686,182	\$1,149,034

(1) Excludes tax increment financing (“TIF”) incremental EAV and abated enterprise zone EAV. See “Tax Increment Financing Districts Located within the District” and “Enterprise Zone Located within the District” herein.

(2) Based on the District’s 2020 EAV of \$127,582,934.

Source: County Clerk’s Office

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Tax Increment Financing Districts Located within the District

A portion of the District’s EAV is contained in TIF districts, as detailed below. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated (the “Base EAV”). Any incremental increases in property tax revenue produced by the increase in EAV derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The Route 136 & 84 TIF district is due to expire in 2028. At a recent meeting with the City, the City officials indicated they will not renew the TIF district when it expires. The District is not aware of any new TIF districts planned in the immediate future. The District has a revenue surplus agreement with the City. To date, the District has not received any funds.

<u>Location</u>	<u>Year Established</u>	<u>Adjusted Base EAV</u>	<u>2025 EAV</u>	<u>Incremental EAV</u>
Route 136 & 84.....	2003	\$ 648,177	\$ 2,895,041	\$ 2,246,864
IL Route 84 & 31st Ave....	2014	5,590	1,229,414	1,223,824
Total.....		<u>\$ 653,767</u>	<u>\$ 4,124,455</u>	<u>\$ 3,470,688</u>

Source: County Clerk’s Office

Enterprise Zone Located within the District

A portion of the District’s EAV is contained in an enterprise zone (“EZ”), as detailed below. When an EZ is established, all or a portion of taxes on real property located within the EZ and upon which new improvements have been constructed or upon which existing improvements have been renovated or rehabilitated may be abated. The abatement applies only to taxes on the increase in assessed value attributable to the new construction, renovation or rehabilitation.

<u>Name</u>	<u>Year Established</u>	<u>Abated EAV</u>
Whiteside Carroll Enterprise Zone.....	2017	\$ 161,752
Total.....		<u>\$ 161,752</u>

Source: County Clerk’s Office

Tax Rates
(Per \$100 EAV)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	<u>Statutory Maximum Rate</u>
Education	\$ 2.600	\$ 2.600	\$ 2.600	\$ 2.600	\$ 2.600	\$2.600
Bond & Interest	0.518	0.555	0.514	0.479	0.426	N/A
O&M.....	0.500	0.500	0.500	0.500	0.500	0.500
IMRF	0.100	0.059	0.020	0.057	0.029	N/A
Transportation.....	0.200	0.200	0.200	0.200	0.200	0.200
Working Cash.....	0.050	0.050	0.050	0.050	0.050	0.050
Life Safety.....	0.050	0.050	0.050	0.050	0.050	0.050
Special Education.....	0.040	0.040	0.040	0.040	0.040	0.040
Tort.....	0.349	0.334	0.310	0.314	0.316	N/A
Social Security.....	0.123	0.095	0.098	0.126	0.152	N/A
Lease.....	0.050	0.050	0.050	0.050	0.050	0.050
Total.....	<u>\$ 4.579</u>	<u>\$ 4.532</u>	<u>\$ 4.432</u>	<u>\$ 4.465</u>	<u>\$ 4.413</u>	

Source: County Clerk’s Office

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

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

<u>Taxing Body</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
The District.....	\$ 4.579	\$ 4.532	\$ 4.432	\$ 4.465	\$ 4.413
The County.....	1.074	1.044	1.017	0.979	0.944
Fulton Township.....	0.270	0.271	0.263	0.257	0.249
Fulton Township Road.....	0.132	0.139	0.124	0.121	0.112
Fulton Flood.....	0.068	0.066	0.001	0.057	0.053
The City.....	1.138	1.161	1.119	1.091	1.023
Fulton Fire.....	0.459	0.466	0.452	0.444	0.433
Fulton Library.....	0.204	0.208	0.201	0.196	0.189
Sauk Valley College	0.440	0.435	0.416	0.407	0.402
Total.....	<u>\$ 8.363</u>	<u>\$ 8.321</u>	<u>\$ 8.024</u>	<u>\$ 8.016</u>	<u>\$ 7.816</u>

Source: County Clerk’s Office

Tax Extensions and Collections

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Extensions	\$5,971,265	\$6,182,471	\$6,575,364	\$7,114,547	\$7,550,781
Collections	5,961,814	6,189,332	6,571,316	7,111,503	(1)
% Collected	99.84%	100.11%	99.94%	99.96%	

(1) In process.

Source: Whiteside County Treasurer's Office

Largest Taxpayers

The taxpayers listed below represent 5.72% of the District's 2025 EAV which is \$171,114,753 (which excludes TIF incremental EAV and abated EZ EAV totaling \$3,470,688). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included. The 2024 EAV for largest taxpayers is the most current available.

<u>Taxpayer</u>	<u>Description</u>	<u>2025 EAV</u>	<u>% of EAV</u>
Zen-Noh Grain Corporation. ⁽¹⁾	Grain elevator.....	\$ 2,202,218	1.29%
Drives Inc.....	Steel manufacturing.....	1,332,021	0.78%
Fulton Industrial LLC.....	Farm land/dwelling.....	907,791	0.53%
JT Cullen Properties LLC.....	Metal fabricator.....	849,620	0.50%
Agri-King Inc.....	Animal feed supplements.....	820,030	0.48%
AJKM Farms LLC.....	Farm.....	766,402	0.45%
Fulton Crossing LLC.....	Apartment building.....	600,310	0.35%
ACM4 LLC.....	Farm equipment.....	563,390	0.33%
Individual.....	Farm.....	543,313	0.32%
NNDYM FTK Inc.....	Commercial.....	<u>521,660</u>	<u>0.30%</u>
Total.....		<u>\$ 9,106,755</u>	<u>5.72%</u>

(1) Zen-Noh Grain Corporation appealed its property tax assessment and entered into an agreement to reduce its EAV by about \$400,000 over a three-year period beginning with levy year 2025 (from \$1,077,554 in tax year 2025 to \$662,678 in levy year 2027).

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

Summary of Outstanding Bonded Debt

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

Issue Description	Dated Date	Original Amount of Issue	Current Amount Outstanding	Final Maturity Date
G.O. School Bonds, Series 2019.....	07/09/19	\$ 3,500,000	\$ 335,000	12/01/26
G.O. School Bonds (Alternate Revenue Source), Series 2021 (the "2021 Bonds").....	07/01/21	2,200,000	1,095,000	12/01/29
G.O. School Bonds, Series 2022.....	07/06/22	547,120	331,974	12/01/27
G.O. School Bonds, Series 2024.....	07/02/24	3,880,000	3,660,000 *	12/01/32
The 2026A Bonds.....	07/02/26	14,135,000 *	14,135,000 *	12/01/44 *
The 2026B Bonds.....	07/02/26	240,000 *	240,000 *	12/01/33 *
Total			\$ 19,796,974 *	

*Preliminary, subject to change.

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Debt Repayment Schedule

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

Fiscal Year	Principal Outstanding	Less: The Certificates*	Less: The Refunded Bonds*	The 2026A Bonds*	The 2026B Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2027	\$ 1,586,974	\$ (780,000)	\$ -	\$ -	\$ -	\$ 806,974	\$ 806,974	4.08%
2028	1,795,000	(890,000)	-	-	-	905,000	1,711,974	8.65
2029	1,855,000	(935,000)	(75,000)	-	-	845,000	2,556,974	12.92
2030	1,955,000	(985,000)	(60,000)	-	-	910,000	3,466,974	17.51
2031	1,800,000	(1,035,000)	(50,000)	-	-	715,000	4,181,974	21.12
2032	1,905,000	(1,085,000)	(35,000)	-	-	785,000	4,966,974	25.09
2033	1,600,000	(1,145,000)	-	360,000	-	815,000	5,781,974	29.21
2034	1,200,000	(1,200,000)	-	650,000	240,000	890,000	6,671,974	33.70
2035	1,265,000	(1,265,000)	-	975,000	-	975,000	7,646,974	38.63
2036	1,330,000	(1,330,000)	-	1,060,000	-	1,060,000	8,706,974	43.98
2037	1,395,000	(1,395,000)	-	1,160,000	-	1,160,000	9,866,974	49.84
2038	-	-	-	1,260,000	-	1,260,000	11,126,974	56.21
2039	-	-	-	1,365,000	-	1,365,000	12,491,974	63.10
2040	-	-	-	1,110,000	-	1,110,000	13,601,974	68.71
2041	-	-	-	1,210,000	-	1,210,000	14,811,974	74.82
2042	-	-	-	1,320,000	-	1,320,000	16,131,974	81.49
2043	-	-	-	1,435,000	-	1,435,000	17,566,974	88.74
2044	-	-	-	1,555,000	-	1,555,000	19,121,974	96.59
2045	-	-	-	675,000	-	675,000	19,796,974	100.00
	<u>\$ 17,686,974</u>	<u>\$ (12,045,000)</u>	<u>\$ (220,000)</u>	<u>\$ 14,135,000</u>	<u>\$ 240,000</u>	<u>\$ 19,796,974</u>		

*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt
(As of May 27, 2026)

<u>Taxpayer</u>	<u>Allocated to the District</u>		
	<u>Bonded Debt</u> ⁽¹⁾	<u>Percent</u> ⁽²⁾	<u>Amount</u>
Sauk Valley College	\$9,530,000	6.17%	\$ 588,382
Total.....			<u>\$ 588,382</u>

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

(2) Percentages based on 2024 EAVs, the most recent available.

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

Debt Statement

General Obligation Direct Bonded Debt.....	\$17,686,974
Less: The Refunded Bonds.....	(\$220,000) *
Less: The Certificates.....	(\$12,045,000) *
The 2026A Bonds.....	\$14,135,000 *
The 2026B Bonds.....	\$240,000 *
Leases.....	\$415,498
Net Direct Debt	\$20,212,472 *
Overlapping Bonded Debt.....	\$588,382
Net Direct Debt and Overlapping Bonded Debt.....	\$20,800,854 *
EAV (2025)... ⁽¹⁾	\$ 171,114,753
Statutory Debt Limit (13.8% of EAV).....	\$23,613,835
Net Direct Debt Applicable to Statutory Debt Limit... ⁽²⁾	\$19,117,472 *
Statutory Debt Margin.....	\$4,496,363 *

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

(2) Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2021 Bonds) 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.

*Preliminary, subject to change.

Debt Ratios⁽¹⁾

Estimated Market Valuation (2025).....	\$513,344,259
EAV (2025)... ⁽²⁾	\$171,114,753
2020-2024 ACS Population Estimate.....	6,485
Net Direct Debt to EAV.....	11.17% *
Net Direct Debt to Estimated Market Valuation	3.72% *
Net Direct Debt and Overlapping Bonded Debt to EAV	11.52% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	3.84% *
Net Direct Debt Per Capita	\$2,947.95 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$3,038.68 *

(1) Excludes the 2021 Bonds. Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2021 Bonds) 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.

(2) Excludes TIF incremental EAV and abated EZ EAV. See “Tax Increment Financing Districts Located within the District” and “Enterprise Zone Located within the District” herein.

*Preliminary, subject to change.

Short-Term Financing Record

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

Future Financing

The District does not intend to issue any additional long-term debt in the next 12 months.

Default Record

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

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources

(Years Ended June 30)

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

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Local Sources.....	56.48 %	55.14 %	56.53 %	59.03 %	58.09 %
State Sources.....	31.75	27.98	28.53	31.08	34.45
Federal Sources.....	<u>11.77⁽¹⁾</u>	<u>16.88⁽¹⁾</u>	<u>14.94⁽¹⁾</u>	<u>9.89</u>	<u>7.47</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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

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

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

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

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund ⁽¹⁾	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2021									
Receipts.....	\$ 7,921,730	\$ 701,486	\$ 8,623,216	\$ 507,438	\$ 68,351	\$ 327,526	\$ 474,262	\$ 700,979	\$ 10,701,772
Disbursements.....	7,508,617	592,688	8,101,305	503,918	-	278,244	424,541	817,906	10,125,914
Net Surplus (Deficit).....	413,113	108,798	521,911	3,520	68,351	49,282	49,721	(116,927)	575,858
Other Sources (Uses).....	(25,825)	-	(25,825)	-	-	-	-	249,125	223,300
Beginning Fund Balance.....	2,150,043	763,434	2,913,477	288,379	719,297	630,885	399,083	350,299	5,301,420
Student Activity Fund.....	257,205	-	257,205	-	-	-	-	-	257,205
Ending Fund Balance.....	\$ 2,794,536	\$ 872,232	\$ 3,666,768	\$ 291,899	\$ 787,648	\$ 680,167	\$ 448,804	\$ 482,497	\$ 6,357,783
2022									
Receipts.....	\$ 9,476,385 ⁽²⁾	\$ 689,350	\$ 10,165,735	\$ 559,919	\$ 68,488	\$ 324,449	\$ 466,149	\$ 688,674	\$ 12,273,414
Disbursements.....	8,905,395 ⁽³⁾	624,104	9,529,499	1,202,685	-	267,865	474,694	936,988	12,411,731
Net Surplus (Deficit).....	570,990	65,246	636,236	(642,766)	68,488	56,584	(8,545)	(248,314)	(138,317)
Other Sources (Uses).....	(13,597)	-	(13,597)	612,053	-	-	-	215,747	814,203
Beginning Fund Balance.....	2,794,536	872,232	3,666,768	291,899	787,648	680,167	448,804	482,497	6,357,783
Ending Fund Balance.....	\$ 3,351,929	\$ 937,478	\$ 4,289,407	\$ 261,186	\$ 856,136	\$ 736,751	\$ 440,259	\$ 449,930	\$ 7,033,669
2023									
Receipts.....	\$ 9,794,315 ⁽²⁾	\$ 710,718	\$ 10,505,033	\$ 648,244	\$ 83,618	\$ 263,526	\$ 445,957	\$ 701,895	\$ 12,648,273
Disbursements.....	9,649,429 ⁽³⁾	767,477	10,416,906	580,240	-	272,926	462,509	1,021,543	12,754,124
Net Surplus (Deficit).....	144,886	(56,759)	88,127	68,004	83,618	(9,400)	(16,552)	(319,648)	(105,851)
Other Sources (Uses).....	50,719	-	50,719	-	-	-	-	336,224	386,943
Beginning Fund Balance.....	3,351,929	937,478	4,289,407	261,186	856,136	736,751	440,259	449,930	7,033,669
Ending Fund Balance.....	\$ 3,547,534	\$ 880,719	\$ 4,428,253	\$ 329,190	\$ 939,754	\$ 727,351	\$ 423,707	\$ 466,506	\$ 7,314,761
2024									
Receipts.....	\$ 10,010,143	\$ 763,768	\$ 10,773,911	\$ 551,134	\$ 109,791	\$ 246,236	\$ 480,900	\$ 781,606	\$ 12,943,578
Disbursements.....	9,714,825	705,165	10,419,990	628,246	-	273,905	493,895	1,097,507	12,913,543
Net Surplus (Deficit).....	295,318	58,603	353,921	(77,112)	109,791	(27,669)	(12,995)	(315,901)	30,035
Transfer.....	23,245	-	23,245	-	76,600	-	-	344,083	443,928
Beginning Fund Balance.....	3,547,534	880,719	4,428,253	329,190	939,754	727,351	423,707	466,506	7,314,761
Ending Fund Balance.....	\$ 3,866,097	\$ 939,322	\$ 4,805,419	\$ 252,078	\$ 1,126,145	\$ 699,682	\$ 410,712	\$ 494,688	\$ 7,788,724
2025									
Receipts.....	\$ 9,980,118	\$ 846,202	\$ 10,826,320	\$ 631,731	\$ 117,112	\$ 280,268	\$ 496,805	\$ 768,853	\$ 13,121,089
Disbursements.....	10,793,088	929,352	11,722,440	771,759	-	322,081	511,798	1,280,128	14,608,206
Net Surplus (Deficit).....	(812,970) ⁽⁴⁾	(83,150)	(896,120)	(140,028)	117,112	(41,813)	(14,993)	(511,275)	(1,487,117)
Other Sources (Uses).....	51,907	-	51,907	156,462	(176,600)	-	-	701,412	733,181
Beginning Fund Balance.....	3,866,097	939,322	4,805,419	252,078	1,126,145	699,682	410,712	494,688	7,788,724
Ending Fund Balance.....	\$ 3,105,034	\$ 856,172	\$ 3,961,206	\$ 268,512	\$ 1,066,657	\$ 657,869	\$ 395,719	\$ 684,825	\$ 7,034,788
Fund Balance as % of Disbursements.....			33.79%						48.16%

See the footnotes on the following page.

- (1) See “Working Cash Fund” herein for a description of the Working Cash Fund.
- (2) Increase in revenues is due in large part to a favorable five-year teachers’ contract, EAV growth, increases in General State Aid, receipt of federal COVID-19 funds and increases in CPPRT.
- (3) Increase in expenditures is due in large part to increase costs of salary (minimum wages for certified and noncertified), supply cost increases, and insurance premiums.
- (4) For fiscal year 2025, the deficit is due to the following: approximately \$400,000 from reserves to pay for a preschool classroom addition; contractual increases in labor costs; increases in insurance premiums (2023-2024 insurance premiums increased by 12%, followed by a 16% increase in 2024-2025, and a 14.7% increase in 2025-2026); decreasing CPPRT and the loss of ESSER funds. Additionally, prorated funding of mandated categorical payments from the State has forced the District to transfer \$100,000 to \$150,000 to address shortfalls in the Transportation Fund. The District joined an insurance co-op which the District predicts will lower premium increases after fiscal year 2027.

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

On-Behalf Payments Summary (Years Ended June 30)

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

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

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

<u>Fiscal Year</u>	<u>On-Behalf Payments</u>
2021	\$ 3,903,901
2022	2,436,551
2023	2,715,301
2024	2,934,962
2025	2,797,401

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

Working Cash Fund

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

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

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

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

time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

Budget Summary

Below is the District’s amended budget summary for the fiscal year ending June 30, 2026, to be adopted by the Board on June 17, 2026.

<u>Fund</u>	Fund Balances	FY26	FY26	FY26	Estimated
	<u>July 1, 2025</u>	(1) <u>Revenue</u>	<u>Expenditures</u>	Other Sources/ <u>(Uses)</u>	<u>Fund Balances</u> <u>June 30, 2026</u>
Educational.....	\$ 3,105,034	\$ 10,029,873	\$ 9,868,316	\$ -	\$ 3,266,591
Operations & Maintenance.....	856,172	740,674	805,777	-	791,069
Transportation.....	268,512	751,866	715,359	-	305,019
IMRF/Social Security.....	657,869	295,658	293,575	-	659,952
Working Cash.....	<u>1,066,657</u>	<u>106,740</u>	<u>154,400</u>	-	<u>1,018,997</u>
Total Operating Funds	<u>\$ 5,954,244</u>	<u>\$ 11,924,811</u>	<u>\$ 11,837,426</u>	<u>\$ -</u>	<u>\$ 6,041,628</u>
Debt Service.....	\$ 684,825	\$ 1,007,267	\$ 1,266,372	\$ 296,426	\$ 722,146
Fire Prevention & Safety.....	466,620	128,740	158,500	-	436,860
Capital Projects.....	1,080,037	12,826,286	612,984	(296,426)	12,996,913
Tort.....	<u>395,719</u>	<u>462,814</u>	<u>538,497</u>	-	<u>320,036</u>
Total All Funds	<u>\$ 8,581,445</u>	<u>\$ 26,349,917</u>	<u>\$ 14,413,779</u>	<u>\$ -</u>	<u>\$ 20,517,583</u>

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

Source: The District

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State’s appropriation process. Many school districts throughout the State rely on such State aid as a significant part of their budgets. For the fiscal year ended June 30, 2025, 34.45% of the District’s General Fund revenue came from State funding sources. See “SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources” herein for more information concerning the breakdown of the District’s revenue sources.

General State Aid - Evidence-Based Funding Model

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

On June 16, 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 that district’s “Base Funding Minimum”). The Base Funding Minimum for the District for school year 2017-2018 was \$2,515,584 (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 ending June 30, 2026.

<u>Fiscal Year</u>	<u>Base Funding Minimum</u>	<u>Tier Number</u>	<u>Amount of New State Funds</u>	<u>Total Evidence-Based Funding</u>
2021 ⁽¹⁾	\$ 2,689,892	N/A ⁽¹⁾	N/A ⁽¹⁾	\$ 2,689,892
2022	2,691,790	2	\$ 61,726	2,753,517
2023	2,753,517	1	111,131	2,864,648
2024	2,864,648	1	165,203	3,029,851
2025	3,029,851	1	416,121	3,445,972
2026 ⁽²⁾	3,445,972	1	364,740	3,810,712

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

(2) Projected.

Source: ISBE

Property Tax Relief Pool Funds

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “Property Tax Relief Pool”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and 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 "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for a summary of the District's general fund revenue sources.

Federal COVID-19 Funds Distributed to the District

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

The District received \$107,431 pursuant to ESSER I, \$420,665 pursuant to ESSER II and \$1,006,647 pursuant to ESSER III. ESSER funds were primarily spent on furniture, curriculum, staffing, summer enrichment and tutoring. All ESSER funds were fully expended.

SCHOOL DISTRICT FINANCIAL PROFILE

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

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

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

- **Financial Recognition.** A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.
- **Financial Review.** A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.
- **Financial Early Warning.** A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.
- **Financial Watch.** A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

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

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

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

<u>Fiscal Year (June 30)</u>	<u>Original Score</u>	<u>Designation Based on Original Score</u>	<u>Adjusted Score</u>	<u>Designation Based on Adjusted Score</u>
2020	3.45	Financial Review	3.45	Financial Review
2021	4.00	Financial Recognition	4.00	Financial Recognition
2022	3.80	Financial Recognition	3.90	Financial Recognition
2023	3.90	Financial Recognition	3.90	Financial Recognition
2024	4.00	Financial Recognition	4.00	Financial Recognition
2025 ⁽¹⁾	3.45	Financial Review	N/A	N/A

(1) A preliminary score reported in the District’s fiscal year 2025 Annual Financial Report.
Source: ISBE, except for the preliminary fiscal year 2025 score.

RETIREMENT PLANS

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

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

Background Regarding Pension Plans

The Actuarial Valuation

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

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

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

Teachers’ Retirement System of the State of Illinois

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

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

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 5a to the Audit.

Employer Funding of Teachers’ Retirement System

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher’s employer, such as the District. For the fiscal years ended June 30, 2021 through June 30, 2025, all amounts contributed by the District to TRS were as follows:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>TRS</u> <u>Contribution</u>
2021	\$ 34,781
2022	38,365
2023	56,135
2024	93,881
2025	42,281

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

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 5a 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 5b 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 5.24% 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 Ended December 31	IMRF Contribution
2020	\$ 126,887
2021	113,917
2022	96,523
2023	69,723
2024	88,426

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2020-2024.

Measures of Financial Position

The following table presents the measures of the IMRF Account’s financial position as of December 31, 2020 through December 31, 2024, which are presented pursuant to the GASB Standards.

Calendar Year Ended December 31	Fiduciary Net Position				
	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	as a % of Total Pension Liability	Discount Rate
2020	\$ 7,720,941	\$ 8,267,114	\$ (546,173)	107.07%	7.25%
2021	7,983,370	9,371,893	(1,388,523)	117.39%	7.25%
2022	8,367,782	7,794,555	573,227	93.15%	7.25%
2023	8,709,894	8,462,454	247,440	97.16%	7.25%
2024	8,939,420	8,712,541	226,879	97.46%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2020-2024.

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

Post-Employment Benefit Trust

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

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2025, 0.67% during the year ended June 30, 2024 and 0.67% during the year ended June 30, 2023. For the year ended June 30, 2025, the District paid \$38,044 to the THIS fund. For the years ended June 30, 2024 and June 30, 2023, the District paid \$34,708 and \$32,986, respectively, to the THIS Fund, which was 100% of the required contribution.

TAX MATTERS

The 2026A Bonds

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

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

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

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

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

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

For an investor who purchases an OID Bond in the initial public offering at the OID Issue Price for such maturity and who holds such OID Bond to its stated maturity, subject to the condition that the District complies with the covenants discussed above, (a) the full amount of original issue discount with respect to such OID Bond constitutes interest which is excludible from the gross income of the owner thereof for federal income tax purposes; (b) such owner will not realize taxable capital gain or market discount upon payment of such OID Bond at its stated maturity; (c) such original issue discount is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Code; and (d) the accretion of original issue discount in each year may result in certain collateral federal income tax consequences in each year even though a corresponding cash payment may not be received until a later year. Based upon the stated position of the Department under State income tax law, accreted original issue discount on such OID Bonds is subject to taxation as it accretes, even though there may not be a corresponding cash payment until a later year. Owners of OID Bonds should consult their own tax advisors with respect to the state and local tax consequences of original issue discount on such OID Bonds.

Owners of 2026A Bonds who dispose of 2026A Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase 2026A Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase 2026A Bonds subsequent to the initial public offering should consult their own tax advisors.

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

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

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

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

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

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

The 2026B Bonds

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

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

LITIGATION

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

BOND RATINGS

S&P is expected to assign its municipal bond insured rating of “AA” (Stable Outlook) to the Bonds with the understanding that upon issuance and delivery of the Bonds the Policy will be issued by Assured Guaranty Inc. See “BOND INSURANCE” above. S&P has assigned its municipal underlying rating of “A+” (Stable Outlook) to the Bonds.

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

CONTINUING DISCLOSURE

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

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

The District did not timely file a financial obligation, namely, a school bus lease agreement dated April 13, 2021. A notice was filed on EMMA on May 14, 2024. The District has retained PMA to act as the District’s Dissemination Agent for its continuing disclosure

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

CERTAIN LEGAL MATTERS

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

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (“Stifel” or the “Underwriter”), has agreed, subject to the terms of a purchase contract (the “Purchase Contract”) to purchase the 2026A Bonds from the District at a price of \$_____ and the 2026B Bonds at a price of \$_____. The Purchase Contract provides, in part, that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee for the 2026A Bonds equals ____ percent of the par amount of the 2026A Bonds and the 2026B Bonds equals ____ percent of the par amount of the 2026B Bonds.

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.

MUNICIPAL ADVISOR

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

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

The Municipal Advisor's duties, responsibilities, and fees in connection with this issuance arise solely from the services for which it is engaged to perform as municipal advisor on the Bonds and also from the investment of Bond proceeds. PMA's compensation for serving as municipal advisor on the Bonds is conditional on the final amount and successful closing of the Bonds. PMA receives additional fees for the services used by the District, if any, described in the

paragraph above. The fees for these services arise from separate agreements with the District and with institutions of which the District may be a member.

THE OFFICIAL STATEMENT

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

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

Accuracy and Completeness of the Official Statement

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

The District’s officials will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming to the Underwriter that, to the best of their knowledge and belief, this Official Statement as of the date hereof and at the time of the sale and delivery of the Bonds, was true and correct in all material respects and did not at any time contain any untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein, in light of the circumstances under which they were made, not misleading.

/s/ _____
Superintendent
Community Unit School District Number 2
Whiteside County, Illinois

June _____, 2026

Appendix A

Forms of Legal Opinions of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL

[SERIES 2026A BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 2,
Whiteside 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 2, Whiteside 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:

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.

PROPOSED FORM OF OPINION OF BOND COUNSEL

[SERIES 2026B BONDS]

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

Community Unit School District Number 2,
Whiteside 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 2, Whiteside County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered ___% Taxable General Obligation Refunding School Bonds, Series 2026B (the “*Bonds*”), to the amount of \$ _____ dated _____, 2026, due on December 1, 20___, and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

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

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

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

Appendix B

Annual Financial Report for Fiscal Year Ended June 30, 2025

The Annual Financial Report of the District contained in this Appendix B (the “Audit”), including the independent auditor’s report accompanying the Audit, has been prepared by Benning Group, LLC, Freeport, Illinois (the “Auditor”), and approved by formal action of the Board of Education of the District. The District has not requested the Auditor to update information contained in the Audit; nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

**RIVER BEND COMMUNITY UNIT
SCHOOL DISTRICT NO. 2**

Fulton, Illinois

Annual Financial Report

June 30, 2025

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

* * * * *

BOARD OF EDUCATION

Dan Portz, President to April 2029
Andrew Meyers, Vice President to April 2027
Mary Simmons, Secretary to April 2027
Elizabeth Falls, Member to April 2027
Kyle Folk, Member to April 2029
Jay Ritchie, Member to April 2027
Travis Temple, Member to April 2029

* * * * *

SECRETARY

Mary Simmons

* * * * *

TREASURER

Jennifer Griser

* * * * *

SUPERINTENDENT

Dr. Darryl Hogue

* * * * *

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

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RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

ANNUAL FINANCIAL REPORT
JUNE 30, 2025

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BENNING GROUP, LLC

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Independent Auditor's Report

Board of Education
River Bend Community Unit School District No. 2
Whiteside County, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of River Bend Community Unit School District No. 2, as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the assets and liabilities arising from cash transactions of River Bend Community Unit School District No. 2 as of June 30, 2025, and the revenues it received and expenditures it paid, and budgetary results for the year then ended, in accordance with the financial reporting provisions of the Illinois State Board of Education as described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles" section of our report, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of River Bend Community Unit School District No. 2, as of June 30, 2025, or the changes in its financial position for the year then ended.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of River Bend Community Unit School District No. 2 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.

50 W. Douglas Street, Suite 300
Freeport, Illinois 61032
(815) 235-3157
Fax (815) 235-3158

6815 Weaver Road, Suite 300
Rockford, Illinois 61114
(815) 316-2375
Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

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

As described in Note 1, the financial statements are prepared by River Bend Community Unit School District No. 2 on the basis of the financial reporting provisions prescribed or permitted by the Illinois State Board of Education, which is a basis of accounting other than accounting principles generally accepted in the United States of America, to meet the requirements of the Illinois State Board of Education. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about River Bend Community Unit School District No. 2's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing

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

Other Information

Management is responsible for the information listed in the table of contents as Other Information included in the annual report. The other information does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated December 9, 2025, on our consideration of River Bend Community Unit School District No. 2's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of River Bend Community Unit School District No. 2'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 River Bend Community Unit School District No. 2's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Panning Group, LLC". The signature is written in a cursive, flowing style.

Freeport, Illinois
December 9, 2025



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

Board of Education
River Bend Community Unit School District No. 2
Whiteside County, Illinois

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of River Bend Community Unit School District No. 2 as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise River Bend Community Unit School District No. 2's basic financial statements, and have issued our report thereon dated December 9, 2025. Our opinion was adverse because the financial statements are not prepared in accordance with generally accepted accounting principles. However, the financial statements were found to be fairly stated on the cash basis of accounting, which is a comprehensive basis of accounting other than generally accepted accounting principles, in accordance with regulatory reporting requirements established by the Illinois State Board of Education.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered River Bend Community Unit School District No. 2's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify

50 W. Douglas Street, Suite 300
Freeport, Illinois 61032
(815) 235-3157
Fax (815) 235-3158

6815 Weaver Road, Suite 300
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(815) 316-2375
Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether River Bend Community Unit School District No. 2's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instances of noncompliance that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and questioned costs as item 2025-001.

We also noted certain immaterial instances of noncompliance that we reported to management of River Bend Community Unit School District No. 2 in a separate letter dated December 9, 2025.

District's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on River Bend Community Unit School District No. 2's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. River Bend Community Unit School District No. 2's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

Purpose of this Report

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



Freeport, Illinois
December 9, 2025

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

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

											Account Groups	
	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety	Agency Funds	General Fixed Assets	General Long-Term Debt
ASSETS												
Current assets												
Cash	\$ 2,913,829	\$ 856,172	\$ 684,825	\$ 268,935	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620	\$ -	\$ -	\$ -
Cash - student activity funds	192,560	-	-	-	-	-	-	-	-	-	-	-
Total current assets	3,106,389	856,172	684,825	268,935	657,869	1,080,037	1,066,657	395,719	466,620	-	-	-
Capital assets												
Land	-	-	-	-	-	-	-	-	-	-	469,184	-
Building & building improvements	-	-	-	-	-	-	-	-	-	-	22,960,080	-
Site improvements & infrastructure	-	-	-	-	-	-	-	-	-	-	1,270,281	-
Capitalized equipment	-	-	-	-	-	-	-	-	-	-	4,446,422	-
Amount available in debt service funds	-	-	-	-	-	-	-	-	-	-	-	684,825
Amount to be provided for payment on long-term debt	-	-	-	-	-	-	-	-	-	-	-	6,243,701
Total assets	\$ 3,106,389	\$ 856,172	\$ 684,825	\$ 268,935	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620	\$ -	\$ 29,145,967	\$ 6,928,526
LIABILITIES AND FUND BALANCES												
LIABILITIES												
Current liabilities												
Payroll deductions & withholdings	\$ 1,355	\$ -	\$ -	\$ 423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total current liabilities	1,355	-	-	423	-	-	-	-	-	-	-	-
Long-term liabilities												
Long-term debt payable	-	-	-	-	-	-	-	-	-	-	-	6,928,526
Total long-term liabilities	-	-	-	-	-	-	-	-	-	-	-	6,928,526
Total liabilities	\$ 1,355	\$ -	\$ -	\$ 423	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,928,526
FUND BALANCES												
Reserved fund balances	\$ 214,306	\$ -	\$ -	\$ -	\$ 228,240	\$ 1,080,037	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved fund balances	2,890,728	856,172	684,825	268,512	429,629	-	1,066,657	395,719	466,620	-	-	-
Investments in general fixed assets	-	-	-	-	-	-	-	-	-	-	29,145,967	-
Total fund balances	\$ 3,105,034	\$ 856,172	\$ 684,825	\$ 268,512	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620	\$ -	\$ 29,145,967	\$ -
Total liabilities and fund balances	\$ 3,106,389	\$ 856,172	\$ 684,825	\$ 268,935	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620	\$ -	\$ 29,145,967	\$ 6,928,526

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RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

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

	Educational	Operations & Maintenance	Debt Services	Transportation	Municipal Retirement/ Social Security	Capital Projects	Working Cash	Tort	Fire Prevention & Safety
REVENUE									
Local sources	\$ 5,492,406	\$ 796,202	\$ 768,853	\$ 310,331	\$ 278,528	\$ 786,439	\$ 117,112	\$ 496,805	\$ 83,912
State sources	3,679,500	50,000	-	321,400	-	-	-	-	-
Federal sources	808,212	-	-	-	1,740	-	-	-	-
Total direct revenue	9,980,118	846,202	768,853	631,731	280,268	786,439	117,112	496,805	83,912
Revenue for on-behalf payments	2,797,401	-	-	-	-	-	-	-	-
Total revenue	\$ 12,777,519	\$ 846,202	\$ 768,853	\$ 631,731	\$ 280,268	\$ 786,439	\$ 117,112	\$ 496,805	\$ 83,912
EXPENDITURES									
Instruction	\$ 6,582,841	\$ -	\$ -	\$ -	\$ 137,460	\$ -	\$ -	\$ 116,500	\$ -
Support services	3,216,580	917,544	-	587,219	184,620	3,686,804	-	395,298	28,443
Community services	12,399	-	-	-	1	-	-	-	-
Payments to other districts & gov't units	981,268	11,808	-	-	-	-	-	-	-
Debt service	-	-	1,280,128	184,540	-	-	-	-	-
Total direct expenditures	10,793,088	929,352	1,280,128	771,759	322,081	3,686,804	-	511,798	28,443
Expenditures for on-behalf payments	2,797,401	-	-	-	-	-	-	-	-
Total expenditures	\$ 13,590,489	\$ 929,352	\$ 1,280,128	\$ 771,759	\$ 322,081	\$ 3,686,804	\$ -	\$ 511,798	\$ 28,443
Excess of direct revenue over (under) direct expenditures	\$ (812,970)	\$ (83,150)	\$ (511,275)	\$ (140,028)	\$ (41,813)	\$ (2,900,365)	\$ 117,112	\$ (14,993)	\$ 55,469
OTHER SOURCES (USES) OF FUNDS									
Abatement or abolishment of the working cash fund	\$ 100,000	\$ 3,702,694	\$ -	\$ -	\$ -	\$ -	\$ (3,802,694)	\$ -	\$ -
Transfer to pay principal on GASB87 leases	(45,790)	-	45,790	-	-	-	-	-	-
Transfer to pay interest on GASB87 leases	(2,303)	-	2,303	-	-	-	-	-	-
Principal on bonds sold	-	-	358,328	-	-	-	3,445,072	-	-
Premium on bonds sold	-	-	-	-	-	-	306,811	-	-
Other sources (uses) not classified elsewhere	-	(3,702,694)	294,991	156,462	-	3,407,578	(125,789)	-	-
Total other sources (uses) of funds	\$ 51,907	\$ -	\$ 701,412	\$ 156,462	\$ -	\$ 3,407,578	\$ (176,600)	\$ -	\$ -
Excess of revenues and other sources of funds over (under) expenditures and other uses of funds	\$ (761,063)	\$ (83,150)	\$ 190,137	\$ 16,434	\$ (41,813)	\$ 507,213	\$ (59,488)	\$ (14,993)	\$ 55,469
FUND BALANCES - July 1, 2024	\$ 3,866,097	\$ 939,322	\$ 494,688	\$ 252,078	\$ 699,682	\$ 572,824	\$ 1,126,145	\$ 410,712	\$ 411,151
FUND BALANCES - June 30, 2025	\$ 3,105,034	\$ 856,172	\$ 684,825	\$ 268,512	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620

See accompanying notes to financial statements.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 4,005,092	\$ 3,515,415	\$ 489,677
Leasing purposes levy	77,023	68,140	8,883
Special education purposes levy	<u>61,618</u>	<u>68,448</u>	<u>(6,830)</u>
Total ad valorem taxes levied by district	<u>4,143,733</u>	<u>3,652,003</u>	<u>491,730</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	<u>355,331</u>	<u>386,154</u>	<u>(30,823)</u>
Total payments in lieu of taxes	<u>355,331</u>	<u>386,154</u>	<u>(30,823)</u>
Tuition:			
Regular - Tuition from Pupils or Parents (In State)	<u>13,759</u>	<u>30,000</u>	<u>(16,241)</u>
Total tuition	<u>13,759</u>	<u>30,000</u>	<u>(16,241)</u>
Earnings on investments:			
Interest on investments	<u>95,767</u>	<u>100,000</u>	<u>(4,233)</u>
Total earnings on investments	<u>95,767</u>	<u>100,000</u>	<u>(4,233)</u>
Food service:			
Sales to pupils - lunch	232,776	225,000	7,776
Sales to adults	500	1,000	(500)
Other food service	<u>369</u>	<u>1,000</u>	<u>(631)</u>
Total food service	<u>233,645</u>	<u>227,000</u>	<u>6,645</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
District/school activity income:			
Admissions - athletic	31,426	27,000	4,426
Admissions - other	2,944	6,500	(3,556)
Fees	27,140	27,000	140
Other district/school activity revenue	38,158	25,000	13,158
Student activity fund revenues	<u>369,675</u>	<u>-</u>	<u>369,675</u>
 Total district/school activity income	 <u>469,343</u>	 <u>85,500</u>	 <u>383,843</u>
 Textbook Income:			
Rentals - Regular Textbooks	<u>23,245</u>	<u>20,000</u>	<u>3,245</u>
 Total textbook income	 <u>23,245</u>	 <u>20,000</u>	 <u>3,245</u>
 Other revenue from local sources:			
Contributions and donations from private sources	127,361	105,000	22,361
Drivers' education fees	6,600	8,000	(1,400)
Other local revenues	<u>23,622</u>	<u>25,000</u>	<u>(1,378)</u>
 Total other revenue from local sources	 <u>157,583</u>	 <u>138,000</u>	 <u>19,583</u>
 Total revenue from local sources	 <u>\$ 5,492,406</u>	 <u>\$ 4,638,657</u>	 <u>\$ 853,749</u>
 REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - Sec. 18-8.05	<u>\$ 3,345,972</u>	<u>\$ 3,350,000</u>	<u>\$ (4,028)</u>
 Total unrestricted grants-in-aid	 <u>3,345,972</u>	 <u>3,350,000</u>	 <u>(4,028)</u>
 Restricted grants-in-aid:			
Special education:			
Private facility tuition	<u>23,154</u>	<u>40,000</u>	<u>(16,846)</u>
 Total special education	 <u>23,154</u>	 <u>40,000</u>	 <u>(16,846)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Career and technical education (CTE):			
Secondary program improvement	12,164	11,000	1,164
Agriculture education	<u>39,331</u>	<u>39,331</u>	<u>-</u>
Total career and technical education	<u>51,495</u>	<u>50,331</u>	<u>1,164</u>
State free lunch and breakfast	2,042	2,500	(458)
Driver education	9,058	10,000	(942)
Early childhood - block grant	246,929	280,534	(33,605)
Other restricted revenue from state sources	<u>850</u>	<u>850</u>	<u>-</u>
Total restricted grants-in-aid	<u>333,528</u>	<u>384,215</u>	<u>(50,687)</u>
Total revenue from state sources	<u>\$ 3,679,500</u>	<u>\$ 3,734,215</u>	<u>\$ (54,715)</u>
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid received from federal government through the state:			
Food service:			
National school lunch program	\$ 234,392	\$ 200,000	\$ 34,392
School breakfast program	<u>31,563</u>	<u>25,000</u>	<u>6,563</u>
Total food service	<u>265,955</u>	<u>225,000</u>	<u>40,955</u>
Title I:			
Low income	<u>134,074</u>	<u>142,801</u>	<u>(8,727)</u>
Total Title I	<u>134,074</u>	<u>142,801</u>	<u>(8,727)</u>
Title IV:			
Safe and drug free schools	<u>15,345</u>	<u>12,024</u>	<u>3,321</u>
Total Title IV	<u>15,345</u>	<u>12,024</u>	<u>3,321</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Federal - special education:			
Preschool flow-through	13,222	13,222	-
IDEA flow-through	<u>248,497</u>	<u>262,333</u>	<u>(13,836)</u>
Total federal - special education	<u>261,719</u>	<u>275,555</u>	<u>(13,836)</u>
Title II - teacher quality	31,977	27,352	4,625
Medicaid matching funds - administrative outreach	16,204	10,000	6,204
Medicaid matching funds - fee-for-service program	7,048	4,000	3,048
Other restricted revenue from federal sources	<u>75,890</u>	<u>77,630</u>	<u>(1,740)</u>
Total revenue from federal sources	<u>\$ 808,212</u>	<u>\$ 774,362</u>	<u>\$ 33,850</u>
Total direct revenue	<u><u>\$ 9,980,118</u></u>	<u><u>\$ 9,147,234</u></u>	<u><u>\$ 832,884</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION			
Regular programs:			
Salaries	\$ 3,028,199	\$ 2,975,500	\$ 52,699
Employee benefits	914,137	820,680	93,457
Purchased services	15,018	12,000	3,018
Supplies and materials	144,726	145,232	(506)
Capital outlay	<u>867</u>	<u>1,500</u>	<u>(633)</u>
Total regular programs	<u>4,102,947</u>	<u>3,954,912</u>	<u>148,035</u>
Pre-k programs:			
Salaries	139,988	151,200	(11,212)
Employee benefits	35,973	33,500	2,473
Supplies and materials	4,745	4,500	245
Capital outlay	<u>1,807</u>	<u>2,500</u>	<u>(693)</u>
Total pre-k programs	<u>182,513</u>	<u>191,700</u>	<u>(9,187)</u>
Special education programs:			
Salaries	929,604	891,000	38,604
Employee benefits	123,574	124,900	(1,326)
Purchased services	1,447	3,000	(1,553)
Supplies and materials	<u>2,268</u>	<u>2,500</u>	<u>(232)</u>
Total special education programs	<u>1,056,893</u>	<u>1,021,400</u>	<u>35,493</u>
Remedial and supplemental programs K-12:			
Salaries	60,308	60,000	308
Employee benefits	22,323	23,440	(1,117)
Purchased services	24,959	22,073	2,886
Supplies and materials	<u>8,446</u>	<u>9,700</u>	<u>(1,254)</u>
Total remedial and supplemental programs K-12	<u>116,036</u>	<u>115,213</u>	<u>823</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
CTE programs:			
Salaries	202,977	201,266	1,711
Employee benefits	60,544	55,650	4,894
Purchased services	1,336	1,400	(64)
Supplies and materials	39,013	38,500	513
Capital outlay	<u>2,650</u>	<u>2,780</u>	<u>(130)</u>
 Total CTE programs	 <u>306,520</u>	 <u>299,596</u>	 <u>6,924</u>
Interscholastic programs:			
Salaries	208,891	183,700	25,191
Employee benefits	36,738	33,885	2,853
Purchased services	38,150	42,000	(3,850)
Supplies and materials	49,542	49,000	542
Other objects	<u>19,357</u>	<u>21,500</u>	<u>(2,143)</u>
 Total interscholastic programs	 <u>352,678</u>	 <u>330,085</u>	 <u>22,593</u>
Summer school programs:			
Salaries	31,799	30,000	1,799
Employee benefits	7,317	2,730	4,587
Supplies and materials	<u>3,842</u>	<u>-</u>	<u>3,842</u>
 Total summer school programs	 <u>42,958</u>	 <u>32,730</u>	 <u>10,228</u>
Driver's education programs:			
Salaries	35,792	40,000	(4,208)
Employee benefits	5,286	5,250	36
Supplies and materials	437	300	137
Capital outlay	<u>30,346</u>	<u>30,346</u>	<u>-</u>
 Total driver's education programs	 <u>71,861</u>	 <u>75,896</u>	 <u>(4,035)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Student activity fund expenditures:			
Other objects	350,435	-	350,435
Total student activity fund expenditures	<u>350,435</u>	<u>-</u>	<u>350,435</u>
Total instruction	<u>\$ 6,582,841</u>	<u>\$ 6,021,532</u>	<u>\$ 561,309</u>
SUPPORT SERVICES			
Support services - pupils:			
Attendance and social work services:			
Purchased services	<u>\$ 5,476</u>	<u>\$ 5,500</u>	<u>\$ (24)</u>
Total attendance and social work services	<u>5,476</u>	<u>5,500</u>	<u>(24)</u>
Guidance services:			
Salaries	202,958	179,000	23,958
Employee benefits	75,397	67,220	8,177
Purchased services	48	1,000	(952)
Supplies and materials	<u>2,990</u>	<u>4,000</u>	<u>(1,010)</u>
Total guidance services	<u>281,393</u>	<u>251,220</u>	<u>30,173</u>
Health services:			
Salaries	47,948	51,200	(3,252)
Employee benefits	40	30	10
Purchased services	1,623	2,000	(377)
Supplies and materials	<u>2,559</u>	<u>3,000</u>	<u>(441)</u>
Total health services	<u>52,170</u>	<u>56,230</u>	<u>(4,060)</u>
Speech pathology & audiology services:			
Salaries	51,750	53,000	(1,250)
Employee benefits	16,322	15,740	582
Purchased services	28	1,500	(1,472)
Supplies and materials	<u>683</u>	<u>1,500</u>	<u>(817)</u>
Total speech pathology & audiology services	<u>68,783</u>	<u>71,740</u>	<u>(2,957)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Other support services - pupils:			
Salaries	1,763	2,000	(237)
Employee benefits	<u>464</u>	<u>600</u>	<u>(136)</u>
Total other	<u>2,227</u>	<u>2,600</u>	<u>(373)</u>
Total support services - pupils	<u>410,049</u>	<u>387,290</u>	<u>22,759</u>
Support services - instructional staff:			
Improvement of instruction services:			
Salaries	5,921	6,543	(622)
Employee benefits	436	1,650	(1,214)
Purchased services	59,259	64,876	(5,617)
Supplies and materials	<u>19,519</u>	<u>20,500</u>	<u>(981)</u>
Total improvement of instruction services	<u>85,135</u>	<u>93,569</u>	<u>(8,434)</u>
Educational media services:			
Salaries	130,333	114,000	16,333
Employee benefits	29,691	27,110	2,581
Supplies and materials	<u>132,907</u>	<u>132,700</u>	<u>207</u>
Total educational media services	<u>292,931</u>	<u>273,810</u>	<u>19,121</u>
Assessment & testing:			
Purchased services	<u>2,528</u>	<u>2,528</u>	<u>-</u>
Total assessment & testing	<u>2,528</u>	<u>2,528</u>	<u>-</u>
Total support services - instructional staff	<u>380,594</u>	<u>369,907</u>	<u>10,687</u>
Support services - general administration:			
Board of education services:			
Purchased services	65,857	65,879	(22)
Other objects	<u>46,209</u>	<u>40,000</u>	<u>6,209</u>
Total board of education services	<u>112,066</u>	<u>105,879</u>	<u>6,187</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Executive administration services:			
Salaries	156,333	152,000	4,333
Employee benefits	55,353	48,175	7,178
Purchased services	5,658	5,000	658
Supplies and materials	786	2,500	(1,714)
Other objects	568	1,000	(432)
	<u>218,698</u>	<u>208,675</u>	<u>10,023</u>
Total executive administration services			
Special area administration services:			
Salaries	1,000	1,000	-
Employee benefits	145	-	145
	<u>1,145</u>	<u>1,000</u>	<u>145</u>
Total special area administration services			
Tort immunity services:			
Employee benefits	20,049	18,000	2,049
Purchased services	8,202	8,200	2
	<u>28,251</u>	<u>26,200</u>	<u>2,051</u>
Total tort immunity services			
Total support services - general administration			
	<u>360,160</u>	<u>341,754</u>	<u>18,406</u>
Support services - school administration:			
Office of the principal services:			
Salaries	594,268	509,000	85,268
Employee benefits	155,701	137,040	18,661
Purchased services	13,208	14,000	(792)
Supplies and materials	8,727	9,500	(773)
Other objects	3,729	3,000	729
	<u>775,633</u>	<u>672,540</u>	<u>103,093</u>
Total office of the principal services			
Total support services - school administration			
	<u>775,633</u>	<u>672,540</u>	<u>103,093</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Support services - business:			
Fiscal services:			
Salaries	59,460	58,000	1,460
Employee benefits	10,293	9,540	753
Purchased services	3,650	5,700	(2,050)
Supplies and materials	10,895	11,000	(105)
Total fiscal services	<u>84,298</u>	<u>84,240</u>	<u>58</u>
Operation and maintenance of plant services:			
Purchased services	62,722	76,000	(13,278)
Supplies and materials	25,426	23,800	1,626
Capital outlay	350,692	390,000	(39,308)
Total operation & maintenance of plant services	<u>438,840</u>	<u>489,800</u>	<u>(50,960)</u>
Pupil transportation services:			
Salaries	53,341	68,865	(15,524)
Employee benefits	8,786	7,035	1,751
Purchased services	16,637	16,637	-
Total pupil transportation services	<u>78,764</u>	<u>92,537</u>	<u>(13,773)</u>
Food services:			
Salaries	184,474	157,100	27,374
Employee benefits	20,161	18,080	2,081
Purchased services	7,193	7,000	193
Supplies and materials	389,340	381,000	8,340
Total food services	<u>601,168</u>	<u>563,180</u>	<u>37,988</u>
Internal services:			
Purchased services	1,802	2,000	(198)
Supplies and materials	10,385	10,000	385
Total internal services	<u>12,187</u>	<u>12,000</u>	<u>187</u>
Total support services - business	<u>1,215,257</u>	<u>1,241,757</u>	<u>(26,500)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Support services - central:			
Information services:			
Salaries	61,270	65,000	(3,730)
Employee benefits	10,043	9,540	503
Purchased services	<u>189</u>	<u>500</u>	<u>(311)</u>
Total information services	<u>71,502</u>	<u>75,040</u>	<u>(3,538)</u>
Staff services:			
Purchased services	<u>3,336</u>	<u>3,000</u>	<u>336</u>
Total staff services	<u>3,336</u>	<u>3,000</u>	<u>336</u>
Total support services - central	<u>74,838</u>	<u>78,040</u>	<u>(3,202)</u>
Other support services:			
Supplies and materials	<u>49</u>	<u>1,250</u>	<u>(1,201)</u>
Total other support services	<u>49</u>	<u>1,250</u>	<u>(1,201)</u>
Total support services	<u>\$ 3,216,580</u>	<u>\$ 3,092,538</u>	<u>\$ 124,042</u>
COMMUNITY SERVICES			
Salaries	\$ 42	\$ 11,088	\$ (11,046)
Employee benefits	13	-	13
Purchased services	9,980	26,642	(16,662)
Supplies and materials	2,364	5,037	(2,673)
Capital outlay	<u>-</u>	<u>4,908</u>	<u>(4,908)</u>
Total community services	<u>\$ 12,399</u>	<u>\$ 47,675</u>	<u>\$ (35,276)</u>
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other districts & gov't units (in-state):			
Payments for regular programs:			
Purchased services	<u>\$ 11,900</u>	<u>\$ 11,900</u>	<u>\$ -</u>
Total payments for regular programs	<u>11,900</u>	<u>11,900</u>	<u>-</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Educational Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Payments for special education programs:			
Purchased services	<u>800,833</u>	<u>711,719</u>	<u>89,114</u>
Total payments for special education programs	<u>800,833</u>	<u>711,719</u>	<u>89,114</u>
Total payments to other gov't units (in-state)	<u>812,733</u>	<u>723,619</u>	<u>89,114</u>
Payments to other districts & gov't units - tuition (in-state):			
Payments for special education programs tuition:			
Other objects	<u>143,133</u>	<u>125,000</u>	<u>18,133</u>
Total payments for special education programs	<u>143,133</u>	<u>125,000</u>	<u>18,133</u>
Payments for CTE programs tuition:			
Other objects	<u>25,402</u>	<u>30,000</u>	<u>(4,598)</u>
Total payments for CTE programs	<u>25,402</u>	<u>30,000</u>	<u>(4,598)</u>
Total payments to other gov't units - tuition (in-state)	<u>168,535</u>	<u>155,000</u>	<u>13,535</u>
Total payments to other districts & gov't units	<u>\$ 981,268</u>	<u>\$ 878,619</u>	<u>\$ 102,649</u>
Total direct expenditures	<u>\$ 10,793,088</u>	<u>\$ 10,040,364</u>	<u>\$ 752,724</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (812,970)</u>	<u>\$ (893,130)</u>	<u>\$ 80,160</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Operations and Maintenance Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 770,244	\$ 688,429	\$ 81,815
Total ad valorem taxes levied by district	<u>770,244</u>	<u>688,429</u>	<u>81,815</u>
Earnings on investments:			
Interest on investments	<u>22,554</u>	<u>22,000</u>	<u>554</u>
Total earnings on investments	<u>22,554</u>	<u>22,000</u>	<u>554</u>
Other revenue from local sources:			
Rentals	780	700	80
Other local revenues	<u>2,624</u>	<u>2,600</u>	<u>24</u>
Total other revenue from local sources	<u>3,404</u>	<u>3,300</u>	<u>104</u>
Total revenue from local sources	<u>\$ 796,202</u>	<u>\$ 713,729</u>	<u>\$ 82,473</u>
REVENUE FROM STATE SOURCES			
Restricted grants-in-aid:			
School infrastructure	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Total restricted grants-in-aid	<u>50,000</u>	<u>50,000</u>	<u>-</u>
Total revenue from state sources	<u>\$ 50,000</u>	<u>\$ 50,000</u>	<u>\$ -</u>
Total direct revenue	<u><u>\$ 846,202</u></u>	<u><u>\$ 763,729</u></u>	<u><u>\$ 82,473</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Operations and Maintenance Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Operations and maintenance of plant services:			
Salaries	\$ 325,071	\$ 323,500	\$ 1,571
Employee benefits	60,625	60,200	425
Purchased services	135,087	137,198	(2,111)
Supplies and materials	275,055	265,000	10,055
Capital outlay	<u>121,706</u>	<u>30,000</u>	<u>91,706</u>
Total operations and maintenance of plant services	<u>917,544</u>	<u>815,898</u>	<u>101,646</u>
Total support services - business	<u>917,544</u>	<u>815,898</u>	<u>101,646</u>
Total support services	<u>\$ 917,544</u>	<u>\$ 815,898</u>	<u>\$ 101,646</u>
PAYMENTS TO OTHER DISTRICTS & GOV'T UNITS			
Payments to other governmental units (in-state):			
Payments for CTE programs:			
Other objects	<u>\$ 11,808</u>	<u>\$ 12,000</u>	<u>\$ (192)</u>
Total payments for CTE programs	<u>11,808</u>	<u>12,000</u>	<u>(192)</u>
Total payments to other govt units (in state)	<u>11,808</u>	<u>12,000</u>	<u>(192)</u>
Total payments to other govt units	<u>\$ 11,808</u>	<u>\$ 12,000</u>	<u>\$ (192)</u>
Total direct expenditures	<u>\$ 929,352</u>	<u>\$ 827,898</u>	<u>\$ 101,454</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (83,150)</u>	<u>\$ (64,169)</u>	<u>\$ (18,981)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Debt Services Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 758,662	\$ 681,105	\$ 77,557
Total ad valorem taxes levied by district	<u>758,662</u>	<u>681,105</u>	<u>77,557</u>
Earnings on investments:			
Interest on investments	<u>10,191</u>	<u>15,000</u>	<u>(4,809)</u>
Total earnings on investments	<u>10,191</u>	<u>15,000</u>	<u>(4,809)</u>
Total revenue from local sources	<u>\$ 768,853</u>	<u>\$ 696,105</u>	<u>\$ 72,748</u>
Total direct revenue	<u><u>\$ 768,853</u></u>	<u><u>\$ 696,105</u></u>	<u><u>\$ 72,748</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Debt Services Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	\$ 249,751	\$ 247,448	\$ 2,303
Debt services - principal on long-term debt:			
Other objects	1,029,752	983,692	46,060
Debt services - other:			
Other objects	625	1,250	(625)
Total debt services	<u>\$ 1,280,128</u>	<u>\$ 1,232,390</u>	<u>\$ 47,738</u>
Total direct expenditures	<u>\$ 1,280,128</u>	<u>\$ 1,232,390</u>	<u>\$ 47,738</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (511,275)</u>	<u>\$ (536,285)</u>	<u>\$ 25,010</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Transportation Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 308,096	\$ 274,571	\$ 33,525
Total ad valorem taxes levied by district	<u>308,096</u>	<u>274,571</u>	<u>33,525</u>
Earnings on investments:			
Interest on investments	<u>1,544</u>	<u>3,000</u>	<u>(1,456)</u>
Total earnings on investments	<u>1,544</u>	<u>3,000</u>	<u>(1,456)</u>
Other revenue from local sources:			
Other local revenues	<u>691</u>	<u>-</u>	<u>691</u>
Total other revenue from local sources	<u>691</u>	<u>-</u>	<u>691</u>
Total revenue from local sources	<u>\$ 310,331</u>	<u>\$ 277,571</u>	<u>\$ 32,760</u>
REVENUE FROM STATE SOURCES			
Unrestricted grants-in-aid:			
Evidence based funding formula - section 18-8.05	\$ 100,000	\$ 100,000	\$ -
Total unrestricted grants-in-aid	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Restricted grants-in-aid:			
Transportation:			
Regular and vocational	104,875	92,646	12,229
Special education	<u>116,525</u>	<u>112,235</u>	<u>4,290</u>
Total transportation	<u>221,400</u>	<u>204,881</u>	<u>16,519</u>
Total restricted grants-in-aid	<u>221,400</u>	<u>204,881</u>	<u>16,519</u>
Total revenue from state sources	<u>\$ 321,400</u>	<u>\$ 304,881</u>	<u>\$ 16,519</u>
Total direct revenue	<u>\$ 631,731</u>	<u>\$ 582,452</u>	<u>\$ 49,279</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Transportation Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Pupil transportation services:			
Salaries	\$ 286,225	\$ 280,000	\$ 6,225
Employee benefits	50,635	47,725	2,910
Purchased services	36,326	35,880	446
Supplies and materials	57,571	69,700	(12,129)
Capital outlay	<u>156,462</u>	<u>-</u>	<u>156,462</u>
Total pupil transportation services	<u>587,219</u>	<u>433,305</u>	<u>153,914</u>
Total support services	<u>\$ 587,219</u>	<u>\$ 433,305</u>	<u>\$ 153,914</u>
DEBT SERVICES			
Debt services - interest on long-term debt:			
Other objects	<u>\$ 8,555</u>	<u>\$ 8,554</u>	<u>\$ 1</u>
Debt service - payments of principal on long-term debt:			
Other objects	<u>175,985</u>	<u>175,986</u>	<u>(1)</u>
Total debt services	<u>\$ 184,540</u>	<u>\$ 184,540</u>	<u>\$ -</u>
Total direct expenditures	<u>\$ 771,759</u>	<u>\$ 617,845</u>	<u>\$ 153,914</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (140,028)</u>	<u>\$ (35,393)</u>	<u>\$ (104,635)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Municipal Retirement / Social Security Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 65,971	\$ 26,832	\$ 39,139
FICA/Medicare only purposes levies	<u>177,307</u>	<u>129,544</u>	<u>47,763</u>
Total ad valorem taxes levied by district	<u>243,278</u>	<u>156,376</u>	<u>86,902</u>
Payments in lieu of taxes:			
Corporate personal property replacement taxes	<u>24,698</u>	<u>25,000</u>	<u>(302)</u>
Total payments in lieu of taxes	<u>24,698</u>	<u>25,000</u>	<u>(302)</u>
Earnings on investments:			
Interest on investments	<u>10,552</u>	<u>10,000</u>	<u>552</u>
Total earnings on investments	<u>10,552</u>	<u>10,000</u>	<u>552</u>
Total revenue from local sources	<u>\$ 278,528</u>	<u>\$ 191,376</u>	<u>\$ 87,152</u>
REVENUE FROM FEDERAL SOURCES			
Restricted grants-in-aid received from federal government through the state:			
Other restricted revenue from federal sources	<u>\$ 1,740</u>	<u>\$ -</u>	<u>\$ 1,740</u>
Total revenue from federal sources	<u>\$ 1,740</u>	<u>\$ -</u>	<u>\$ 1,740</u>
Total direct revenue	<u><u>\$ 280,268</u></u>	<u><u>\$ 191,376</u></u>	<u><u>\$ 88,892</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Municipal Retirement / Social Security Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION			
Regular programs:			
Employee benefits	\$ 49,400	\$ 44,872	\$ 4,528
Pre-k programs:			
Employee benefits	6,426	3,600	2,826
Special education programs:			
Employee benefits	66,325	61,600	4,725
Remedial and supplemental programs - K-12:			
Employee benefits	835	1,000	(165)
CTE programs:			
Employee benefits	2,940	2,520	420
Interscholastic programs:			
Employee benefits	9,974	8,300	1,674
Summer school program:			
Employee benefits	985	100	885
Driver's education programs:			
Employee benefits	575	500	75
Total instruction	\$ 137,460	\$ 122,492	\$ 14,968
SUPPORT SERVICES			
Support services - pupils:			
Guidance services:			
Employee benefits	\$ 3,753	\$ 3,625	\$ 128
Health services:			
Employee benefits	7,566	6,000	1,566
Speech pathology & audiology services:			
Employee benefits	747	600	147

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Municipal Retirement / Social Security Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Other support services - pupils:			
Employee benefits	<u>26</u>	<u>50</u>	<u>(24)</u>
Total support services - pupils	<u>12,092</u>	<u>10,275</u>	<u>1,817</u>
Support services - instructional staff:			
Improvement of instruction services:			
Employee benefits	<u>79</u>	<u>50</u>	<u>29</u>
Educational media services:			
Employee benefits	<u>12,440</u>	<u>10,600</u>	<u>1,840</u>
Total support services - instructional staff	<u>12,519</u>	<u>10,650</u>	<u>1,869</u>
Support services - general administration:			
Executive administration services:			
Employee benefits	<u>7,742</u>	<u>7,000</u>	<u>742</u>
Special area administrative services:			
Employee benefits	<u>130</u>	<u>100</u>	<u>30</u>
Total support services - general administration	<u>7,872</u>	<u>7,100</u>	<u>772</u>
Support services - school administration:			
Office of the principal services:			
Employee benefits	<u>20,605</u>	<u>18,300</u>	<u>2,305</u>
Total support services - school administration	<u>20,605</u>	<u>18,300</u>	<u>2,305</u>
Support services - business:			
Fiscal services:			
Employee benefits	<u>7,778</u>	<u>6,500</u>	<u>1,278</u>
Operations and maintenance of plant services:			
Employee benefits	<u>48,083</u>	<u>43,050</u>	<u>5,033</u>
Pupil transportation services:			
Employee benefits	<u>44,660</u>	<u>38,380</u>	<u>6,280</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Municipal Retirement / Social Security Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Food services:			
Employee benefits	<u>22,536</u>	<u>19,400</u>	<u>3,136</u>
Total support services - business	<u>123,057</u>	<u>107,330</u>	<u>15,727</u>
Support services - central:			
Information services:			
Employee benefits	<u>8,475</u>	<u>7,500</u>	<u>975</u>
Total support services - central	<u>8,475</u>	<u>7,500</u>	<u>975</u>
Total support services	<u>\$ 184,620</u>	<u>\$ 161,155</u>	<u>\$ 23,465</u>
COMMUNITY SERVICES			
Employee benefits	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Total community services	<u>\$ 1</u>	<u>\$ -</u>	<u>\$ 1</u>
Total direct expenditures	<u>\$ 322,081</u>	<u>\$ 283,647</u>	<u>\$ 38,434</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (41,813)</u>	<u>\$ (92,271)</u>	<u>\$ 50,458</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Capital Projects Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Earnings on investments:			
Interest on investments	\$ 44,833	\$ 35,000	\$ 9,833
Total earnings on investments	<u>44,833</u>	<u>35,000</u>	<u>9,833</u>
Other revenue from local sources:			
Contributions and donations from private sources	1,350	-	1,350
School facility occupation tax proceeds	<u>740,256</u>	<u>700,000</u>	<u>40,256</u>
Total other revenue from local sources	<u>741,606</u>	<u>700,000</u>	<u>41,606</u>
Total revenue from local sources	<u>\$ 786,439</u>	<u>\$ 735,000</u>	<u>\$ 51,439</u>
Total direct revenue	<u>\$ 786,439</u>	<u>\$ 735,000</u>	<u>\$ 51,439</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Capital Projects Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Facilities acquisition and construction services:			
Purchased services	\$ 119,322	\$ 110,000	\$ 9,322
Supplies and materials	54,924	70,000	(15,076)
Capital outlay	<u>3,512,558</u>	<u>3,498,500</u>	<u>14,058</u>
 Total facilities acquisition and construction services	 <u>3,686,804</u>	 <u>3,678,500</u>	 <u>8,304</u>
 Total support services	 <u>\$ 3,686,804</u>	 <u>\$ 3,678,500</u>	 <u>\$ 8,304</u>
 Total direct expenditures	 <u>\$ 3,686,804</u>	 <u>\$ 3,678,500</u>	 <u>\$ 8,304</u>
 Excess (deficiency) of revenue over expenditures	 <u>\$ (2,900,365)</u>	 <u>\$ (2,943,500)</u>	 <u>\$ 43,135</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Working Cash Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 77,023	\$ 68,141	\$ 8,882
Total ad valorem taxes levied by district	<u>77,023</u>	<u>68,141</u>	<u>8,882</u>
Earnings on investments:			
Interest on investments	<u>40,089</u>	<u>35,000</u>	<u>5,089</u>
Total earnings on investments	<u>40,089</u>	<u>35,000</u>	<u>5,089</u>
Total revenue from local sources	<u>\$ 117,112</u>	<u>\$ 103,141</u>	<u>\$ 13,971</u>
Total direct revenue	<u>\$ 117,112</u>	<u>\$ 103,141</u>	<u>\$ 13,971</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Tort Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 481,347	\$ 410,755	\$ 70,592
Total ad valorem taxes levied by district	<u>481,347</u>	<u>410,755</u>	<u>70,592</u>
Earnings on investments:			
Interest on investments	<u>11,939</u>	<u>11,000</u>	<u>939</u>
Total earnings on investments	<u>11,939</u>	<u>11,000</u>	<u>939</u>
Other revenue from local sources:			
Other local revenues	<u>3,519</u>	<u>3,500</u>	<u>19</u>
Total other revenue from local sources	<u>3,519</u>	<u>3,500</u>	<u>19</u>
Total revenue from local sources	<u>\$ 496,805</u>	<u>\$ 425,255</u>	<u>\$ 71,550</u>
Total direct revenue	<u><u>\$ 496,805</u></u>	<u><u>\$ 425,255</u></u>	<u><u>\$ 71,550</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Tort Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
INSTRUCTION			
Regular programs:			
Salaries	\$ 68,500	\$ 68,500	\$ -
Total regular programs	<u>68,500</u>	<u>68,500</u>	<u>-</u>
Special education programs:			
Salaries	<u>33,000</u>	<u>33,000</u>	<u>-</u>
Total special education programs	<u>33,000</u>	<u>33,000</u>	<u>-</u>
CTE programs:			
Salaries	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Total CTE programs	<u>8,000</u>	<u>8,000</u>	<u>-</u>
Interscholastic programs:			
Salaries	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Total interscholastic programs	<u>3,000</u>	<u>3,000</u>	<u>-</u>
Driver's education programs:			
Salaries	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total driver's education programs	<u>4,000</u>	<u>4,000</u>	<u>-</u>
Total instruction	<u>\$ 116,500</u>	<u>\$ 116,500</u>	<u>\$ -</u>
SUPPORT SERVICES			
Support services - pupils:			
Health services:			
Salaries	\$ 9,000	\$ 9,000	\$ -
Total health services	<u>9,000</u>	<u>9,000</u>	<u>-</u>
Total support services - pupils	<u>9,000</u>	<u>9,000</u>	<u>-</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Tort Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Support services - general administration:			
Executive administration services:			
Salaries	44,000	44,000	-
Purchased services	-	500	(500)
Total executive administration services	<u>44,000</u>	<u>44,500</u>	<u>(500)</u>
Risk management and claims services payments:			
Purchased services	<u>113,718</u>	<u>111,000</u>	<u>2,718</u>
Total claims paid from self insurance fund	<u>113,718</u>	<u>111,000</u>	<u>2,718</u>
Total support services - general administration	<u>157,718</u>	<u>155,500</u>	<u>2,218</u>
Support services - school administration:			
Office of the principal services:			
Salaries	<u>44,500</u>	<u>44,500</u>	-
Total office of the principal services	<u>44,500</u>	<u>44,500</u>	-
Total support services - school administration	<u>44,500</u>	<u>44,500</u>	-
Support services - business:			
Operation and maintenance of plant services:			
Salaries	52,000	52,000	-
Purchased services	<u>1,855</u>	<u>2,000</u>	<u>(145)</u>
Total operation & maintenance of plant services	<u>53,855</u>	<u>54,000</u>	<u>(145)</u>
Pupil transportation services:			
Salaries	<u>13,000</u>	<u>13,000</u>	-
Total pupil transportation services	<u>13,000</u>	<u>13,000</u>	-

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Tort Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
Food services:			
Salaries	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total food services	<u>15,000</u>	<u>15,000</u>	<u>-</u>
Total support services - business	<u>81,855</u>	<u>82,000</u>	<u>(145)</u>
Support services - central:			
Information services:			
Salaries	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total information services	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Total support services - central	<u>6,000</u>	<u>6,000</u>	<u>-</u>
Other support services:			
Purchased services	<u>96,225</u>	<u>97,000</u>	<u>(775)</u>
Total other support services	<u>96,225</u>	<u>97,000</u>	<u>(775)</u>
Total support services	<u>\$ 395,298</u>	<u>\$ 394,000</u>	<u>\$ 1,298</u>
Total direct expenditures	<u>\$ 511,798</u>	<u>\$ 510,500</u>	<u>\$ 1,298</u>
Excess (deficiency) of revenue over expenditures	<u>\$ (14,993)</u>	<u>\$ (85,245)</u>	<u>\$ 70,252</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Fire Prevention and Safety Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
REVENUE FROM LOCAL SOURCES			
Ad valorem taxes levied by local education agency:			
Designated purposes levies	\$ 77,023	\$ 68,140	\$ 8,883
Total ad valorem taxes levied by district	<u>77,023</u>	<u>68,140</u>	<u>8,883</u>
Earnings on investments:			
Interest on investments	<u>6,889</u>	<u>6,000</u>	<u>889</u>
Total earnings on investments	<u>6,889</u>	<u>6,000</u>	<u>889</u>
Total revenue from local sources	<u>\$ 83,912</u>	<u>\$ 74,140</u>	<u>\$ 9,772</u>
Total direct revenue	<u><u>\$ 83,912</u></u>	<u><u>\$ 74,140</u></u>	<u><u>\$ 9,772</u></u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Fire Prevention and Safety Fund

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

	<u>Actual</u>	<u>Budget</u>	<u>Actual over (under) Budget</u>
SUPPORT SERVICES			
Support services - business:			
Operation & maintenance of plant services:			
Purchased services	\$ 28,443	\$ 29,000	\$ (557)
Total operation & maintenance of plant services	<u>28,443</u>	<u>29,000</u>	<u>(557)</u>
Total support services - business	<u>28,443</u>	<u>29,000</u>	<u>(557)</u>
Total support services	<u>\$ 28,443</u>	<u>\$ 29,000</u>	<u>\$ (557)</u>
Total direct expenditures	<u>\$ 28,443</u>	<u>\$ 29,000</u>	<u>\$ (557)</u>
Excess (deficiency) of revenue over expenditures	<u>\$ 55,469</u>	<u>\$ 45,140</u>	<u>\$ 10,329</u>

Notes to Financial Statements

June 30, 2025

(1) Summary of Significant Accounting Policies

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

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

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

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

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

(b) Basis of Presentation – Fund Accounting

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

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

Notes to Financial Statements

Governmental Funds

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

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

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

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

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

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

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

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

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

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

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

Notes to Financial Statements

Fiduciary Funds

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

Governmental Funds – Measurement Focus

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

General Fixed Assets and General Long-Term Account Groups

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

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

(c) Basis of Accounting

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

Notes to Financial Statements

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

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

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

(d) Budgets and Budgetary Accounting

The budget for all Governmental Fund Types is prepared on the cash basis of accounting which is the same basis that is used in financial reporting. This allows for comparability between budget and actual amounts. This is an acceptable method in accordance with 105 ILCS 5/17-1. The original budget was passed on September 18, 2024 and amended on June 18, 2025. The budget lapses at the end of each fiscal year.

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

1. The Superintendent submits to the Board of Education a proposed operating budget for the fiscal year commencing on July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is held as to such budget prior to final action.
3. Prior to October 1, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption.

(e) Cash

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

Notes to Financial Statements

(f) Investments

All investments are reported at fair value. The District has adopted a formal written investment policy. The institutions in which investments are made must be approved by the Board of Education.

(g) Commingled Accounts

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

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

(h) General Fixed Assets

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

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

(2) Property Taxes

The District’s property tax is levied each year on all taxable real property located in the District on or before the last Tuesday in December. The levy was passed by the board on December 18, 2024. Property taxes attach as an enforceable lien on property as of January 1 and are payable in two installments on approximately June 1 and September 1. The District receives significant distributions of tax receipts during June, July, August, September, October, and November. Taxes recorded in these financial statements are from the 2024, 2023, and prior tax levies.

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

	- 2024 Levy Year -		- 2023 Levy Year -	
	Limit	Actual	Limit	Actual
Educational	2.6000	2.6000	2.6000	2.6000
Oper. & maint.	0.5000	0.5000	0.5000	0.5000
Debt Service	As Needed	0.4793	As Needed	0.5142
Transportation	0.2000	0.2000	0.2000	0.2000
Municipal retirement	As Needed	0.0565	As Needed	0.0203
Social security	As Needed	0.1256	As Needed	0.0978
Working cash	0.0500	0.0500	0.0500	0.0500
Tort	As Needed	0.3139	As Needed	0.3101
Special education	0.0400	0.0400	0.0400	0.0400
Fire prevention and safety	0.0500	0.0500	0.0500	0.0500
Leasing/technology	0.0500	0.0500	0.0500	0.0500
		<u>4.4653</u>		<u>4.4324</u>

(3) Cash Deposits and Investments

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

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

Statement of Assets and Liabilities Arising from Cash Transactions	
Cash	\$ 8,583,223
Investments	-
Total cash and investments	<u>\$ 8,583,223</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

Cash and investments as of June 30, 2025 consist of the following:

Cash on hand	\$	-
Deposits with financial institutions		
District		8,390,663
Student activity funds		192,560
Investments		
District		-
Student activity funds		-
Total cash and investments		<u>\$ 8,583,223</u>

Deposits – custodial credit risk

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

As of June 30, 2025, \$1,850,000 of the District’s bank balance of \$9,154,654 was exposed to custodial credit risk as follows:

Uninsured and collateralized by securities held by the pledging financial institution	<u>\$ 1,850,000</u>
--	---------------------

Investments

The District had no investments at June 30, 2025.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

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

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

Assets at Cost

	Balance 7/1/2024	Additions	Deletions	Balance 6/30/2025	Life in Years
Nondepreciable assets:					
Land	\$ 469,184	-	-	469,184	N/A
Construction in progress	-	-	-	-	N/A
Total nondepreciable assets	<u>469,184</u>	<u>-</u>	<u>-</u>	<u>469,184</u>	
Depreciable assets:					
Buildings and improvements	19,335,473	3,624,607	-	22,960,080	50
Temporary buildings	-	-	-	-	20
Land improvements	1,246,365	23,916	-	1,270,281	20
10-year equipment	2,811,496	372,103	-	3,183,599	10
5-year equipment	280,481	47,511	-	327,992	5
3-year equipment	-	-	-	-	3
Total depreciable assets	<u>23,673,815</u>	<u>4,068,137</u>	<u>-</u>	<u>27,741,952</u>	
Right-to-use lease assets:					
10-year equipment	-	-	-	-	10
5-year equipment	680,732	-	-	680,732	5
3-year equipment	97,637	156,462	-	254,099	3
Total right-to-use lease assets	<u>778,369</u>	<u>156,462</u>	<u>-</u>	<u>934,831</u>	
Subscription-based information technology arrangement assets					
technology arrangement assets	-	-	-	-	Varies
Total general fixed assets	<u>\$ 24,921,368</u>	<u>4,224,599</u>	<u>-</u>	<u>29,145,967</u>	

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

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

	Balance <u>7/1/2024</u>	Additions	Deletions	Balance <u>6/30/2025</u>	Cost (Net) <u>6/30/2025</u>
Nondepreciable assets:					
Land	\$ -	-	-	-	469,184
Construction in progress	-	-	-	-	-
Total nondepreciable assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>469,184</u>
Accumulated depreciation:					
Depreciable assets:					
Buildings and improvements	6,190,295	428,805	-	6,619,100	16,340,980
Temporary buildings	-	-	-	-	-
Land improvements	693,577	51,000	-	744,577	525,704
10-year equipment	1,458,142	234,676	-	1,692,818	1,490,781
5-year equipment	179,281	36,779	-	216,060	111,932
3-year equipment	-	-	-	-	-
Total depreciable assets	<u>8,521,295</u>	<u>751,260</u>	<u>-</u>	<u>9,272,555</u>	<u>18,469,397</u>
Accumulated amortization:					
Right-to-use lease assets:					
10-year equipment	-	-	-	-	-
5-year equipment	376,389	136,146	-	512,535	168,197
3-year equipment	40,681	91,219	-	131,900	122,199
Total right-to-use lease assets	<u>417,070</u>	<u>227,365</u>	<u>-</u>	<u>644,435</u>	<u>290,396</u>
Subscription-based information technology arrangement assets	-	-	-	-	-
Total accumulated depreciation, amortization, and cost (net)	<u>\$ 8,938,365</u>	<u>978,625</u>	<u>-</u>	<u>9,916,990</u>	<u>19,228,977</u>

(5) Employee Pensions and Other Benefit Plans

The District participates in multiple retirement plans to provide retirement benefits to its employees. For the year ended June 30, 2025, the District recorded a total of \$866,645 in payments to the various retirement plans as detailed below.

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

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

Plan description

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

Notes to Financial Statements

employed outside the city of Chicago. TRS members include all active non-annuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

TRS issues a publicly available financial report that can be obtained at <https://www.trsil.org/financial/acfrs/fy2024>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

Benefits provided

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

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

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

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

Notes to Financial Statements

Contributions

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

Contributions from active members and TRS contributing employers are also required by the Illinois Pension Code. The contribution rates are specified in the pension code. The active member contribution rate for the year ended June 30, 2024, was 9.0 percent of creditable earnings. The member contribution, which may be paid on behalf of employees by the employer, is submitted to TRS by the employer. For the year ended June 30, 2025, the District reported expenditures of \$502,019 for this contribution.

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

The state of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, state of Illinois contributions recognized by the employer were based on the state's proportionate share with the pension expense associated with the employer, and the employer recognized revenue and expenditures of \$2,762,680 in pension contributions from the state of Illinois.

- ***2.2 formula contributions.***

Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were \$32,923 and are deferred because they were paid after the June 30, 2024 measurement date.

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

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

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2025, salaries totaling \$90,504 were paid from federal and special trust funds that

Notes to Financial Statements

required employer contributions of \$9,358. 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 and \$0 for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2024, the employer had a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the employer. The state’s support and total are for disclosure purposes only. The amount of the employer’s proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the employer were as:

Employer's proportionate share of the net pension liability	\$ 413,911
State's proportionate share of the net pension liability associated with the employer	<u>34,511,264</u>
Total	<u><u>\$ 34,925,175</u></u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 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 .0004820441 percent, which was an increase of .0000124282 from its proportion measured as of June 30, 2023.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 1,556	\$ 1,074
Net difference between projected and actual earnings on pension plan investments	-	3,554
Changes of assumptions	5,703	220
Changes in proportion and differences between employer contributions and proportionate share of contributions	8,597	23,930
Employer contributions subsequent to the measurement date	-	-
Total	<u>\$ 15,856</u>	<u>\$ 28,778</u>

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

Year ended June 30,	
2026	\$ (14,735)
2027	(1,295)
2028	(424)
2029	2,183
2030	1,351

Actuarial assumptions

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

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

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

Notes to Financial Statements

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
Gloval equity	37.0%	7.55%
Private equity	15.0%	10.28%
Public income	18.0%	5.81%
Private credit	8.0%	9.20%
Real assets	18.0%	7.01%
Diversifying strategies	4.0%	5.18%
Total	100%	

Discount rate

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

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

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

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 511,191	\$ 413,911	\$ 333,269

TRS fiduciary net position

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

(b) Illinois Municipal Retirement Fund Pension Plan

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

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

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

Employees hired on or after January 1, 2011, are eligible for Tier 2 benefits. For Tier 2 employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

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

Retirees and beneficiaries currently receiving benefits	86
Inactive plan members entitled to but not yet receiving benefits	59
Active members	<u>74</u>
Total	<u><u>219</u></u>

Contributions. As set by statute, the District’s Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District’s annual contribution rate for calendar year 2024 was 5.24%. For the fiscal year ended June 30, 2025, the District contributed \$99,209 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF’s Board of Trustees, while the supplemental retirement benefits rate is set by statute.

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

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

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

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Notes to Financial Statements

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

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

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

1. The long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits), and
2. The tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating (which is published by the Federal Reserve) as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25%, the municipal bond rate is 4.08%, and the resulting single discount rate is 7.25%.

Changes in Net Pension Liability

	Total Pension Liability (A)	Plan Fiduciary Net Position (B)	Net Pension (Asset) Liability (A) - (B)
Balances at December 31, 2023	\$ 8,709,894	\$ 8,462,454	\$ 247,440
Changes for the year:			
Service cost	131,813	-	131,813
Interest on the total pension liability	615,306	-	615,306
Changes of benefit terms	-	-	-
Difference between expected and actual experience of the total pension liability	60,053	-	60,053
Changes of assumptions	-	-	-
Contributions - employer	-	88,426	(88,426)
Contributions - employee	-	75,939	(75,939)
Net investment income	-	853,731	(853,731)
Benefit payments, including refunds of employee contributions	(577,646)	(577,646)	-
Other (net transfer)	-	(190,363)	190,363
Net changes	<u>229,526</u>	<u>250,087</u>	<u>(20,561)</u>
Balances at December 31, 2024	<u>\$ 8,939,420</u>	<u>\$ 8,712,541</u>	<u>\$ 226,879</u>

Sensitivity of the Net Pension Liability to Changes in the Discount Rate. The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25%, as well as what the plan's net pension liability would be if it were calculated using a Single Discount Rate that is 1% lower or 1% higher:

	Single Discount Rate Assumption		
	1% Decrease 6.25%	Current 7.25%	1% Increase 8.25%
Total pension liability	\$ 9,800,506	\$ 8,939,420	\$ 8,235,149
Plan fiduciary net position	<u>8,712,541</u>	<u>8,712,541</u>	<u>8,712,541</u>
Net pension (asset) liability	<u>\$ 1,087,965</u>	<u>\$ 226,879</u>	<u>\$ (477,392)</u>

Pension Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to Pensions. Pension expense as reflected in the financial statements for the fiscal year ended June 30, 2025 was \$99,209. At December 31, 2024, the District had deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Deferred amounts to be recognized in pension expense in future periods:		
Difference between expected and actual experience	\$ 90,006	\$ -
Changes of assumptions		4,568
Net difference between projected and actual earnings on pension plan investments	<u>764,369</u>	<u>563,079</u>
Total deferred amounts to be recognized in pension expense in future periods	854,375	567,647
Pension contributions made subsequent to the measurement date	<u>-</u>	<u>-</u>
Total deferred amounts related to pensions	<u><u>\$ 854,375</u></u>	<u><u>\$ 567,647</u></u>

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

<u>Year Ending December 31</u>	<u>Net Deferred Outflows (Inflows) of Resources</u>
2025	\$ 174,236
2026	278,326
2027	(113,417)
2028	(52,417)
2029	-
	<u><u>\$ 286,728</u></u>

(c) Aggregate Information

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

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Notes to Financial Statements

	TRIS	IMRF	Total
Net Pension Liabilities	\$ 413,911	\$ 226,879	\$ 640,790
Net Pension Assets	-	-	-
Deferred Outflows of Resources	15,856	854,375	870,231
Deferred Inflows of Resources	28,778	567,647	596,425
Pension expenditures for the year ended June 30, 2025	544,300	99,209	643,509

(d) Social Security

Employees not qualifying for coverage under the Teachers' Retirement System of the State of Illinois or the Illinois Municipal Retirement Fund are considered "non-participating employees". These employees and those qualifying for coverage under the Illinois Municipal Retirement Fund are covered under Social Security. The District paid \$123,569, the total required contribution for the current fiscal year.

(e) Medicare

All employees, except certified personnel hired prior to April 1, 1986, are covered under the Basic Hospital Insurance Plan provision of the Medicare health insurance program. The District paid \$99,567, the total required contribution for the current fiscal year.

(6) Fund Balance Reporting

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

(a) Nonspendable Fund Balance

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

(b) Restricted Fund Balance

The restricted fund balance classification refers to amounts that are subject to outside restrictions, not controlled by the entity. Things such as restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments, or imposed by law through constitutional provisions or enabling legislation. Special Revenue Funds are by

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

definition restricted for those specified purposes. The District has several revenue sources received within different funds that also fall into these categories –

1. Special Education
Cash receipts and the related cash disbursements of this restricted tax levy are accounted for in the Educational Fund. At June 30, 2025, expenditures disbursed exceeded revenue received for this purpose, resulting in no restricted fund balance.
2. State Grants
Proceeds from state grants and the related expenditures have been included in multiple District funds. At June 30, 2025, revenues received exceeded expenditures disbursed resulting in a restricted fund balance of \$21,746. This balance is included in the financial statements as Reserved in the Educational Fund.
3. Federal Grants
Proceeds from federal grants and the related expenditures have been included in multiple District funds. At June 30, 2025, expenditures exceeded revenue resulting in no restricted fund balance.
4. IMRF/Social Security
Cash disbursed and the related cash receipts of these restricted tax levies are accounted for in the Municipal Retirement/Social Security Fund. At June 30, 2025, revenue received exceeded expenditures disbursed for these purposes, resulting in a restricted fund balance of \$657,869. For purposes of Regulatory reporting, the Social Security portion of the tax levies, \$228,240, will be classified as Reserved, and the Municipal Retirement portion of tax levies, \$429,629, will be classified as Unreserved.
5. School Facilities Occupation Tax
Cash receipts and the related cash disbursements of this restricted tax are accounted for in the Capital Projects Fund. At June 30, 2025, revenue received exceeded expenditures disbursed, resulting in a restricted fund balance of \$1,080,037 to be used for future capital projects. This balance is included in the financial statements as Reserved in the Capital Projects Fund.
6. Student Activity Funds
Cash receipts and the related cash disbursements of Student Activity Funds are accounted for in the Educational Fund. At June 30, 2025, revenue received for Student Activity Funds exceeded expenditures disbursed for those specific purposes resulting in a restricted fund balance of \$192,560. This balance is included in the financial statements as Reserved in the Educational Fund.

Notes to Financial Statements

(c) Committed Fund Balance

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

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

Employee contracts for services rendered during the school year for employees electing twelve month pay schedules are recorded as disbursements in the fiscal year when such checks are drawn. At June 30, 2025, the total amount of unpaid contracts for services performed during the fiscal year ended June 30, 2025 amounted to \$705,248. This amount is shown as Unreserved in the Educational Fund.

(d) Assigned Fund Balance

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

The District budgets property tax revenue based on the tax levy approved by the Board the previous December. For the fiscal year ending June 30, 2026 the District budgets property tax revenue based on the 2024 tax levy of which \$4,280,187 was received by the District prior to June 30, 2025 and is therefore included as revenue under the cash method of accounting in this fiscal year. Of this amount, \$2,712,679 were received in the Educational, Operations and Maintenance and Working Cash funds. The amount of assigned fund balance is limited to the overall respective fund balances after applying restrictions and commitments as described previously. For purposes of Regulatory reporting, these amounts are shown as Unreserved in the financial statements.

(e) Unassigned Fund Balance

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

(f) Regulatory – Fund Balance Definitions

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

(g) Reconciliation of Fund Balance Reporting

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

Fund	Generally Accepted Accounting Principles					Regulatory Basis	
	Non-spendable	Restricted	Committed	Assigned	Unassigned	Financial Statements-Reserved	Financial Statements-Unreserved
Educational	-	214,306	705,248	2,185,480	-	214,306	2,890,728
Operations & Maintenance	-	-	-	479,274	376,898	-	856,172
Debt Service	-	684,825	-	-	-	-	684,825
Transportation	-	268,512	-	-	-	-	268,512
Municipal Retirement	-	657,869	-	-	-	228,240	429,629
Capital Project	-	1,080,037	-	-	-	1,080,037	-
Working Cash	-	-	-	47,925	1,018,732	-	1,066,657
Tort Liability	-	395,719	-	-	-	-	395,719
Fire Prevention and Safety	-	466,620	-	-	-	-	466,620

(h) Expenditures of Fund Balance

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

(7) Long-Term Debt

As of June 30, 2025, the District had long-term debt outstanding in the amount of \$6,928,526. The long-term debt is reported in the General Long-Term Debt Group and consists of the following.

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Notes to Financial Statements

Bonded Indebtedness

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

General Obligation School Bonds, Series 2019

Original Issue \$3,500,000
 Interest Rate 2.75% - 3.75%
 Issue Date July 9, 2019
 Interest Date June 1 and December 1

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 650,000	\$ 19,800	\$ 669,800
2027	335,000	5,025	340,025
Total	<u>\$ 985,000</u>	<u>\$ 24,825</u>	<u>\$ 1,009,825</u>

General Obligation School Bonds (Alternate Revenue Source), Series 2021

Original Issue \$2,200,000
 Interest Rate 1.33%
 Issue Date July 1, 2021
 Interest Date June 1 and December 1

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 280,000	\$ 16,425	\$ 296,425
2027	285,000	12,668	297,668
2028	290,000	8,845	298,845
2029	260,000	5,187	265,187
2030	260,000	1,729	261,729
Total	<u>\$ 1,375,000</u>	<u>\$ 44,854</u>	<u>\$ 1,419,854</u>

General Obligation School Bonds, Series 2022

Original Issue \$547,120
 Interest Rate 2.440%
 Issue Date July 6, 2022
 Interest Date June 1 and December 1

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Notes to Financial Statements

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 80,912	\$ 9,087	\$ 89,999
2027	42,877	7,577	50,454
2028	289,097	3,527	292,624
Total	<u>\$ 412,886</u>	<u>\$ 20,191</u>	<u>\$ 433,077</u>

General Obligation School Bonds, Series 2024

Original Issue	\$3,880,000
Interest Rate	5.00%
Issue Date	July 2, 2024
Interest Date	June 1 and December 1

During the fiscal year ended June 30, 2024, the District received \$76,600 as a good faith deposit on this bond issuance. During the fiscal year ended June 30, 2025, the District received \$3,445,072 of remaining principal and \$358,328 of bond premium.

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ -	\$ 194,000	\$ 194,000
2027	140,000	190,500	330,500
2028	330,000	178,750	508,750
2029	660,000	154,000	814,000
2030	710,000	119,750	829,750
2031	765,000	82,875	847,875
2032	820,000	43,250	863,250
2033	455,000	11,375	466,375
Total	<u>\$ 3,880,000</u>	<u>\$ 974,500</u>	<u>\$ 4,854,500</u>

Lease Obligations

The District entered into a five year lease agreement for seven 83-passenger buses, effective July 1, 2021. The lease requires annual payments of \$120,253 beginning July 1, 2021, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$562,544. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made principal lease payments of \$112,390 during the fiscal year ended June 30, 2025.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

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

Fiscal year ending June 30,	Principal	Interest	Total
2026	<u>\$ 115,774</u>	<u>\$ 4,479</u>	<u>\$ 120,253</u>

The District entered into a five year lease agreement for one 14-passenger bus, effective July 1, 2021. The lease requires annual payments of \$10,583 beginning July 1, 2021, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.25%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$49,509. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made principal lease payments of \$9,891 during the fiscal year ended June 30, 2025.

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

Fiscal year ending June 30,	Principal	Interest	Total
2026	<u>\$ 10,189</u>	<u>\$ 394</u>	<u>\$ 10,583</u>

The District entered into a two year lease agreement for two Bluebird Buses, effective October 1, 2024. The lease requires annual payments of \$53,705 beginning October 31, 2024, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.56%, which is the assumed rate in the lease agreement. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$156,462. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made principal lease payments of \$53,704 during the fiscal year ended June 30, 2025.

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

Fiscal year ending June 30,	Principal	Interest	Total
2026	<u>\$ 50,775</u>	<u>\$ 2,930</u>	<u>\$ 53,705</u>
2027	<u>51,983</u>	<u>1,722</u>	<u>53,705</u>
	<u>\$ 102,758</u>	<u>\$ 4,652</u>	<u>\$ 107,410</u>

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

The District entered into a three year lease agreement for Chromebooks, effective April 25, 2023. The lease requires monthly payments of \$33,321 beginning April 25, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 2.375%, which is the District’s estimated incremental borrowing rate. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$97,637. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The final payment consisting of \$32,604 of principal and \$717 of interest was made and the remaining lease was retired during the fiscal year ended June 30, 2025.

The District entered into a five year lease agreement for nine copiers, effective November 1, 2023. The lease requires monthly payments of \$1,231, beginning November 1, 2023, and there are no variable payment components of the lease. The lease liability is measured at a discount rate of 3.00%, which is the District’s estimated incremental borrowing rate. As a result of the lease, the District recorded a right to use asset with an initial net book value of \$68,679. The right to use asset is discussed in more detail in Note 1(h), *General Fixed Assets*. The District made principal lease payments of \$13,186 during the fiscal year ended June 30, 2025.

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

Fiscal year ending June 30,	Principal	Interest	Total
2026	\$ 13,587	\$ 1,185	\$ 14,772
2027	14,000	772	14,772
2028	14,426	346	14,772
2029	4,906	18	4,924
Total	<u>\$ 46,919</u>	<u>\$ 2,321</u>	<u>\$ 49,240</u>

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

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

	Balance 7/1/2024	Issued	Retired	Balance 6/30/2025
Bonds	\$ 3,833,448	\$ 3,803,400	\$ 983,962	\$ 6,652,886
Leases	340,953	156,462	221,775	275,640
Subscriptions	-	-	-	-
	<u>\$ 4,174,401</u>	<u>\$ 3,959,862</u>	<u>\$ 1,205,737</u>	<u>\$ 6,928,526</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Financial Statements

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

Total Long-Term Debt

Fiscal year ending June 30,	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,201,237	\$ 248,300	\$ 1,449,537
2027	868,860	218,264	1,087,124
2028	923,523	191,468	1,114,991
2029	924,906	159,205	1,084,111
2030	970,000	121,479	1,091,479
2031	765,000	82,875	847,875
2032	820,000	43,250	863,250
2033	455,000	11,375	466,375
	<u>\$ 6,928,526</u>	<u>\$ 1,076,216</u>	<u>\$ 8,004,742</u>

(8) Legal Debt Margin

2024 equalized assessed valuation		<u>\$ 161,906,237</u>
Statutory debt limitation		
13.8% of 2024 equalized assessed valuation		\$ 22,343,061
Less total indebtedness:		
Bonds	\$ 6,652,886	
Leases	275,640	
Subscriptions	-	<u>6,928,526</u>
Legal Debt Margin		<u>\$ 15,414,535</u>

(9) Interfund Transfers and Loans

(a) Interfund Loans

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

(b) Transfers

The District recorded the following interfund transfers during the fiscal year ended June 30, 2025.

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Notes to Financial Statements

From	To	Transferred	Purpose
Educational Fund	Debt Services Fund	\$ 48,093	To pay lease principal & interest
Working Cash Fund	Educational Fund	\$ 100,000	Abatement of working cash
Capital Projects Fund	Debt Services Fund	\$ 295,116	To pay bond principal & interest
Working Cash Fund	Operations & Maintenance Fund	\$ 3,702,694	Abatement of working cash
Operations & Maintenance Fund	Capital Projects Fund	\$ 3,702,694	To pay for capital projects

(10) Overexpenditure of Budget

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

Fund	Expenditures	Budget
Educational	\$ 10,793,088	\$ 10,040,364
Operations & Maintenance	929,352	827,898
Debt Services	1,280,128	1,232,390
Transportation	771,759	617,845
Municipal Retirement	322,081	283,647
Capital Projects	3,686,804	3,678,500
Tort	511,798	510,500

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

(11) Joint Agreements

The District is a member of Bi-County Special Education Cooperative located at 504 W. 4th Street, Suite B, Sterling, IL 61081. The District pays Bi-County Special Education Cooperative for special education services administered to District students. During the year ended June 30, 2025, the District paid Bi-County Special Education Cooperative \$835,972 for these services. The District did not receive any rental income from Bi-County Special Education Cooperative for the use of their classrooms during the current fiscal year.

The District is also a member of Whiteside Area Career Center, along with other area school districts. The Whiteside Area Career Center is located at 1608 5th Avenue, Sterling, IL 61081. The District pays Whiteside Area Career Center for vocational education services administered to District students. During the year ended June 30, 2025, the District paid Whiteside Area Career Center \$37,210 for these services.

Notes to Financial Statements

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

(12) Other Postemployment Benefits (OPEB)

(a) *Teacher Health Insurance Security (THIS) Fund*

The employer participates in the Teacher Health Insurance Security (THIS) Fund, a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan.

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

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

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

The state of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to cover the actuarial costs to the THIS Fund that are not covered by contributions from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were \$34,721 and the employer recognized revenue and expenditures of this amount during the year.

Notes to Financial Statements

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

The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025, the employer paid \$38,044 to the THIS Fund, which was 100 percent of the required contribution.

Further information on the THIS Fund

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

(b) *Non-certified employees*

The District has evaluated its potential liability for other postemployment benefits. The District provides continued health insurance coverage at the active employer rate to all IMRF eligible employees in accordance with Illinois statutes, which creates an implicit subsidy of retiree health insurance. Former employees who choose to retain their rights to health insurance through the District are required to pay 100% of the current premium. For the year ended June 30, 2025, no former employees had chosen to stay in the District's health insurance plan and therefore there is no implicit subsidy in accordance with GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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

(13) Illinois Unemployment Compensation

The District has elected to become self-insured for unemployment compensation. The District is therefore liable to the State for any payments made to any of its former employees claiming unemployment benefits. For the year ended June 30, 2025, the District made no payments for unemployment compensation.

(14) Risk Management

The District is exposed to various risks of loss related to torts; damage to, and theft or destruction of assets; errors and omissions; injuries to employees; and natural disasters. Significant losses are covered by commercial insurance for all major programs except for workers' compensation for which the District participates in the Illinois Association of School Board Workers' Compensation Self Insurance Trust. Estimated payments are made annually to the Trust to cover claims, however, additional assessments could be required if the Trust

Notes to Financial Statements

reflects a deficit. For all insured programs, there have been no significant reductions in insurance coverage. Settlement amounts have not exceeded insurance coverage for the current year or the three prior years.

(15) Contingencies

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

(16) Subsequent Events

Subsequent events are events or transactions that occur after the balance sheet date but before financial statements are issued or are available to be issued. These events and transactions either provide additional evidence about conditions that existed at the date of the balance sheet, including the estimates inherent in the process of preparing financial statements (that is, recognized subsequent events), or provide evidence about conditions that did not exist at the date of the balance sheet but arose after that date (that is, non-recognized subsequent events).

The District has evaluated subsequent events through December 9, 2025, which was the date that these financial statements were available for issuance, and determined that there were no significant non-recognized subsequent events through that date.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Other Information (unaudited)

June 30, 2025

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

	FY24*	FY23*	FY22*	FY21*	FY20*	FY19*	FY18*	FY17*	FY16*	FY15*
Employer's proportion of the net pension liability	1.2%	1.1%	1.1%	1.2%	1.3%	1.4%	1.4%	4.0%	3.7%	3.6%
Employer's proportionate share of the net pension liability	\$ 413,911	\$ 399,082	\$ 393,774	\$ 398,336	\$ 462,974	\$ 467,184	\$ 474,638	\$ 1,333,992	\$ 1,322,931	\$ 1,014,473
State's proportionate share of the net pension liability associated with the employer	<u>34,511,264</u>	<u>34,441,009</u>	<u>34,157,282</u>	<u>33,384,786</u>	<u>36,262,531</u>	<u>33,248,954</u>	<u>32,514,662</u>	<u>32,091,968</u>	<u>34,154,009</u>	<u>27,392,230</u>
Total	<u>\$ 34,925,175</u>	<u>\$ 34,840,091</u>	<u>\$ 34,551,056</u>	<u>\$ 33,783,122</u>	<u>\$ 36,725,505</u>	<u>\$ 33,716,138</u>	<u>\$ 32,989,300</u>	<u>\$ 33,425,960</u>	<u>\$ 35,476,940</u>	<u>\$ 28,406,703</u>
Employer's covered-employee payroll	\$ 5,678,157	\$ 5,180,282	\$ 4,923,237	\$ 4,806,358	\$ 4,537,055	\$ 4,556,652	\$ 4,499,987	\$ 4,361,306	\$ 4,334,361	\$ 4,302,888
Employer's proportionate share of the net pension liability as a percentage of its covered-employee payroll	7.3%	7.7%	8.0%	8.3%	10.2%	10.3%	10.5%	30.6%	30.5%	23.6%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%

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

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

Statutorily-required contribution	\$ 553,325	\$ 535,816	\$ 498,690	\$ 470,932	\$ 443,095	\$ 440,744	\$ 434,129	\$ 422,475	\$ 462,031	\$ 467,983
Contributions in relation to the statutorily-required contribution	<u>553,148</u>	<u>535,778</u>	<u>497,857</u>	<u>468,600</u>	<u>435,348</u>	<u>432,439</u>	<u>431,514</u>	<u>422,218</u>	<u>462,034</u>	<u>467,934</u>
Contribution deficiency (excess)	<u>\$ 177</u>	<u>\$ 38</u>	<u>\$ 833</u>	<u>\$ 2,332</u>	<u>\$ 7,747</u>	<u>\$ 8,305</u>	<u>\$ 2,615</u>	<u>\$ 257</u>	<u>\$ (3)</u>	<u>\$ 49</u>
Employer's covered-employee payroll	\$ 5,678,157	\$ 5,180,282	\$ 4,923,237	\$ 4,806,358	\$ 4,537,055	\$ 4,556,652	\$ 4,499,987	\$ 4,361,306	\$ 4,334,361	\$ 4,302,888
Contributions as a percentage of covered-employee payroll	9.74%	10.34%	10.11%	9.75%	9.60%	9.49%	9.59%	9.68%	10.66%	10.87%

See notes to other information.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Other Information (unaudited)

June 30, 2025

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

Calendar year ending December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total pension liability										
Service cost	\$ 131,813	\$ 140,249	\$ 115,171	\$ 115,569	\$ 121,872	\$ 112,702	\$ 112,628	\$ 127,143	\$ 125,158	\$ 124,052
Interest on the total pension liability	615,306	591,430	564,055	546,375	542,562	534,568	527,283	525,417	499,602	497,268
Differences between expected and actual experience of the total pension liability	60,053	186,348	226,971	85,531	(59,377)	(59,948)	(18,647)	48,459	119,793	(201,791)
Changes of assumptions	-	(15,422)	-	-	(59,588)	-	179,207	(234,540)	(22,997)	14,777
Benefit payments, including refunds of employee contributions	(577,646)	(560,493)	(521,785)	(485,046)	(494,408)	(468,876)	(446,320)	(422,365)	(387,845)	(383,823)
Net change in total pension liability	229,526	342,112	384,412	262,429	51,061	118,446	354,151	44,114	333,711	50,483
Total pension liability – beginning	8,709,894	8,367,782	7,983,370	7,720,941	7,669,880	7,551,434	7,197,283	7,153,169	6,819,458	6,768,975
Total pension liability – ending (a)	8,939,420	8,709,894	8,367,782	7,983,370	7,720,941	7,669,880	7,551,434	7,197,283	7,153,169	6,819,458
Plan fiduciary net position										
Contributions – employer	88,426	69,723	96,523	113,917	126,887	95,577	114,311	113,831	129,168	122,744
Contributions – employee	75,939	70,507	64,752	54,652	52,821	50,839	47,940	50,717	51,668	49,274
Net investment income	853,731	863,036	(1,243,558)	1,439,281	1,090,134	1,283,805	(438,621)	1,164,032	423,802	31,499
Benefit payments, including refunds of employee contributions	(577,646)	(560,493)	(521,785)	(485,046)	(494,408)	(468,876)	(446,320)	(422,365)	(387,845)	(383,823)
Other (net transfer)	(190,363)	225,126	26,730	(18,025)	(58,860)	(22,649)	108,176	(125,202)	18,959	(15,862)
Net change in plan fiduciary net position	250,087	667,899	(1,577,338)	1,104,779	716,574	938,696	(614,514)	781,013	235,752	(196,168)
Plan fiduciary net position – beginning	8,462,454	7,794,555	9,371,893	8,267,114	7,550,540	6,611,844	7,226,358	6,445,345	6,209,593	6,405,761
Plan fiduciary net position – ending (b)	8,712,541	8,462,454	7,794,555	9,371,893	8,267,114	7,550,540	6,611,844	7,226,358	6,445,345	6,209,593
Net pension (asset) liability – ending (a)-(b)	\$ 226,879	\$ 247,440	\$ 573,227	\$ (1,388,523)	\$ (546,173)	\$ 119,340	\$ 939,590	\$ (29,075)	\$ 707,824	\$ 609,865
Plan fiduciary net position as a percentage of the total pension liability	97.46%	97.16%	93.15%	117.39%	107.07%	98.44%	87.56%	100.40%	90.10%	91.06%
Covered valuation payroll	\$ 1,687,522	\$ 1,566,807	\$ 1,439,927	\$ 1,214,464	\$ 1,173,794	\$ 1,129,755	\$ 1,065,333	\$ 1,127,048	\$ 1,148,158	\$ 1,094,954
Net pension (asset) liability as a percentage of covered valuation payroll	13.44%	15.79%	39.81%	-114.33%	-46.53%	10.56%	88.20%	-2.58%	61.65%	55.70%

See notes to other information.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Other Information (unaudited)

June 30, 2025

Illinois Municipal Retirement Fund
Schedule of Contributions

Calendar Year Ending December 31,	Actuarially Determined Contribution (a)	Actual Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Valuation Payroll (c)	Actual Contribution as a % of Covered Payroll (b/c)
2015	\$ 122,744	\$ 122,744	\$ -	\$ 1,094,954	11.21%
2016	129,168	129,168	-	1,148,158	11.25%
2017	113,832	113,831	1	1,127,048	10.10%
2018	114,310	114,311	(1)	1,065,333	10.73%
2019	95,577	95,577	-	1,129,755	8.46%
2020	126,887	126,887	-	1,173,794	10.81%
2021	113,917	113,917	-	1,214,464	9.38%
2022	96,619	96,523	96	1,439,927	6.70%
2023	69,723	69,723	-	1,566,807	4.45%
2024	88,426	88,426	-	1,687,522	5.24%

Notes to Other Information

June 30, 2025

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

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

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.0, including an inflation rate of 2.50 percent and a real return of 4.50 percent. For the 2021 measurement year, the assumed investment rate of return was 7.0, including an inflation rate of 2.25 percent and a real return of 4.75 percent. Salary increases were assumed to vary by service credit. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

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

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

(a) Valuation Date

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

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

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Notes to Other Information

(five employers were financed over 15 years; one employer was financed over 16 years; two employers were financed over 17 years; one employer was financed over 20 years; three employers were financed over 23 years; four employers were financed over 24 years and one employer was financed over 25 years).

Asset valuation method	5-year smoothed market; 20% corridor
Wage growth	2.75%
Price inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement age	Experience-based table of rates that are specific to the type of eligibility condition. Last updated for the 2020 valuation pursuant to an experience study of the period 2017-2019.
Mortality	For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%) and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted tables, and future mortality improvements projected using scale MP-2020.

(c) Other Information

There were no benefit changes during the year.

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Student Activity Funds

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

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
District:				
Schepler Estate Interest	\$ 10,377	\$ 8,250	\$ 2,000	\$ 16,627
General Activity	6,991	553	7,865	(321)
Medical Insurance	(5)	-	-	(5)
District total	<u>\$ 17,363</u>	<u>\$ 8,803</u>	<u>\$ 9,865</u>	<u>\$ 16,301</u>
Elementary:				
Elementary School	\$ 4,919	\$ 7,684	\$ 9,619	\$ 2,984
Library	<u>5,273</u>	<u>5,843</u>	<u>6,567</u>	<u>4,549</u>
Elementary total	<u>\$ 10,192</u>	<u>\$ 13,527</u>	<u>\$ 16,186</u>	<u>\$ 7,533</u>
Junior High:				
Art Club	\$ 42	\$ -	\$ -	\$ 42
Band	2,253	2,960	2,073	3,140
Cheerleaders	(40)	415	553	(178)
FCA	248	778	949	77
FMS Booster Club	4,740	47,331	44,307	7,764
Library	149	-	63	86
Concessions	3,140	6,107	5,754	3,493
MS Track	572	875	133	1,314
MS Wrestling	270	500	199	571
Student Council	<u>3,480</u>	<u>6,967</u>	<u>10,058</u>	<u>389</u>
Junior High total	<u>\$ 14,854</u>	<u>\$ 65,933</u>	<u>\$ 64,089</u>	<u>\$ 16,698</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Student Activity Funds

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

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
High School:				
Art Club	\$ 34	\$ -	\$ -	\$ 34
Band	745	40,535	40,614	666
Basketball	4,749	16,934	10,965	10,718
Bass Fishing	1,983	232	-	2,215
Blind	3,218	15	200	3,033
Book Club	72	-	-	72
Baseball	1,109	914	51	1,972
Caring Closet	2,507	11	156	2,362
Cheerleaders	5,855	13,922	13,550	6,227
Class of 2024	153	-	153	-
Class of 2025	681	156	813	24
Class of 2026	1,869	2,086	2,283	1,672
Class of 2027	813	282	28	1,067
Class of 2028	-	465	-	465
Concessions	14,482	48,559	53,572	9,469
Eric Ottens Shootout	4,923	10,149	7,120	7,952
Fall Classic Volleyball	3,482	1,132	1,545	3,069
FHS FAC	-	101	90	11
FFA	3,555	18,336	19,452	2,439
Football	1,298	13,472	8,429	6,341
Girls Basketball	(53)	3,011	5,759	(2,801)
Girls Invite Track	2,242	2,832	2,829	2,245
Girls Softball	3,979	11,900	8,564	7,315
Girls Track	1,281	1,601	699	2,183
Girls Volleyball	6,220	26,386	27,558	5,048
Golf	388	413	120	681
Grey Matters	-	108	96	12
Hall of Fame-Alumni	(303)	1,934	780	851
H.S. Athletics	2,443	1,410	1,016	2,837
Key Club	253	2,270	2,045	478
Library	1,490	53	19	1,524
Math Club	1,141	5	-	1,146
Muddy River Baseball	282	1	-	283
	70,891	219,225	208,506	81,610
Carried Forward				

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Student Activity Funds

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

Fund	Balance 07/01/24	Revenues Received	Expenditures Disbursed	Balance 06/30/25
Carried Forward	70,891	219,225	208,506	81,610
Musical	4,904	22	-	4,926
National Honor Society	9	-	-	9
Robotics	5,030	850	3,444	2,436
Route 84 Tournament	492	2	-	494
Scholastic Bowl	2,267	347	362	2,252
Science Club	12	-	-	12
Shop	724	3,017	3,801	(60)
Softball Invite	713	3	-	716
Spanish Club	124	1	-	125
Speech Team	962	314	107	1,169
Static	3,840	5,248	1,164	7,924
Steamer Suite	2,721	5,545	5,673	2,593
Student Council	8,977	2,860	2,316	9,521
S.A.D.A.	177	1	-	178
Student fund	3,094	8,218	8,227	3,085
Thespians	8,893	8,396	11,687	5,602
Track Relay	4,068	3,907	2,941	5,034
Track	1,300	657	360	1,597
Trap Shooting	360	1,584	2,017	(73)
Weight Room	1,365	347	1,091	621
Windmill Classic	2,306	5,456	3,732	4,030
Wrestling	7,359	14,957	4,506	17,810
Vocal Music	323	455	361	417
High School total	<u>\$ 130,911</u>	<u>\$ 281,412</u>	<u>\$ 260,295</u>	<u>\$ 152,028</u>
Total student activity funds	<u>\$ 173,320</u>	<u>\$ 369,675</u>	<u>\$ 350,435</u>	<u>\$ 192,560</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Schedule of Assessed Valuations,
Property Tax Rates, Extensions and Collections (unaudited)

	Rate	Extension	Received Through 6/30/2024	Received Current Year	Uncollected (Over- collected) Balance
2024 LEVY - Assessed Valuation		\$ 159,329,656			
Educational	2.6000	4,142,571	-	2,492,216	1,650,355
Oper. & maint.	0.5000	796,648	-	479,274	317,374
Debt service	0.4793	763,667	-	459,431	304,236
Transportation	0.2000	318,659	-	191,710	126,949
Municipal retirement	0.0565	90,021	-	54,157	35,864
Social security	0.1256	200,118	-	120,393	79,725
Working cash	0.0500	79,665	-	47,925	31,740
Tort	0.3139	500,136	-	300,889	199,247
Special education	0.0400	63,732	-	38,342	25,390
Facilities leasing	0.0500	79,665	-	47,925	31,740
Life safety	0.0500	79,665	-	47,925	31,740
	<u>4.4653</u>	<u>7,114,547</u>	<u>-</u>	<u>4,280,187</u>	<u>2,834,360</u>
2023 LEVY - Assessed Valuation		\$ 148,347,715			
Educational	2.6000	3,857,041	2,341,625	1,512,876	2,540
Oper. & maint.	0.5000	741,738	450,314	290,970	454
Debt service	0.5142	762,804	463,101	299,231	472
Transportation	0.2000	296,695	180,124	116,386	185
Municipal retirement	0.0203	30,115	18,283	11,814	18
Social security	0.0978	145,084	88,082	56,914	88
Working cash	0.0500	74,174	45,033	29,098	43
Tort	0.3101	460,026	279,284	180,458	284
Special education	0.0400	59,339	36,023	23,276	40
Facilities leasing	0.0500	74,174	45,033	29,098	43
Life safety	0.0500	74,174	45,033	29,098	43
	<u>4.4324</u>	<u>6,575,364</u>	<u>3,991,935</u>	<u>2,579,219</u>	<u>4,210</u>
2022 LEVY - Assessed Valuation		\$ 136,412,136			
Educational	2.6000	3,546,715	3,550,647	-	(3,932)
Oper. & maint.	0.5000	682,061	682,819	-	(758)
Debt service	0.5546	756,542	757,382	-	(840)
Transportation	0.2000	272,824	273,129	-	(305)
Municipal retirement	0.0587	80,074	80,164	-	(90)
Social security	0.0953	130,001	130,143	-	(142)
Working cash	0.0500	68,206	68,281	-	(75)
Tort	0.3336	455,071	455,577	-	(506)
Special education	0.0400	54,565	54,628	-	(63)
Facilities leasing	0.0500	68,206	68,281	-	(75)
Life safety	0.0500	68,206	68,281	-	(75)
	<u>4.5322</u>	<u>6,182,471</u>	<u>6,189,332</u>	<u>-</u>	<u>(6,861)</u>

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Ten Year Statistics - Assessed Valuations, Tax Rates and Extensions (unaudited)

<u>Year Ended June 30,</u>	<u>Levy Year</u>	<u>Assessed Valuation</u>	<u>Total Tax Rate</u>	<u>Taxes Extended</u>
2017	2015	\$ 106,410,761	4.84730	\$ 5,158,049
2018	2016	110,676,715	4.77590	5,285,809
2019	2017	115,313,634	4.69900	5,418,588
2020	2018	119,272,324	4.65870	5,556,540
2021	2019	122,895,641	4.64390	5,707,151
2022	2020	127,582,934	4.60340	5,873,153
2023	2021	130,405,446	4.57900	5,971,265
2024	2022	136,412,136	4.53220	6,182,471
2025	2023	148,347,715	4.43240	6,575,364
2026	2024	159,329,656	4.46530	7,114,547

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

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

<u>Year ended June 30,</u>	<u>Average Daily Attendance</u>	<u>Operating Expense Per Pupil</u>	<u>Total Operating Expense</u>
2016	901	\$ 9,408	\$ 8,472,092
2017	886	9,214	8,164,930
2018	875	9,298	8,134,289
2019	864	9,742	8,415,065
2020	854	10,160	8,678,835
2021	872	9,861	8,595,841
2022	814	11,538	9,388,185
2023	824	12,335	10,168,446
2024	854	12,054	10,296,755
2025	866	12,875	11,150,953

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2

Fund Balances Adjusted for Tax Receipts (unaudited)

	Total	Educational Fund	Operations & Maintenance Fund	Debt Services Fund	Transportation Fund	Municipal Retirement / Social Security Fund	Capital Projects	Working Cash Fund	Tort Fund	Fire Prev. & Safety Fund
Fund balances, 6-30-17	\$ 4,585,032	\$ 1,225,417	\$ 670,685	\$ 393,411	\$ 270,695	\$ 397,219	\$ 303,403	\$ 660,568	\$ 313,029	\$ 350,605
Less "early tax distribution"	(2,724,050)	(1,534,307)	(285,186)	(323,688)	(114,075)	(206,192)	-	(28,518)	(203,566)	(28,518)
Adjusted fund balance	\$ 1,860,982	\$ (308,890)	\$ 385,499	\$ 69,723	\$ 156,620	\$ 191,027	\$ 303,403	\$ 632,050	\$ 109,463	\$ 322,087
Fund balances, 6-30-18	\$ 5,563,035	\$ 1,740,900	\$ 727,195	\$ 426,543	\$ 289,027	\$ 525,504	\$ 397,575	\$ 724,877	\$ 338,990	\$ 392,424
Less "early tax distribution"	(2,935,841)	(1,680,652)	(312,391)	(365,122)	(124,955)	(168,068)	-	(31,240)	(222,173)	(31,240)
Adjusted fund balance	\$ 2,627,194	\$ 60,248	\$ 414,804	\$ 61,421	\$ 164,072	\$ 357,436	\$ 397,575	\$ 693,637	\$ 116,817	\$ 361,184
Fund balances, 6-30-19	\$ 6,182,864	\$ 2,195,409	\$ 727,586	\$ 449,999	\$ 201,243	\$ 596,392	\$ 515,876	\$ 734,236	\$ 371,721	\$ 390,402
Less "early tax distribution"	(3,153,796)	(1,821,049)	(338,484)	(382,420)	(135,392)	(147,645)	-	(33,850)	(261,106)	(33,850)
Adjusted fund balance	\$ 3,029,068	\$ 374,360	\$ 389,102	\$ 67,579	\$ 65,851	\$ 448,747	\$ 515,876	\$ 700,386	\$ 110,615	\$ 356,552
Fund balances, 6-30-20	\$ 6,347,991	\$ 2,150,043	\$ 763,434	\$ 350,299	\$ 288,379	\$ 630,885	\$ 702,237	\$ 719,297	\$ 399,083	\$ 344,334
Less "early tax distribution"	(3,202,213)	(1,854,895)	(344,776)	(377,599)	(137,910)	(162,736)	-	(34,478)	(255,341)	(34,478)
Adjusted fund balance	\$ 3,145,778	\$ 295,148	\$ 418,658	\$ (27,300)	\$ 150,469	\$ 468,149	\$ 702,237	\$ 684,819	\$ 143,742	\$ 309,856
Fund balances, 6-30-21	\$ 7,528,782	\$ 2,794,536	\$ 872,232	\$ 482,497	\$ 291,899	\$ 680,167	\$ 808,250	\$ 787,648	\$ 448,804	\$ 362,749
Less "early tax distribution"	(3,520,806)	(2,057,386)	(382,413)	(404,822)	(152,965)	(173,921)	-	(38,243)	(272,813)	(38,243)
Adjusted fund balance	\$ 4,007,976	\$ 737,150	\$ 489,819	\$ 77,675	\$ 138,934	\$ 506,246	\$ 808,250	\$ 749,405	\$ 175,991	\$ 324,506
Fund balances, 6-30-22	\$ 8,467,273	\$ 3,351,929	\$ 937,478	\$ 449,930	\$ 261,186	\$ 736,751	\$ 1,049,614	\$ 856,136	\$ 440,259	\$ 383,990
Less "early tax distribution"	(3,696,214)	(2,171,396)	(403,604)	(417,813)	(161,443)	(179,522)	-	(40,359)	(281,718)	(40,359)
Adjusted fund balance	\$ 4,771,059	\$ 1,180,533	\$ 533,874	\$ 32,117	\$ 99,743	\$ 557,229	\$ 1,049,614	\$ 815,777	\$ 158,541	\$ 343,631
Fund balances, 6-30-23	\$ 8,844,538	\$ 3,547,534	\$ 880,719	\$ 466,506	\$ 329,190	\$ 727,351	\$ 1,050,437	\$ 939,754	\$ 423,707	\$ 479,340
Less "early tax distribution"	(3,629,797)	(2,154,394)	(400,446)	(444,175)	(160,179)	(123,337)	-	(40,044)	(267,178)	(40,044)
Adjusted fund balance	\$ 5,214,741	\$ 1,393,140	\$ 480,273	\$ 22,331	\$ 169,011	\$ 604,014	\$ 1,050,437	\$ 899,710	\$ 156,529	\$ 439,296
Fund balances, 6-30-24	\$ 8,772,699	\$ 3,866,097	\$ 939,322	\$ 494,688	\$ 252,078	\$ 699,682	\$ 572,824	\$ 1,126,145	\$ 410,712	\$ 411,151
Less "early tax distribution"	(3,991,935)	(2,422,681)	(450,314)	(463,101)	(180,124)	(106,365)	-	(45,033)	(279,284)	(45,033)
Adjusted fund balance	\$ 4,780,764	\$ 1,443,416	\$ 489,008	\$ 31,587	\$ 71,954	\$ 593,317	\$ 572,824	\$ 1,081,112	\$ 131,428	\$ 366,118
Fund balances, 6-30-25	\$ 8,581,445	\$ 3,105,034	\$ 856,172	\$ 684,825	\$ 268,512	\$ 657,869	\$ 1,080,037	\$ 1,066,657	\$ 395,719	\$ 466,620
Less "early tax distribution"	(4,280,187)	(2,578,483)	(479,274)	(459,431)	(191,710)	(174,550)	-	(47,925)	(300,889)	(47,925)
Adjusted fund balance	\$ 4,301,258	\$ 526,551	\$ 376,898	\$ 225,394	\$ 76,802	\$ 483,319	\$ 1,080,037	\$ 1,018,732	\$ 94,830	\$ 418,695

The fund balances in the basic financial statements reflect all property tax distributions received by the district during each year ended June 30th, in accordance with the cash basis method of accounting used by the district. These balances have been adjusted above to exclude property tax distributions of the current year's levy received prior to June 30th of that year. These adjusted balances should not be construed to reflect the financial position of any fund.



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

Board of Education
River Bend Community Unit School District No. 2
Whiteside County, Illinois

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited River Bend Community Unit School District No. 2's compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of River Bend Community Unit School District No. 2's major federal programs for the year ended June 30, 2025. River Bend Community Unit School District No. 2's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, River Bend Community Unit School District No. 2 complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

Basis for Opinion on Each Major Federal Program

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

We are required to be independent of River Bend Community Unit School District No. 2 and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of River Bend Community Unit School District No. 2's compliance with the compliance requirements referred to above.

50 W. Douglas Street, Suite 300
Freeport, Illinois 61032
(815) 235-3157
Fax (815) 235-3158

6815 Weaver Road, Suite 300
Rockford, Illinois 61114
(815) 316-2375
Fax (815) 316-2389

1809 10th Street
Monroe, Wisconsin 53566
(608) 325-5035
Fax (608) 328-2843

Responsibility of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to River Bend Community Unit School District No. 2's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on River Bend Community Unit School District No. 2's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about River Bend Community Unit School District No. 2's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding River Bend Community Unit School District No. 2's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of River Bend Community Unit School District No. 2's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of River Bend Community Unit School District No. 2's internal control over compliance. Accordingly, no such opinion is expressed.

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

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as item 2025-001. Our opinion on each major federal program is not modified with respect to this matter.

Government Auditing Standards requires the auditor to perform limited procedures on River Bend Community Unit School District No. 2's response to the noncompliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. River Bend Community Unit School District No. 2's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.


Report on Internal Control Over Compliance

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

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

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

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



Freeport, Illinois
December 9, 2025

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

Federal Grantor/Pass-Through Grantor Program or Cluster Title and Major Program Designation	Assistance Listing Number	ISBE Project Number	Federal Expenditures
U.S. Department of Agriculture:			
Through Illinois State Board of Education:			
(M) DoD Fresh Fruits and Vegetables Program(non-cash)	10.555	2025	\$ 11,175
(M) Commodities Program (non-cash)	10.555	2025	37,414
(M) National School Lunch Program	10.555	24-4210-00	46,230
(M) National School Lunch Program	10.555	25-4210-00	172,912
(M) COVID-19 ARP Child Nutrition - Nutrition Supply Chain Assistance	10.555	24-4210-SC	<u>15,250</u>
Subtotal 10.555			<u>\$ 282,981</u>
(M) School Breakfast Program	10.553	24-4220-00	6,163
(M) School Breakfast Program	10.553	25-4220-00	<u>25,400</u>
Subtotal 10.553			<u>31,563</u>
Subtotal Child Nutrition Cluster			<u>314,544</u>
Total Through USDA Programs			<u>314,544</u>
U.S. Department of Education:			
Through Illinois State Board of Education:			
(M) Fed. Sp. Ed. IDEA Flow-Through	84.027A	25-4620-00	<u>248,539</u>
Subtotal 84.027A			<u>248,539</u>
(M) Fed. Sp. Ed. Pre-School Flow-Through	84.173A	25-4600-00	<u>13,222</u>
Subtotal 84.173A			<u>13,222</u>
Subtotal Special Education (IDEA) Cluster			<u>261,761</u>
Title I - Low Income	84.010A	25-4300-00	<u>140,154</u>
Subtotal 84.010A			<u>140,154</u>
Title II - Teacher Quality	84.367A	25-4932-00	<u>27,352</u>
Subtotal 84.367A			<u>27,352</u>
Title IV - Student Support & Academic Enrich	84.424A	25-4400-00	<u>10,666</u>
Subtotal 84.424A			<u>10,666</u>
** COVID 19 Elementary and Secondary School Emergency Relief	84.425U	24-4998-E3	<u>1,060</u>
COVID 19 Elementary and Secondary School Emergency Relief	84.425U	24-4998-E3	<u>30,989</u>
Subtotal 84.425			<u>32,049</u>
Total Through USDE Programs			<u>471,982</u>
U.S. Department of Health and Human Services:			
Through Illinois Dept. of Health and Family Services:			
Medicaid Administrative Outreach	93.778	25-4991-00	<u>19,284</u>
Subtotal 93.778			<u>19,284</u>
Total Through USDHHS Programs			<u>19,284</u>
Total Federal Awards			<u>\$ 805,810</u>

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

** Represents FY24 expenditures identified as allowable expenditures and reallocated to the Federal program within the established covered period in FY25.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS (SEFA)
Year Ended June 30, 2025

Note 1: Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of **River Bend Community Unit School District No. 2** and is presented on the **cash basis of accounting**. The information in this schedule is presented in accordance with the requirements of the Office of Management and Budget Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the **general purpose** financial statements.

Note 2: Indirect Facilities & Administration costs

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

Note 3: Subrecipients

Of the federal expenditures presented in the schedule, **River Bend Community Unit School District No. 2** provided federal awards to subrecipients as follows:

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

Note 4: Non-Cash Assistance

The following amounts were expended in the form of non-cash assistance by **River Bend Community Unit School District No. 2** and **should be** included in the Schedule of Expenditures of Federal Awards:

NON-CASH COMMODITIES (CFDA 10.555):	\$32,357	
OTHER NON-CASH ASSISTANCE - DEPT. OF DEFENSE FRUITS & VEGETABLES	\$7,945	
		Total Non-Cash \$40,302

Note 5: Other Information

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

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

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION I - SUMMARY OF AUDITOR'S RESULTS

FINANCIAL STATEMENTS

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

INTERNAL CONTROL OVER FINANCIAL REPORTING:

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

FEDERAL AWARDS

INTERNAL CONTROL OVER MAJOR PROGRAMS:

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

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

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

IDENTIFICATION OF MAJOR PROGRAMS:

CFDA NUMBER(S)	NAME OF FEDERAL PROGRAM or CLUSTER	AMOUNT OF FEDERAL PROGRAM
10.553, 10.555	Child Nutrition Cluster	315,544
84.027, 84.173	Special Education Cluster	261,761
	Total Amount Tested as Major	\$577,305

Total Federal Expenditures for 7/1/24-6/30/25 \$805,810

% tested as Major 71.64%

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

Auditee qualified as low-risk auditee? YES x NO

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION II - FINANCIAL STATEMENT FINDINGS

1. FINDING NUMBER 2025- 001

2. THIS FINDING IS:

New

Repeat from Prior Year?
Year originally reported? _____

3. Criteria or specific requirement

The Illinois General Assembly, pursuant to the Illinois Government Ethics Act (5 ILCS 420/4A-101), requires certain individuals, including District board members, certified school business officials, and administrators, to annually file a statement of economic interest with the county clerk's office.

4. Condition

The District had one individual who did not file the statement of economic interest by the May 1st deadline.

5. Context

The District did not ensure that all required individuals filed a statement of economic interest on a timely basis.

6. Effect

The District is not in compliance with the requirement to have certain individuals file an annual statement of economic interest.

7. Cause

The District did not ensure that all required individuals filed a statement of economic interest on a timely basis.

8. Recommendation

We recommend the District follow up with each required individual annually to ensure the proper statements are being filed in a timely manner.

9. Management's response

See corrective action plan.

RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
Year Ended June 30, 2025

SECTION III - FEDERAL AWARD FINDINGS AND QUESTIONED COSTS

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

3. Federal Program Name and Year: _____

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

6. Passed Through: _____

7. Federal Agency: _____

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

9. Condition

10. Questioned Costs

11. Context

12. Effect

13. Cause

14. Recommendation

15. Management's response

River Bend Community Unit School District #2

Where Everybody is Somebody

Dr. Darryl Hogue, Superintendent
River Bend District Office
1110 3rd Street Fulton, IL 61252

dhogue@riverbendschools.net
Ph: 815-589-2711 Fax: 815-589-4630
www.riverbendschools.org



**RIVER BEND COMMUNITY UNIT SCHOOL DISTRICT NO. 2
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
Year Ended June 30, 2025**

<u>Finding Number</u>	<u>Condition</u>	<u>Current Status</u>
2024-001	Material audit adjustments were identified during the fiscal year 2024 audit.	Resolved

River Bend Community Unit School District #2

Where Everybody is Somebody

Dr. Darryl Hogue, Superintendent
River Bend District Office
1110 3rd Street Fulton, IL 61252

dhogue@riverbendschools.net
Ph: 815-589-2711 Fax: 815-589-4630
www.riverbendschools.org



CORRECTIVE ACTION PLAN

Year Ended June 30, 2025

Finding Number: 2025-001

Summary of Finding: The District had one individual who did not file the statement of economic interest by the May 1st deadline.

District Response and Action Plan: District will ensure that the statement of economic interest statements are filed before the May 1st deadline by following up with affected individuals well in advance of the deadline.

Contact Person: Darryl Hogue, Superintendent

Anticipated Completion Date: 4/30/26

Form of Continuing Disclosure Undertaking

**CONTINUING DISCLOSURE UNDERTAKING
FOR THE PURPOSE OF PROVIDING
CONTINUING DISCLOSURE INFORMATION
UNDER SECTION (B)(5) OF RULE 15C2-12**

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by Community Unit School District Number 2, Whiteside County, Illinois (the “*District*”), in connection with the issuance of \$_____ General Obligation School Bonds, Series 2026A (the “*Series 2026A Bonds*”), and \$_____ Taxable General Obligation Refunding School Bonds, Series 2026B (the “*Series 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 22nd day of April, 2026 (as supplemented by a notification of sale, the “*Resolution*”).

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

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

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

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

FINANCIAL INFORMATION

Trend of EAV

Tax Rates

Tax Extensions and Collections

Summary of Outstanding Bonded Debt

Debt Repayment Schedule

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

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

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources

Summary of Operating Funds and Debt Service Fund

On-Behalf Payments Summary (table only)

Budget Summary

SCHOOL DISTRICT FINANCIAL PROFILE (last paragraph only)

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

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

Commission means the Securities and Exchange Commission.

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

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

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

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

MSRB means the Municipal Securities Rulemaking Board.

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

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

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

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

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

State means the State of Illinois.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

COMMUNITY UNIT SCHOOL DISTRICT NUMBER 2,
WHITESIDE COUNTY, ILLINOIS

By _____
President, Board of Education

Date: _____, 2026

EXHIBIT I
ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED
FINANCIAL STATEMENTS

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

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

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

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

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

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

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

**EXHIBIT III
CUSIP NUMBERS**

SERIES 2026A BONDS

MATURITY (DEC. 1)	CUSIP NUMBER (965772)
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SERIES 2026B BONDS

MATURITY (DEC. 1)	CUSIP NUMBER (965772)
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Specimen Municipal Bond Insurance Policy



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)