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MERIDIAN 223

District Debt Overview and Financing Scenarios

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OVERVIEW OF ILLINOIS SCHOOL DISTRICT MUNICIPAL BOND FINANCE



SCHOOL BORROWING OPTIONS

- The IL School Code prescribes very specific methods for school districts to issue municipal bonds which are as follows:
- Types of General Obligation (GO) School Bonds
 - GO School Building Bonds
 - Authorized via referendum
 - Non-referendum GO Bonds
 - Described in more detail on subsequent slides
- Other borrowing mechanisms are available, but they are repaid entirely from operating funds



NON-REFERENDUM GO BONDS

- The following are types of non-referendum GO bonds:
 - Working Cash (for capital projects or operating capital)
 - If for capital, funds are abated (permanent transfer) to the O&M fund and then transferred to the capital projects fund
 - Maximum principal limited by a separate working cash formula
 - **Life Safety (in evidence of life safety approvals)**
 - Funding (pays off a claim or liability)
- **All of these require a Bond Issue Notification Act (BINA) hearing**
- Working Cash Bonds and Funding Bonds also require a back door referendum which is a 30-day petition process (10% of registered voters)



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DEBT OVERVIEW



CALCULATION OF LEGAL DEBT MARGIN

- 6.9% of EAV for K-8 and 9-12 districts, 13.8% of EAV for unit districts

- Less: outstanding principal

- Exemptions exist for some bonds like alternate revenue bonds

- Working cash bonds and funding bonds are exempted at the time of issuance but count after issuance

- The District's working cash bond authority is currently estimated at \$13.6 million

Lewy Year	2025	2026	2027
Collection Year	2026	2027	2028
Fiscal Year Ending 6/30	2027	2028	2029
Direct Debt, Beginning of Period (1)	\$ 4,400,000	\$ 2,760,000	\$ 1,650,000
Principal Paydown, Series 2016A (2)	(1,205,000)	(1,110,000)	(1,140,000)
Principal Paydown, Series 2026 (2)	(435,000)	-	-
Direct Debt, End of Period (1)	<u>\$ 2,760,000</u>	<u>\$ 1,650,000</u>	<u>\$ 510,000</u>
Equalized Assessed Valuation (3)	\$ 289,530,609	\$ 289,530,609	\$ 289,530,609
Assumed EAV Increase		0.00%	0.00%
Statutory Debt Limit @ 13.80%	\$ 39,955,224	\$ 39,955,224	\$ 39,955,224
Direct Debt, End of Period as % of EAV	0.95%	0.57%	0.18%
Statutory Debt Margin at End of Period (1)	<u>\$ 37,195,224</u>	<u>\$ 38,305,224</u>	<u>\$ 39,445,224</u>

(1) Assumes that the principal due in the current year is paid or that the funds are set aside for payment.

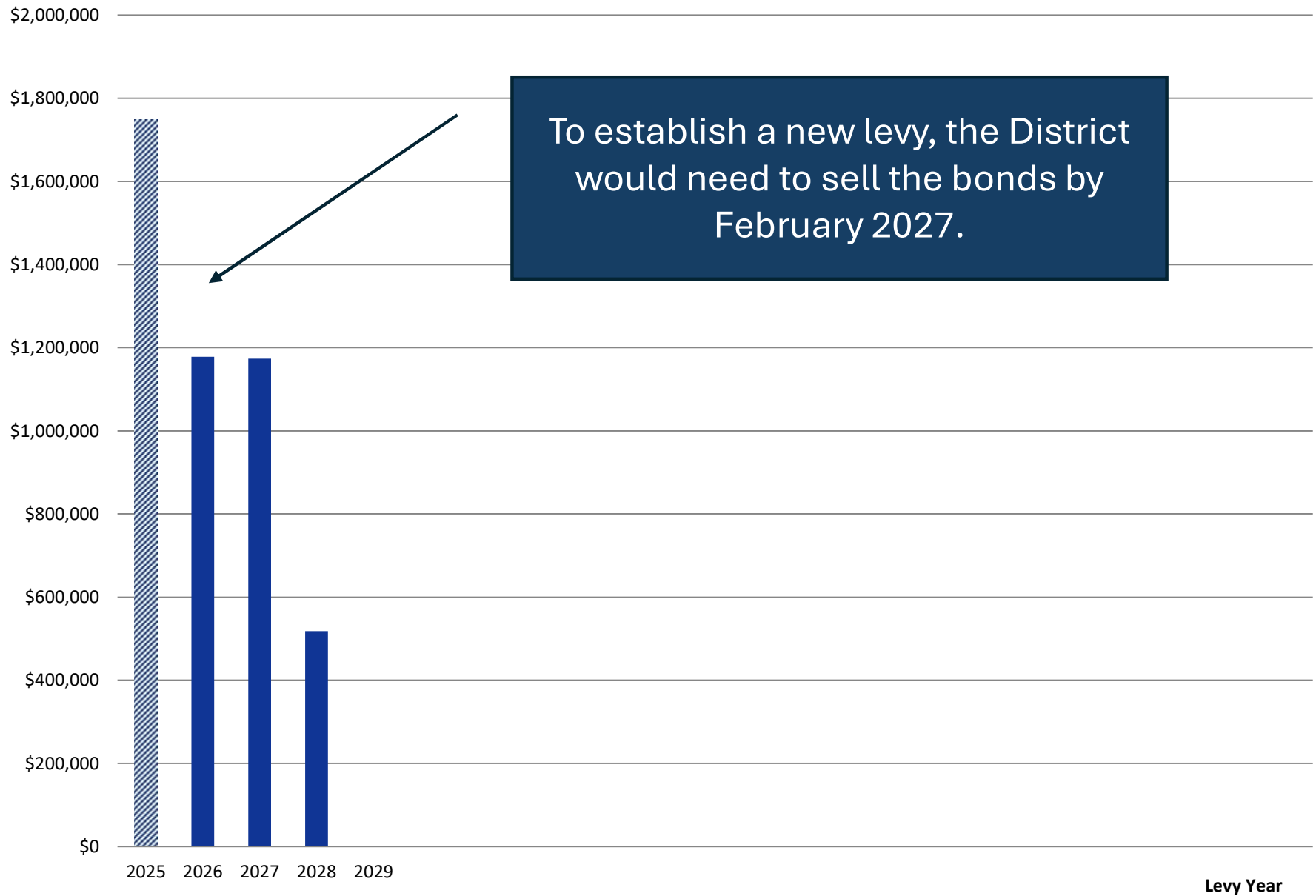
Does not include leases.

(2) Principal paid on December 1 of the fiscal year.

(3) Uses total EAV including the EAV located in TIF districts.



EXISTING DEBT SERVICE





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FINANCING SCENARIOS



KEY ASSUMPTIONS

- Current market rates plus 0.25% for 2026 Bonds and plus 0.5% for the 2031 Bonds
- Bonds are issued December 2, 2026 prior to the deadline to establish a new B&I levy
 - The first sale covers Category A and B life safety items
 - The second sale in 2031 covers the Category C items
 - See next slide for a description of Category A, B and C items
- EAV growth of approximately 9% for LY 2026, 3% through LY 2033 and 2% thereafter
- Maintains the B&I tax rate for the 2026 Bonds. The 2031 Bonds may or may not have an increase depending on the amount, EAV growth, structure and interest rates. Current scenario reflects an increase for the 2031 Bonds.



LIFE SAFETY AMENDMENT PRIORITIZATION

- **“A” Items**

Urgent: to be corrected within one year from final submission

- **“B” Items**

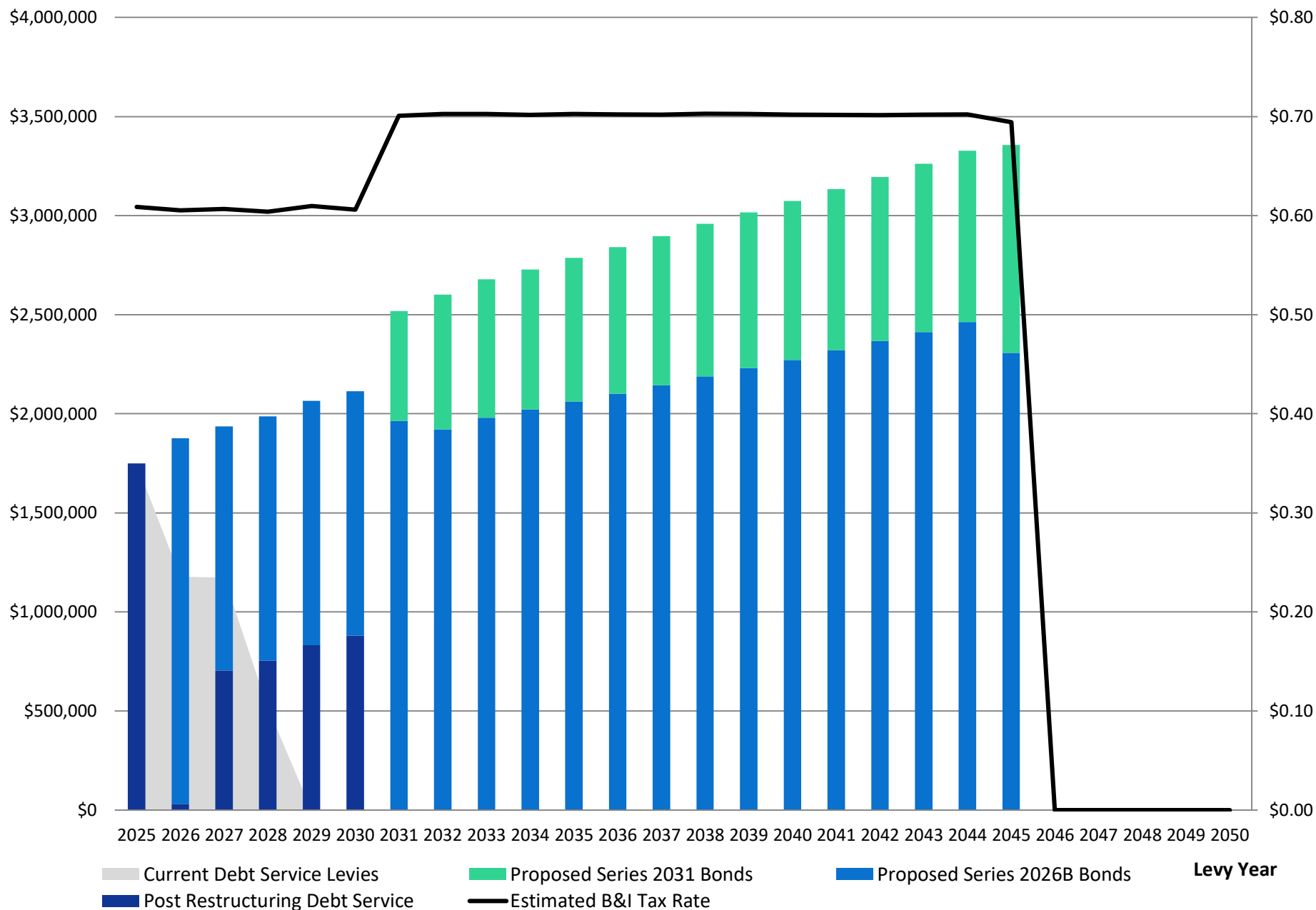
Required: to be corrected within five years from final submission

- **“C” Items**

Recommended: to be corrected by code, can only be completed once all “A” and “B”; items are completed



PLAN OF FINANCE





SUMMARY – CURRENT VERSUS PREVIOUS

	2026 and 2031 Life Safety Scenarios	
	Updated Analysis	Previous Analysis
Total Proceeds.....	\$ 28,653,419	\$ 25,330,125
December 2026.....	\$ 21,500,000	\$18,176,706
July 2031.....	\$ 7,153,419	\$7,153,419
Estimated Total Change in Debt Service.....	\$ 51,488,559	\$ 40,539,830
Levy Year of Final Payment-2026 Bonds.....	2045	2045
Levy Year of Final Payment-2031 Bonds.....	2045	2045
Estimated B&I Tax Rate in LY26.....	0.605	0.610
Estimated B&I Tax Rate in LY31.....	0.701	0.560
Estimated Annual Change in Bond Payment LY26 (2).....	\$32	\$14
Estimated Annual Change in Monthly Payment LY26 (2).....	\$3	\$1

(1) Rates based upon market conditions as of September 25, 2026 and recent bond sales which PMA believes to be accurate and reliable, plus 0.25% for the Series 2026 Bonds, and plus 0.50% for the Series 2031 Bonds.

(2) Actual tax rates and payments may vary based on EAV growth, State Law changes, property tax rate initiatives and other factors. The analysis assumes a median home value of \$217,500 and assumes home values increase at the same rate as EAV. Includes \$6,000 homeowner exemption. Assumes the home value increases at the EAV growth rate.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.



SAMPLE TIMELINE OF KEY EVENTS

October 7	BINA Hearing
November 4	Board approves parameter resolution authorizing the sale (Review and approval needs to be completed by ISBE)
November 9	Bonds sold; delegates approve final results
December 2	Bonds close
Start to End	Document drafting including Official Statements etc.



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APPENDIX A: DETAILED SCHEDULE



PLAN OF FINANCE - DETAILED

General Obligation Debt Service										
Lewy Year	Fiscal Year	\$11,095,000 GO School Bonds, Series 2016A	\$435,000 GO Refunding School Bonds, Series 2026	GO School Bonds, Series 2026B (1) [Net of Capitalized Interest]	GO School Bonds, Series 2026B [Refund 2016A]	PROPOSED: GO School Bonds, Series 2031 (2)	Total	Rate Setting EAV	Growth Rate	B&I Tax Rate
2023	2025	\$ 1,648,869	\$ —	\$ —	\$ —	\$ —	\$ 1,648,869	\$ 243,244,295	8.45%	0.678
2024	2026	1,648,669	—	—	—	—	1,648,669	269,951,453	10.98%	0.611
2025	2027	1,307,938	441,199	-	-	-	1,749,136	287,285,553	6.42%	0.609
2026	2028	1,178,213	-	1,845,963	(1,147,610)	-	1,876,565	310,000,000	7.91%	0.605
2027	2029	1,173,750	-	1,232,925	(469,594)	-	1,937,081	319,300,000	3.00%	0.607
2028	2030	517,969	-	1,232,925	235,250	-	1,986,144	328,879,000	3.00%	0.604
2029	2031	-	-	1,232,925	832,250	-	2,065,175	338,745,370	3.00%	0.610
2030	2032	-	-	1,232,925	881,500	-	2,114,425	348,907,731	3.00%	0.606
2031	2033	-	-	1,964,175	-	554,600	2,518,775	359,374,963	3.00%	0.701
2032	2034	-	-	1,921,800	-	678,975	2,600,775	370,156,212	3.00%	0.703
2033	2035	-	-	1,979,938	-	699,100	2,679,038	381,260,898	3.00%	0.703
2034	2036	-	-	2,020,988	-	707,725	2,728,713	388,886,116	2.00%	0.702
2035	2037	-	-	2,061,950	-	724,850	2,786,800	396,663,839	2.00%	0.703
2036	2038	-	-	2,101,138	-	740,225	2,841,363	404,597,115	2.00%	0.702
2037	2039	-	-	2,143,000	-	753,850	2,896,850	412,689,058	2.00%	0.702
2038	2040	-	-	2,188,250	-	770,600	2,958,850	420,942,839	2.00%	0.703
2039	2041	-	-	2,231,456	-	785,350	3,016,806	429,361,696	2.00%	0.703
2040	2042	-	-	2,272,331	-	801,550	3,073,881	437,948,929	2.00%	0.702
2041	2043	-	-	2,320,300	-	813,963	3,134,263	446,707,908	2.00%	0.702
2042	2044	-	-	2,367,250	-	828,763	3,196,013	455,642,066	2.00%	0.701
2043	2045	-	-	2,412,400	-	849,631	3,262,031	464,754,908	2.00%	0.702
2044	2046	-	-	2,462,200	-	866,219	3,328,419	474,050,006	2.00%	0.702
2045	2047	-	-	2,307,200	-	1,049,325	3,356,525	483,531,006	2.00%	0.694
2046	2048	-	-	-	-	-	-	493,201,626	2.00%	0.000
2047	2049	-	-	-	-	-	-	503,065,658	2.00%	0.000
2048	2050	-	-	-	-	-	-	513,126,972	2.00%	0.000
2049	2051	-	-	-	-	-	-	523,389,511	2.00%	0.000
2050	2052	-	-	-	-	-	-	533,857,301	2.00%	0.000
Total DS From Current FY:		\$ 4,177,869	\$ 441,199	\$ 39,532,038	\$ 331,797	\$ 11,624,725	\$ 56,107,627			
Est. Proceeds:				\$ 21,500,000	\$ 7,153,419					

(1) Rates based upon market conditions as of September 25, 2026 and recent bond sales which PMA believes to be accurate and reliable, plus 0.25%. Estimated TIC = 5.50%.

(2) Rates based upon market conditions as of September 25, 2026 and recent bond sales which PMA believes to be accurate and reliable, plus 0.50%. Estimated TIC = 5.44%.

NOTE: Scenarios where a greater portion of the overall debt is issued in advance of the expenditures of the proceeds will likely result in higher fees earned by the investment manager of the debt proceeds.