

# THE FINANCIAL REPORT

INCLUDING FINANCIAL FORECAST



Prepared for:  
**Park Ridge-Niles School District 64**

Prepared by:  
**Illuminate, Incorporated**



Illuminate  
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February 2024

Including Debt Profile of the District  
Prepared by PMA Securities, LLC



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**DISCLOSURE**

**PMA CPI REPORT**

**MUNICIPAL MARKET UPDATE**

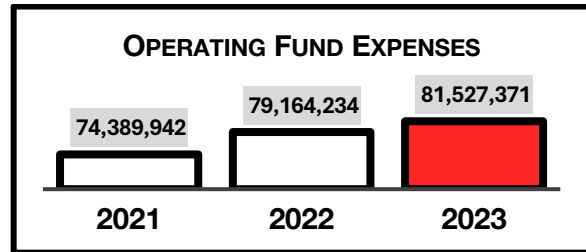
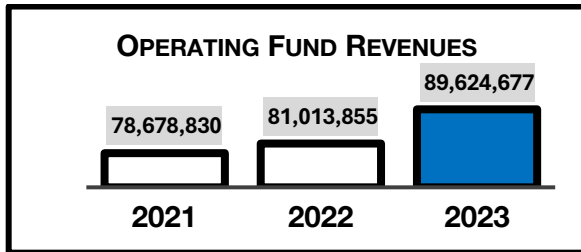


# FISCAL FLASH

SUMMARY OF FINANCIAL PERFORMANCE – FISCAL YEAR ENDING JUNE 30, 2023

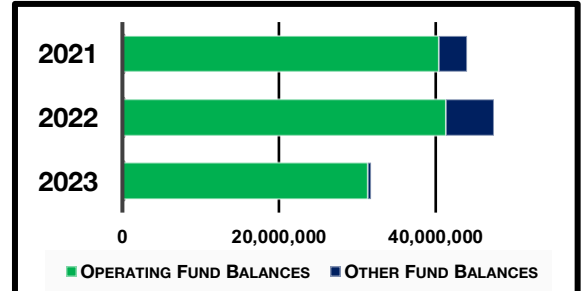
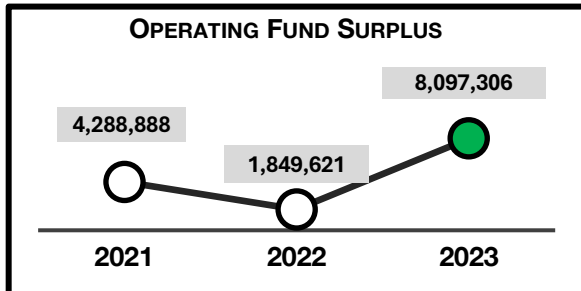
|                        | BEGINNING BALANCE    | REVENUES             | EXPENSES              | OTHER SOURCES/USES     | ENDING BALANCE       |
|------------------------|----------------------|----------------------|-----------------------|------------------------|----------------------|
| EDUCATION FUND         | 36,882,054           | 76,189,876           | 69,829,417            | (19,382,903)           | 23,859,610           |
| O&M FUND               | 2,166,572            | 8,050,246            | 8,074,079             | 1,315,957              | 3,458,696            |
| TRANSPORTATION FUND    | 460,959              | 4,777,425            | 3,623,875             | -                      | 1,614,509            |
| WORKING CASH FUND      | 1,829,786            | 607,130              | -                     | -                      | 2,436,916            |
| <b>OPERATING FUNDS</b> | <b>\$ 41,339,371</b> | <b>\$ 89,624,677</b> | <b>\$ 81,527,371</b>  | <b>\$ (18,066,946)</b> | <b>\$ 31,369,731</b> |
| BOND AND INTEREST FUND | 1,574,865            | 2,201,658            | 3,516,749             | 2,919                  | 262,693              |
| IMRF/SS FUND           | 468,867              | 2,081,763            | 2,362,997             | -                      | 187,633              |
| CAPITAL PROJECTS FUND  | 3,604,659            | 11,243               | 23,396,236            | 19,385,685             | (394,649)            |
| TORT IMMUNITY FUND     | 412,740              | 578,066              | 662,402               | -                      | 328,404              |
| FIRE PREVENTION/SAFETY | -                    | -                    | -                     | -                      | -                    |
| <b>ALL FUNDS</b>       | <b>\$ 47,400,502</b> | <b>\$ 94,497,407</b> | <b>\$ 111,465,755</b> | <b>\$ 1,321,658</b>    | <b>\$ 31,753,812</b> |

Per ISBE, the four operating funds of a school district are the **Educational Fund, Operations & Maintenance Fund, Transportation Fund and Working Cash Fund**. These are the primary funds used by ISBE to assess the financial strength of a school district.



| Category            | Change            | Percentage      |
|---------------------|-------------------|-----------------|
| REAL ESTATE TAXES   | + 3,261,869       | + 4.88%         |
| OTHER LOCAL         | + 4,273,640       | + 62.82%        |
| EVID BASED FUNDING  | + 4,529           | + 0.13%         |
| STATE GRANTS        | + 584,478         | + 32.55%        |
| FEDERAL GRANTS      | + 486,306         | + 21.57%        |
| <b>TOTAL CHANGE</b> | <b>+8,610,822</b> | <b>+ 10.63%</b> |

| Category            | Change             | Percentage     |
|---------------------|--------------------|----------------|
| SALARIES            | + 1,000,109        | + 1.82%        |
| BENEFITS            | + 263,220          | + 2.94%        |
| PURCH SERVICES      | (514,446)          | (5.35%)        |
| SUPPLIES            | + 390,459          | + 11.52%       |
| CAPITAL & EQUIP     | + 911,967          | + 127.22%      |
| TUITION AND OTHER   | + 311,828          | + 18.64%       |
| <b>TOTAL CHANGE</b> | <b>+ 2,363,137</b> | <b>+ 2.99%</b> |



|         |                         |           |                       |
|---------|-------------------------|-----------|-----------------------|
| FY 2022 | FINANCIAL PROFILE SCORE | 4.00/4.00 | FINANCIAL RECOGNITION |
| FY 2023 | FINANCIAL PROFILE SCORE | 3.90/4.00 | FINANCIAL RECOGNITION |

SOURCE: All data presented under the section obtained from the District for fiscal year ending June 30, 2023



# **HISTORICAL OVERVIEW OF FINANCIAL PERFORMANCE**

**FISCAL YEAR 2016 THROUGH FISCAL YEAR 2023**



## SUMMARY OF FISCAL OPERATIONS

### HISTORICAL FINANCIAL ACTIVITY BY MAJOR CATEGORIES – ALL FUNDS

|                                | FY 2016              | FY 2017              | FY 2018              | FY 2019              |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>BEGINNING BALANCE</b>       | <b>56,889,419</b>    | <b>57,264,498</b>    | <b>61,663,688</b>    | <b>59,820,671</b>    |
| <b>REVENUES:</b>               |                      |                      |                      |                      |
| REAL ESTATE TAXES              | 65,643,845           | 65,154,005           | 65,798,706           | 65,995,567           |
| OTHER LOCAL SOURCES            | 5,900,005            | 5,113,008            | 5,975,281            | 7,840,472            |
| EVIDENCED-BASED FUNDING        | 1,572,924            | 1,682,678            | 3,357,483            | 3,362,248            |
| OTHER STATE SOURCES            | 2,779,276            | 2,321,387            | 1,926,980            | 1,791,971            |
| FEDERAL SOURCES                | 1,658,758            | 1,962,666            | 1,916,335            | 1,764,155            |
| <b>TOTAL REVENUES</b>          | <b>77,554,808</b>    | <b>76,233,744</b>    | <b>78,974,785</b>    | <b>80,754,413</b>    |
| <b>EXPENSES:</b>               |                      |                      |                      |                      |
| SALARIES                       | 47,495,213           | 48,640,045           | 48,637,583           | 50,274,516           |
| BENEFITS                       | 9,112,301            | 10,384,752           | 9,857,901            | 10,130,019           |
| PURCHASED SERVICES             | 8,391,150            | 8,485,397            | 10,028,522           | 9,963,758            |
| SUPPLIES & MATERIALS           | 2,987,339            | 2,863,381            | 3,077,872            | 2,821,262            |
| <b>CAPITAL (CAPITAL FUNDS)</b> | <b>3,585,347</b>     | <b>5,097,217</b>     | <b>2,988,336</b>     | <b>7,897,086</b>     |
| CAP & EQUIPT (OTHER FUNDS)     | 292,947              | 775,030              | 350,720              | 700,893              |
| DEBT PAYMENTS                  | 3,592,523            | 3,592,420            | 3,833,179            | 3,061,635            |
| OTHER OBJECTS                  | 1,811,551            | 1,463,647            | 1,459,340            | 1,790,922            |
| NON-CAPITALIZED EQUIPMENT      | 211,858              | 457,704              | 584,349              | 303,043              |
| <b>TOTAL EXPENSES</b>          | <b>77,180,229</b>    | <b>81,759,593</b>    | <b>80,817,802</b>    | <b>86,943,134</b>    |
| <b>REVENUES VS. EXPENSES</b>   | <b>374,579</b>       | <b>(5,525,849)</b>   | <b>(1,843,017)</b>   | <b>(6,188,721)</b>   |
| OTHER SOURCES/USES             | 500                  | 9,925,039            | -                    | -                    |
| <b>ENDING BALANCE</b>          | <b>\$ 57,264,498</b> | <b>\$ 61,663,688</b> | <b>\$ 59,820,671</b> | <b>\$ 53,631,950</b> |

|                                | FY 2020              | FY 2021              | FY 2022              | FY 2023              |
|--------------------------------|----------------------|----------------------|----------------------|----------------------|
| <b>BEGINNING BALANCE</b>       | <b>53,631,950</b>    | <b>48,199,652</b>    | <b>44,040,386</b>    | <b>47,400,502</b>    |
| <b>REVENUES:</b>               |                      |                      |                      |                      |
| REAL ESTATE TAXES              | 68,657,409           | 70,078,672           | 70,026,299           | 74,754,991           |
| OTHER LOCAL SOURCES            | 6,605,942            | 4,346,139            | 7,004,075            | 11,245,259           |
| EVIDENCED-BASED FUNDING        | 3,367,111            | 3,367,111            | 3,371,486            | 3,376,015            |
| OTHER STATE SOURCES            | 1,429,281            | 1,515,394            | 1,795,533            | 2,380,011            |
| FEDERAL SOURCES                | 1,805,681            | 2,493,346            | 2,254,825            | 2,741,131            |
| <b>TOTAL REVENUES</b>          | <b>81,865,424</b>    | <b>81,800,662</b>    | <b>84,452,218</b>    | <b>94,497,407</b>    |
| <b>EXPENSES:</b>               |                      |                      |                      |                      |
| SALARIES                       | 51,980,468           | 51,603,981           | 54,812,775           | 55,812,884           |
| BENEFITS                       | 10,643,770           | 11,120,472           | 11,359,933           | 11,583,150           |
| PURCHASED SERVICES             | 9,032,372            | 7,751,766            | 13,440,162           | 11,114,864           |
| SUPPLIES & MATERIALS           | 2,855,342            | 4,495,598            | 3,389,631            | 3,780,090            |
| <b>CAPITAL (CAPITAL FUNDS)</b> | <b>7,390,200</b>     | <b>5,389,942</b>     | <b>18,747,495</b>    | <b>22,044,079</b>    |
| CAPITAL (OTHER FUNDS)          | 388,848              | 391,524              | 463,784              | 1,324,108            |
| DEBT PAYMENTS                  | 3,019,008            | 3,052,817            | 3,183,544            | 3,516,749            |
| OTHER OBJECTS                  | 2,144,518            | 1,873,586            | 1,673,289            | 1,985,117            |
| NON-CAPITALIZED EQUIPMENT      | 325,419              | 280,242              | 253,071              | 304,714              |
| <b>TOTAL EXPENSES</b>          | <b>87,779,945</b>    | <b>85,959,928</b>    | <b>107,323,684</b>   | <b>111,465,755</b>   |
| <b>REVENUES VS. EXPENSES</b>   | <b>(5,914,521)</b>   | <b>(4,159,266)</b>   | <b>(22,871,466)</b>  | <b>(16,968,348)</b>  |
| OTHER SOURCES/USES             | 482,223              | -                    | 26,231,582           | 1,321,658            |
| <b>ENDING BALANCE</b>          | <b>\$ 48,199,652</b> | <b>\$ 44,040,386</b> | <b>\$ 47,400,502</b> | <b>\$ 31,753,812</b> |

## DESCRIPTION OF FUND CATEGORIES

For analytical purposes, District fund types are categorized into three major categories as follows:

### OPERATING FUNDS

Per ISBE, the four operating funds of a school district are the **Educational Fund**, **Operations & Maintenance Fund**, **Transportation Fund**, and **Working Cash Fund**. These are the primary funds used by ISBE to assess the financial strength of a school district.

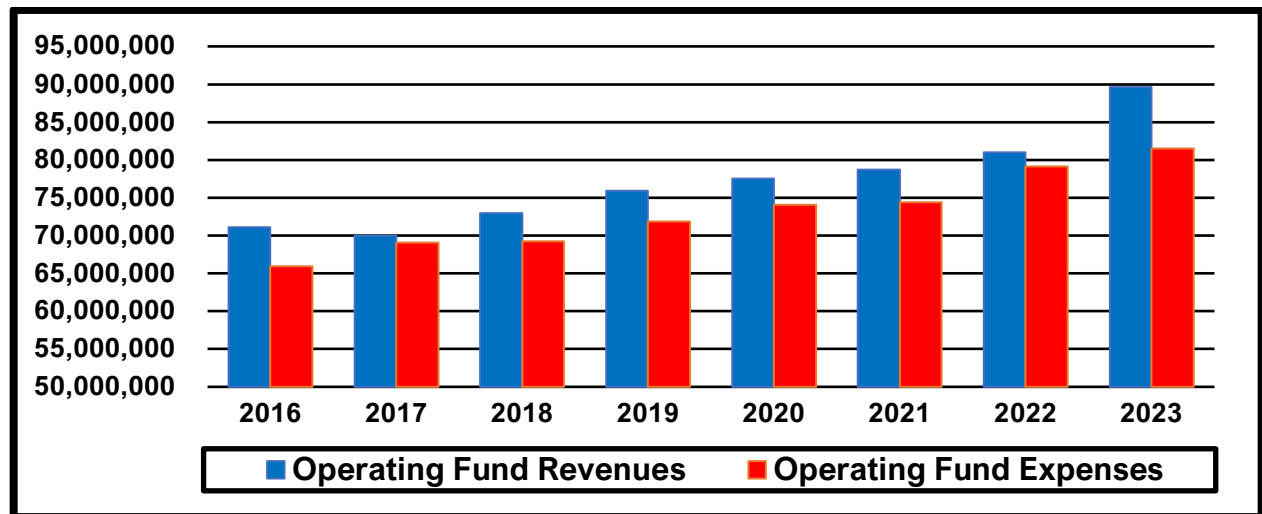
### CAPITAL FUNDS

This category of funds includes the **Capital Projects Fund** and the **Health/Life Safety Fund**. These are the funds where major capital project activity is generally recorded.

### SPECIAL FUNDS

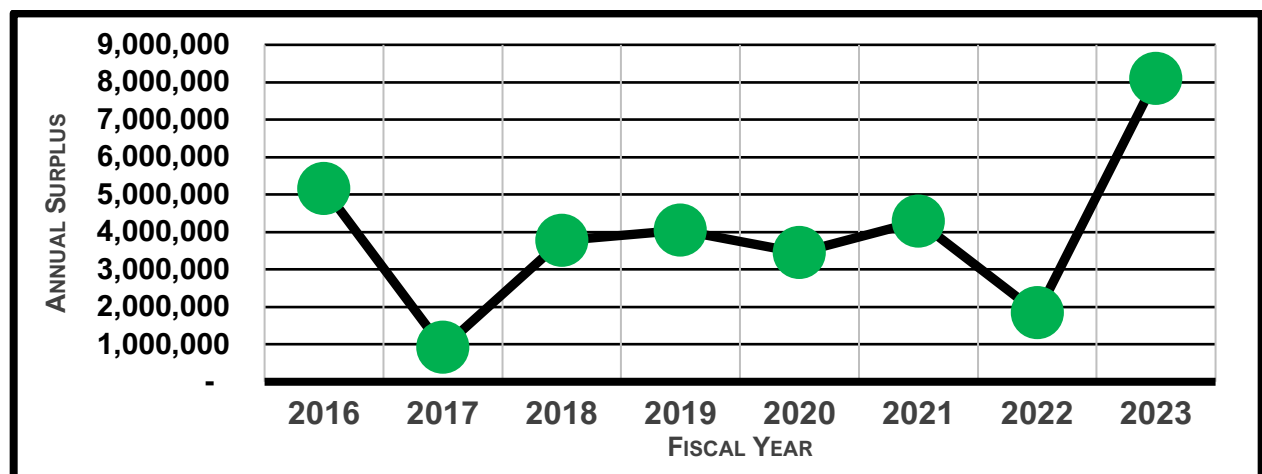
This category of funds includes the **Bond and Interest Fund**, the **IMRF/Social Security Fund**, and the **Tort Immunity Fund**.

## HISTORICAL PATTERN OF REVENUES AND EXPENSES – OPERATING FUNDS



## ANNUAL SURPLUSES – OPERATING FUNDS

REVENUES VS. EXPENSES (BALANCED OPERATIONS EQUALS ZERO)

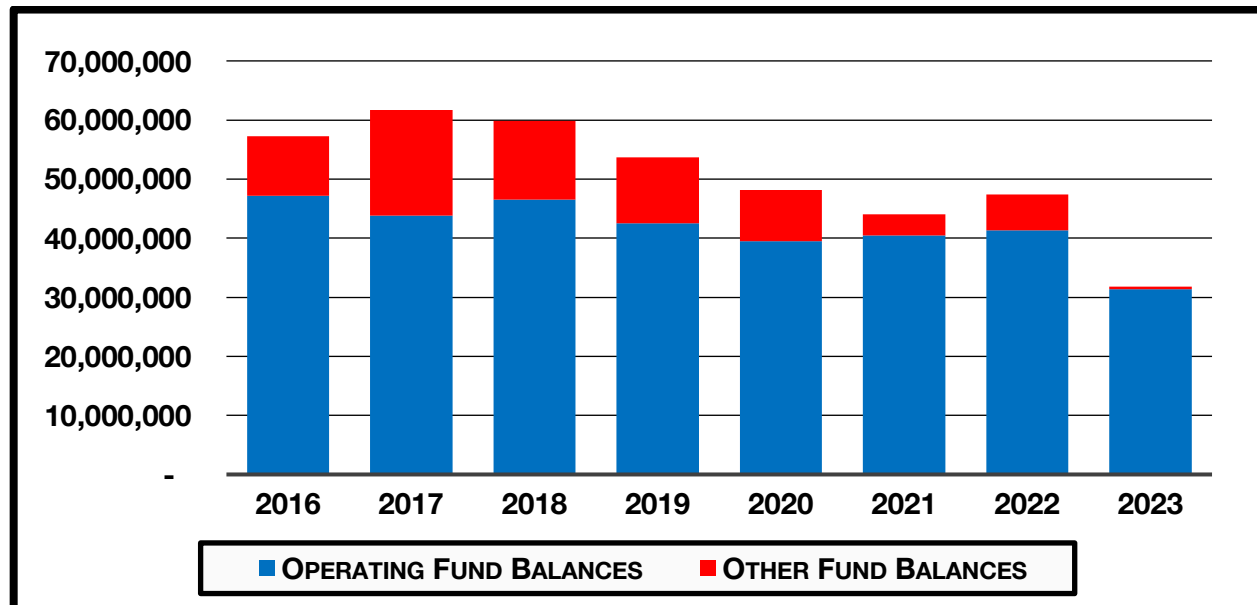


## FACTORS IMPACTING FUND BALANCES

In addition to Operating Fund surpluses and deficits, other activity also impacts fund balances, including Capital Fund activity, surpluses and deficits in Other Funds and Other Sources and Uses, which primarily include bond proceeds.

| FISCAL YEAR | OPERATING FUND SURPLUS/DEFICIT | CAPITAL FUND ACTIVITY | SPECIAL FUNDS SURPLUS/DEFICIT | OTHER SOURCES/USES | NET IMPACT ON FUND BALANCES |
|-------------|--------------------------------|-----------------------|-------------------------------|--------------------|-----------------------------|
| 2016        | 5,161,902                      | (4,886,640)           | 99,317                        | 500                | 375,079                     |
| 2017        | 910,406                        | (6,187,577)           | (248,678)                     | 9,925,039          | 4,399,190                   |
| 2018        | 3,773,964                      | (4,729,734)           | (887,247)                     | -                  | (1,843,017)                 |
| 2019        | 4,046,575                      | (9,285,400)           | (949,896)                     | -                  | (6,188,721)                 |
| 2020        | 3,440,778                      | (7,872,358)           | (1,482,941)                   | 482,223            | (5,432,298)                 |
| 2021        | 4,288,888                      | (5,730,358)           | (2,717,796)                   | -                  | (4,159,266)                 |
| 2022        | 1,849,621                      | (22,011,771)          | (2,709,316)                   | 26,231,582         | 3,360,116                   |
| 2023        | 8,097,306                      | (23,384,993)          | (1,680,661)                   | 1,321,658          | (15,646,690)                |

## FUND BALANCE HISTORY





# ISBE FINANCIAL PROFILE SCORE HISTORY

BASED ON ILLINOIS STATE BOARD OF EDUCATION RUBRIC

## ISBE DEFINITIONS

| CATEGORY | DEFINITION                    | WEIGHT | CATEGORY 1        | CATEGORY 2   | CATEGORY 3    | CATEGORY 4       |
|----------|-------------------------------|--------|-------------------|--------------|---------------|------------------|
| FBRR     | Fund Balance to Revenue Ratio | 35%    | less than 0%      | 0% - 10%     | 10% - 25%     | Greater than 25% |
| ERR      | Expenditure to Revenue Ratio  | 35%    | greater than 1.2  | 1.1 - 1.2    | 1.0 - 1.1     | less than 1.0    |
| DCOH     | Days Cash on Hand             | 10%    | less than 30 days | 30 - 90 days | 90 - 180 days | greater than 180 |
| STB      | % of S-Term Debt Remaining    | 10%    | less than 25%     | 25% - 50%    | 50% - 75%     | greater than 75% |
| LTD      | % of L-Term Debt Remaining    | 10%    | less than 25%     | 25% - 50%    | 50% - 75%     | greater than 75% |

## ASSIGNMENT OF CATEGORIES

| CATEGORIES              | RANGE       | ISBE ACTION   |
|-------------------------|-------------|---|
| Financial Recognition   | 3.54 - 4.00 | Little or no involvement by ISBE unless requested by the district                 |
| Financial Review        | 3.08 - 3.53 | Limited review by ISBE. Monitored for potential downward trends                   |
| Financial Early Warning | 2.62 - 3.07 | Closely monitored and assisted by ISBE. May qualify for Financial Oversight Panel |
| Financial Watch         | 1.00 - 2.61 | Closely monitored and assisted by ISBE. May qualify for Financial Oversight Panel |

## HISTORICAL PROFILE SCORES - THE DISTRICT

| FISCAL YEAR | FBRR | ERR  | DCOH        | STB  | LTD  | TOTAL       | DESIGNATION        |
|-------------|------|------|-------------|------|------|-------------|--------------------|
| 2018        | 1.40 | 1.40 | 0.40        | 0.40 | 0.40 | <b>4.00</b> | <b>RECOGNITION</b> |
| 2019        | 1.40 | 1.40 | 0.40        | 0.40 | 0.40 | <b>4.00</b> | <b>RECOGNITION</b> |
| 2020        | 1.40 | 1.40 | 0.40        | 0.40 | 0.40 | <b>4.00</b> | <b>RECOGNITION</b> |
| 2021        | 1.40 | 1.40 | 0.40        | 0.40 | 0.40 | <b>4.00</b> | <b>RECOGNITION</b> |
| 2022        | 1.40 | 1.40 | 0.40        | 0.40 | 0.40 | <b>4.00</b> | <b>RECOGNITION</b> |
| 2023        | 1.40 | 1.40 | <b>0.30</b> | 0.40 | 0.40 | <b>3.90</b> | <b>RECOGNITION</b> |

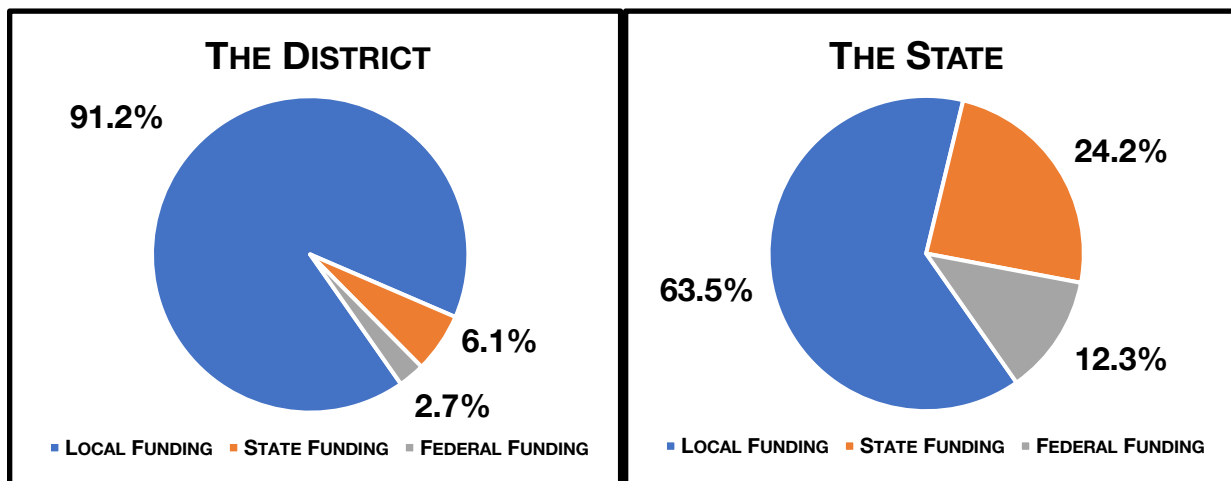
SOURCE: All data presented under the section "Summary of Fiscal Operations" obtained from District audits, except for "ISBE Financial Profile Score History" section, which was obtained from ISBE website.



## ILLUMINATING MAJOR SOURCES OF REVENUES

### COMPARING FUNDING SOURCES - FY 2022

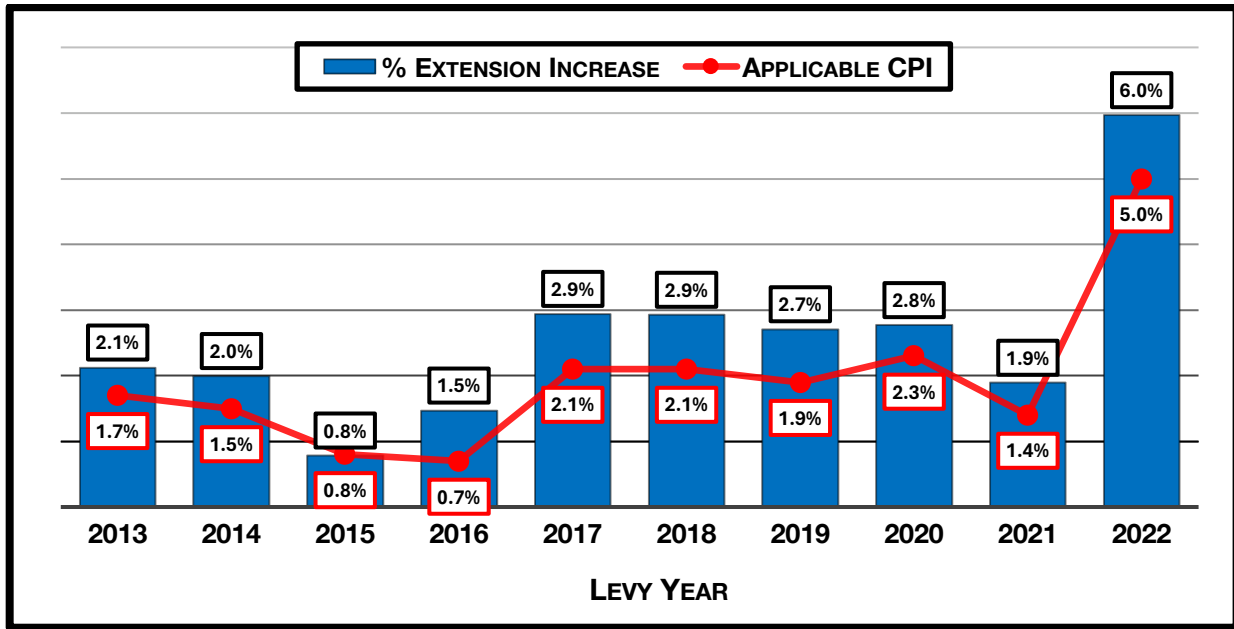
THE DISTRICT VS. THE STATE AVERAGE



SOURCE: Illinois State Board of Education Website

# REAL ESTATE TAX REVENUE ANALYSIS

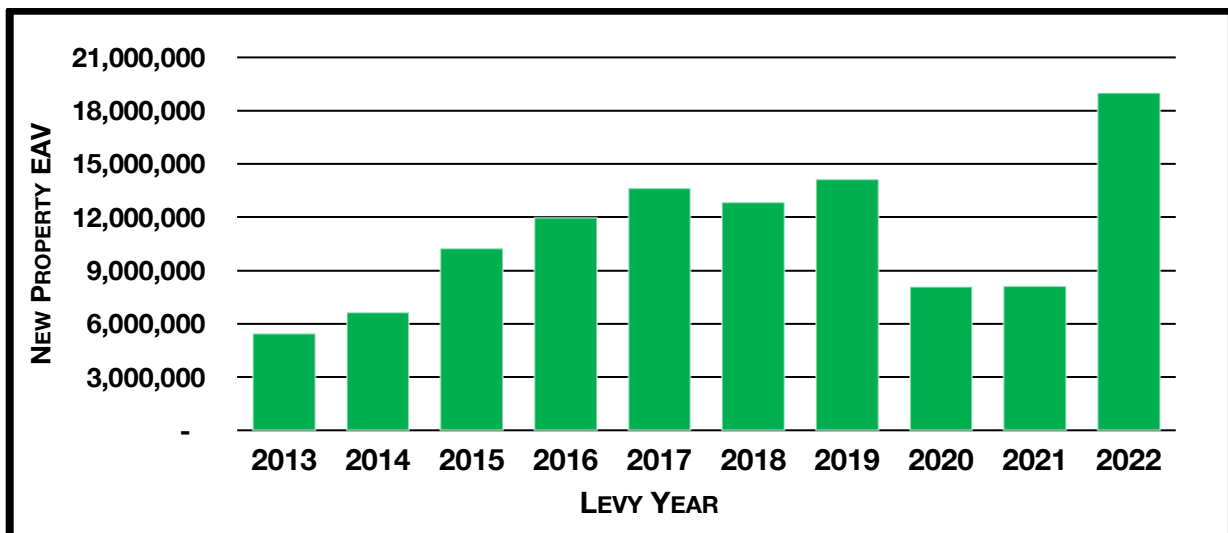
## ACTUAL TAX EXTENSION GROWTH (LIMITED FUNDS) COMPARED TO CPI CAP LIMIT



SOURCES: County Clerk's Office and Illinois Department of Revenue

## NEW TAXABLE PROPERTY (EAV) IN THE DISTRICT

**NOTE:** EACH \$1 MILLION IN NEW TAXABLE PROPERTY (EAV) GENERATES APPROXIMATELY \$36,000 IN ADDITIONAL TAX REVENUES ABOVE CPI LIMITED INCREASE

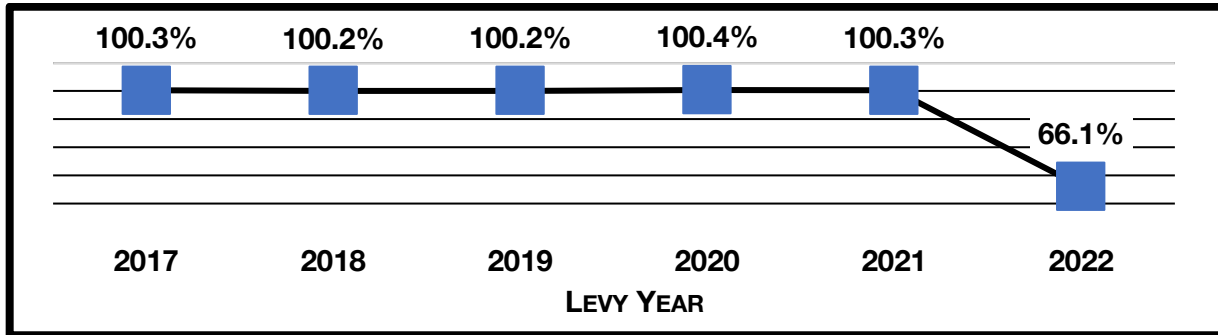


SOURCE: County Clerk's Office

## HISTORICAL GROSS TAX COLLECTION PERCENTAGES (EXCLUDING TAX REFUNDS)

AS OF NOVEMBER 30, 2023

**NOTE:** EACH **1%** OF TAX COLLECTIONS GENERATES APPROXIMATELY **\$760,000** IN TAX REVENUES TO THE DISTRICT



SOURCE: County Treasurer's Office. Tax collections for the 2022 levy year are in progress.

## EVIDENCED-BASED FUNDING ("EBF") ANALYSIS - FISCAL YEAR 2024

THE DISTRICT AND ITS RELATIONSHIP WITH THE EBF FUNDING FORMULA

The Evidenced-Based Funding Formula is designed to allocate dollars to school districts based on a complex formula that compares the district's calculated available resources to its calculated targeted resources necessary to be "adequately funded" to support evidenced-based student needs. The District's **ADEQUACY TARGET** is weighted based on the percentage of low-income and English language learner students in the District. **AVAILABLE RESOURCES** are primarily based on a school district's tax base, its current state funding level and corporate personal property tax receipts.

The distance a school district is from its funding target will determine how much additional EBF dollars the district will receive each year. ISBE places a school district in one of four Tier levels based on this funding gap. Most of the new EBF dollars goes to school districts assigned to Tier 1 (farthest away from adequacy), with minimal dollars going to school districts assigned to Tiers 3 and 4.

### STAGE ONE OF THE EBF FORMULA: ESTABLISH THE DISTRICT'S ADEQUACY TARGET

DETERMINE THE COST OF EDUCATING ALL STUDENTS BASED ON DEFINED COST FACTORS IN FORMULA



#### COMPONENTS OF ADEQUACY TARGET

|                                 |                     |
|---------------------------------|---------------------|
| CORE INVESTMENTS                | \$26,466,772        |
| PER STUDENT INVESTMENTS         | 26,211,532          |
| ADDITIONAL INVESTMENTS          | 6,077,671           |
| REGIONALIZATION FACTOR INCREASE | 2,122,585           |
| <b>FINAL ADEQUACY TARGET</b>    | <b>\$60,878,560</b> |

## STAGE TWO OF THE EBF FORMULA: CALCULATE THE DISTRICT'S AVAILABLE RESOURCES

BASED ON THE FORMULA, CALCULATES RESOURCES AVAILABLE TO ADDRESS ALL STUDENT NEEDS.



### COMPONENTS OF AVAILABLE RESOURCES

|                               |                     |
|-------------------------------|---------------------|
| LOCAL CAPACITY TARGET         | \$69,449,156        |
| CPPRT (FROM 2022)             | 4,173,687           |
| ADJUSTED BASE FUNDING MINIMUM | 3,364,996           |
| <b>AVAILABLE RESOURCES</b>    | <b>\$76,987,839</b> |

## STAGE THREE OF THE EBF FORMULA: DETERMINE TIER LEVEL AND EBF ALLOCATION

DISTRIBUTE NEW EBF DOLLARS BASED ON % OF AVAILABLE LOCAL RESOURCES VERSUS ADEQUACY TARGET



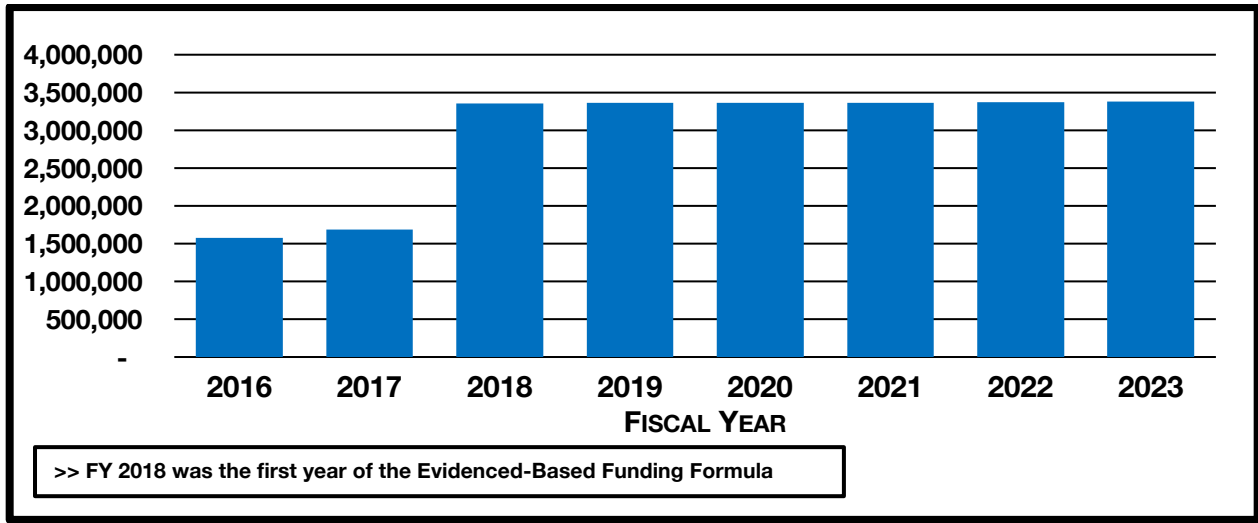
| TIER         | FINAL % OF ADEQUACY          | % OF NEW EBF DOLLARS | STATEWIDE NEW EBF DOLLARS | DISTRICT NEW EBF DOLLARS |
|--------------|------------------------------|----------------------|---------------------------|--------------------------|
| TIER 1       | < 73.2% OF AT <sup>(1)</sup> | 50%                  | \$150,000,000             | -                        |
| TIER 2       | ≥ 73.2% AND < 90%            | 49% (TIERS 1&2)      | \$149,000,000             | -                        |
| TIER 3       | ≥ 90% AND < 100%             | 0.9%                 | \$2,700,000               | -                        |
| TIER 4       | ≥ 100%                       | 0.1%                 | \$300,000                 | \$3,878                  |
| <b>TOTAL</b> |                              |                      | <b>\$300,000,000</b>      | <b>\$3,878</b>           |

(1) Maximum Adequacy % for Tier 1 is recalculated annually by ISBE.

The following is a summary of the District's historical tier assignments and new EBF dollars received based on such assignments:

| FISCAL YEAR | TIER ASSIGNMENT | NEW EBF \$ - STATEWIDE | INCREASE IN EBF TO DISTRICT |
|-------------|-----------------|------------------------|-----------------------------|
| 2018        | TIER 4          | \$300 MILLION          | \$1,674,805                 |
| 2019        | TIER 4          | \$300 MILLION          | \$4,765                     |
| 2020        | TIER 4          | \$300 MILLION          | \$4,863                     |
| 2021        | TIER 4          | FREEZE                 | 0                           |
| 2022        | TIER 4          | \$300 MILLION          | \$4,375                     |
| 2023        | TIER 4          | \$300 MILLION          | \$4,529                     |
| 2024        | TIER 4          | \$300 MILLION          | \$3,878                     |

## HISTORICAL ANNUAL EBF REVENUES



SOURCE: All data presented under the section "Evidenced-Based Funding Analysis" obtained from the Illinois State Board of Education website.

## MAJOR STATE AND FEDERAL GRANT REVENUES

|                              | FY19      | FY20      | FY21      | FY22      | FY23      |
|------------------------------|-----------|-----------|-----------|-----------|-----------|
| TOTAL TRANSPORTATION - STATE | 1,668,387 | 1,238,637 | 1,259,336 | 1,614,869 | 2,189,479 |
| TOTAL SPECIAL ED - FEDERAL   | 1,203,780 | 1,234,142 | 1,277,113 | 625,803   | 1,297,246 |
| OTHER FEDERAL (ESSER)        | -         | -         | 702,647   | 885,480   | 625,100   |
| MEDICAID                     | 244,479   | 325,627   | 300,767   | 298,574   | 492,428   |
| TITLE I - LOW INCOME         | 218,089   | 158,706   | 147,183   | 300,634   | 155,812   |

SOURCE: District audits

## COMPOUND ANNUAL GROWTH RATES OF REVENUES

|                         | 7-YEAR GROWTH RATE | 5-YEAR GROWTH RATE | 3-YEAR GROWTH RATE |
|-------------------------|--------------------|--------------------|--------------------|
| R/E TAXES               | +1.87%             | +2.59%             | +2.86%             |
| OTHER LOCAL REVENUES    | +9.65%             | +13.48%            | +19.40%            |
| EVIDENCED-BASED FUNDING | +11.53%            | +0.11%             | +0.09%             |
| STATE GRANTS            | -2.19%             | +4.31%             | +18.53%            |
| FEDERAL GRANTS          | +7.44%             | +7.42%             | +14.93%            |
| <b>TOTAL REVENUES</b>   | <b>+2.86%</b>      | <b>+3.65%</b>      | <b>+4.90%</b>      |

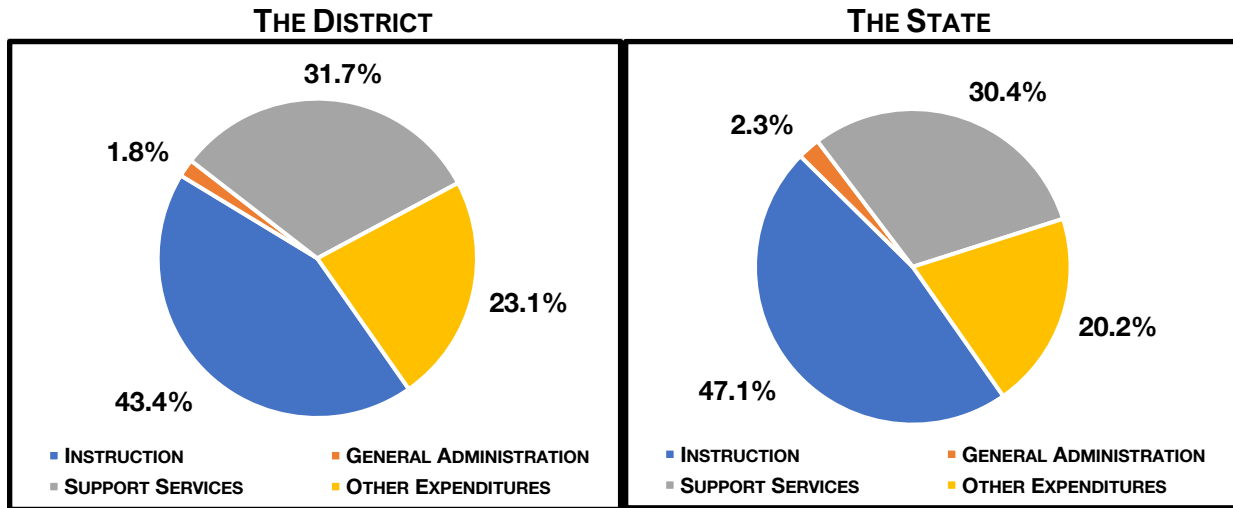
SOURCE: District audits



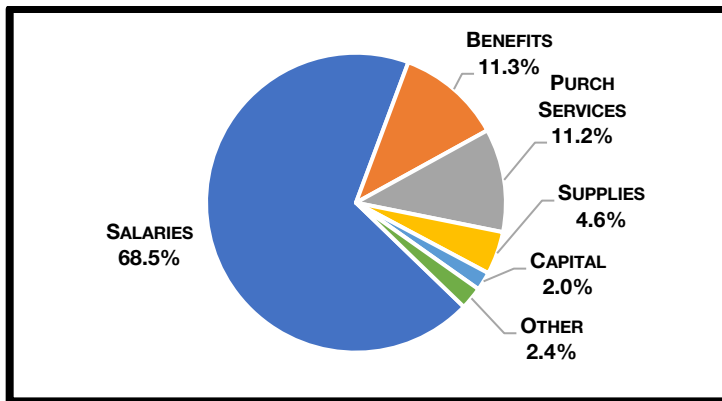
# ILLUMINATING DISTRICT EXPENDITURES

## COMPARING OPERATING FUND EXPENDITURES BY FUNCTION – FY 2022

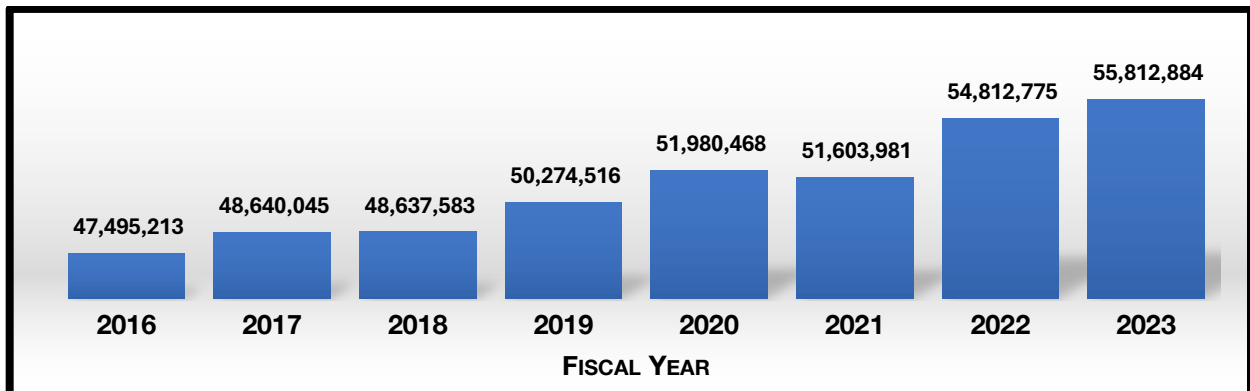
THE DISTRICT VS. STATE AVERAGE



## COMPOSITION OF OPERATING FUND EXPENDITURES BY OBJECT – FY 2023



## DISTRICT-WIDE SALARY EXPENSES



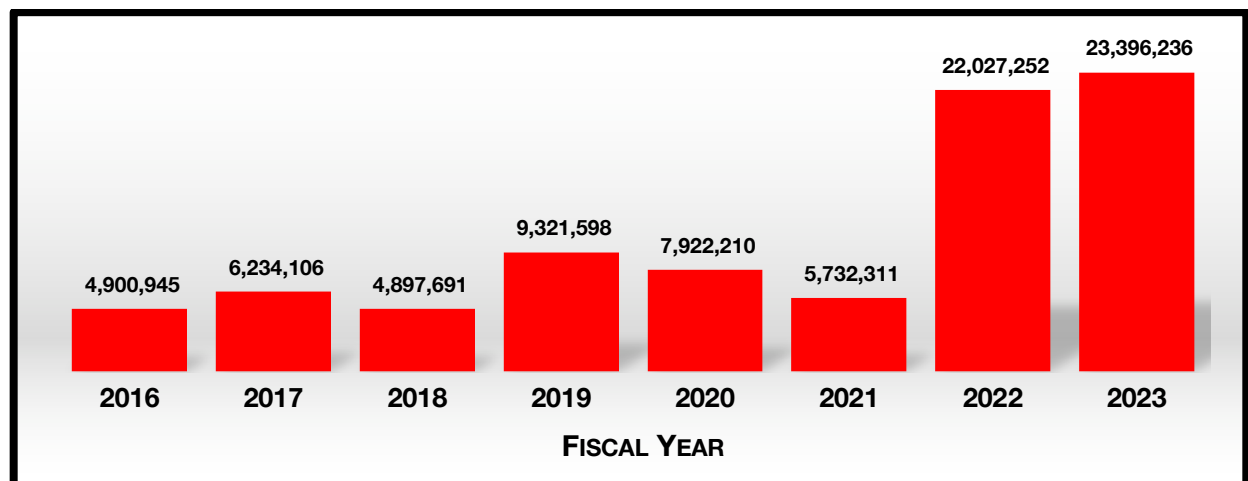
## OTHER OPERATING FUND EXPENSE TYPES

| FISCAL YEAR | EMPLOYEE BENEFITS | PURCHASED SERVICES | SUPPLIES AND MATERIALS | CAPITAL AND EQUIPMENT | TUITION AND OTHER |
|-------------|-------------------|--------------------|------------------------|-----------------------|-------------------|
| 2016        | 6,824,587         | 6,341,928          | 2,987,339              | 292,947               | 1,811,551         |
| 2017        | 8,151,254         | 6,742,092          | 2,838,819              | 775,030               | 1,463,647         |
| 2018        | 7,613,677         | 7,515,935          | 3,076,629              | 350,720               | 1,459,340         |
| 2019        | 7,947,516         | 8,083,828          | 2,771,076              | 700,893               | 1,790,922         |
| 2020        | 8,363,761         | 8,033,885          | 2,834,105              | 388,848               | 2,144,518         |
| 2021        | 8,837,937         | 7,408,459          | 3,994,243              | 391,494               | 1,873,586         |
| 2022        | 8,954,933         | 9,616,751          | 3,389,631              | 463,784               | 1,673,289         |
| 2023        | 9,218,153         | 9,102,305          | 3,780,090              | 1,324,108             | 1,985,117         |

## COMPOUND ANNUAL GROWTH RATE OF MAJOR OPERATING FUND EXPENDITURES

|                           | 7-YEAR GROWTH RATE | 5-YEAR GROWTH RATE | 3-YEAR GROWTH RATE |
|---------------------------|--------------------|--------------------|--------------------|
| SALARIES                  | +2.33%             | +2.79%             | +2.40%             |
| EMPLOYEE BENEFITS         | +4.39%             | +3.90%             | +3.30%             |
| PURCHASED SERVICES        | +5.30%             | +3.90%             | +4.25%             |
| SUPPLIES AND MATERIALS    | +3.42%             | +4.20%             | +10.08%            |
| CAPITAL AND EQUIPMENT     | +18.22%            | +12.72%            | +31.62%            |
| OTHER (TUITION)           | +1.32%             | +6.35%             | -2.54%             |
| <b>TOTAL EXPENDITURES</b> | <b>+3.07%</b>      | <b>+3.33%</b>      | <b>+3.25%</b>      |

## MAJOR CAPITAL EXPENSES – CAPITAL FUNDS





# FINANCIAL FORECAST

FISCAL YEAR 2024 THROUGH FISCAL YEAR 2029

All projections are based on assumptions and should be considered as such when making financial decisions. Actual figures may be significantly different than projections and projections need to be updated as actual and anticipated events change.





# CURRENT FORECAST

## MAJOR REVENUE ASSUMPTIONS

### REAL ESTATE TAX REVENUES

| VARIABLE IMPACTING R/E TAXES | 2023 LEVY | 2024 LEVY | 2025 LEVY | 2026 LEVY | 2027 LEVY | 2028 LEVY |
|------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| APPLICABLE CPI LIMIT         | 5.0%      | 3.4%      | 2.3%      | 2.3%      | 2.3%      | 2.3%      |
| "NEW PROPERTY" TAXES         | \$450,000 | \$450,000 | \$450,000 | \$450,000 | \$450,000 | \$450,000 |
| PA 102-0519 TAXES            | \$427,000 | \$650,000 | \$650,000 | \$650,000 | \$650,000 | \$650,000 |
| TAX ABATEMENT                | -         | -         | -         | -         | -         | -         |
| COLLECTION PERCENTAGE        | 98.13%    | 98.13%    | 98.13%    | 98.13%    | 98.13%    | 98.13%    |

### OTHER REVENUE SOURCES

| SOURCE                   | 2024         | 2025       | 2026     | 2027     | 2028     | 2029     |
|--------------------------|--------------|------------|----------|----------|----------|----------|
| CORPORATE PROPERTY TAXES | -\$1,112,000 | FLAT       | FLAT     | FLAT     | FLAT     | FLAT     |
| OTHER LOCAL REVENUES     | -\$1,622,000 | FLAT       | FLAT     | FLAT     | FLAT     | FLAT     |
| EVIDENCED-BASED FUNDING  | +\$4,000     | +\$4,000   | +\$4,000 | +\$4,000 | +\$4,000 | +\$4,000 |
| STATE GRANTS             | \$1,780,000  | FLAT       | FLAT     | FLAT     | FLAT     | FLAT     |
| FEDERAL GRANTS           | \$2,200,000  | -\$200,000 | FLAT     | FLAT     | FLAT     | FLAT     |

PROJECTED ANNUAL GROWTH RATE OF REVENUES >>> 2.5%

## MAJOR EXPENDITURE ASSUMPTIONS

### SALARY EXPENSES

| VARIABLE IMPACTING SALARIES | 2024      | 2025      | 2026      | 2027        | 2028      | 2029      |
|-----------------------------|-----------|-----------|-----------|-------------|-----------|-----------|
| % INCREASE PER FTE          | 5%        | 5%        | 5%        | 4%          | 4%        | 4%        |
| CHANGE IN STAFF SIZE        | -         | -         | -9.5 FTE  | -2.0 FTE    | -5.5 FTE  | -3.5 FTE  |
| SAVINGS FROM RETIREMENTS    | \$500,000 | \$660,000 | \$605,000 | \$1,045,000 | \$550,000 | \$550,000 |

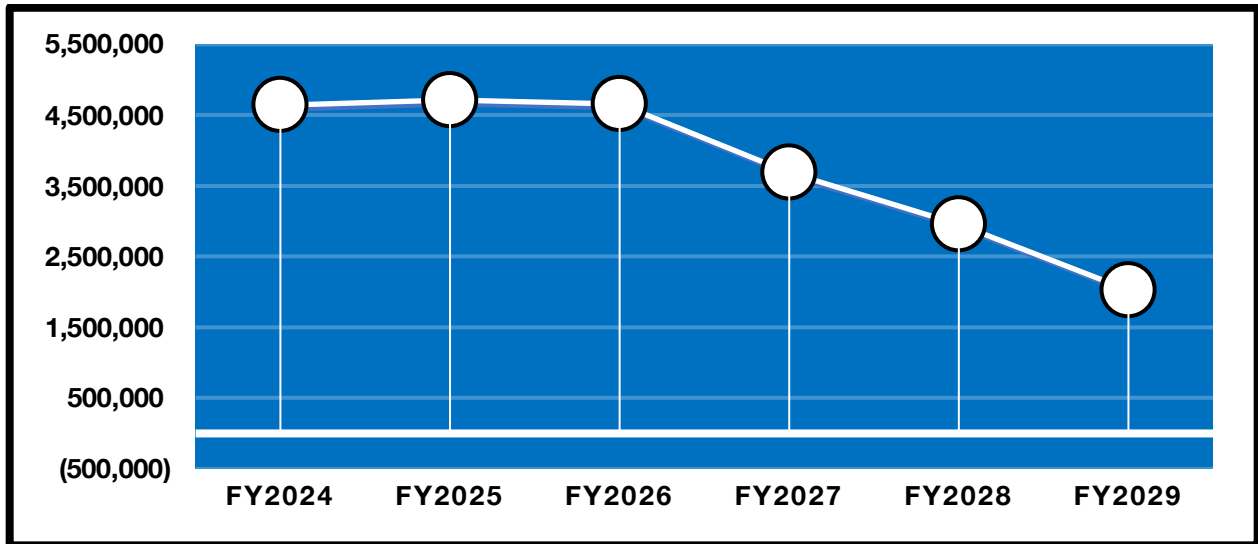
### OTHER EXPENSE OBJECTS

| OTHER OBJECTS             | 2024        | 2025        | 2026        | 2027        | 2028        | 2029        |
|---------------------------|-------------|-------------|-------------|-------------|-------------|-------------|
| EMPLOYEE BENEFITS         | 10%         | 6%          | 6%          | 6%          | 6%          | 6%          |
| TERMINATION BENEFITS      | \$1,400,000 | FLAT        | FLAT        | FLAT        | FLAT        | FLAT        |
| PURCHASED SERVICES        | 4%          | 4%          | 4%          | 4%          | 4%          | 4%          |
| SUPPLIES AND MATERIALS    | 3%          | 3%          | 3%          | 3%          | 3%          | 3%          |
| CAPITAL (OPERATING FUNDS) | \$1,900,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 | \$1,000,000 |
| CAPITAL (CAPITAL FUNDS)   | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 | \$2,500,000 |
| TUITION AND OTHER         | \$1,750,000 | +\$100,000  | +\$100,000  | +\$100,000  | +\$100,000  | +\$100,000  |

PROJECTED ANNUAL GROWTH RATE OF EXPENSES >>> 3.4%

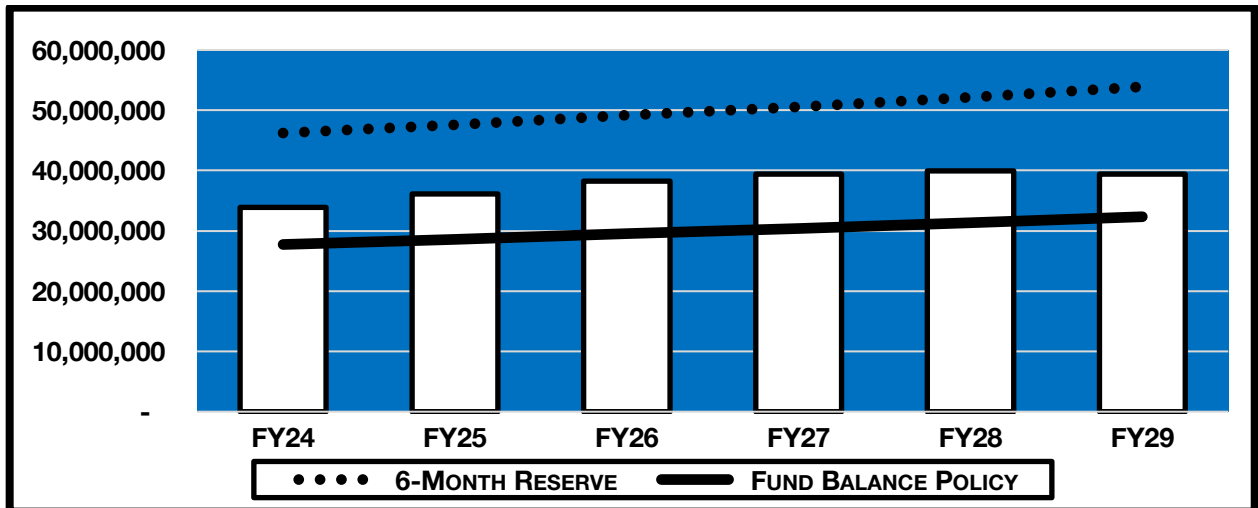
## PROJECTED ANNUAL SURPLUSES

EXCLUDING EXPENSES IN CAPITAL PROJECTS FUND



|                        | FY24             | FY25             | FY26             | FY27             | FY28             | FY29             |
|------------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| REVENUES               | 97,093,000       | 99,917,000       | 103,036,000      | 104,857,000      | 107,313,000      | 109,834,000      |
| EXPENSES               | 92,453,620       | 95,203,674       | 98,379,163       | 101,166,647      | 104,355,889      | 107,807,281      |
| <b>SURPLUS/DEFICIT</b> | <b>4,639,380</b> | <b>4,713,326</b> | <b>4,656,837</b> | <b>3,690,353</b> | <b>2,957,111</b> | <b>2,026,719</b> |

## PROJECTED FUND BALANCES – ALL FUNDS



|                     | FY24              | FY25              | FY26              | FY27              | FY28              | FY29              |
|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| <b>FUND BALANCE</b> | <b>33,891,000</b> | <b>36,105,000</b> | <b>38,262,000</b> | <b>39,452,000</b> | <b>39,909,000</b> | <b>39,436,000</b> |

\*D64 fund balance policy recommends a minimum fund balance reserve of 30% of annual expenditures (108 days). ISBE requires a six-month reserve level (180 days) to earn highest score on its financial profile rubric.

## MAJOR EVENTS THAT COULD IMPACT PROJECTIONS

### EVENTS THAT COULD ADVERSELY IMPACT PROJECTIONS

1. Some economists express concern about the long-term structural financial condition of the State of Illinois and its pension systems. A strategy by the State to mitigate financial challenges could be a pause in the targeted EBF funding growth of \$300 million annually.

PROBABILITY LEVEL: **MODERATE**

LIKELY IMPACT TO DISTRICT'S OVERALL FINANCIAL CONDITION: **MINIMAL**

2. Events such a recession, a significant decline in asset valuations within the State's pension systems, or changes in the budgetary philosophy in Springfield could trigger more dramatic action by the State such as decreasing EBF funding or shifting pension costs to school districts.

PROBABILITY LEVEL: **LOW**

LIKELY IMPACT TO DISTRICT'S OVERALL FINANCIAL CONDITION: **SIGNIFICANT**

3. A dramatic decline in inflation could generate a scenario whereby future real estate tax revenue growth declines while district-level expenses continue to rise due to committed contracts or the competitive strains of a labor market crisis in public education.

PROBABILITY LEVEL: **MODERATE/HIGH**

LIKELY IMPACT TO DISTRICT'S OVERALL FINANCIAL CONDITION: **SIGNIFICANT**

### EVENTS THAT COULD POSITIVELY IMPROVE PROJECTIONS

1. Higher than expected future inflation levels could create a scenario that real estate tax revenue growth, which is tied to inflation, would continue to exceed historical growth rates.

PROBABILITY LEVEL: **LOW/MODERATE**

LIKELY IMPACT TO DISTRICT'S OVERALL FINANCIAL CONDITION: **SIGNIFICANT**



## ALTERNATE PROJECTIONS

### REALISTIC BEST-AND WORST-CASE SCENARIOS

## ALTERNATE PROJECTION ASSUMPTIONS

### REALISTIC WORST-CASE SCENARIO

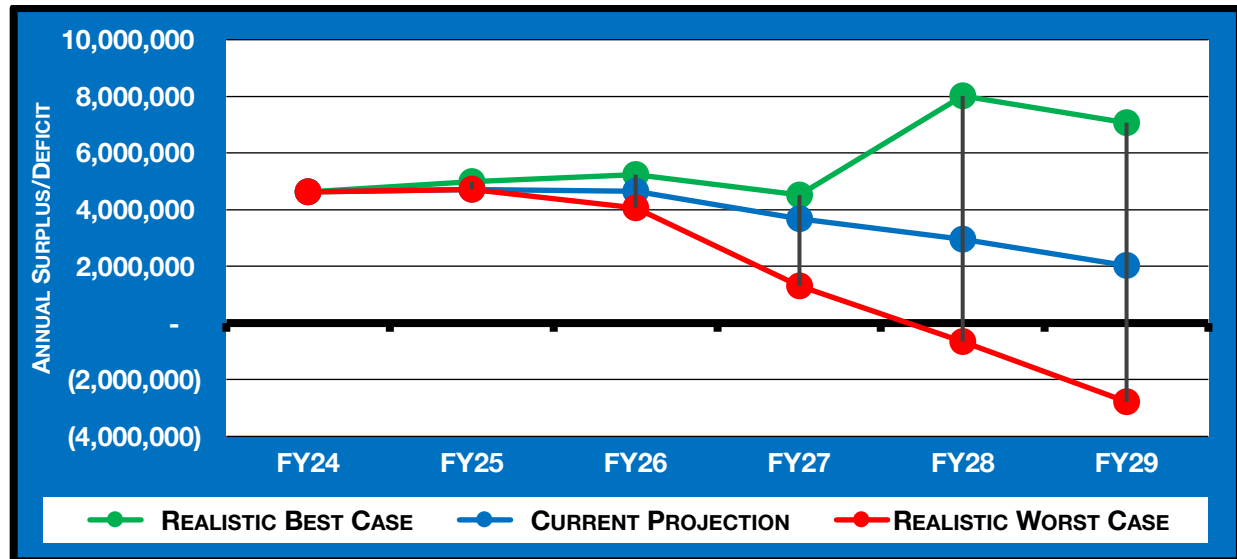
- The consumer price index tied to tax extension growth will drop to 1.5% (versus the 2.3% projection rate) beginning in the 2025 levy year.
- District total salaries will increase by 5% annually from FY27–FY29 (current forecast is 4%)
- The District does not experience projected enrollment declines and consequently FTE does not decrease during the projection period.

### REALISTIC BEST-CASE SCENARIO

- The consumer price index tied to tax extension growth will remain high at 3.0% due to inflationary pressures within the economy (versus the 2.3% projection rate) beginning in the 2025 levy year.
- Non-salary expenditure growth will increase 1% less than current projection levels.
- Park Ridge – Uptown TIF expires after 2026 levy year. R/E taxes increase \$2.1 million, District no longer receives annual TIF surplus of \$950,000.

## THE PROJECTION ZONE

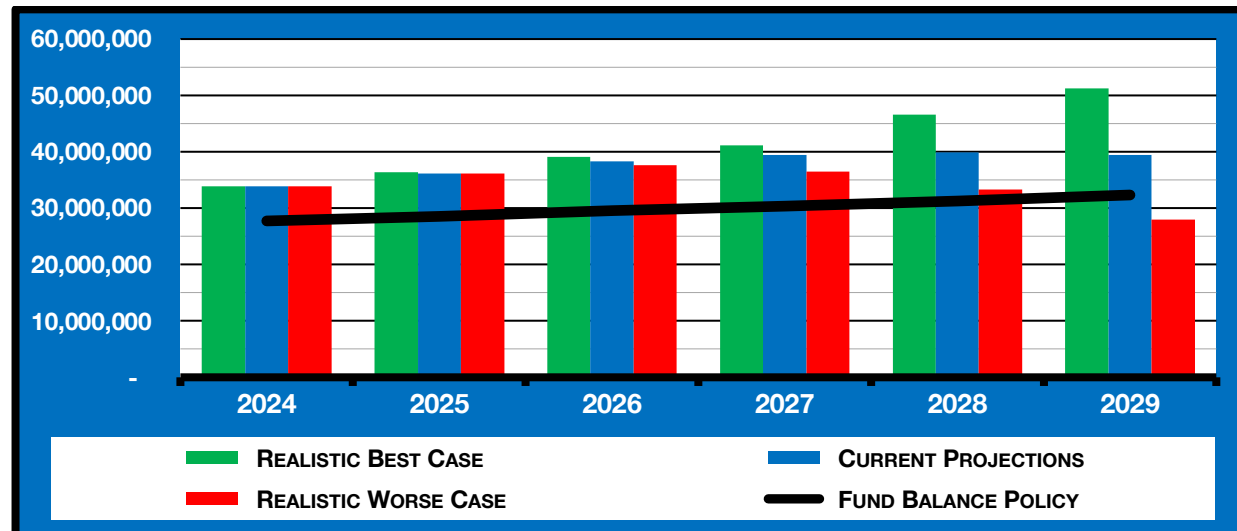
PROJECTED ANNUAL SURPLUSES/DEFICITS INCLUDING ALTERNATE SCENARIOS – EXCLUDING CAPITAL EXPENSES



|                      | FY24      | FY25      | FY26      | FY27      | FY28      | FY29        |
|----------------------|-----------|-----------|-----------|-----------|-----------|-------------|
| REALISTIC BEST CASE  | 4,639,380 | 4,989,203 | 5,229,927 | 4,522,472 | 8,015,113 | 7,076,365   |
| CURRENT PROJECTION   | 4,639,380 | 4,713,326 | 4,656,837 | 3,690,353 | 2,957,111 | 2,026,719   |
| REALISTIC WORST CASE | 4,639,380 | 4,713,326 | 4,056,912 | 1,302,126 | (663,410) | (2,776,513) |

## PROJECTED FUND BALANCES – ALL FUNDS

INCLUDING ALTERNATE SCENARIOS



|                      | FY24       | FY25       | FY26       | FY27       | FY28       | FY29       |
|----------------------|------------|------------|------------|------------|------------|------------|
| REALISTIC BEST CASE  | 33,891,380 | 36,380,583 | 38,512,010 | 38,099,629 | 43,339,450 | 49,493,331 |
| CURRENT PROJECTION   | 33,891,380 | 36,104,706 | 37,661,619 | 38,099,629 | 37,425,615 | 35,550,696 |
| REALISTIC WORST CASE | 33,891,380 | 36,104,706 | 37,661,619 | 36,463,745 | 33,300,335 | 28,023,822 |



# DEBT PROFILE AND DISTRICT CHARACTERISTICS

"Debt Profile of the District" and "District Characteristics -  
Tax Base and Other Local Economic Data" Section  
Prepared by PMA Securities, LLC





## DEBT PROFILE OF THE DISTRICT

### SUMMARY OF OUTSTANDING BONDED DEBT

(AS OF FEBRUARY 21, 2024)

| ISSUE DESCRIPTION                      | DATED DATE | ORIGINAL ISSUE SIZE | CURRENT AMOUNT OUTSTANDING | FINAL MATURITY | CALL DATE |
|--|------------|---------------------|----------------------------|----------------|-----------|
| Debt Certificates, Series 2017         | 04/27/17   | \$ 8,795,000        | \$5,870,000                | 06/01/32       | 06/01/27  |
| G.O. Limited School Bonds, Series 2022 | 01/13/22   | 22,780,000          | 18,220,000                 | 12/01/35       | 12/01/30  |
| G.O. Limited School Bonds, Series 2024 | 02/21/24   | 9,250,000           | 9,250,000                  | 12/01/38       | 12/01/33  |
| <b>Total</b>                           |            |                     | <b>\$ 33,340,000</b>       |                |           |

### DEBT REPAYMENT SCHEDULE – INCLUDING SERIES 2017 DEBT CERTIFICATES

| DATE         | PRINCIPAL            | INTEREST               | TOTAL DS               |
|--------------|----------------------|------------------------|------------------------|
| 06/01/24     | 560,000              | 584,343.06             | 1,144,343.06           |
| 12/01/24     | 1,370,000            | 667,787.50             | 2,037,787.50           |
| 06/01/25     | 580,000              | 640,387.50             | 1,220,387.50           |
| 12/01/25     | 1,410,000            | 628,787.50             | 2,038,787.50           |
| 06/01/26     | 605,000              | 600,587.50             | 1,205,587.50           |
| 12/01/26     | 1,515,000            | 588,487.50             | 2,103,487.50           |
| 06/01/27     | 630,000              | 558,187.50             | 1,188,187.50           |
| 12/01/27     | 1,615,000            | 549,525.00             | 2,164,525.00           |
| 06/01/28     | 645,000              | 517,225.00             | 1,162,225.00           |
| 12/01/28     | 1,720,000            | 504,325.00             | 2,224,325.00           |
| 06/01/29     | 670,000              | 468,925.00             | 1,138,925.00           |
| 12/01/29     | 1,830,000            | 455,525.00             | 2,285,525.00           |
| 06/01/30     | 700,000              | 417,850.00             | 1,117,850.00           |
| 12/01/30     | 1,945,000            | 403,850.00             | 2,348,850.00           |
| 06/01/31     | 725,000              | 363,825.00             | 1,088,825.00           |
| 12/01/31     | 2,065,000            | 349,325.00             | 2,414,325.00           |
| 06/01/32     | 755,000              | 306,825.00             | 1,061,825.00           |
| 12/01/32     | 2,190,000            | 291,725.00             | 2,481,725.00           |
| 06/01/33     | -                    | 246,675.00             | 246,675.00             |
| 12/01/33     | 2,320,000            | 246,675.00             | 2,566,675.00           |
| 06/01/34     | -                    | 198,950.00             | 198,950.00             |
| 12/01/34     | 2,460,000            | 198,950.00             | 2,658,950.00           |
| 06/01/35     | -                    | 159,200.00             | 159,200.00             |
| 12/01/35     | 1,980,000            | 159,200.00             | 2,139,200.00           |
| 06/01/36     | -                    | 111,600.00             | 111,600.00             |
| 12/01/36     | 2,120,000            | 111,600.00             | 2,231,600.00           |
| 06/01/37     | -                    | 58,600.00              | 58,600.00              |
| 12/01/37     | 2,270,000            | 58,600.00              | 2,328,600.00           |
| 06/01/38     | -                    | 13,200.00              | 13,200.00              |
| 12/01/38     | 660,000              | 13,200.00              | 673,200.00             |
| <b>Total</b> | <b>\$ 33,340,000</b> | <b>\$10,473,943.06</b> | <b>\$43,813,943.06</b> |

## FUTURE BUDGET INFORMATION – DEBT SERVICE FUND EXPENDITURES

(INCLUDES ONLY DEBT LISTED IN THIS SECTION)

| BUDGET YEAR | PRINCIPAL | INTEREST  | TOTAL DS  |
|-------------|-----------|-----------|-----------|
| FYE 6/30/24 | 2,085,000 | 1,080,881 | 3,165,881 |
| FYE 6/30/25 | 1,950,000 | 1,308,175 | 3,258,175 |
| FYE 6/30/26 | 2,015,000 | 1,229,375 | 3,244,375 |
| FYE 6/30/27 | 2,145,000 | 1,146,675 | 3,291,675 |
| FYE 6/30/28 | 2,260,000 | 1,066,750 | 3,326,750 |
| FYE 6/30/29 | 2,390,000 | 973,250   | 3,363,250 |
| FYE 6/30/30 | 2,530,000 | 873,375   | 3,403,375 |
| FYE 6/30/31 | 2,670,000 | 767,675   | 3,437,675 |
| FYE 6/30/32 | 2,820,000 | 656,150   | 3,476,150 |
| FYE 6/30/33 | 2,190,000 | 538,400   | 2,728,400 |
| FYE 6/30/34 | 2,320,000 | 445,625   | 2,765,625 |
| FYE 6/30/35 | 2,460,000 | 358,150   | 2,818,150 |
| FYE 6/30/36 | 1,980,000 | 270,800   | 2,250,800 |
| FYE 6/30/37 | 2,120,000 | 170,200   | 2,290,200 |
| FYE 6/30/38 | 2,270,000 | 71,800    | 2,341,800 |
| FYE 6/30/39 | 660,000   | 13,200    | 673,200   |

*Note: Additional debt payments from other borrowing instruments such as leases are not included in this report. Also, other bond fees could also affect expenditures within the debt service fund.*

## FUTURE TAX LEVY INFORMATION - BOND LEVY

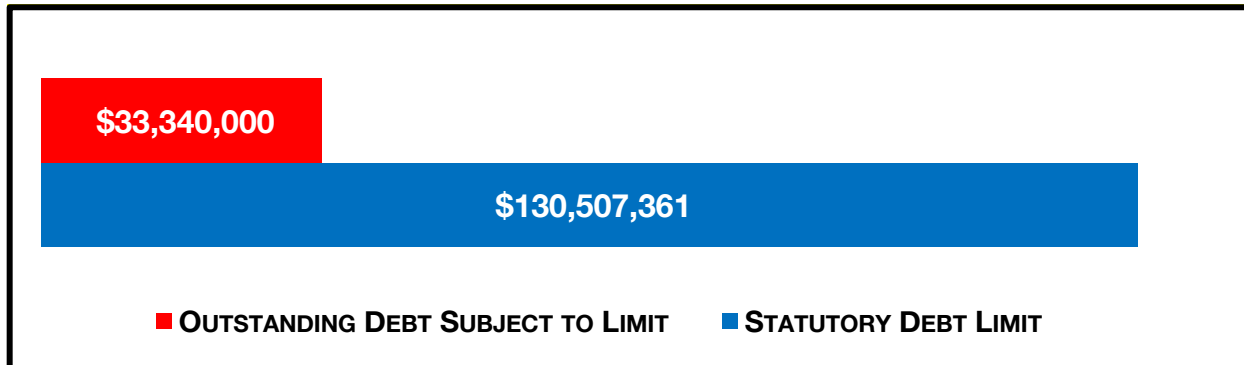
(INCLUDES ONLY SERIES 2022 AND SERIES 2024 BONDS – DEBT CERTIFICATES ARE NOT PAID FROM TAX LEVY)

| Levy Year | Collection Year | Total Tax Levy |
|-----------|-----------------|----------------|
| 2023      | 2024            | 2,406,406      |
| 2024      | 2025            | 2,486,250      |
| 2025      | 2026            | 2,534,850      |
| 2026      | 2027            | 2,574,250      |
| 2027      | 2028            | 2,614,650      |
| 2028      | 2029            | 2,653,850      |
| 2029      | 2030            | 2,693,500      |
| 2030      | 2031            | 2,733,450      |
| 2031      | 2032            | 2,773,450      |
| 2032      | 2033            | 2,813,350      |
| 2033      | 2034            | 2,857,900      |
| 2034      | 2035            | 2,298,400      |
| 2035      | 2036            | 2,343,200      |
| 2036      | 2037            | 2,387,200      |
| 2037      | 2038            | 686,400        |

## STATUTORY DEBT LIMIT

(AS OF FEBRUARY 21, 2024)

Generally, the *debt limit* for elementary and high school districts is 6.9% of the equalized assessed valuation of the district and for unit school districts it is 13.8% of the equalized assessed valuation of the district. There are numerous exceptions to the debt limit. Excluding these exceptions, the following graph compares the District's current statutory debt limit to its current outstanding debt subject to this limit:



The District's current available debt margin (amount under its statutory debt limit) is **\$97,167,361**. The type of debt that can be issued to capture available debt margin is subject to other statutory limitations including the Debt Service Extension Base for those school districts subject to the Property Tax Extension Limitation Law.

For school districts that seek approval from the voters for an amount of referendum bonds greater than this calculation, a school district may request legislative approval from the General Assembly to lawfully exceed its statutory debt capacity. However, if approval is received, Public Act 100-0503 requires the Board of Education to hold a public hearing prior to the sale of referendum bonds for an amount that exceeds a district's debt capacity.

Additional information must be included in the notice for hearings as follows:

- The date, time and location of the meeting
- The purpose of the hearing
- A description of the project for which the bonds will be issued
- An estimate of the number of years during which the bonds will be outstanding
- An estimate of the total debt service to be paid on the bonds, including principal, interest and costs of issuing the bonds
- An estimate of the average annual property tax needed to pay the principal of and interest on the bonds extendable against property containing a single-family residence and having a fair market value of \$100,000
- The notice shall state that the information listed in points (4)-(6) above are subject to change based on many factors, including market conditions at the time the bonds are sold



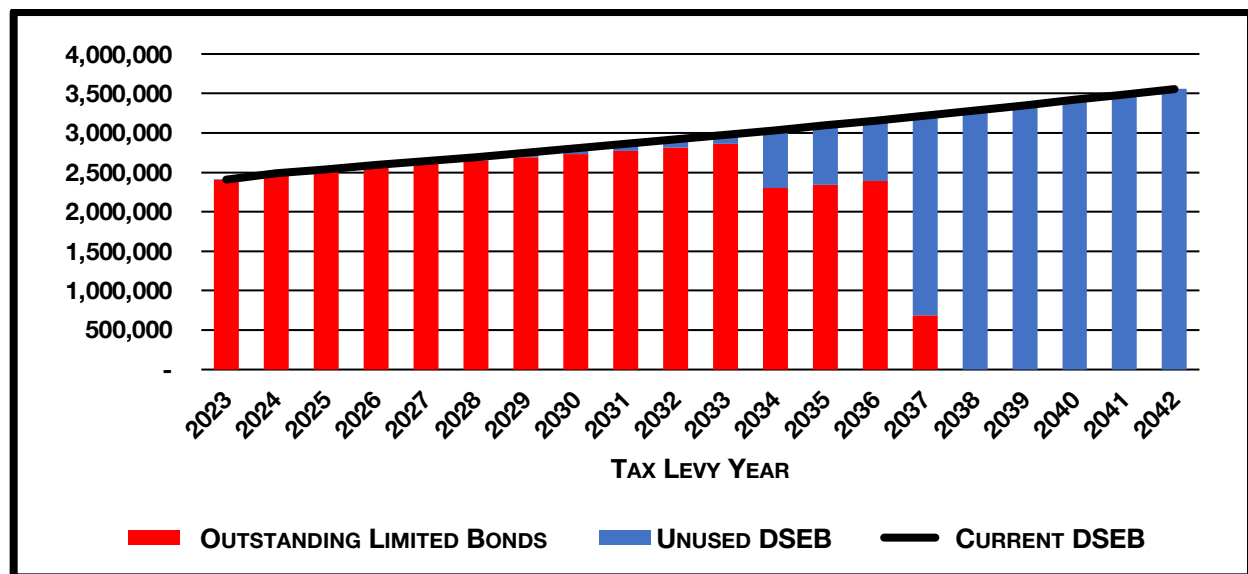
## LIMITED BONDS

School districts subject to the Extension Limitation Law are permitted to issue limited bonds. They are payable from a separate tax levy that is limited by the Extension Limitation Law. Limited bonds are payable from a school district's debt service extension base (the "base"), which is an amount equal to that portion of the district's extension for the applicable levy year for the payment of non-referendum bonds (other than alternate bonds or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum), increased by the lesser of 5% or the percentage increase in the Consumer Price Index during the 12-month calendar year preceding the levy year. School districts subject to the Extension Limitation Law may only issue non-referendum general obligation bonds as limited bonds. To school district may establish or increase a Base pursuant to referendum.

## DEBT SERVICE EXTENSION BASE ("DSEB") ANALYSIS

(AS OF JANUARY 2024)

The District's current DSEB is **\$2,489,275**. This figure represents the current maximum tax extension for payment of principal and interest on Limited Bonds issued by the District without referendum. This limitation compares to the District's current outstanding bonds subject to such limitation to an assumed growth rate of 2% on the DSEB as follows:



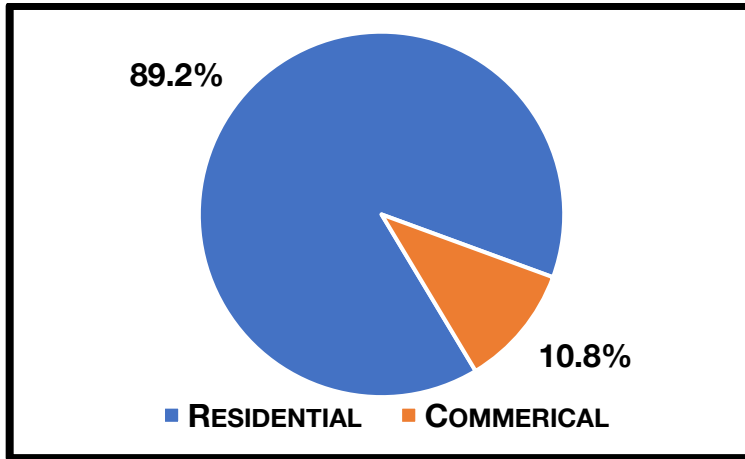


## DISTRICT CHARACTERISTICS

### TAX BASE AND OTHER LOCAL ECONOMIC DATA

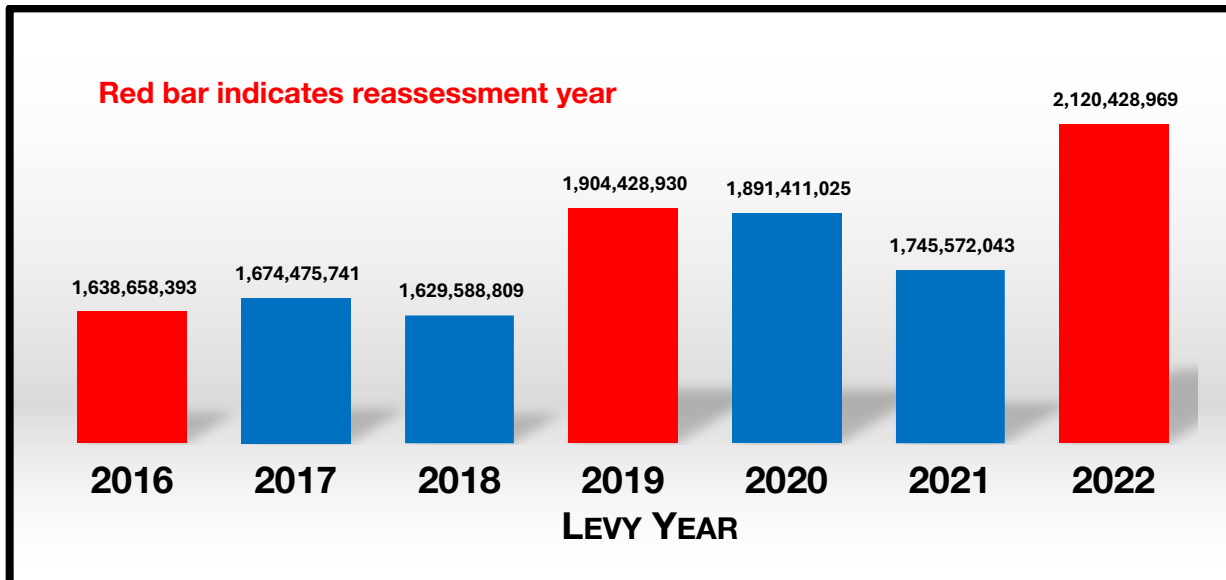
#### COMPOSITION OF EQUALIZED ASSESSED VALUATION

2022 TAX YEAR



SOURCE: County Clerk's Office

#### TREND OF EQUALIZED ASSESSED VALUATION



SOURCE: County Clerk's Office

## TIF DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District's EAV is contained in tax increment financing ("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 as such (the "Base EAV"). Any incremental increases in property tax revenue produced by the increase in EAV (the "Incremental EAV") derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the near future.

| NAME OF TIF                  | YEAR ESTABLISHED | BASE EAV   | 2022 EAV   | INCREMENTAL EAV      |
|------------------------------|------------------|------------|------------|----------------------|
| Niles – Milwaukee/Oakton     | 2018             | 22,477,072 | 30,994,113 | 8,810,327            |
| Park Ridge – Uptown          | 2003             | 37,158,476 | 91,693,188 | 58,665,874           |
| <b>Total Incremental EAV</b> |                  |            |            | <b>\$ 67,476,201</b> |

SOURCE: County Clerk's Office

## TEN LARGEST TAXPAYERS

| TAXPAYER NAME          | 2022 EAV             | % OF DISTRICT'S TOTAL EAV |
|------------------------|----------------------|---------------------------|
| Park Ridge Bldg. LLC   | 10,915,117           | 0.50%                     |
| Albertsons             | 9,515,229            | 0.43%                     |
| HSE Park Ridge LL      | 8,023,446            | 0.37%                     |
| Uptown Station LLC     | 7,793,005            | 0.36%                     |
| Gale T. Landers        | 7,916,149            | 0.36%                     |
| Imperial Realty Co.    | 7,404,008            | 0.34%                     |
| Tau Operating Partners | 6,812,475            | 0.31%                     |
| Rushmore Village Green | 6,142,516            | 0.28%                     |
| 1300 Higgins Co GNP    | 6,068,715            | 0.28%                     |
| Park 205 Multifamily D | 5,996,936            | 0.27%                     |
| <b>Total</b>           | <b>\$ 76,587,596</b> | <b>3.50%</b>              |

SOURCE: County Clerk's Office.

Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

## INCOME AND HOUSING

| CATEGORY                | THE DISTRICT | THE COUNTY | THE STATE  | UNITED STATES |
|-------------------------|--------------|------------|------------|---------------|
| MEDIAN HOME VALUE       | \$ 518,500   | \$ 293,700 | \$ 212,600 | \$ 244,900    |
| MEDIAN HOUSEHOLD INCOME | 137,964      | 78,304     | 72,563     | 69,021        |
| MEDIAN FAMILY INCOME    | 172,255      | 97,520     | 91,408     | 85,028        |
| PER CAPITAL INCOME      | 69,765       | 45,646     | 39,571     | 37,368        |

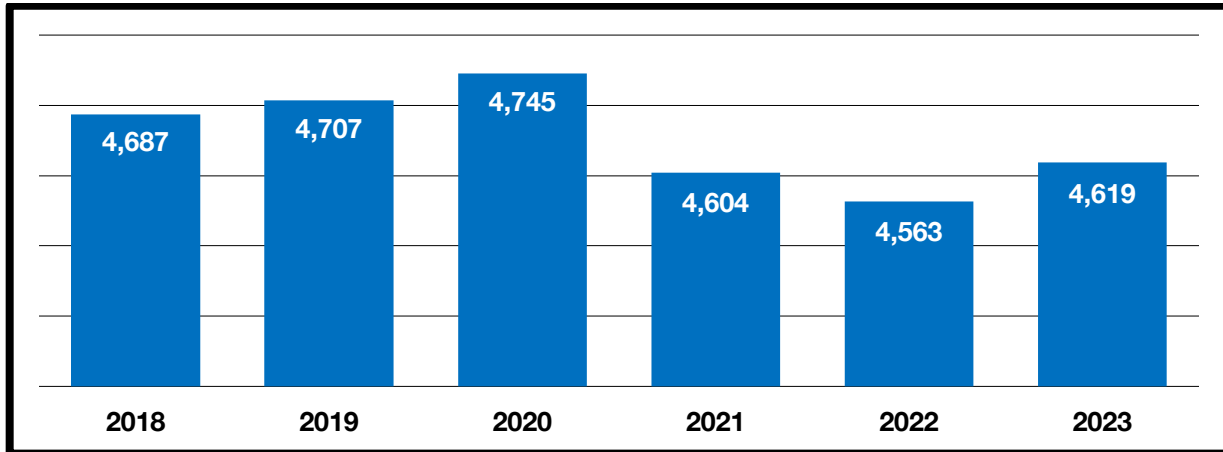
SOURCE: 2017-2021 American Community Survey 5-Year Estimates, U.S. Census Bureau as released by the U.S. Census Bureau in December 2022.



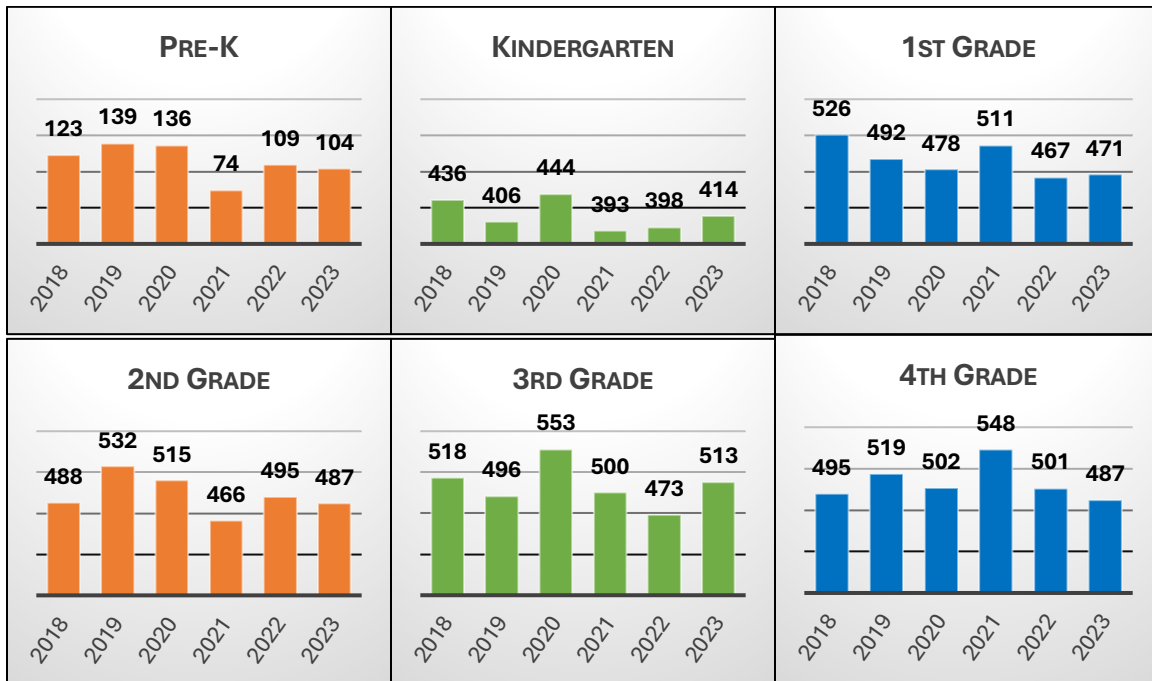
# DISTRICT CHARACTERISTICS

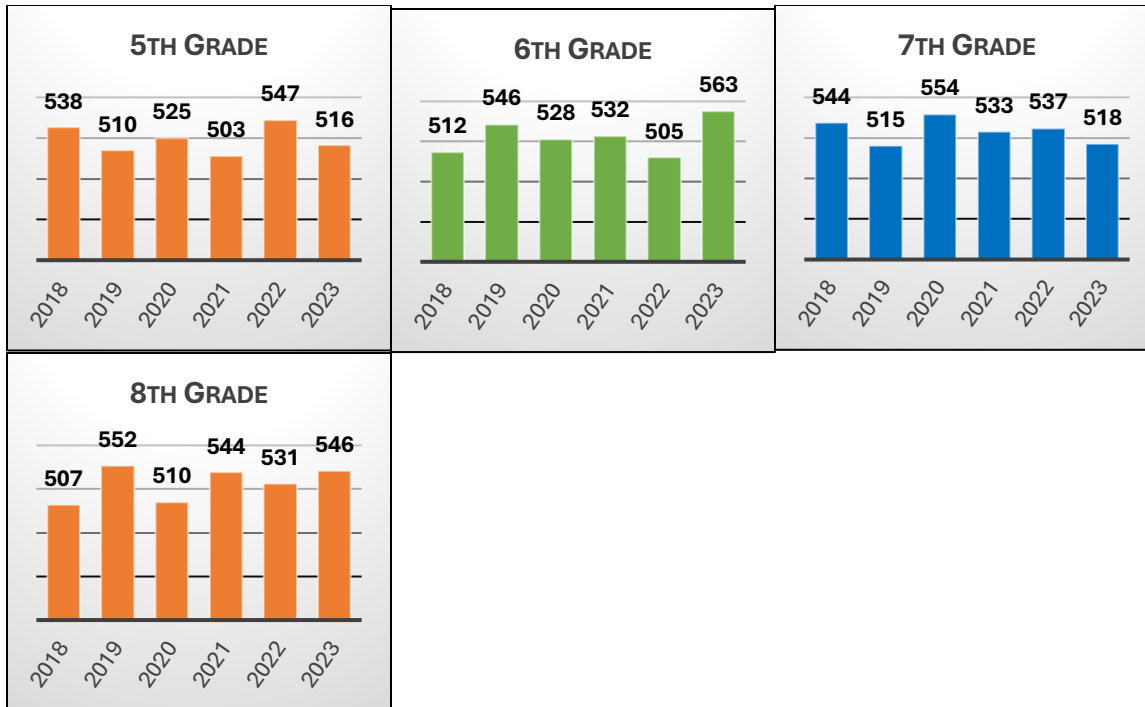
STUDENT AND STAFFING DATA

## STUDENT ENROLLMENT TRENDS – DISTRICT-WIDE



## STUDENT ENROLLMENT – GRADE-LEVEL TRENDS

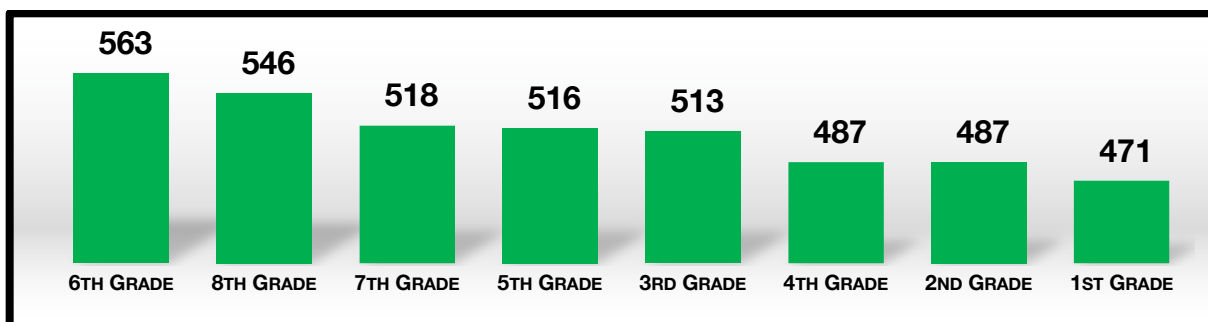




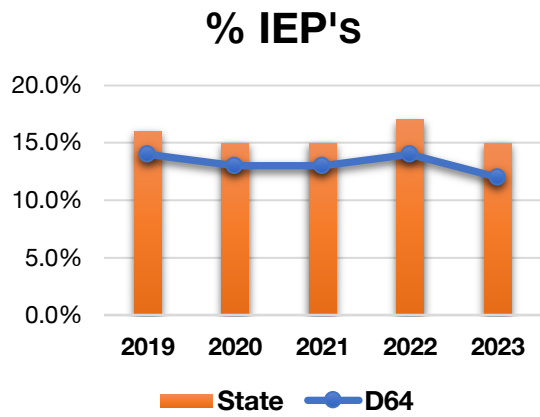
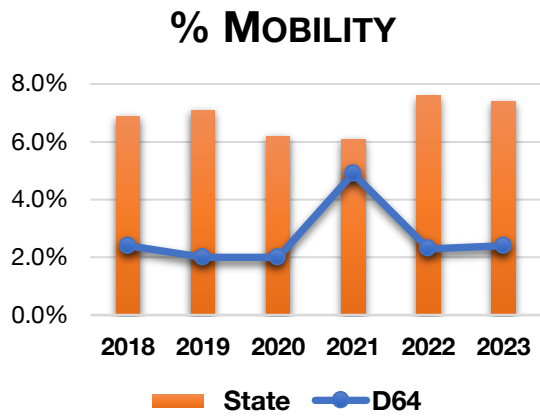
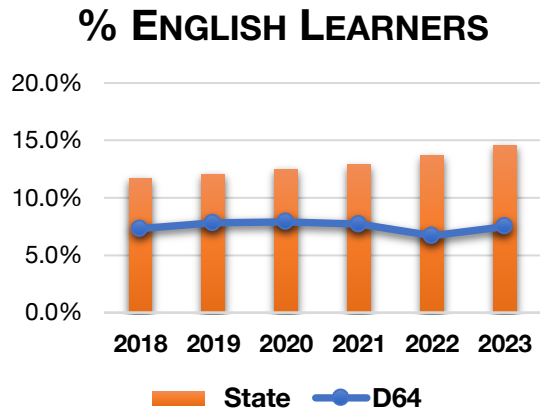
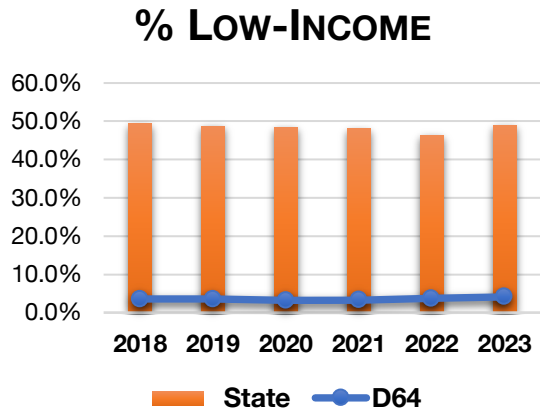
### GRADE LEVEL ENROLLMENT BY SCHOOL YEAR - SUMMARY

|               | PRE-K      | K          | 1ST        | 2ND       | 3RD       | 4TH       | 5TH        | 6TH        | 7TH        | 8TH        | TOTAL        |
|---------------|------------|------------|------------|-----------|-----------|-----------|------------|------------|------------|------------|--------------|
| <b>2018</b>   | 123        | 436        | 526        | 488       | 518       | 495       | 538        | 512        | 544        | 507        | <b>4,687</b> |
| <b>2019</b>   | 139        | 406        | 492        | 532       | 496       | 519       | 510        | 546        | 515        | 552        | <b>4,707</b> |
| <b>2020</b>   | 136        | 444        | 478        | 515       | 553       | 502       | 525        | 528        | 554        | 510        | <b>4,745</b> |
| <b>2021</b>   | 74         | 393        | 511        | 466       | 500       | 548       | 503        | 532        | 533        | 544        | <b>4,604</b> |
| <b>2022</b>   | 109        | 398        | 467        | 495       | 473       | 501       | 547        | 505        | 537        | 531        | <b>4,563</b> |
| <b>2023</b>   | 104        | 414        | 471        | 487       | 513       | 487       | 516        | 563        | 518        | 546        | <b>4,619</b> |
| <b>Change</b> | <b>-19</b> | <b>-22</b> | <b>-55</b> | <b>-1</b> | <b>-5</b> | <b>-8</b> | <b>-22</b> | <b>+51</b> | <b>-26</b> | <b>+39</b> | <b>-68</b>   |

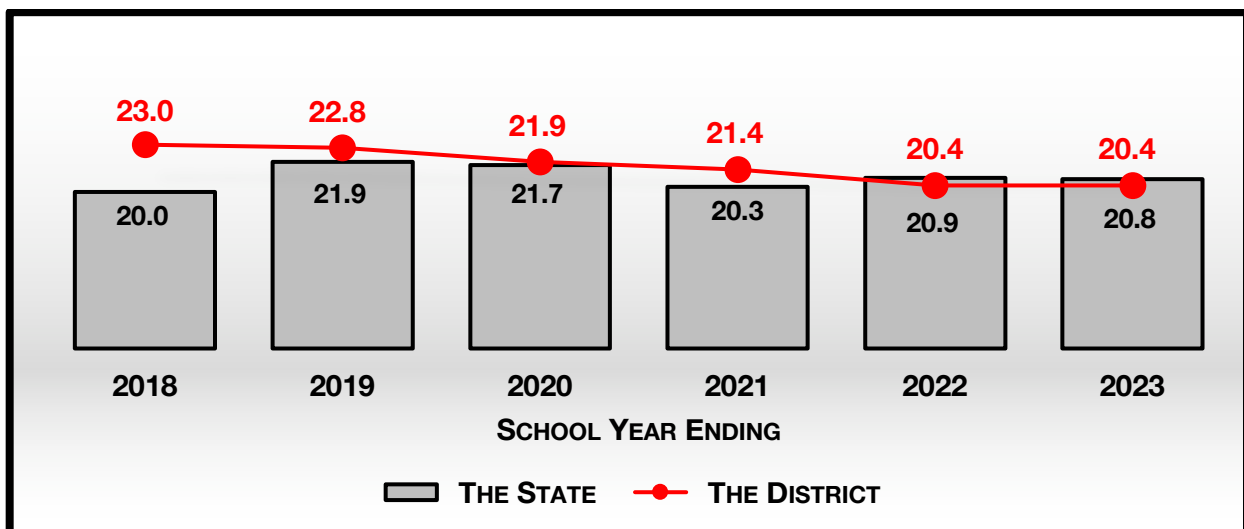
### GRADE ENROLLMENT LEVELS BY RANK ORDER - 2023 SCHOOL YEAR



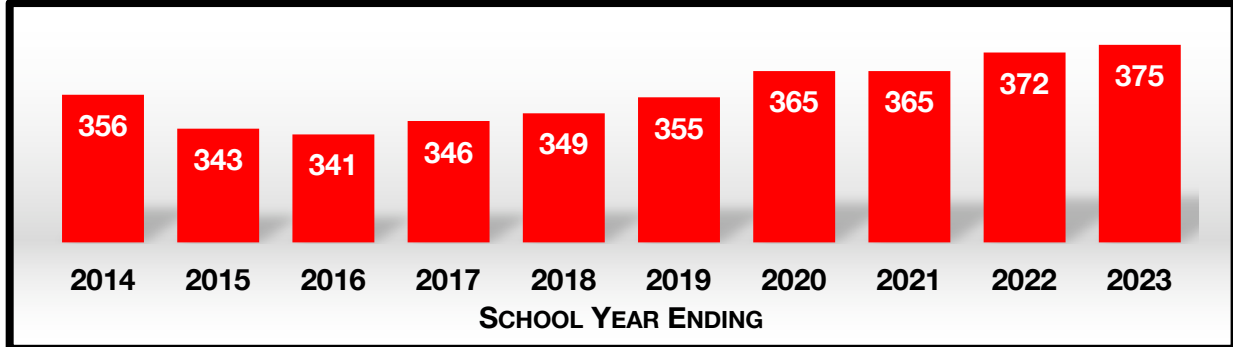
## STUDENT CHARACTERISTICS



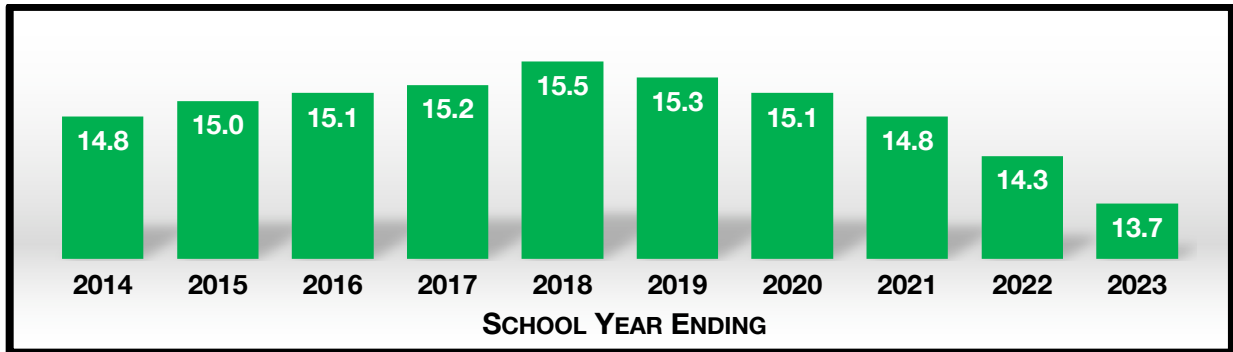
## AVERAGE CLASS SIZE



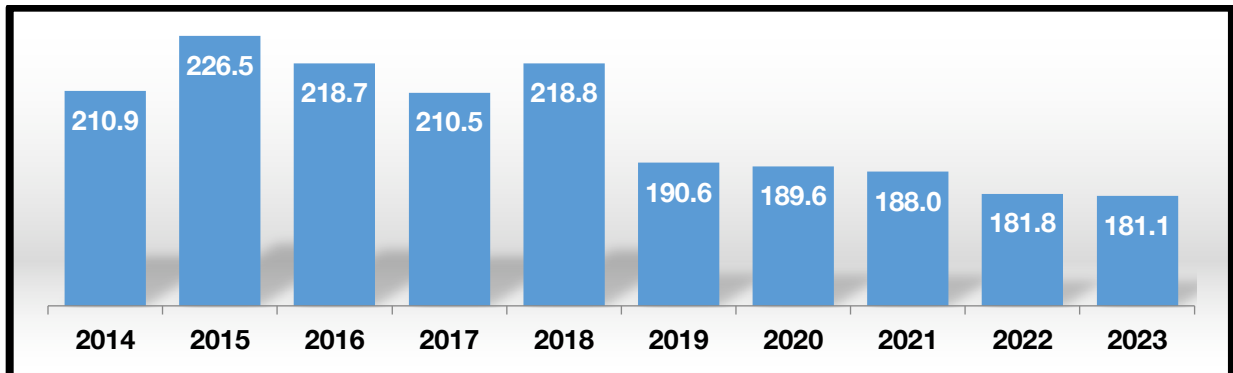
### TOTAL TEACHERS (FULL-TIME EQUIVALENT)



### STUDENT/TEACHER RATIO



### STUDENT/ADMINISTRATOR RATIO



### STATUS OF COLLECTIVE BARGAINING AGREEMENTS

| BARGAINING UNIT                       | CONTRACT START YEAR | CONTRACT END YEAR |
|---------------------------------------|---------------------|-------------------|
| SUPPORT STAFF COUNCIL                 | 2022                | 2025              |
| PARK RIDGE EDUCATION ASSOCIATION      | 2021                | 2026              |
| PARK RIDGE TEACHER ASSIST ASSOCIATION | 2022                | 2027              |

## DISCLOSURE

Illuminate, Incorporated, Burr Ridge, Illinois, has prepared this report based primarily on information obtained from District audits, information obtained from the Illinois Board of Education, the County Clerk's Office, and the County Treasurer's Office. To the best of its knowledge, the information contained in *The Report* is true and accurate, however, Illuminate, Inc. has not been engaged, nor has it undertaken, to independently verify the accuracy of such information.

Financial projections prepared by Illuminate Inc. are based on information provided by the aforementioned sources as well as information obtained from the District. All projections are based on assumptions and should be considered as such when making financial decisions. Actual figures may be significantly different than projections and projections need to be updated as actual and anticipated events change.

The information in the "The Financial Report" in the sections entitled "Debt Profile of the District" and "District Characteristics – Tax Base and Other Local Economic Data" is provided by PMA and is for discussion or general informational purposes only, and is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities Exchange Act of 1934. The information should not be construed as recommending an action to the district. If included, the "Available Limited Bonding Authority" analysis is based on general market interest rate levels for comparable transactions, escrow and project fund investments comprising cash and/or currently-available U.S. Treasury State and Local Government Securities. PMA is not responsible for the information and data provided in the other sections of "The Financial Report."

The information set forth herein was gathered from sources which we believe, but do not guarantee, to be accurate. Neither the information, nor any opinions expressed, constitute a solicitation by us for purposes of sale or purchase of any securities or commodities. Investment/financing decisions by market participants should not be based on this information.

PMA makes no representations as to the actual value which may be received in connection with a transaction nor the legal, tax, or accounting effects of consummating a transaction. PMA cannot be relied upon to provide legal, tax, or accounting advice. You should seek out independent and qualified legal, tax, and accounting advice from outside sources. This information has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined.

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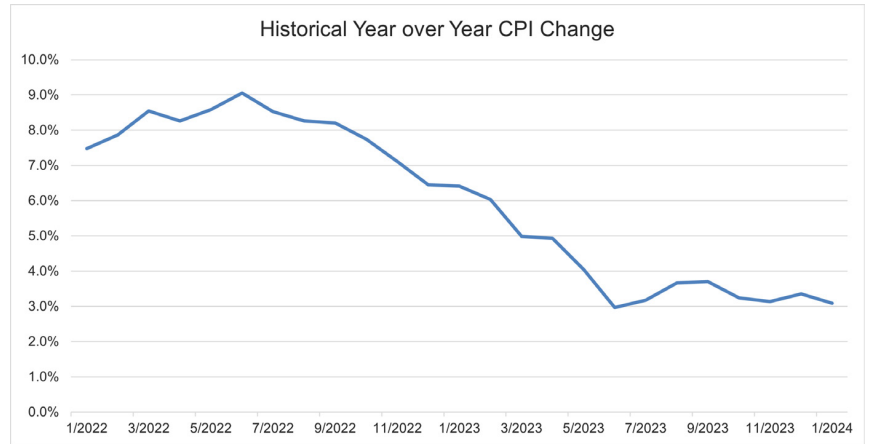


### What is the CPI (Consumer Price Index)?

A measure of the weighted average change over a period of time in prices paid by urban consumers for a market basket of consumer goods and services.

### Year over Year CPI:

CPI slowed to 3.1% on a year-over-year basis in January following a rise of 3.4% in December. On a month-over-month seasonally adjusted basis, CPI rose 0.3% in January, which is somewhat faster than the 0.2% median forecast by economists. Note that on an unadjusted basis, January CPI rose 0.5%, which is the version of CPI used for PTELL calculations, but over the course of a year the seasonal adjustment has no major impact on CPI. Core CPI, excluding food and energy, also increased a larger than expected 0.4% for January and 3.9% over the past year. The larger than expected increases in CPI and Core CPI were caused primarily by a larger increase in the cost of shelter. Other services including car insurance, airfares and medical care also increased.



### The data on the right reflects the YoY change in the unseasonally adjusted CPI, and the YTD cumulative change in the CPI.

#### Different ways to measure CPI:

The most commonly reported measure of CPI is the year-over-year (YoY) percentage change to the non-seasonally adjusted CPI Index. YoY CPI is a 12-month moving rate of change meaning the calculation includes the prior 12 months of CPI. Therefore, with each new month of CPI data, the previous beginning month is no longer included in the YoY calculation. Focusing only on YoY CPI can be misleading to Illinois tax capped entities in the middle of the year since it includes monthly data from the prior year. PTELL limiting rate calculations always uses December YoY CPI. To focus on current year CPI, PMA calculates year-to-date (YTD) CPI. We believe this calculation provides an important representation of current trends most beneficial to tax capped entities. An analysis of the prior 12 months of monthly CPI, YoY CPI and YTD CPI together offer some insight into the annual December YoY CPI print, and the YTD CPI data becomes most meaningful as we near the end of the year and get closer to the December CPI report.

| Short Date | Date               | Index   | Month Over Month | Year over Year | Compounded Year To Date |
|------------|--------------------|---------|------------------|----------------|-------------------------|
| 01/31/22   | January 31, 2022   | 281.148 | 0.8%             | 7.5%           | 0.8%                    |
| 02/28/22   | February 28, 2022  | 283.716 | 0.9%             | 7.9%           | 1.8%                    |
| 03/31/22   | March 31, 2022     | 287.504 | 1.3%             | 8.5%           | 3.1%                    |
| 04/30/22   | April 30, 2022     | 289.109 | 0.6%             | 8.3%           | 3.7%                    |
| 05/31/22   | May 31, 2022       | 292.296 | 1.1%             | 8.6%           | 4.8%                    |
| 06/30/22   | June 30, 2022      | 296.311 | 1.4%             | 9.1%           | 6.3%                    |
| 07/31/22   | July 31, 2022      | 296.276 | 0.0%             | 8.5%           | 6.3%                    |
| 08/31/22   | August 31, 2022    | 296.171 | 0.0%             | 8.3%           | 6.2%                    |
| 09/30/22   | September 30, 2022 | 296.808 | 0.2%             | 8.2%           | 6.5%                    |
| 10/31/22   | October 31, 2022   | 298.012 | 0.4%             | 7.7%           | 6.9%                    |
| 11/30/22   | November 30, 2022  | 297.711 | -0.1%            | 7.1%           | 6.8%                    |
| 12/31/22   | December 31, 2022  | 296.797 | -0.3%            | 6.5%           | 6.5%                    |
| 01/31/23   | January 31, 2023   | 299.170 | 0.8%             | 6.4%           | 0.8%                    |
| 02/28/23   | February 28, 2023  | 300.840 | 0.6%             | 6.0%           | 1.4%                    |
| 03/31/23   | March 31, 2023     | 301.836 | 0.3%             | 5.0%           | 1.7%                    |
| 04/30/23   | April 30, 2023     | 303.363 | 0.5%             | 4.9%           | 2.2%                    |
| 05/31/23   | May 31, 2023       | 304.127 | 0.3%             | 4.0%           | 2.5%                    |
| 06/30/23   | June 30, 2023      | 305.109 | 0.3%             | 3.0%           | 2.8%                    |
| 07/31/23   | July 31, 2023      | 305.691 | 0.2%             | 3.2%           | 3.0%                    |
| 08/31/23   | August 31, 2023    | 307.026 | 0.4%             | 3.7%           | 3.4%                    |
| 09/30/23   | September 30, 2023 | 307.789 | 0.2%             | 3.7%           | 3.7%                    |
| 10/31/23   | October 31, 2023   | 307.671 | 0.0%             | 3.2%           | 3.7%                    |
| 11/30/23   | November 30, 2023  | 307.051 | -0.2%            | 3.1%           | 3.5%                    |
| 12/31/23   | December 31, 2023  | 306.746 | -0.1%            | 3.4%           | 3.4%                    |
| 01/31/24   | January 31, 2024   | 308.417 | 0.5%             | 3.1%           |                         |



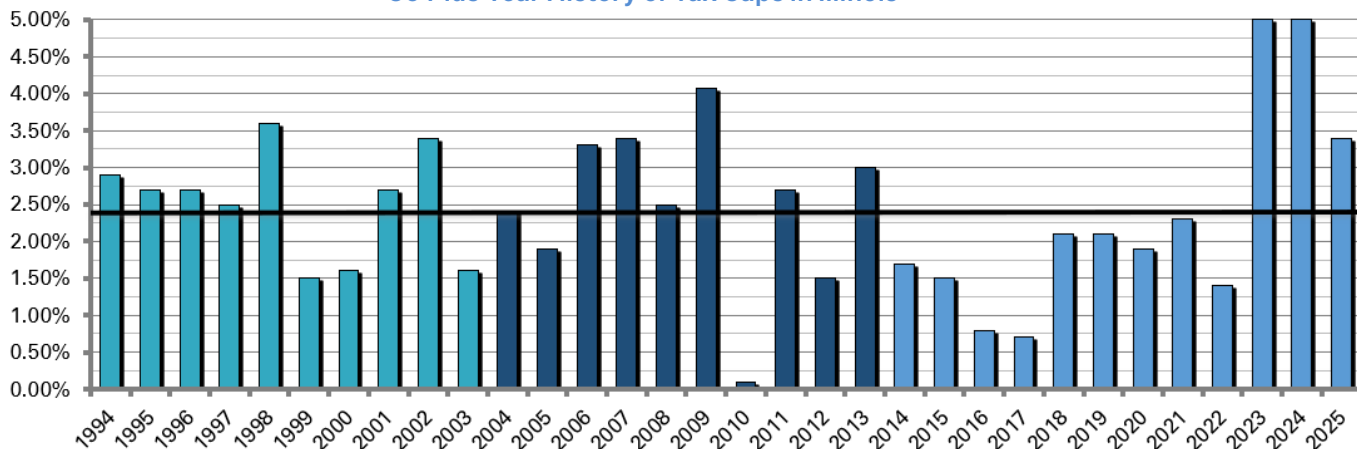
### 2024 CPI Projections

Economists expect CPI to continue its downward trajectory in 2024 ending in the mid to high 2% range. The Bloomberg survey of economists’ median projection for 2024 CPI is 2.7%. Market expectations as of December 31, 2023, calculated using data from the Treasury Inflation Protected Securities (TIPS) market, indicated 2024 CPI would be near the Federal Reserve’s 2% target. Between December 2023 and January 2024, market inflation expectations began to rise based in part on economic data received during the period. Market inflation expectations on where CPI will end 2024 are now closer to 3%. At PMA, we expect inflation to continue to come down in the year ahead, but recognize risks around energy prices, labor and other components of CPI could delay a return to the Fed’s 2% target.

### CPI Application to PTELL

The graph below reflects the 30 plus year history of CPI since tax caps were applied to both Cook and the collar counties. The average for the first 10-year period was 2.52% and the second 10-year period was 2.49%. For the most recent 10 plus year period, the average has been 2.3% in spite of the recent historically high inflation. This is due to the really low inflation from 2014 through 2017 and 2022 in addition to PTELL capping the increase at 5%.

30 Plus Year History of Tax Caps in Illinois



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# Economic Data Reduces Rate Cut Expectations

The latest round of jobs and inflation data came in hotter than consensus estimates, and markets have reacted accordingly by increasing bond yields and revising projections for when the Federal Reserve will have its first rate cut in 2024.

## Inflation Measures:

On Tuesday of this week, the January consumer-price index (CPI) was released and the data came in higher than markets were expecting. The all-items CPI showed a seasonally adjusted monthly increase of 0.3%, and an increase of 3.1% over the past 12 months. The core CPI rose 0.4 % on a month-over-month basis, which is higher than the 0.3% for the previous two months, and on an annual basis gained 3.9%, the same as last month. The index for shelter was the main contributor to the increase in core CPI. January marked the eleventh month in a row of annual core-CPI exceeding the all-items index.

## Stock and Bond Markets:

Prices of government bonds fell (prices down means yields up) in response to the January CPI release. Soon after the release, the yield on 10-year US treasury increased by approximately nine basis points (bps) to 4.27%, with the 2-year experiencing a similar basis point increase to 4.59%.

Beginning on November 1 last year, the 10-year US treasury enjoyed a massive rally on expectations of Federal Reserve rate cuts in 2024, but has given back some of those gains since the start of the year. The 10-year moved from 4.88% on Halloween to 3.88% at the end of 2023, and closed at 4.31% on February 13.

## Labor Market:

The January jobs report was released on February 2 and it estimated an increase in nonfarm payrolls of 353,000, which was almost double an economist survey estimate of 185,000. Furthermore, December's payroll gains were revised upwards to 333,000 from 216,000. According to the Department of Labor, the last time there were this many new jobs created over a two-month period was January and February 2023.

Hourly wages for January grew by 4.5% over the past 12 months, which was substantially higher than the previous two monthly increases of 4.1% and 4.0%. For the third month in a row, the unemployment rate was 3.7%, and the labor force participation rate, at 62.5%, was unchanged. The narrative of a job market

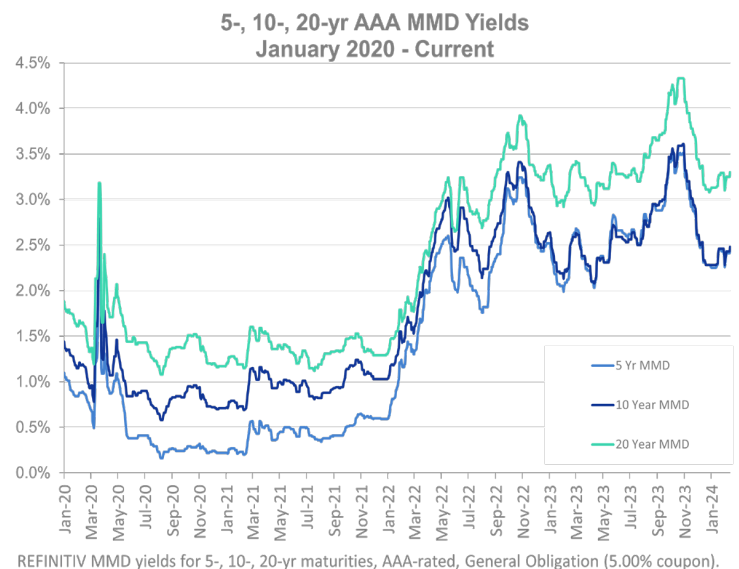
slowly losing momentum was firmly put on hold for at least a month.

## The Fed:

Market expectations for the number of Federal Reserve rate cuts in 2024 have changed quite a bit over the last two months. At the Federal Open Market Committee (FOMC) meeting that concluded on December 13, the Fed's Summary of Economic Projections had the median member estimating three 0.25% rate cuts during 2024. However, interest rate traders seized on dovish comments by Chair Jerome Powell and subsequently priced in six 0.25% rate cuts by the end of 2024. After the January jobs report, markets priced in five 0.25% rate cuts for the year. Shortly following Tuesday's CPI release, the futures market has a 60% probability of four or more quarter point rate cuts, with the first cut moving from the March 20 FOMC meeting to the May 1 meeting.

## Municipal Market Update:

Similar to US treasuries, tax-exempt municipal yields enjoyed a substantial decline in rates beginning on November 1 last year but have given a little back in 2024. That stated, the 10-year benchmark yield is currently well over 1.00% lower than it was on Halloween, which has been a major benefit to municipal borrowers. The following chart provides Municipal Market Data (MMD) AAA yields since the start of 2020 for 5-year, 10-year, and 20-year maturities.



## Illinois School District Case Study: Hinckley Big Rock CUSD 429

On Monday, February 12, Hinckley-Big Rock CUSD 429 in DeKalb, Kane and Kendall Counties achieved a successful pricing of its \$4,015,000 Series 2023 General Obligation Limited Tax School Bonds via a competitive sale. With an average life of 3.98 years, the transaction garnered significant interest from 11 bidders. The winning bid provided a True Interest Cost of 3.05%, the cover (second place) bid was 3.09% and the last place bid was 3.69%. As the District’s municipal advisor, PMA recommended to the District a few months ago that it pursue a competitive sale. Despite recent upward pressure on municipal bond rates, the favorable pricing results were due to several factors, including the District’s strong underlying credit rating (“Aa3” from Moody’s Investors Service), short average life, and lack of Illinois school district bond supply. In addition, the spread between the 11 bids demonstrates the effectiveness of the competitive sale process. As municipal advisor to more Illinois school districts than any other firm, PMA evaluates each transaction separately to determine the most appropriate method of sale, which helps our clients achieve the lowest cost of borrowing given current market conditions.

| Bidder Name                  | TIC (%)  | Spread to Winner* |
|------------------------------|----------|-------------------|
| Hilltop Securities           | 3.048757 | --                |
| Robert W. Baird & Co., Inc.  | 3.093934 | 0.05              |
| Mesirow Financial, Inc.      | 3.104499 | 0.06              |
| Piper Sandler & Co           | 3.118657 | 0.07              |
| StoneX Financial Inc.        | 3.156443 | 0.11              |
| The Baker Group              | 3.168247 | 0.12              |
| BNYMellon Capital Markets    | 3.209855 | 0.16              |
| Stifel, Nicolaus & Co., Inc. | 3.262867 | 0.21              |
| Huntington Securities, Inc.  | 3.292532 | 0.24              |
| Loop Capital Markets, LLC    | 3.315690 | 0.27              |
| Bernardi Securities, Inc.    | 3.688202 | 0.64              |

\* rounded

*PMA is dedicated to staying up to date on market trends and will be ready to guide you through a dynamic and evolving market. If you have any questions about the municipal bond market in general or your specific bond issue, please feel free to contact a PMA advisor below.*



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