**INVITATION TO TENDER FOR PURCHASE**
**made by**
**BOARD OF EDUCATION OF THE CITY OF CHICAGO**

**to the Holders described herein of all or any portion of the maturities listed in Table 1 on page (ii) herein of the following bond issues (collectively, the "Target Bonds"):**

**Board of Education of the City of Chicago**

**Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016B**

**Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017A**

**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017B**

**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017C**

**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018A**

**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018C**

**THIS INVITATION WILL EXPIRE AT 5:00 P.M., NEW YORK CITY TIME, ON OCTOBER 27, 2025, UNLESS EARLIER TERMINATED OR EXTENDED AS DESCRIBED HEREIN.**

This Invitation to Tender for Purchase, dated October 14, 2025 (as it may be amended or supplemented, including the cover page and Appendices hereto, this "**Invitation**"), describes an invitation by the Board of Education of the City of Chicago (the "**Board**"), with the assistance of BofA Securities, Inc., as Lead Dealer Manager and Cabrera Capital Markets LLC, as Co-Dealer Manager in connection with this Invitation (collectively, the "**Dealer Manager**s"), to the beneficial owners (the "**Holders**" or "**Bondholders**") of the Target Bonds to tender such Target Bonds for purchase by the Board for cash at the applicable purchase prices (each, a "**Purchase Price**") based on the applicable Purchase Yield. The Purchase Yield for each Target Bond will be the sum of the yield on the relevant Reference BVAL Index (the "**Reference Yield**") plus the fixed spread (each, a "**Fixed Spread**"), as set forth in Table 1 on page (ii) of this Invitation. The Reference BVAL Index for each Target Bond will be based on the month and year of the Maturity Date for such Target Bond. The Reference Yield will be based on the yield for the applicable Reference BVAL Index, as set forth in the Monthly Value Table as of the date and time the Purchase Prices are determined, as shown on the Municipal Securities Rulemaking Board's Electronic Municipal Market Access website ("**EMMA**") at the following address:

*https://emma.msrb.org/ToolsAndResources/BloombergYieldCurve?daily=True*

See "INTRODUCTION—Determination of Purchase Prices" for a description of the methodology to be used for the calculation of the Purchase Prices. In addition to the Purchase Price, Bondholders who tender Target Bonds for purchase on the Settlement Date (as defined herein) will receive accrued interest on such Target Bonds to, but not including, the Settlement Date ("**Accrued Interest**"). On or about October 28, 2025, the Board will publish the Notice of Purchase Price, which will set forth the Purchase Price for each respective CUSIP of the Target Bonds.

Subject to the terms and conditions of this Invitation, and assuming all conditions to this Invitation have then been satisfied or waived by the Board, the Board will purchase Target Bonds, which are tendered and accepted for purchase by the Board in accordance with this Invitation, on November 12, 2025, unless earlier terminated or extended by the Board, (such date being the "**Settlement Date**"), provided that such Target Bonds have been validly tendered by the Expiration Date (as defined herein). Bondholders who tender Target Bonds for purchase on the Settlement Date will also receive Accrued Interest on such Target Bonds. Each Bondholder of the Target Bonds is invited pursuant to this Invitation to tender all or part of its beneficial ownership interests in the Target Bonds to the Board for purchase in Authorized Denominations (as defined herein). The source of funds to purchase the Target Bonds validly tendered and accepted for purchase by the Board will be limited to the proceeds of bonds of the Board to be issued for such purpose (the "**Series 2025C Bonds**"), which are anticipated to be issued on the Settlement Date. The Series 2025C Bonds will be issued in the manner, on the terms and with the security therefor described in the Preliminary Official Statement dated the date hereof, attached hereto as APPENDIX A (the "**Series 2025C Bonds POS**"). The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase by the Board will be legally available moneys of the Board and paid on the Settlement Date. The purchase of any Target Bonds tendered pursuant to this Invitation is contingent on the issuance of the Series 2025C Bonds. The purchase of any Target Bonds tendered pursuant to this Invitation is also subject to certain other conditions, including, without limitation, the Financing Conditions (as defined herein). The maximum authorized principal amount of the Series 2025C Bonds is not to exceed $575,000,000, which may limit the amount of offers accepted for purchase by the Board. See "INTRODUCTION – General; Financing Conditions" and "TERMS OF THE INVITATION—Conditions to Purchase" herein.

**HOLDERS OF TARGET BONDS TENDERED PURSUANT TO THIS INVITATION BUT NOT ACCEPTED BY THE BOARD FOR PURCHASE WILL CONTINUE TO HOLD SUCH TARGET BONDS AND SUCH TARGET BONDS WILL REMAIN OUTSTANDING UNDER THE RELEVANT INDENTURE (AS DEFINED HEREIN). THE BOARD RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THIS INVITATION THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS OF THE BOARD. See "INTRODUCTION – Target Bonds Not Tendered for Purchase" and "ADDITIONAL CONSIDERATIONS" herein.**

To make an informed decision as to whether, and how, to tender Target Bonds for purchase pursuant to this Invitation, Bondholders must read this Invitation carefully, including APPENDIX A, and consult with their broker, account executive, financial advisor, attorney and/or other professionals. For more information about risks concerning this Invitation, please see "ADDITIONAL CONSIDERATIONS" herein.

Any Bondholder wishing to tender Target Bonds pursuant to this Invitation should follow the procedures more specifically described herein. Bondholders and their brokers and account executives with questions about this Invitation should contact the Dealer Managers or the Information Agent (as defined herein).

*The Information Agent and Tender Agent for this Invitation is*
**GLOBIC ADVISORS**

*The Dealer Managers for this Invitation are*
**BofA Securities, Inc. (Lead Dealer Manager)** **Cabrera Capital Markets LLC (Co-Dealer Manager)**

**Key Dates and Times**

*All of these dates and times are subject to change. All times in this Invitation are New York City time. Notices of changes will be sent in the manner provided for in this Invitation.*

| | |
|---|---|
| **Launch Date and Publication Date of Series 2025C Bonds POS** | **October 14, 2025** |
| **Expiration Date** | **5:00 p.m. on October 27, 2025** |
| **Notice of Results** | **October 28, 2025** |
| **Determination of Purchase Prices** | **Approx. 10:00 a.m., on October 28, 2025** |
| **Notice of Purchase Prices** | **Before 5:00 p.m. on October 28, 2025** |
| **Acceptance Date/Notice of Acceptance** | **October 29, 2025** |
| **Settlement Date** | **November 12, 2025** |

## TABLE 1 TARGET BONDS[1]

| Target Bonds Series | CUSIP† | Maturity Date | Optional Redemption Date at Par | Interest Rate | Par Amount Outstanding[2] | Reference BVAL Index | Fixed Spreads (bps)[3] |
|---|---|---|---|---|---|---|---|
| 2016B[4] | 167505RD0 | 12/1/2046 | 12/1/2026 | 6.500% | $150,000,000 | Dec-2046 | 65.0 |
| 2017A[4] | 167505RM0 | 12/1/2046 | 12/1/2027 | 7.000% | 285,000,000 | Dec-2046 | 95.0 |
| 2017B[4] | 167505RN8 | 12/1/2030 | 12/1/2027 | 6.750% | 75,000,000 | Dec-2030 | 110.0 |
| 2017B[4] | 167505RP3 | 12/1/2042 | 12/1/2027 | 7.000% | 140,000,000 | Dec-2042 | 100.0 |
| 2017C | 167505SJ6 | 12/1/2026 | NA | 5.000% | 22,295,000 | Dec-2026 | 80.0 |
| 2018A | 167505US3 | 12/1/2026 | NA | 5.000% | 15,140,000 | Dec-2026 | 80.0 |
| 2018C | 167505WA0 | 12/1/2026 | NA | 5.000% | 51,385,000 | Dec-2026 | 80.0 |

(1) Purchase Prices will be determined using the methodology set forth under the caption "INTRODUCTION—Determination of Purchase Prices." APPENDIX B contains illustrative Purchase Prices as of October 9, 2025. The actual Purchase Prices will be determined through the methodology set forth under caption "INTRODUCTION— Determination of Purchase Prices." For each CUSIP the calculation of the Purchase Price may be performed to either the maturity date or the optional redemption date at par, in accordance with standard market convention. See APPENDIX C to this Invitation for an overview of the calculation of the Purchase Price (including additional detail regarding the use of optional redemption dates at par in such calculations).

(2) The maximum authorized principal amount of the Series 2025C Bonds is not to exceed $575,000,000, which may limit the amount of offers accepted for purchase by the Board.

(3) Fixed spreads are shown in basis points and do not include Accrued Interest on the Target Bonds tendered for purchase. Accrued Interest on the Target Bonds tendered and accepted for purchase will be paid by the Board to but not including the Settlement Date in addition to the applicable Purchase Price.

(4) Term Bonds

## IMPORTANT INFORMATION

This Invitation and other information with respect to this Invitation are and will be available from BofA Securities, Inc. as Lead Dealer Manager and Cabrera Capital Markets LLC Co-Dealer Manager in connection with this Invitation (collectively, the "**Dealer Managers**") and Globic Advisors (the "**Information Agent**" and the "**Tender Agent**") at *http://emma.msrb.org* and *https://www.globic.com/CPS*. Bondholders wishing to tender their Target Bonds for purchase pursuant to this Invitation should follow the procedures described in this Invitation. The Board, in its sole discretion, reserves the right to (i) cancel or modify this Invitation at any time on or prior to the Expiration Date and (ii) make a future invitation to tender bonds at prices different than the prices described herein. The Board will have no obligation to purchase Target Bonds tendered if a cancellation or a modification occurs or if the Board is unable to issue the Series 2025C Bonds. The Board further reserves the right to accept nonconforming tenders or waive irregularities in any tender. The Board also reserves the right in the future to refund (on an advance or current basis) any remaining portion of outstanding Target Bonds through the issuance of publicly offered or privately placed taxable or tax-exempt obligations. The purchase of Target Bonds pursuant to this Invitation is also subject to certain other conditions, including, without limitation, the Financing Conditions that are anticipated to occur after the Expiration Date but prior to the Settlement Date.

NEITHER THE SECURITIES AND EXCHANGE COMMISSION NOR ANY STATE SECURITIES COMMISSION HAS APPROVED OR DISAPPROVED OF THIS INVITATION OR PASSED UPON THE FAIRNESS OR MERITS OF THIS INVITATION OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS INVITATION. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

This Invitation is not being extended to, and Target Bonds tendered in response to this Invitation will not be accepted from or on behalf of, Bondholders in any jurisdiction in which this Invitation or such acceptance thereof would not be in compliance with the laws of such jurisdiction. In any jurisdictions where the securities, "blue sky" or other laws require this Invitation to be made through a licensed or registered broker or dealer, this Invitation shall be deemed to be made on behalf of the Board through the Dealer Managers or one or more registered brokers or dealers licensed under the laws of that jurisdiction.

References to website addresses herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not a part of, this Invitation.

No dealer, salesperson or other person has been authorized to give any information or to make any representation not contained in this Invitation, including the appendices hereto, and, if given or made, such information or representation may not be relied upon as having been authorized by the Board.

The delivery of this Invitation shall not under any circumstances create any implication that any information contained herein is correct as of any time subsequent to the date hereof or that there has been no change in the information set forth herein or in any attachments hereto or materials delivered herewith or in the affairs of the Board since the date hereof. The information contained in this Invitation is as of the date of this Invitation only and is subject to change, completion, or amendment without notice.

Certain statements included or incorporated by reference into this Invitation constitute "forward-looking statements." Such statements are generally identifiable by the terminology used such as "forecast," "plan," "expect," "estimate," "budget" or similar words. The achievement of certain results or other expectations contained in such forward-looking statements involve known and unknown risks, uncertainties and other factors which may cause actual results, performance or achievements described to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. The Board does not plan to issue any updates or revisions to those forward-looking statements if or when changes to its expectations, or events, conditions or circumstances on which such statements are based, occur.

This Invitation, including the appendices hereto, contains important information which should be read in its entirety before any decision is made with respect to this Invitation.

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**INVITATION TO TENDER FOR PURCHASE**
**made by**
**BOARD OF EDUCATION OF THE CITY OF CHICAGO**

**to the Holders described herein of all or any portion of the maturities listed on Table 1 on page (ii) herein of the following bond issues (collectively, the "Target Bonds"):**

**Board of Education of the City of Chicago**
**Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016B**
**("Series 2016B Target Bonds")**
**Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017A**
**("Series 2017A Target Bonds")**
**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017B**
**("Series 2017B Target Bonds")**
**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017C**
**("Series 2017C Target Bonds")**
**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018A**
**("Series 2018A Target Bonds")**
**Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018C**
**("Series 2018C Target Bonds")**

## INTRODUCTION

### General; Financing Conditions

This Invitation to Tender for Purchase, dated October 14, 2025 (as it may be amended or supplemented, including the cover page and Appendices hereto, this "**Invitation**"), describes an invitation by the Board of Education of the City of Chicago (the "**Board**"), with the assistance of BofA Securities, Inc. and Cabrera Capital Markets LLC as the exclusive dealer managers in connection with this Invitation (the "**Dealer Managers**"), to the beneficial owners (the "**Holders**" or "**Bondholders**") of the Target Bonds to tender such Target Bonds for purchase by the Board for cash at the applicable purchase prices (each, a "**Purchase Price**") based on the applicable Purchase Yield. The "**Purchase Yield**" for each Target Bond will be the sum of the yield on the relevant Reference BVAL Index (the "**Reference Yield**") plus the fixed spread (each, a "**Fixed Spread**"), as set forth in Table 1 on page (ii) of this Invitation. See "—Determination of Purchase Prices" for a more detailed description of the methodology to be used for the calculation of the Purchase Prices. In addition to the Purchase Price, Bondholders who tender Target Bonds for purchase on the Settlement Date (as defined herein) will receive accrued interest on such Target Bonds to, but not including, the Settlement Date ("**Accrued Interest**").

APPENDIX B contains illustrative Purchase Prices as of October 9, 2025. Actual Purchase Prices will be determined using the methodology set forth in "—Determination of Purchase Prices." For each CUSIP the calculation of the Purchase Price may be performed to either the maturity date or the optional redemption date at par, in accordance with standard market convention. See APPENDIX C to this Invitation for an overview of the calculation of the Purchase Prices (including additional detail regarding the use of optional redemption dates at par in such calculations). On or about October 28, 2025, the Board will publish the Notice of Purchase Prices, which will set forth the Purchase Price for each respective CUSIP of the Target Bonds.

The Series 2016B Target Bonds were issued pursuant to a Trust Indenture, dated as of July 1, 2016, between the Board and Amalgamated Bank of Chicago, as trustee (the "**Series 2016**

**Indenture**"). The Series 2017A Target Bonds and Series 2017B Target Bonds were issued pursuant to a Trust Indenture, dated as of June 1, 2017, between the Board and Amalgamated Bank of Chicago, as trustee (the "**Series 2017AB Indenture**"). The Series 2017C Target Bonds were issued pursuant to a Trust Indenture, dated as of November 1, 2017, between the Board and Amalgamated Bank of Chicago, as trustee (the "**Series 2017C Indenture**"). The Series 2018A Target Bonds were issued pursuant to a Trust Indenture, dated as of June 1, 2018, between the Board and The Bank of New York Mellon Trust Company, N.A, as trustee (the "**Series 2018A Indenture**"). The Series 2018C Target Bonds were issued pursuant to a Trust Indenture, dated as of December 1, 2018, between the Board and Amalgamated Bank of Chicago, as trustee (the "**Series 2018C Indenture**", together with the Series 2016 Indenture, Series 2017AB Indenture, Series 2017C Indenture and Series 2018A Indenture each an "**Indenture**"). For certain information concerning the Board, see the Preliminary Official Statement dated October 14, 2025, attached hereto as APPENDIX A (the "**Series 2025C Bonds POS**").

Subject to the terms and conditions of this Invitation, the Board will purchase Target Bonds tendered and accepted by the Board for purchase on November 12, 2025, unless earlier terminated or extended by the Board, assuming all conditions to such purchase have then been satisfied or waived by the Board (such date being the "**Settlement Date**"), provided that such Target Bonds have been validly tendered for purchase by the Expiration Date (as defined herein). Bondholders who tender Target Bonds for purchase on the Settlement Date will also receive Accrued Interest on such Target Bonds to but not including the Settlement Date.

The source of funds to purchase the Target Bonds validly tendered and accepted for purchase by the Board will be limited to proceeds of bonds of the Board issued for such purpose (the "**Series 2025C Bonds**"), which are anticipated to be issued on the Settlement Date. The Series 2025C Bonds will be issued in the manner, on the terms and with the security therefor described in the Series 2025C Bonds POS. The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase by the Board will be legally available moneys of the Board. The maximum authorized principal amount of the Series 2025C Bonds is not to exceed $575,000,000, which may limit the amount of offers accepted for purchase by the Board.

As set forth herein, the Board's obligation to accept for purchase Target Bonds validly tendered (and not validly withdrawn) pursuant to this Invitation is subject to the Board determining in its reasonable discretion that it will receive sufficient economic benefit as a result of market conditions, actual level of participation by holders of the Target Bonds, or any other factors not within the sole control of the Board, all on terms and conditions that are in the Board's best interest, from the purchase of Target Bonds, and is also subject to the terms of this Invitation and certain other conditions as described herein, including the rights of the Board to terminate this Invitation as described in "TERMS OF THE INVITATION—Conditions to Purchase" herein (collectively, the "Financing Conditions"). In addition, the Board may elect to purchase less than all of the tendered Target Bonds in order to maximize the economic benefits of the transaction.

The Board reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Invitation may be withdrawn by the Board at any time prior to the Expiration Date.

TO MAKE AN INFORMED DECISION AS TO WHETHER, AND HOW, TO TENDER THEIR TARGET BONDS FOR PURCHASE, BONDHOLDERS MUST READ THIS INVITATION AND ALL APPENDICES TO THIS INVITATION.

None of the Board, the Dealer Managers or the Information Agent and Tender Agent (as defined herein) makes any recommendation that any Bondholder tender or refrain from tendering all or any portion of such Bondholder's Target Bonds for purchase. Bondholders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney and/or other appropriate professional in making these decisions.

Subject to the terms and conditions of this Invitation, on November 12, 2025 (such date being the "**Settlement Date**") the Board will purchase Target Bonds tendered for purchase, provided that such Target Bonds tendered for purchase have been validly tendered by 5:00 p.m., New York City time, on October 27, 2025 (as extended from time to time in accordance with this Invitation, the "**Expiration Date**") and accepted by the Board on or before 5:00 p.m., New York City time, on October 29, 2025 (the "**Acceptance Date**"), unless earlier terminated or extended by the Board, assuming all conditions to the purchase of Target Bonds tendered for purchase have then been satisfied or waived by the Board. Bondholders who tender Target Bonds for purchase on the Settlement Date also will receive Accrued Interest on such Target Bonds to but not including the Settlement Date.

In the event all conditions to this Invitation are not satisfied or waived by the Board on or prior to the Settlement Date, any Target Bonds tendered pursuant to this Invitation shall be returned to the applicable Holders.

HOLDERS OF TARGET BONDS TENDERED PURSUANT TO THIS INVITATION BUT NOT ACCEPTED BY THE BOARD FOR PURCHASE WILL CONTINUE TO HOLD SUCH TARGET BONDS AND SUCH TARGET BONDS WILL REMAIN OUTSTANDING UNDER THE RELATED INDENTURE. THE BOARD RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THIS INVITATION THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS OF THE BOARD. See "INTRODUCTION—Target Bonds Not Tendered for Purchase" and "ADDITIONAL CONSIDERATIONS" herein.

**Determination of Purchase Prices**

The Purchase Price applicable to each CUSIP of the Target Bonds will be calculated on October 28, 2025 at approximately 10:00 a.m., New York City time.

On October 28, 2025, following the calculation of the Purchase Prices, the Board will publish the Notice of Purchase Prices, which will set forth the Purchase Prices for each respective CUSIP of the Target Bonds. The Notice of Purchase Prices will be made available: (i) on EMMA, using the CUSIP numbers for the Target Bonds listed in Table 1 on page (ii) of this Invitation; (ii) to DTC (as defined herein) and to the DTC participants holding the Target Bonds; and (iii) by posting electronically on the website of the Information Agent at *https://www.globic.com/CPS*.

The applicable Purchase Price payable by the Board for each $1,000 principal amount of each CUSIP of Target Bonds validly tendered at or prior to the Expiration Date, and accepted by the Board pursuant to this Invitation on or prior to the Acceptance Date, will be determined in accordance with standard market practice, as described in this Invitation. The applicable Purchase Prices will be equal to (such price being truncated to the nearest cent per $1,000 principal amount):

(i) the present value on the Settlement Date, as determined on date and at the time the Purchase Prices are calculated, of $1,000 principal amount of such Target Bonds due on the

maturity date of such Target Bonds[1], or, if applicable and as described below, the optional redemption date at par (also referred to herein as the "par call date") of such Target Bonds, and all scheduled interest payments on such principal amount of Target Bonds to be made from (but excluding) the Settlement Date, up to and including such maturity date or par call date, discounted to the Settlement Date in accordance with standard market practice as described by the formula set for in APPENDIX C to this Invitation, at a discount rate equal to the applicable Purchase Yield (as calculated in the following paragraph), minus

(ii) the applicable Accrued Interest per $1,000 principal amount of such Target Bonds.

The Purchase Yield will be equal to the sum of:

(i) the Reference Yield, the yield on the indicated reference month and year (the "**Reference BVAL Index**") for the BVAL AAA Callable Municipal Curve (set forth in Table 1 on page (ii) of this Invitation) as set forth in the Monthly Value Table as of date and time of the calculation of the Purchase Prices, as shown on EMMA at the following address: *https://emma.msrb.org/ToolsAndResources/BloombergYieldCurve?daily=True* and accessed by the link to Monthly Value Table. The Reference BVAL Index for each Target Bond will be the month and year of the Maturity Date for such Target Bond, and

(ii) the applicable Fixed Spread specified on Table 1 on page (ii) of this Invitation for each CUSIP of the Target Bonds.

For any Target Bond, if the stated interest rate on a Target Bond is less than the applicable Purchase Yield, then the calculation will assume that the payment of such Target Bond is through the maturity date of such Target Bond, and if the stated interest rate on a Target Bond is greater than the applicable Purchase Yield, then the calculation will assume that the payment of such Target Bond is through the par call date of such Target Bond. Promptly after the Purchase Prices are determined, the Board will issue the Notice of Purchase Prices.

In addition to the Purchase Price, Holders whose Target Bonds are accepted for purchase will receive Accrued Interest equal to the accrued and unpaid interest on such Target Bonds from and including the immediately preceding interest payment date for such Target Bonds to, but excluding, the Settlement Date. Such Accrued Interest will be calculated in accordance with the terms of such Target Bonds. For the avoidance of doubt, Accrued Interest will cease to accrue on the Settlement Date for all Target Bonds accepted and purchased by the Board. Under no circumstances will any interest be payable because of any delay in the transmission of funds to Holders by DTC or its participants.

**Sources of Funds to Purchase Target Bonds and Pay Accrued Interest**

The source of funds to purchase the Target Bonds validly tendered and accepted for purchase by the Board pursuant to this Invitation will be limited to the proceeds of the Series 2025C Bonds. The payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase by the Board pursuant to this Invitation will be made with legally available moneys of the Board. **PURCHASE OF ANY TARGET BONDS TENDERED PURSUANT TO THIS INVITATION IS CONTINGENT ON THE ISSUANCE BY THE BOARD OF THE SERIES 2025C BONDS, THE ISSUANCE OF WHICH IS SUBJECT TO CONDITIONS TO BE SATISFIED ON OR PRIOR TO THE SETTLEMENT DATE.**

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[1] Term Bonds priced to their maturity or par call date are priced as if the entire principal amount of such Term Bonds is paid on the applicable maturity or par call date for such Term Bonds and sinking fund installments for such Term Bonds are disregarded.

**Brokerage Commissions and Solicitation Fees**

Bondholders will not be obligated to pay any brokerage commissions or solicitation fees to the Board, the Dealer Managers, or the Information Agent and Tender Agent in connection with this Invitation. However, Bondholders should check with their broker, bank, account executive or other financial institution which maintains the account in which their Target Bonds are held (their "**Financial Representative**") to determine whether it will charge any commissions or fees.

**Target Bonds not Tendered for Purchase**

Any Target Bonds that are not tendered for purchase in response to this Invitation will continue to be outstanding, and payable and secured, pursuant to the terms of the relevant Indenture. THE BOARD RESERVES THE RIGHT TO, AND MAY DECIDE TO, REFUND (ON AN ADVANCE OR CURRENT BASIS) SOME OR ALL OF THE TARGET BONDS NOT PURCHASED PURSUANT TO THIS INVITATION THROUGH THE ISSUANCE OF PUBLICLY-OFFERED OR PRIVATELY-PLACED TAXABLE OR TAX-EXEMPT OBLIGATIONS OF THE BOARD. See "ADDITIONAL CONSIDERATIONS" herein.

The purchase by the Board of Target Bonds of any CUSIP may have certain potential adverse effects on holders of Target Bonds not purchased pursuant to this Invitation, including the following:

- the principal amount of the Target Bonds of such CUSIP available to trade publicly will be reduced, which could adversely affect the liquidity and market value of any Target Bonds of that CUSIP that remain outstanding; and

- if less than all of the Target Bonds of a CUSIP for which sinking fund installments have been established are purchased by the Board pursuant to this Invitation, the average life of the remaining Target Bonds of that CUSIP may change.

**Dealer Managers, Information Agent and Tender Agent**

BofA Securities, Inc. and Cabrera Capital Markets LLC are the Dealer Managers in connection with this Invitation. Investors with questions about this Invitation should contact the Dealer Managers or Globic Advisors, which serves as Information Agent and Tender Agent (the "**Information Agent**" or the "**Tender Agent**") for this Invitation, at the addresses and telephone numbers set forth in "MISCELLANEOUS". See "DEALER MANAGERS" and "INFORMATION AGENT AND TENDER AGENT" herein.

## TERMS OF THE INVITATION

**Expiration Date**

This Invitation will expire on the Expiration Date, unless earlier terminated or extended, as described in this Invitation. In the sole discretion of the Board, Target Bonds tendered after 5:00 p.m., New York City time, on the Expiration Date and prior to the acceptance of tenders by the Board on the Acceptance Date as described below under the heading "—Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results" may be accepted by the Board for purchase. See "—Extension, Termination and Amendment of the Invitation; Changes to Terms" below for a discussion of the Board's ability to extend the Expiration Date and to terminate or amend this Invitation.

**Tenders Only Through the Board's ATOP Account**

The Target Bonds are held in book-entry-only form through the facilities of The Depository Trust Company ("**DTC**"). The Board, through the Information Agent and Tender Agent, will establish an Automated Tender Offer Program ("**ATOP**") account at DTC for this Invitation. Bondholders who wish to tender their Target Bonds for purchase pursuant to this Invitation may do so through the Board's ATOP account.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE BOARD'S ATOP ACCOUNT. THE BOARD WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.

Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the Board's ATOP account relating to this Invitation in accordance with DTC's procedures for such transfer. Bondholders who are not DTC participants can only tender Target Bonds pursuant to this Invitation by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the Board's ATOP account. To ensure a Bondholder's Target Bonds are tendered to the Board's ATOP account by 5:00 p.m., New York City time, on the Expiration Date, the Bondholder must provide instructions to the Bondholder's Financial Representative in sufficient time for the Financial Representative to tender the Target Bonds to the Board's ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the Board's ATOP account by 5:00 p.m., New York City time, on the Expiration Date. See "– Tender of Target Bonds by Financial Institutions; Board's ATOP Account."

The Board, the Dealer Managers, and the Information Agent and Tender Agent are not responsible for the transfer of any tendered Target Bonds to the Board's ATOP account or for any mistakes, errors or omissions in the transfer of any tendered Target Bonds.

**Information to Bondholders**

The Board may give information about this Invitation to the market and Bondholders by posting such information to EMMA against the CUSIPs for the Target Bonds, which institution, together with the Information Agent are collectively referred to herein as the "*Information Services*." The Information Agent will deliver information provided to it by the Board through its website, *https://www.globic.com/CPS*. Delivery by the Board of information to the Information Services will be deemed to constitute delivery of this information to each Bondholder.

The Dealer Managers and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

Bondholders who would like to receive information transmitted by or on behalf of the Board to the Information Services may receive such information from the Dealer Managers or the Information Agent and Tender Agent by contacting them using the contact information set forth in "MISCELLANEOUS" or by making appropriate arrangements with its Financial Representative or directly with the Information Services.

Any updates to this Invitation, including, without limitation any supplements to the Series 2025C Bonds POS, will be distributed through the Information Services. The final Official Statement with

respect to the Series 2025C Bonds will be posted to EMMA against the CUSIPs for the Target Bonds subsequent to the Acceptance Date and prior to the Settlement Date.

**Priority of Allocation to Series 2025C Bonds**

The Board has advised BofA Securities Inc., as representative of the underwriters (the "**Representative**") for the Series 2025C Bonds, that any Holder who tenders Target Bonds for purchase pursuant to this Invitation and who submits an order to purchase any Series 2025C Bonds may, subject to certain limitations, have a preference of allocation of the Series 2025B Bonds (defined herein) and Series 2025C Bonds up to the principal amount of the Target Bonds that such Bondholder is tendering for purchase. The Representative has the discretion to accept orders outside of the Board's advised priorities if it determines that it is in the best interests of the underwriters of the Series 2025C Bonds, as provided in the rules of the Municipal Securities Rulemaking Board. The Board also has the discretion to alter its advised priorities. See "DEALER MANAGERS" for a description of the concurrent sale of the 2025B Bonds and APPENDIX A - The Series 2025C POS.

**Authorized Denominations and Consideration**

A Bondholder may tender Target Bonds for purchase of a particular CUSIP that it owns in an amount of its choosing, but in a principal amount equal to a denomination of $100,000 (the "**Minimum Authorized Denomination**") or any integral multiple of $5,000 in excess thereof only (the "**Authorized Denominations**").

The Notice of Results, which will provide the principal amount of Target Bonds of each CUSIP which were tendered for purchase by holders of the Target Bonds, will be made available by the Board on or about October 28, 2025: (i) on EMMA, using the CUSIP numbers for the Target Bonds listed in Table 1 on page (ii) in this Invitation; (ii) to DTC and to the DTC participants holding the Target Bonds; and (iii) by posting electronically on the website of the Information Agent at *https://www.globic.com/CPS*.

**Accrued Interest**

The Purchase Price of the Target Bonds will not include Accrued Interest. In addition to the Purchase Prices of the Target Bonds accepted for purchase by the Board, Accrued Interest on such Target Bonds will be paid by, or on behalf of, the Board to the tendering Bondholders on the Settlement Date. The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase by the Board will be from legally available moneys of the Board.

**Provisions Applicable to Tenders**

***Need for Advice***. A Bondholder should ask its Financial Representative or financial advisor for help in determining: (a) whether to tender Target Bonds of a particular CUSIP for purchase, and (b) the principal amount of Target Bonds of such CUSIP to be tendered. A Bondholder also should inquire as to whether its Financial Representative or financial advisor will charge a fee for submitting tenders if the Board purchases the Bondholder's tendered Target Bonds. The Board, the Dealer Managers, and the Information Agent and Tender Agent will not charge any Bondholder for tendering Target Bonds.

***Need for Specificity of Tender***. A tender cannot exceed the par amount of Target Bonds owned by the Bondholder and must include the following information: (1) the CUSIP number(s) of the Target Bond(s) being tendered, and (2) the principal amount of each CUSIP being tendered (such principal amount must be stated in Authorized Denominations and if not so stated, for tenders of less than all of the Holder's position in the Target Bonds, such principal amount will be reduced to the greatest integral

multiple of $5,000 or equal to at least the Minimum Authorized Denomination of $100,000). Any Bondholder located outside of the United States should check with their broker to determine if there any additional minimal increments, alternative settlement timing or other limitations.

"All or none" tenders are not permitted.

Target Bonds may be tendered for payment only in principal amounts equal to the Authorized Denominations. Holders who tender less than all of their Target Bonds must continue to hold their Target Bonds in Authorized Denominations. No alternative, conditional or contingent tenders will be accepted.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE BOARD'S ATOP ACCOUNT. THE BOARD WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION. See "—Tender of Target Bonds by Financial Institutions; Board's ATOP Account."

***General***. A Bondholder may only tender Target Bonds it owns or controls. By tendering Target Bonds pursuant to this Invitation, a Bondholder will be deemed to have represented and agreed with the Board as set forth below under "—Representations by Tendering Bondholders to the Board." All tenders shall survive the death or incapacity of the tendering Bondholder.

Bondholders who would like to receive information furnished by the Board to the Information Services can review EMMA for the CUSIPs for the Target Bonds or may receive such information from the Dealer Managers or the Information Agent and Tender Agent by contacting them using the contact information set forth in "MISCELLANEOUS" or by making appropriate arrangements with its Financial Representative or directly with the Information Services.

**Representations by Tendering Bondholders to the Board**

By tendering Target Bonds for purchase, each tendering Bondholder will be deemed to have represented to and agreed with the Board that:

(a) the Bondholder has received this Invitation and the Series 2025C Bonds POS and has had the opportunity to review this Invitation and the Series 2025C Bonds POS prior to making its decision to tender Target Bonds, and agrees if the purchase of any tendered Target Bonds is consummated, the purchase of such Target Bonds shall be on the terms and conditions set forth in this Invitation;

(b) the Bondholder has full power and authority to tender, sell, assign and transfer the tendered Target Bonds; and on the Settlement Date, the Board will acquire good, marketable and unencumbered title thereto, free and clear of all liens, charges, encumbrances, conditional sales agreements or other obligations and not subject to any adverse claims, subject to payment to the Bondholder of the applicable Purchase Price(s) plus Accrued Interest;

(c) the Bondholder has made its own independent decision to tender its Target Bonds for purchase pursuant to this Invitation, and as to the terms thereof, and such decision is based upon the Bondholder's own judgment and upon advice from such advisors with whom the Bondholder has determined to consult;

(d) the Bondholder is not relying on any communication from the Board, the Dealer Managers or the Information Agent and Tender Agent as investment advice or as a recommendation to

tender the Bondholder's Target Bonds at the applicable Purchase Price, it being understood that the information from the Board, the Dealer Managers and the Information Agent and Tender Agent related to the terms and conditions of this Invitation made pursuant to this Invitation shall not be considered investment advice or a recommendation to tender Target Bonds; and

(e) the Bondholder is capable of assessing the merits of and understanding (on its own and/or through independent professional advice), and does understand, agree and accept, the terms and conditions of this Invitation.

**Tender of Target Bonds by Financial Institutions; Board's ATOP Account**

The Board, through the Information Agent and Tender Agent, will establish the Board's ATOP account at DTC for this Invitation promptly after the date of this Invitation. Any financial institution that is a participant in DTC may make a book-entry tender of the Target Bonds by causing DTC to transfer such Target Bonds into the Board's ATOP account corresponding to this Invitation in accordance with DTC's procedures.

Concurrently with the delivery of Target Bonds through book-entry transfer into the Board's ATOP account, an Agent's Message (as described below) in connection with such book-entry transfer must be transmitted to and received at the Board's ATOP account by not later than 5:00 p.m., New York City time, on the Expiration Date, *provided*, *however*, a tender of Target Bonds related to an Agent's Message transmitted to the Board's ATOP account after such time may be accepted by the Board for purchase if the Board, in its sole discretion, waives the defect in the timing of the delivery of such message. The confirmation of a book-entry transfer to the Board's ATOP account as described above is referred to herein as a "**Book-Entry Confirmation**." The term "**Agent's Message**" means a message transmitted by DTC to, and received by, the Information Agent and Tender Agent and forming a part of a Book-Entry Confirmation which states that DTC has received an express acknowledgment from the DTC participant tendering Target Bonds that are the subject of such Book-Entry Confirmation, stating the CUSIP number(s) and the principal amount(s) of the Target Bonds that have been tendered by such participant pursuant to this Invitation, and to the effect that such participant agrees to be bound by the terms of this Invitation. By causing DTC to transfer Target Bonds into the Board's ATOP account, a financial institution warrants to the Board that it has full authority, and has received from the Bondholder(s) of such Target Bonds all direction necessary, to tender, transfer and sell such Target Bonds as set forth in this Invitation.

ALL TENDERS FOR PURCHASE MUST BE MADE THROUGH THE BOARD'S ATOP ACCOUNT. THE BOARD WILL NOT ACCEPT ANY TENDERS FOR PURCHASE THAT ARE NOT MADE THROUGH ITS ATOP ACCOUNT. LETTERS OF TRANSMITTAL ARE NOT BEING USED IN CONNECTION WITH THIS INVITATION.

Bondholders who are not DTC participants can only tender Target Bonds pursuant to this Invitation by making arrangements with and instructing their Financial Representative to tender the Bondholder's Target Bonds through the Board's ATOP account. To ensure a Bondholder's Target Bonds are tendered to the Board's ATOP account by 5:00 p.m., New York City time, on the Expiration Date, a Bondholder must provide instructions to its Financial Representative in sufficient time for the Financial Representative to tender the Bondholder's Target Bonds to the Board's ATOP account by this deadline. A Bondholder should contact its Financial Representative for information as to when the Financial Representative needs the Bondholder's instructions in order to tender the Bondholder's Target Bonds to the Board's ATOP account by 5:00 p.m., New York City time, on the Expiration Date.

**Determinations as to Form and Validity of Tenders; Right of Waiver and Rejection**

All questions as to the validity (including the time of receipt at the Board's ATOP account), form, eligibility and acceptance of any Target Bonds tendered for purchase pursuant to this Invitation will be determined by the Board in its sole discretion and such determinations will be final, conclusive and binding.

The Board reserves the right to accept nonconforming tenders or waive any irregularities in any tender. The Board, the Dealer Managers, and the Information Agent and Tender Agent are not obligated to give notice of the acceptance of any nonconforming tenders or the waivers of any irregularities in tenders and they will have no liability for failing to give such notice.

The Board reserves the absolute right to reject any and all tenders, whether or not they comply with the terms of this Invitation.

**Amendment or Withdrawals of Tenders Prior to the Expiration Date**

A Bondholder may withdraw the Target Bonds tendered for purchase pursuant to this Invitation by causing a withdrawal notice to be transmitted via DTC's ATOP system to, and received by, the Information Agent and Tender Agent before 5:00 p.m., New York City time, on the Expiration Date.

Bondholders who are not DTC participants may only withdraw their tendered Target Bonds by making arrangements with and instructing the custodial intermediary through which they hold their Target Bonds to submit the Bondholder's notice of withdrawal through DTC's ATOP system.

All tenders of the Target Bonds for purchase will become irrevocable as of 5:00 p.m., New York City time, on the Expiration Date. See "—Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results."

A notice of withdrawal must be submitted in substantially the same manner as an initial tender of Target Bonds.

Bondholders who have tendered their Target Bonds will not receive any information from the Board, the Dealer Managers or the Information Agent and Tender Agent concerning tenders by other Bondholders. Tendering Bondholders will not be afforded an opportunity to amend their tender after 5:00 p.m., New York City time, on the Expiration Date. An amended or withdrawn tender must specify the applicable CUSIP number, the principal amount previously tendered and the new amount being tender, if any. All questions as to the validity (including the time of receipt) of an amendment or withdrawal will be determined by the Board in its sole discretion and will be final, conclusive and binding.

Tenders of Target Bonds may be withdrawn prior to 5:00 p.m., New York City time, on the Expiration Date. ALL TENDERS OF TARGET BONDS SHALL BE IRREVOCABLE AT 5:00 P.M., NEW YORK CITY TIME, ON THE EXPIRATION DATE.

**Acceptance of Tenders for Purchase**

On the Acceptance Date, upon the terms and subject to the conditions of this Invitation, the Board will publish a Notice of Acceptance (the "**Notice of Acceptance**") which identifies the outstanding Target Bonds validly tendered pursuant to this Invitation (or defectively tendered, if such defect has been waived by the Board) it has elected to accept for purchase, with acceptance subject to the satisfaction or waiver by the Board of the conditions to the purchase of tendered Target Bonds. See "—

Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results" and "—Conditions to Purchase."

The Board will have no obligation to purchase Target Bonds tendered if a cancellation or a modification occurs or if the Board is unable to issue the Series 2025C Bonds. **In addition, as set forth herein, the Board's obligation to accept for purchase, Target Bonds validly tendered (and not validly withdrawn) pursuant to this Invitation are subject to the Board determining in its reasonable discretion that it will receive sufficient economic or other benefit as a result of market conditions, actual level of participation by holders of the Target Bonds, or any other factors not within the sole control of the Board, all on terms and conditions that are in the Board's best interest, from the purchase of Target Bonds, and is also subject to the terms of this Invitation and certain other Financing Conditions, including the rights of the Board to terminate this Invitation as described in "—Conditions to Purchase" herein. In addition, the Board may elect to purchase less than all of the Target Bonds in order to maximize the economic or other benefits of the transaction.**

The Board in its sole discretion will select which, if any, Target Bonds to purchase of a particular CUSIP based on its determination of the economic or other benefit from such purchase. Should the Board choose to purchase some but not all of the tendered Target Bonds of a particular CUSIP, the Board will accept those tendered Target Bonds on a pro rata basis reflecting the ratio of (a) the principal amount, if any, the Board determines to purchase to (b) the aggregate principal amount of valid offers to sell received. In such event, should the principal amount of any individual tender offer, when adjusted by the pro rata acceptance, result in an amount that is not an Authorized Denomination, the Board will, in such manner as is in its sole discretion, round up or down the Principal Amount of the Target Bonds to be accepted from such affected Bondholder so that the Principal Amount of its Target Bonds returned will be equal to an Authorized Denomination. If as a result of such adjustment, the amount of a holder's Target Bonds offered but not accepted would be less than the Minimum Authorized Denomination of $100,000, the Board will accept such holder's tender instruction in whole. All such determinations and allocations will be final and binding. The pro rata calculation will take into consideration the rounding procedure.

By submission of a tender pursuant to this Invitation, each holder of the Target Bonds certifies that it has not submitted multiple tender offers in amounts intended to increase the likelihood that its Target Bonds will be accepted by virtue of the application of the pro rata calculation.

Notwithstanding any other provision of this Invitation, the consummation of this Invitation and the Board's obligation to accept for purchase, and to pay for, Target Bonds validly tendered (and not validly withdrawn) pursuant to this Invitation are subject to the satisfaction of or waiver of the conditions set forth in "—Conditions to Purchase" herein. The Board reserves the right, subject to applicable law, to amend or waive any of the conditions to this Invitation, in whole or in part, at any time prior to the Expiration Date or from time to time, in its sole discretion. This Invitation may be withdrawn by the Board at any time prior to the Expiration Date.

**Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results**

Acceptance by the Board of Target Bonds tendered for purchase will constitute an irrevocable agreement between the tendering Bondholder and the Board to sell and purchase such Target Bonds, subject to satisfaction of all conditions to the Board's obligation to purchase, tendered Target Bonds and the other terms of this Invitation. See "—Authorized Denominations and Consideration" and "—Conditions to Purchase" herein.

On October 28, 2025, unless such date is extended by the Board, the Board will provide a Notice of Results. The notification will state the principal amount of Target Bonds of each CUSIP which were tendered for purchase by holders of the Target Bonds.

The acceptance of Target Bonds tendered for purchase is expected to be made by notification to the Information Services no later than 5:00 p.m., New York City time, on the Acceptance Date, unless such date is earlier terminated or extended by the Board. This notification will state the principal amount of the Target Bonds of each CUSIP that the Board has agreed to purchase, in accordance with this Invitation, which may be zero for a particular CUSIP.

Following the publication of the Notice of Acceptance, all Target Bonds that were tendered but were not accepted for purchase will be released and returned to the tendering institution in accordance with DTC's ATOP procedures. The Board, the Dealer Managers, and the Information Agent and Tender Agent are not responsible or liable for the operation of the ATOP system by DTC to properly credit such released Target Bonds to the applicable account of the DTC participant or custodial intermediary or by such DTC participant or custodial intermediary for the account of the Bondholder.

**Settlement Date; Purchase of Target Bonds**

Subject to satisfaction of all conditions to the Board's obligation to purchase tendered Target Bonds, as applicable and as described herein, the Settlement Date is the day on which Target Bonds accepted for purchase will be purchased at the applicable Purchase Price(s) together with Accrued Interest thereon. The Settlement Date will occur following the Acceptance Date, subject to all conditions to this Invitation having been satisfied or waived by the Board. The expected Settlement Date is November 12, 2025, unless earlier terminated or extended by the Board, assuming all conditions to this Invitation have been satisfied or waived by the Board. Bondholders whose Target Bonds are accepted for purchase on the Settlement Date will receive Accrued Interest.

The Board may, in its sole discretion, change the Settlement Date by giving notice to the Information Services prior to the change. See "—Conditions to Purchase."

Subject to satisfaction of all conditions to the Board's obligation to purchase Target Bonds tendered for purchase pursuant to this Invitation, as described herein, payment by the Board, or on the Board's behalf, will be made in immediately available funds on the Settlement Date by deposit with DTC of the aggregate Purchase Price and Accrued Interest on the Target Bonds accepted for purchase. The Board expects that, in accordance with DTC's standard procedures, DTC will transmit the aggregate Purchase Price (plus Accrued Interest) in immediately available funds to each of its participant financial institutions holding the Target Bonds accepted for purchase on behalf of Bondholders for delivery to the Bondholders. **The Board, the Dealer Managers, and the Information Agent and Tender Agent have no responsibility or liability for the distribution of the Purchase Prices plus Accrued Interest by DTC to the Bondholders.**

**Purchase and Accrued Interest Funds**

The source of funds to pay the Purchase Price of the Target Bonds validly tendered and accepted for purchase by the Board pursuant to this Invitation is anticipated to be proceeds of the Series 2025C Bonds. The source of funds for payment of Accrued Interest on Target Bonds validly tendered and accepted for purchase by the Board pursuant to this Invitation will be from legally available moneys of the Board. The purchase of any Target Bonds tendered pursuant to this Invitation is contingent on the issuance by the Board of the Series 2025C Bonds, as well as certain other conditions which must be satisfied on or

prior to the Settlement Date. See "—Conditions to Purchase" herein for more information on the conditions precedent to this Invitation.

**Conditions to Purchase**

If, after the Acceptance Date but prior to payment for Target Bonds accepted by the Board on the Settlement Date, any of the following events should occur, the Board will have the absolute right to cancel its obligations to purchase Target Bonds without any liability to any Bondholder (collectively, the "**Financing Conditions**"):

- Litigation or another proceeding is pending or threatened which the Board reasonably believes may, directly or indirectly, have an adverse impact on this Invitation or the expected benefits of this Invitation to the Board or the Bondholders;

- A war, other hostilities, the escalation thereof, public health or other national emergency, banking moratorium, suspension of payments by banks, a general suspension of trading by or on the New York Stock Exchange or a limitation of prices on the New York Stock Exchange exists and the Board reasonably believes this fact makes it inadvisable to proceed with the purchase of Target Bonds;

- A material change in the business or affairs of the Board has occurred which the Board reasonably believes makes it inadvisable to proceed with the purchase of Target Bonds;

- The Board does not, for any reason, complete the issuance of the Series 2025C Bonds or another debt financing transaction that provides proceeds sufficient, together with other available funds, to (i) fund the cash purchase of all Target Bonds validly tendered and accepted for purchase pursuant to this Invitation plus accrued interest thereon to but not including the Settlement Date, and (ii) pay all fees and expenses associated with such financing and this Invitation;

- The Board determines, in its sole discretion, that it has not obtained satisfactory and sufficient economic or other benefit as a result of the consummation of this Invitation when taken together with the Series 2025C Bonds or such other financing, including as a result of a material change in market conditions;

- The Board fails to receive any certifications, opinions or other deliverables required under the Dealer Managers Agreement or any related agreements entered into in connection with this Invitation; or

- A material disruption in securities settlement, payment or clearance services.

These Financing Conditions are for the sole benefit of the Board and may be asserted by the Board, prior to the time of payment of the Target Bonds it has agreed to purchase, regardless of the circumstances giving rise to any of these conditions, or may be waived by the Board in whole or in part at any time and from time to time in its discretion, and may be exercised independently for each CUSIP. The failure by the Board at any time to exercise any of these rights will not be deemed a waiver of any of these rights, and the waiver of these rights with respect to particular facts and other circumstances will not be deemed a waiver of these rights with respect to any other facts and circumstances. Each of these rights will be deemed an ongoing right of the Board which may be asserted at any time and from time to time prior to the time of payment of the Target Bonds it has agreed to purchase. Any determination by the Board concerning the events described in this section will be final and binding upon all parties.

Any tendered Target Bonds not purchased as a result of a failure to satisfy the Financing Conditions may now or in the future be refunded by the Board and at any time in the future Bondholders may be invited to tender such Target Bonds for purchase by the Board in its sole discretion.

**Extension, Termination and Amendment of the Invitation; Changes to Terms**

Through and including the Expiration Date, the Board has the right to extend this Invitation, as to any or all of the Target Bonds, to any date in its sole discretion, provided that a notice of any extension of the Expiration Date is given to the Information Services, including by posting such notice to EMMA against the CUSIPs for the Target Bonds, on or about 9:00 a.m., New York City time, on the first business day after the Expiration Date.

The Board also has the right, prior to acceptance of Target Bonds tendered for purchase as described above under the heading "—Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results," to terminate this Invitation at any time by giving notice to the Information Services. The termination will be effective at the time specified in such notice.

The Board also has the right, prior to acceptance of Target Bonds tendered for purchase as described above under the heading "–Acceptance of Tenders Constitutes Irrevocable Agreement; Notice of Results," to amend or waive the terms of this Invitation in any respect and at any time by giving notice to the Information Services. This amendment or waiver will be effective at the time specified in such notice.

If the Board extends this Invitation, or amends the terms of this Invitation to change the consideration offered for the Bonds, including, without limitation, a change in the Purchase Price of the Target Bonds pursuant to this Invitation, the Board shall provide notice thereof no less than five (5) business days prior to the Expiration Date, as extended. **In such event, any tenders submitted with respect to the affected Target Bonds prior to such change in the Purchase Price for such Target Bonds pursuant to this Invitation will remain in full force and effect and any Bondholder of such affected Target Bonds wishing to revoke their tender of such Target Bonds must affirmatively withdraw such tender prior to the Expiration Date.** See "—Amendment or Withdrawals of Tenders Prior to the Expiration Date."

If the Board amends the terms of this Invitation (other than any term that relates to the consideration offered for the Target Bonds), which amendment may include a waiver of any term, in any material respect, notice of such amendment or waiver will be given no later than three (3) business days before the Expiration Date, as extended to provide reasonable time for dissemination of such amendment or waiver to Holders and for Holders to respond.

No extension, termination or amendment of this Invitation (or waiver of any terms of this Invitation) will change the Board's right to decline to purchase any Target Bonds without liability. See "—Conditions to Purchase."

The Board, the Dealer Managers and the Information Agent and Tender Agent have no obligation to ensure that a Bondholder actually receives any information given to the Information Services.

## AVAILABLE INFORMATION

Certain information relating to the Target Bonds and the Board may be obtained by contacting the Dealer Managers or Information Agent and Tender Agent at the contact information set forth under "MISCELLANEOUS". Such information is limited to this Invitation, including the information set forth in the Series 2025C Bonds POS which is attached hereto as APPENDIX A.

## ADDITIONAL CONSIDERATIONS

None of the Board, the Dealer Managers or the Information Agent and Tender Agent make any recommendation that any Bondholder tender or refrain from tendering all or any portion of the Target Bonds. Each Bondholder must make its decision and should read this Invitation and the Series 2025C Bonds POS and consult with its broker, account executive, financial advisor and/or other financial professional in making such decision.

In deciding whether to participate in this Invitation, each Bondholder should consider carefully, in addition to the other information contained in this Invitation, the following:

- In the event that the Series 2025C Bonds are not issued and sold, tendered Target Bonds accepted for purchase are not required to be purchased by the Board and in such event, Bondholders will continue to hold their respective tendered Target Bonds.

- Even if the Board does not purchase any tendered Target Bonds, the Board shall have the right now or in the future to refund all or any portion of the tendered Target Bonds or may in the future invite Bondholders to tender such tendered Bonds for purchase by the Board.

**The Board May Later Acquire Target Bonds at More Favorable Prices Than Those Offered Pursuant to this Invitation**

The Board reserves the right to, and may in the future decide to, acquire some or all of the Target Bonds not purchased pursuant to this Invitation through open market purchases, privately negotiated transactions, subsequent purchase offers, exchange offers or otherwise, upon such terms and at such prices as it may determine, which may be more or less than the consideration offered pursuant to this Invitation set forth in this Invitation, which could be cash or other consideration. Any future acquisition of Target Bonds may be on the same terms or on terms that are more or less favorable to Bondholders than the terms of this Invitation. The decision to make future purchases by the Board and the terms of such future transactions will depend on various factors existing at that time. There can be no assurance as to which of these alternatives, if any, the Board will ultimately choose to pursue in the future.

**Target Bonds Not Tendered for Purchase**

Holders of Target Bonds who do not tender their Target Bonds for purchase pursuant to this Invitation and Holders of Target Bonds whose tenders are rejected by the Board will continue to hold their interest in such Target Bonds. **If the Target Bonds are purchased pursuant to this Invitation, the Principal Amount of the Target Bonds for a particular CUSIP that remains outstanding will be reduced, which could adversely affect the liquidity and market value of the Target Bonds of that CUSIP that remain outstanding.**

**Adjustment of Sinking Fund Provisions for Target Bonds Not Tendered for Purchase**

Certain Target Bonds are Term Bonds subject to mandatory sinking fund redemptions in specified principal amounts prior to their maturity dates. If any Target Bonds subject to mandatory sinking fund redemption are purchased by the Board pursuant to this Invitation, under the Series 2016 Indenture and the Series 2017AB Indenture, the specified principal amounts to be redeemed on each mandatory sinking fund redemption date and paid upon their maturity date of the Target Bonds of such CUSIP that remain outstanding. Each such Term Bond or portion thereof subject to mandatory sinking fund redemption shall be credited against future mandatory sinking fund redemption obligations on the Term Bond in such order as the Board shall designate, or if no such designation is made, in chronological order, the principal

amount of such Term Bonds to be redeemed by operation of such mandatory redemption to be accordingly reduced. Any unpurchased Term Bonds will continue to be outstanding and subject to mandatory sinking fund redemption in annual amounts that will be reflected on a revised mandatory sinking fund redemption schedule. Such schedule will be posted on EMMA when available.

**Timeliness of Tender**

The Invitation will expire at 5:00 p.m., New York City time, on the Expiration Date (currently scheduled for October 27, 2025), unless extended or terminated. Target Bonds tendered as described in this Invitation after 5:00 p.m., New York City time on the Expiration Date will not be accepted for tender, except in the Board's sole discretion.

**Acceptance Date**

Notification of acceptance of Target Bonds tendered pursuant to this Invitation will be given on or before 5:00 p.m., New York City time, on the Acceptance Date (currently scheduled for October 29, 2025), unless the Expiration Date is extended or this Invitation is terminated. See "TERMS OF THE INVITATION— Acceptance of Tenders for Purchase" herein.

## SUMMARY OF CERTAIN FEDERAL INCOME TAX CONSEQUENCES

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to U.S. Holders (as defined below) of the Target Bonds that tender their Target Bonds for cash. The discussion below is based upon laws, regulations, rulings, and decisions in effect and available on the date hereof, all of which are subject to change, possibly with retroactive effect. Prospective tendering Bondholders should note that no rulings have been or are expected to be sought from the U.S. Internal Revenue Service (the "**IRS**") with respect to any of the U.S. federal income tax considerations discussed below, and no assurance can be given that the IRS will not take contrary positions. Further, the following discussion does not deal with U.S. tax consequences applicable to any given Bondholder, nor does it address the U.S. tax considerations applicable to all categories of Bondholders, some of which may be subject to special taxing rules (regardless of whether or not such Bondholders constitute U.S. Holders), such as certain U.S. expatriates, banks, REITs, RICs, insurance companies, tax-exempt organizations, dealers or traders in securities or currencies, partnerships, S corporations, estates and trusts, Bondholders that hold their Target Bonds as part of a hedge, straddle or an integrated or conversion transaction, or investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. Furthermore, it does not address: (i) alternative minimum tax consequences, (ii) the net investment income tax imposed under Section 1411 of the Internal Revenue Code of 1986, as amended (the "**Code**"), or (iii) the indirect effects on persons who hold equity interests in a Bondholder. This summary also does not consider the tax consequences of a tender of the Target Bonds under state, local or non-U.S. tax laws. In addition, this summary generally is limited to U.S. tax considerations applicable to Bondholders who hold their Target Bonds as "capital assets" within the meaning of Section 1221 of the Code. The following discussion does not address tax considerations applicable to any holders of the Target Bonds other than U.S. Holders.

As used herein, "**U.S. Holder**" means a Bondholder that for U.S. federal income tax purposes is an individual citizen or resident of the United States, a corporation or other entity taxable as a corporation created or organized in or under the laws of the United States or any state thereof (including the District of Columbia), an estate the income of which is subject to U.S. federal income taxation regardless of its source or a trust where a court within the United States is able to exercise primary supervision over the administration of the trust and one or more United States persons (as defined in the Code) have the authority to control all substantial decisions of the trust (or a trust that has made a valid election under U.S.

Treasury Regulations to be treated as a domestic trust). If a partnership holds Target Bonds, the tax treatment of a tender to such partnership or a partner in such partnership generally will depend upon the status of the partner and upon the activities of the partnership. Partnerships holding Target Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of a tender of Target Bonds (including their status as U.S. Holders).

PROSPECTIVE TENDERING BONDHOLDERS SHOULD CONSULT THEIR OWN TAX ADVISORS IN DETERMINING THE U.S. FEDERAL, STATE, LOCAL OR NON-U.S. TAX CONSEQUENCES TO THEM FROM THE TENDER OF THE TARGET BONDS IN LIGHT OF THEIR PARTICULAR CIRCUMSTANCES.

**Tendering U.S. Holders**

The tender of a Target Bond for cash will be a taxable event for U.S. federal income tax purposes. In such event, in general, a U.S. Holder of a tendered Target Bond will recognize gain or loss equal to the difference between (i) the amount of cash received (except to the extent attributable to accrued but unpaid interest and original issue discount accrued since the most recent compounding date on the Target Bond, which will be treated for federal income tax purposes as a coupon payment on the Target Bond ) and (ii) the U.S. Holder's adjusted U.S. federal income tax basis in the Target Bond (generally, the purchase price paid by the U.S. Holder for the Target Bond, decreased by any amortized premium, and increased by the amount of any original issue discount previously accrued by such U.S. Holder with respect to such Target Bond). Any such gain or loss generally will be capital gain or loss. In the case of a non-corporate U.S. Holder of the Target Bonds, the maximum marginal U.S. federal income tax rate applicable to any such gain will be lower than the maximum marginal U.S. federal income tax rate applicable to ordinary income if such U.S. holder's holding period for the Target Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

**Backup Withholding**

Payments with respect to tenders of Target Bonds generally will be subject to U.S. information reporting and possibly to "backup withholding." Under Section 3406 of the Code and applicable U.S. Treasury Regulations issued thereunder, a tendering non-corporate U.S. Holder of a Target Bond may be subject to backup withholding with respect to "reportable payments," which include interest paid on the Target Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Target Bonds. The payor will be required to deduct and withhold the prescribed amounts if (i) the payee fails to furnish a U.S. taxpayer identification number ("**TIN**") to the payor in the manner required, (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect, (iii) there has been a "notified payee underreporting" described in Section 3406(c) of the Code or (iv) the payee fails to certify under penalty of perjury that the payee is not subject to withholding under Section 3406(a)(1)(C) of the Code. Amounts withheld under the backup withholding rules may be refunded or credited against a U.S. Holder's federal income tax liability, if any, provided that the required information is timely furnished to the IRS. Certain U.S. Holders (including among others, corporations and certain tax-exempt organizations) are not subject to backup withholding. The failure to comply with the backup withholding rules may result in the imposition of penalties by the IRS.

## DEALER MANAGERS

The Board has retained BofA Securities, Inc. ("**BofA Securities**") and Cabrera Capital Markets LLC ("**Cabrera**") to act on its behalf as Dealer Managers for this Invitation. The Board has agreed to pay the Dealer Managers customary fees for their services and to reimburse the Dealer Managers for their reasonable out-of-pocket costs and expenses relating to this Invitation. References in this Invitation to

the Dealer Managers are to BofA Securities and Cabrera, only in their capacity as the Dealer Managers. The compensation of the Dealer Managers is based upon the amount of Target Bonds tendered to and accepted by the Board.

The Dealer Managers may contact Bondholders regarding this Invitation and may request brokers, dealers, custodian banks, depositories, trust companies and other nominees to forward this Invitation to beneficial owners of the Target Bonds.

The Dealer Managers including their respective affiliates, together comprise full-service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. The Dealer Managers including their respective affiliates, may have, from time to time, performed and may in the future perform, various investment banking services for the Board for which it received or will receive customary fees and expenses. In the ordinary course of its various business activities, the Dealer Managers including their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities and financial instruments which may include bank loans and/or credit default swaps) for their own account and for the accounts of their respective customers and may at any time hold long and short positions in such securities and instruments. Such investment securities activities may involve securities and instruments of the Board, including the Target Bonds, whether or not tendered for purchase pursuant to this Invitation. Affiliates of the Dealer Managers may have holdings of Target Bonds that they are unable to disclose for legal or regulatory reasons.

In addition to their roles as Dealer Managers for the Target Bonds, BofA Securities and Cabrera are currently expected to serve as joint bookrunning senior managing underwriters, respectively, of the Series 2025C Bonds anticipated to be issued by the Board as described in the Series 2025C Bonds POS attached as Appendix A and, as such, will receive compensation in connection with that transaction as well.

Concurrently with issuance and delivery of the Series 2025C Bonds, the Board is expected to issue an estimated $869,895,000* of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B (the "Series 2025B Bonds"), (the "**Concurrent Financial Transaction").** BofA Securities and Cabrera are currently expected to serve as joint bookrunning senior managing underwriters, respectively, of the Series 2025B Bonds. The Concurrent Financial Transaction and its consummation is separate and apart from and not contingent upon the issuance of and the plan of finance for the Series 2025B Bonds.

The Dealer Managers are not acting as a financial or municipal advisor to the Board in connection with this Invitation, the Series 2025B Bonds or the Series 2025C Bonds.

## INFORMATION AGENT AND TENDER AGENT

The Board has retained Globic Advisors to serve as Information Agent and Tender Agent for this Invitation. The Board has agreed to pay the Information Agent and Tender Agent customary fees for its services and to reimburse the Information Agent and Tender Agent for its reasonable out-of-pocket costs and expenses relating to this Invitation.

* Preliminary, subject to change.

## APPROVAL OF LEGAL PROCEEDINGS

Certain legal matters and the issuance of the Series 2025C Bonds is subject to the approval of Katten Muchin Rosenman LLP, Bond Counsel and delivery of the approving opinions of Bond Counsel in substantially the forms set forth in Appendix D of the Series 2025C Bonds POS attached hereto as APPENDIX A. Certain legal matters will be passed upon for the Board by Charity & Associates PC, Disclosure Counsel to the Board. Certain legal matters will be passed on for the Board by the Board Counsel, and for the Dealer Managers by their counsel, Chapman and Cutler LLP. Compensation of such counsels is contingent in whole or in part on the issuance of the Series 2025C Bonds.

## MISCELLANEOUS

No one has been authorized by the Board, the Dealer Managers, or the Information Agent and Tender Agent to recommend to any Bondholder whether to tender Target Bonds pursuant to this Invitation or the amount of Target Bonds to tender. No one has been authorized to give any information or to make any representation in connection with this Invitation other than those contained in this Invitation. Any recommendations, information and representations given or made cannot be relied upon as having been authorized by the Board, the Dealer Managers or the Information Agent and Tender Agent.

None of the Board, the Dealer Managers, or the Information Agent and Tender Agent make any recommendation that any Bondholder tender or refrain from tendering all or any portion of the principal amount of such Bondholder's Target Bonds. Bondholders must make their own decisions and should read this Invitation carefully and consult with their broker, account executive, financial advisor, attorney and/or other professional in making these decisions.

Investors with questions about this Invitation should contact the Dealer Managers or the Information Agent and Tender Agent. The contact information for the Dealer Managers and the Information Agent and Tender Agent is as follows:

***Dealer Managers***

**BofA Securities, Inc., Lead Dealer Manager**
One Bryant Park, 12th Floor
New York, New York 10036
Tel: (646) 743-1362
Email: dg.muni-lm@bofa.com

Attn: Contact your BofA Securities Representative or the Municipal Liability Management Group Email: dg.muni-lm@bofa.com

**Cabrera Capital Markets LLC, Co-Dealer Manager**
Municipal Syndicate Desk
227 W. Monroe Street, 30th Floor
Chicago, Illinois 60606
Tel: (312) 236-8888
Email: mkulpinski@cabreracapital.com

Attn: Contact your Cabrera Capital Markets LLC Representative or Email: mkulpinski@cabreracapital.com

***The Information Agent and Tender Agent***

**Globic Advisors**
477 Madison Avenue
6th Floor
New York, New York 10022
Tel: (212) 227-9622
Attn: Robert Stevens Email: rstevens@globic.com

Document Website: www.globic.com/CPS

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**APPENDIX A**

**SERIES 2025C BONDS POS**

THIS PRELIMINARY OFFICIAL STATEMENT AND THE INFORMATION CONTAINED HEREIN ARE SUBJECT TO COMPLETION AND AMENDMENT IN A FINAL OFFICIAL STATEMENT. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, and there shall not be any sale of the securities offered hereby, in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of such jurisdiction.

**PRELIMINARY OFFICIAL STATEMENT DATED OCTOBER 14, 2025**

**NEW ISSUE – BOOK–ENTRY ONLY** **RATINGS: See "RATINGS" herein**

*The delivery of the Bonds is subject to the opinion of Katten Muchin Rosenman LLP, Bond Counsel, to the effect that under existing law, interest on the Bonds is not includible in the gross income of the owners thereof for federal income tax purposes and that, assuming continuing compliance with the applicable requirements of the Internal Revenue Code of 1986, interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. Interest on the Bonds is not an "item of tax preference" for purposes of the "alternative minimum tax;" however, such interest is includible in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from Illinois income taxes. See "**TAX MATTERS**" herein.*

# $1,119,895,000*
# BOARD OF EDUCATION OF THE CITY OF CHICAGO

**$869,895,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025B**

**$250,000,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025C**

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

The following series of bonds will be issued by the Board of Education of the City of Chicago (the "Board"): the $869,895,000* Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B (the "Series 2025B Bonds"); and the $250,000,000* Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C (the "Series 2025C Bonds" and, together with the Series 2025B Bonds, each a "Series" and collectively, the "Bonds"). Each Series of the Bonds will be issued under a separate Trust Indenture (each an "Indenture" and collectively, the "Indentures") by and between the Board and Zions Bancorporation, National Association, Chicago, Illinois, as trustee, registrar and paying agent for each Series (the "Trustee"). The proceeds of the Bonds will be used as described herein. See "PLAN OF FINANCE."

The Bonds will be issued as fully registered bonds in denominations of $100,000 and any multiple of $5,000 in excess thereof. The Bonds will be registered in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Principal of and interest on the Bonds will be paid by the Trustee under the applicable Indenture to DTC, which in turn will remit such principal and interest payments to its participants for subsequent disbursement to the beneficial owners of the Bonds of such Series. As long as Cede & Co. is the registered owner as nominee of DTC, payments on the Bonds will be made to such registered owner, and disbursement of such payments to beneficial owners will be the responsibility of DTC and its participants. See APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

The Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are payable from and secured under the applicable Indenture by a pledge of and lien on the Pledged Revenues (as defined herein) securing such Series of the Bonds and the Pledged Taxes (as defined herein). To the extent that the Pledged Revenues are insufficient to pay the principal of and interest on the respective Series of the Bonds, such Bonds will be payable from the Pledged Taxes consisting of ad valorem taxes levied by the Board without limitation as to rate or amount, against all taxable property within the School District (as defined herein) governed by the Board, the boundaries of which are coterminous with the boundaries of the City of Chicago (the "City"). The Bonds are also payable from all Funds, Accounts and Sub–Accounts pledged as security for the payment of such Series of the Bonds under the applicable Indenture. See "SECURITY FOR THE BONDS."

The maturity dates, principal amounts, interest rates, yields, prices, and CUSIP numbers of the Bonds are set forth on the inside cover page. The Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS – Redemption Provisions."

**INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, AND PROSPECTIVE PURCHASERS SHOULD READ THE INFORMATION UNDER THE HEADING "BONDHOLDERS' RISKS" FOR A DISCUSSION OF SOME, BUT NOT NECESSARILY ALL, OF THE POSSIBLE RISKS THAT SHOULD BE EVALUATED CAREFULLY PRIOR TO PURCHASING ANY BONDS. THE BONDS ARE NOT SUITABLE INVESTMENTS FOR ALL PERSONS, AND PROSPECTIVE PURCHASERS SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS AND SHOULD BE ABLE TO BEAR THE RISK OF LOSS OF THEIR INVESTMENT IN THE BONDS BEFORE CONSIDERING A PURCHASE OF THE BONDS. See "BONDHOLDERS' RISKS" and "RATINGS."**

This cover page contains information for quick reference only and is not a summary of the Bonds. Prospective purchasers must read the entire Official Statement to obtain information essential to the making of an informed investment decision.

The Bonds are being offered when, as and if issued and received by the Underwriters, subject to the delivery of the approving legal opinions of Bond Counsel. In connection with the issuance of the Bonds, certain legal matters will be passed upon for the Board by its Acting General Counsel, Elizabeth K. Barton, by its Issuer's Counsel, Greenberg Traurig, LLP, Chicago, Illinois, and in connection with the preparation of this Official Statement by its Disclosure Counsel, Charity & Associates, P.C., Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by their counsel, Chapman and Cutler LLP, Chicago, Illinois.

Delivery of the Bonds is expected to be made through the facilities of DTC, on or about _____, 2025.

**BofA Securities** **Cabrera Capital Markets LLC**

**J.P. Morgan** **Loop Capital Markets** **Morgan Stanley** **PNC Capital Markets LLC**

**Academy Securities** **Barclays** **HilltopSecurities** **Mesirow Financial, Inc.** **Oppenheimer & Co. Inc.** **Rice Financial Products Company**

Dated: _____, 2025

* Preliminary, subject to change.

# $1,119,895,000*
# BOARD OF EDUCATION OF THE CITY OF CHICAGO

### $869,895,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025B

| Maturity December 1* | Principal Amount* | Rate (%) | Yield (%) | Price (%) | CUSIP† |
|---|---|---|---|---|---|
| 2026 | $ 1,975,000 | | | | |
| 2027 | 3,795,000 | | | | |
| 2028 | 4,065,000 | | | | |
| 2029 | 4,270,000 | | | | |
| 2030 | 4,480,000 | | | | |
| 2031 | 4,705,000 | | | | |
| 2032 | 60,055,000 | | | | |
| 2033 | 47,400,000 | | | | |
| 2034 | 65,675,000 | | | | |
| 2035 | 68,250,000 | | | | |
| 2036 | 42,665,000 | | | | |
| 2037 | 27,225,000 | | | | |
| 2038 | 29,085,000 | | | | |
| 2039 | 31,140,000 | | | | |
| 2040 | 80,640,000 | | | | |
| 2041 | 85,475,000 | | | | |
| 2042 | 90,995,000 | | | | |
| 2043 | 106,965,000 | | | | |
| 2044 | 111,035,000 | | | | |

### $250,000,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025C

| Maturity December 1 | Principal Amount | Rate (%) | Yield (%) | Price (%) | CUSIP† |
|---|---|---|---|---|---|

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the Board nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

* Preliminary, subject to change.

## REGARDING USE OF THIS OFFICIAL STATEMENT

No dealer, broker, salesperson or other person has been authorized by the Board or the Underwriters to give any information or to make any representation with respect to the Bonds, other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by any of the foregoing. This Official Statement is neither an offer to sell nor the solicitation of an offer to buy, nor shall there be any sale of the Bonds offered hereby, by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. The information and expressions of opinion set forth herein have been furnished by the Board and include information from other sources that the Board believes to be reliable. Such information is not guaranteed as to accuracy, fairness or completeness, and is not to be construed as a representation by the Underwriters. Such information and expressions of opinion 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 since the date hereof. Neither this Official Statement nor any statement that may have been made verbally or in writing is to be construed as a contract with the registered or beneficial owners of the Bonds.

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

This Official Statement should be considered in its entirety. All references herein to laws, agreements and documents are qualified in their entirety by reference to the definitive forms thereof, and all references to the Bonds are further qualified by reference to the information with respect thereto contained in the applicable Indenture for such Series of Bonds. Copies of the Indentures are available for inspection at the offices of the Board and the Trustee. The information contained herein is provided as of the date hereof and is subject to change.

The Bonds have not been registered with the Securities and Exchange Commission under the Securities Act of 1933, as amended, nor has the Indenture been qualified under the Trust Indenture Act of 1939, as amended, in reliance upon exemptions contained in such acts.

In making an investment decision, investors must rely on their own examination of the Bonds and terms of the offering, including the merits and risks involved. Neither the Securities and Exchange Commission, any state securities commission nor any other federal or state regulatory authority has approved or disapproved of the Bonds or passed upon the accuracy or adequacy of this document. Any representation to the contrary is a criminal offense.

**Cautionary Note Regarding Forward-Looking Statements**

This Official Statement contains disclosures which contain "forward–looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Forward–looking statements include all statements that do not relate solely to historical or current facts, and can be identified by use of words like "believe," "intend," "expect," "project," "forecast," "estimate," "anticipate," "plan," "continue," or similar expressions or by the use of future or conditional verbs such as "may," "will," "should," "would," or "could." These forward–looking statements are based on the current plans and expectations of the Board and are subject to a number of known and unknown uncertainties and risks, many of which are beyond its control and/or difficult or impossible to predict, that could significantly affect current plans and expectations and the Board's future financial position, including but not limited to changes in general economic conditions, demographic trends and Illinois (the "State") and federal funding of programs which benefit the Board. As a consequence, current plans, anticipated actions and forecasted or future financial positions and liquidity may differ materially from those expressed in (or implied by) any forward–looking statements made by the Board herein based on a number of factors, including, among others, the amount and availability of State funding, cost reduction, capital markets condition, future long-term and short-term borrowings, the financial condition of the State and/or the City, potential legislative, judicial or other actions, and other risks and uncertainties discussed under the heading "BONDHOLDERS' RISKS."

Investors are cautioned not to place undue reliance on such forward–looking statements when evaluating the information presented in this Official Statement. Forward-looking statements speak only as of the date they are made and, except as set forth in this Official Statement under the heading "CONTINUING DISCLOSURE UNDERTAKING," the Board does not have any obligation, and does not undertake, to update any forward-looking statements to reflect events or circumstances arising after the date hereof, whether as a result of new information, future events or otherwise.

Neither the Board's independent auditors, nor any other independent accountants, have compiled, examined, or performed any procedures with respect to the forecasted information contained herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the forecasted information.

**BOARD OF EDUCATION OF THE CITY OF CHICAGO**

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MEMBERS AND DISTRICTS

| | |
|---|---|
| **Sean B. Harden, President** | **Citywide** |
| **Olga Bautista, Vice President** | **10B** |
| **Ed Bannon** | **1A** |
| **Jennifer Custer** | **1B** |
| **Ebony DeBerry** | **2A** |
| **Debby Pope** | **2B** |
| **Norma Rios-Sierra** | **3A** |
| **Carlos Rivas Jr.** | **3B** |
| **Karen Zaccor** | **4A** |
| **Ellen Rosenfeld** | **4B** |
| **Jitu Brown** | **5A** |
| **Michilla Blaise** | **5B** |
| **Anusha Thotakura** | **6A** |
| **Jessica Biggs** | **6B** |
| **Pastor Emma Lozano** | **7A** |
| **Yesenia Lopez** | **7B** |
| **Angel Gutierrez** | **8A** |
| **Cydney Wallace** | **8B** |
| **Dr. Angel Velez** | **9A** |
| **Therese Boyle** | **9B** |
| **Dr. Che "Rhymefest" Smith** | **10A** |

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MANAGEMENT

**Dr. Macquline King**
*Interim Superintendent/Chief Executive Officer*

**Walter M. Stock**
*Treasurer and Deputy Chief Financial Officer*

**Charles Mayfield**
*Chief Operating Officer*

**James Patrick T. Alforque**
*Comptroller*

**Elizabeth K. Barton**
*Acting General Counsel*

---

**Katten Muchin Rosenman LLP**
*Bond Counsel*

**Greenberg Traurig, LLP**
*Issuer's Counsel to the Board*

**Charity & Associates, P.C.**
*Disclosure Counsel to the Board*

**Columbia Capital Management, LLC**
*Financial Advisor*

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# $1,119,895,000*
# BOARD OF EDUCATION OF THE CITY OF CHICAGO

**$869,895,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025B**

**$250,000,000* UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025C**

## INTRODUCTION

### General

The purpose of this Official Statement, including the cover pages and the Appendices hereto, is to set forth information in connection with the offering and sale by the Board of Education of the City of Chicago (the "Board" or "CPS") of its $869,895,000* aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B (the "Series 2025B Bonds") and its $250,000,000* aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C (the "Series 2025C Bonds" and, together with the Series 2025B Bonds, each a "Series" and collectively, the "Bonds"). Each Series of the Bonds will be issued under a separate Trust Indenture (each an "Indenture" and collectively, the "Indentures") by and between the Board and Zions Bancorporation, National Association, Chicago, Illinois, as trustee, registrar and paying agent for each Series (the "Trustee"). See APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES."

### The Board

The Board is a body politic and corporate of the State of Illinois (the "State"). The Board is established under and governed by Article 34 of the School Code (105 ILCS 5) (the "School Code") of the State. The Board maintains a system of public schools within its boundaries (the "School District") for pre–kindergarten through grade twelve. The School District has boundaries coterminous with the boundaries of the City of Chicago (the "City"). The 21–member Board currently serves as the governing body of the School District. Currently, the Board is comprised of 10 mayoral-appointed and 10 elected members and a President appointed by the Mayor of the City (the "Mayor"). The Board operates on a Fiscal Year ending June 30 (the "Fiscal Year"). See "BOARD OF EDUCATION OF THE CITY OF CHICAGO" (including "-Transition to Elected School Board") and "CHICAGO PUBLIC SCHOOLS."

### The Bonds and Use of Proceeds

The proceeds of the Series 2025B Bonds, along with available funds of the Board, will be used to refund all or a portion of the Board's outstanding Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenues), Series 2015C Project Bonds (the "Series 2015C Bonds"), Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenues), Series 2015E Project Bonds (Green Bonds) (the "Series 2015E Bonds") and Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016A (the "Series 2016A Bonds" and together with the Series 2015C Bonds and the Series 2015E Bonds, the "Series 2025B Refunded Bonds"), which are shown in APPENDIX K. See "PLAN OF FINANCE – Series 2025B Bonds."

* Preliminary, subject to change.

The proceeds of the Series 2025C Bonds, along with available funds of the Board, will be used to purchase and cancel all or a portion of the Board's outstanding Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016B* (the "Series 2016B Bonds"), Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017A* (the "Series 2017A Bonds"), Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017B* (the "Series 2017B Bonds"), Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2017C* (the "Series 2017C Bonds"), Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018A* (the "2018A Bonds") and Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2018C* (the "Series 2018C Bonds", and together with the Series 2016B Bonds, the Series 2017A Bonds, the Series 2017B Bonds, the Series 2017C Bonds and the Series 2018A Bonds, the "Series 2025C Refunded Bonds") by the payment of the purchase price of the Series 2025C Refunded Bonds on the Tender Settlement Date (defined herein), pursuant to the Bond Purchase Plan (defined herein). See "PLAN OF FINANCE – Series 2025C Bonds" and APPENDIX K.

The Bonds will be registered in the name of a nominee of The Depository Trust Company, New York, New York ("DTC"), which will act as securities depository for the Bonds. See "THE BONDS - General" and APPENDIX C – "BOOK-ENTRY ONLY SYSTEM."

**Security for the Bonds**

The Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are Alternate Revenue Bonds (as defined herein), under the Local Government Debt Reform Act, as amended (30 ILCS 350 *et. seq*.) (the "Debt Reform Act"), and are secured by a dedicated revenue source (the "Pledged Revenues"). Under the Series 2025 Bond Resolution (as defined herein), the Board has levied ad valorem property taxes without limitation as to rate or amount against all of the taxable property within the School District for each year that each Series of the Bonds is outstanding, in amounts sufficient to pay debt service on such Series of the Bonds when due (the "Pledged Taxes"). In addition, the Board has covenanted under each Indenture to take all actions necessary to cause the levy and extension of ad valorem property taxes in excess of those previously levied, if necessary, to pay debt service on the applicable Series of the Bonds. The Bonds are also payable from all funds, accounts and sub–accounts established as security for such Bonds pursuant to the applicable Indenture. See "SECURITY FOR THE BONDS" for a more detailed description of the Pledged Revenues securing the Bonds and the Pledged Taxes pledged to payment of the Bonds, and for a discussion of certain risks related to the security for the Bonds, see "BONDHOLDERS' RISKS - Availability of State Aid Revenues," and "- Bankruptcy of the Board and Enforcement Remedies Under each Indenture."

**Bondholders' Risks and Suitability of Investment**

INVESTMENT IN THE BONDS INVOLVES CERTAIN RISKS, AND PROSPECTIVE PURCHASERS SHOULD READ THE INFORMATION UNDER THE HEADING "BONDHOLDERS' RISKS" FOR A DISCUSSION OF SOME, BUT NOT NECESSARILY ALL, OF THE POSSIBLE RISKS THAT SHOULD BE EVALUATED CAREFULLY PRIOR TO PURCHASING ANY BONDS. THE BONDS ARE NOT SUITABLE INVESTMENTS FOR ALL PERSONS. PROSPECTIVE PURCHASERS SHOULD CONFER WITH THEIR OWN LEGAL AND FINANCIAL ADVISORS AND SHOULD BE ABLE TO BEAR THE RISK OF LOSS OF THEIR INVESTMENT IN THE BONDS BEFORE CONSIDERING A PURCHASE OF THE BONDS. See "BONDHOLDERS' RISKS."

* Preliminary, subject to change.

**Certain References**

The descriptions and summaries of various documents hereinafter set forth do not purport to be comprehensive or definitive, and reference is made to each document for complete details of all terms and conditions relating to ownership of the Bonds. All statements, summaries and references to documents herein are qualified in their entirety by reference to each document. All capitalized terms used and not otherwise defined herein shall have the meanings assigned to such terms in APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES."

The references in this Official Statement to the locations of certain information on various websites are noted as of the date of this Official Statement and are included herein solely for general background purposes and for the convenience of Bondholders. There is no assurance that such information will be maintained or updated on such websites in the future. None of the information on such websites is incorporated by reference into this Official Statement and neither the Board nor the Underwriters take responsibility for the information contained therein nor have they attempted to verify the accuracy of such information.

## PLAN OF FINANCE

**Series 2025B Bonds**

The proceeds of the Series 2025B Bonds will be used to provide funds to (i) refund all or a portion of the Series 2025B Refunded Bonds, which are identified in APPENDIX K, (ii) fund capitalized interest on the Series 2025B Bonds, and (iii) pay costs of issuance of the Series 2025B Bonds. See "DEBT SERVICE SCHEDULE" for certain information regarding bonds of the Board that will remain outstanding after giving effect to the issuance of the Series 2025B Bonds and the refunding of the Series 2025B Refunded Bonds as described herein. The Board has determined to provide for a statutory refunding of the Series 2025B Refunded Bonds pursuant to Section 15 of the Debt Reform Act.

To provide for the payment of the Series 2025B Refunded Bonds, certain proceeds of the Series 2025B Bonds, along with available funds of the Board, will be deposited with the respective trustees for the applicable Series 2025B Refunded Bonds (the "Series 2025B Escrow Funds") sufficient (i) to pay when due the interest on the Series 2025B Refunded Bonds to the redemption date of December 1, 2025, and (ii) to redeem such Series 2025B Refunded Bonds on the redemption date of December 1, 2025 at the redemption price equal to par. The Series 2025B Escrow Funds will not serve as security for or be available for the payment of the principal of or the interest on the Series 2025B Bonds.

**Series 2025C Bonds**

The proceeds of the Series 2025C Bonds will be used to provide funds to (i) purchase for cancellation all or a portion of the Series 2025C Refunded Bonds, which are identified in APPENDIX K, by the payment of the purchase price of the Series 2025C Refunded Bonds and accrued interest on such 2025C Refunded Bonds to, but not including, the Settlement Date ("Accrued Interest") on the Tender Settlement Date (defined herein), pursuant to the Bond Purchase Plan (defined herein), (ii) fund capitalized interest on the Series 2025C Bonds, and (iii) pay costs of issuance of the Series 2025C Bonds and costs of the Bond Purchase Plan. See "DEBT SERVICE SCHEDULE" for certain information regarding bonds of the Board that will remain outstanding after giving effect to the issuance of the Series 2025C Bonds and the refunding of the Series 2025C Refunded Bonds as described above.

On October 14, 2025, pursuant to an Invitation to Tender Bonds (the "Invitation"), the Board commenced the process of inviting bondholders of certain of the Board's outstanding bonds (as more fully described in the Invitation) to tender such bonds for purchase by the Board on the terms and conditions set forth in the Invitation (the "Bond Purchase Plan"). Upon successful completion of the Bond Purchase Plan, the Board expects to issue the Series 2025C Bonds, the proceeds of which will be applied, along with other available funds of the Board, to fund the purchase price of, together with Accrued Interest on, the Series 2025C Refunded Bonds on the date of issuance of the Series 2025C Bonds (the "Tender Settlement Date"). Any Series 2025C Refunded Bonds so purchased will be cancelled on the Tender Settlement Date and will no longer be deemed outstanding.

The foregoing discussion is not intended to summarize the terms of the Invitation, or to solicit offers to tender bonds, and reference is made to the Invitation for a discussion of the terms of the Invitation and the conditions for settlement of any bonds validly tendered and accepted for purchase by the Board. The Board has filed the Invitation with the Municipal Securities Rulemaking Board through its Electronic Municipal Market Access system ("EMMA") and a copy of the Invitation is available on EMMA.

**The Refunding Plan**

Pursuant to the adoption of the Board's Fiscal Year 2026 budget on August 28, 2025, the economic debt service savings generated from the Series 2025B Refunded Bonds and Series 2025C Refunded Bonds will, in large part, be applied in Fiscal Year 2026 as part of the Board's approved budget (the "Refunding Plan"). The Refunding Plan and the sale and issuance of the Series 2025B Bonds and Series 2025C Bonds are expected to provide not only a budgetary benefit for the Board in Fiscal Year 2026 but will also generate significant present value debt service savings within the respective terms and final maturity dates of the Series 2025B Refunded Bonds and Series 2025C Refunded Bonds.

**Estimated Sources and Uses of Funds**[*]

The following table shows the sources and uses of funds in connection with the issuance and sale of the Bonds:

| **SOURCES:** | **SERIES 2025B** | **SERIES 2025C** | **TOTAL** |
|---|---|---|---|
| Original Principal Amount | $ | $ | $ |
| Original Issue [Premium/Discount] | | | |
| Other Available Funds of the Board | | | |
| **Total Sources of Funds** | $ | $ | $ |
| | | | |
| **USES:** | | | |
| Refunding Escrow Deposit | $ | $ | $ |
| Purchased Bonds Payment Deposit | | | |
| Capitalized Interest Deposit* | | | |
| Costs of Issuance** | | | |
| **Total Uses of Funds** | $_____ | $_____ | $_____ |

*To fund capitalized interest through and including December 1, 2026 for certain of the Series 2025B Bonds and all of the Series 2025C Bonds.

**Includes costs associated with the Bond Purchase Plan, Underwriters' discount, legal, administrative and miscellaneous fees and expenses.

[*] Preliminary, subject to change.

**Future Financings of the Board**

The Board expects to evaluate market conditions and may, from time to time, issue additional bonds to fund the Capital Improvement Program or to refund outstanding bonds of the Board. See "CHICAGO PUBLIC SCHOOLS – Capital Improvement Program." On May 29, 2025, the Board adopted Resolution 25-0529-RS4, which authorized the issuance of an aggregate principal amount not to exceed $1,800,000,000 of unlimited tax general obligation refunding bonds. For a more detailed discussion, see "SECURITY FOR THE BONDS – Alternate Revenue Bonds, Authorizations and Bond Resolution." On August 28, 2025, the Board adopted Resolution 25-0828-RS4, which authorized the issuance of an aggregate principal amount not to exceed $1,250,000,000 education purposes tax anticipation warrants and notes. For a more detailed discussion, see "DEBT STRUCTURE – Tax Anticipation Notes."

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## THE BONDS

### General

The Bonds initially are registered through a book–entry only system operated by The Depository Trust Company, New York, New York. Details of payments of the Bonds and the book–entry only system are described in APPENDIX C – "BOOK-ENTRY ONLY SYSTEM." Except as described in APPENDIX C – "BOOK-ENTRY ONLY SYSTEM," beneficial owners of the Bonds will not receive or have the right to receive physical delivery of the Bonds, and will not be or be considered to be the registered owners thereof. Accordingly, beneficial owners must rely upon (i) the procedures of DTC and, if such beneficial owner is not a DTC "*Participant*" (as defined in APPENDIX C), the Participant who will act on behalf of such beneficial owner to receive notices and payments of principal or Redemption Price of, and interest on, the Bonds, and to exercise voting rights and (ii) the records of DTC and, if such beneficial owner is not a Participant, such beneficial owner's Participant, to evidence its beneficial ownership of the Bonds. So long as DTC or its nominee is the registered owner of the Bonds, references herein to Bondholders or registered owners of such Bonds mean DTC or its nominee and do not mean the beneficial owners of such Bonds.

The Bonds shall be issued only in fully registered form without coupons and shall be dated the date of issuance. The Bonds shall mature on the dates and in the principal amounts shown on the inside cover pages hereof. The Bonds shall be issued in the denomination of $100,000 and any integral multiple of $5,000 in excess thereof, but no single Bond shall represent principal maturing on more than one date. See APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES."

### Interest on the Bonds

The Bonds shall bear interest at the respective rates shown on the inside cover page hereof. Each Bond shall bear interest from the Interest Payment Date to which interest has been paid or as of the date on which it is authenticated prior to the first date on which interest is to be paid. Interest on the Bonds shall be payable on June 1 and December 1 ("Interest Payment Date") of each year, commencing June 1, 2026. Interest on each Bond will be payable on each Interest Payment Date to the person in whose name such Bond is registered at the close of business on the fifteenth day (whether or not a Business Day) of the calendar month next preceding each Interest Payment Date. Interest on the Bonds is computed on the basis of a 360–day year consisting of 12 months of 30 days each.

### Redemption Provisions

Optional Redemption

*Series 2025B Bonds.* The Series 2025B Bonds maturing on or after December 1, 20__ are subject to prior redemption at the option of the Board, in whole or in part (and if in part, in an Authorized Denomination), from such maturities and in such principal amounts as the Board shall determine, and by lot for the Series 2025B Bonds with the same maturity date and interest rate, on any date on or after December 1, 20__, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

*Series 2025C Bonds.* The Series 2025C Bonds maturing on or after December 1, 20__ are subject to prior redemption at the option of the Board, in whole or in part (and if in part, in an Authorized Denomination), from such maturities and in such principal amounts as the Board shall determine, and by lot for the Series 2025C Bonds with the same maturity date and interest rate, on any date on or after December 1, 20__, at the Redemption Price of par plus accrued interest thereon to the date fixed for redemption.

Mandatory Sinking Fund Redemption

*Series 2025B Bonds.*

The Series 2025B Bonds bearing interest at ___% and maturing on _____1, 20__ are Term Bonds and are also subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, on December 1 of the years and in the respective principal amounts set forth in the following table, each constituting a sinking fund installment for the retirement of such Series 2025B Bonds:

| Year | Principal Amount |
|---|---|

_____
* Final Maturity

The Series 2025B Bonds bearing interest at ___% and maturing on _____1, 20__ are Term Bonds and are also subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, on December 1 of the years and in the respective principal amounts set forth in the following table, each constituting a sinking fund installment or the retirement of such Series 2025B Bonds:

| Year | Principal Amount |
|---|---|

_____
* Final Maturity

*Series 2025C Bonds.*

The Series 2025C Bonds bearing interest at ___% and maturing on _____1, 20__ are Term Bonds and are also subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, on December 1 of the years and in the respective principal amounts set forth in the following table, each constituting a sinking fund installment for the retirement of such Series 2025C Bonds:

Year Principal Amount

_____
* Final Maturity

The Series 2025C Bonds bearing interest at ___% and maturing on _____1, 20__ are Term Bonds and are also subject to mandatory redemption prior to maturity, in part, at a Redemption Price equal to the principal amount thereof, on December 1 of the years and in the respective principal set forth in the following table, each constituting a sinking fund installment or the retirement of such Series 2025C Bonds:

Year Principal Amount

_____
* Final Maturity

The Term Bonds shall be selected for mandatory sinking fund redemption as described below under "— Redemption Provisions – *Selection of Bonds for Redemption*."

Purchase of Bonds In Lieu of Mandatory Sinking Fund Redemption. On or before the 60th day next preceding any mandatory sinking fund redemption date for the Term Bonds, at the written direction of the Chief Financial Officer or the Treasurer of the Board, moneys held under the applicable Indenture for the mandatory sinking fund redemption of Term Bonds on such date may be applied to the purchase of Term Bonds subject to mandatory sinking fund redemption on such date in a principal amount not exceeding the principal amount of such Term Bonds subject to mandatory redemption on such date. The Term Bonds so purchased shall be delivered to the Trustee and canceled. Each such Term Bond or portion thereof so purchased, delivered and canceled shall be credited against the mandatory sinking fund redemption obligation of the Board on such date.

Reduction of Mandatory Redemption Amounts. At its option, to be exercised on or before the 60th day next preceding any mandatory sinking fund redemption date for the Term Bonds, the Board may (i) deliver to the Trustee for cancellation Term Bonds or portions thereof in Authorized Denominations or (ii) receive a credit in respect of its mandatory sinking fund redemption obligation for such Term Bonds or portions thereof in Authorized Denominations, which prior to said date have been redeemed (otherwise than through the operation of such mandatory sinking fund redemption) and canceled by the Trustee and not theretofore applied as a credit against any mandatory sinking fund redemption obligation. Each such Term Bond or portion thereof subject to mandatory sinking fund redemption so delivered or previously redeemed shall be credited against future mandatory sinking fund redemption obligations in such order as the Board shall designate, or if no such designation is made, in chronological order.

Redemption Procedures.

*General.* In the case of any redemption of the Bonds of a Series at the option of the Board, the Board shall give written notice to the Trustee under the applicable Indenture securing such Bonds of its election to so redeem, of the date fixed for redemption, and of the maturity, interest rate and principal amounts of the Bonds to be redeemed. Such notice shall be given at least 45 days prior to the specified redemption date or such shorter period as shall be acceptable to the Trustee. In the event notice of redemption shall have been given as provided in the applicable Indenture as described herein under the heading " – Notice of Redemption", (i) there shall be paid on or prior to the specified redemption date to the Trustee under the applicable Indenture an amount in cash and/or Defeasance Obligations maturing on or before the specified redemption date which, together with other moneys, if any, available therefor held by the Trustee, will be sufficient to redeem all of the Bonds to be redeemed on the specified redemption date at their Redemption Price plus interest accrued and unpaid to the date fixed for redemption; such amount and moneys shall be held in a separate, segregated account for the benefit of the registered owners of the Bonds so called for redemption, or (ii) such redemption notice given may state that any redemption is conditional on such funds being deposited on the redemption date, and that failure to deposit such funds shall not constitute an Event of Default under the applicable Indenture.

Whenever the Trustee is required to redeem Term Bonds pursuant to the mandatory sinking fund provisions of the applicable Indenture, the Trustee shall select the Term Bonds to be redeemed, give notice of redemption and pay the Redemption Price thereof, plus interest accrued and unpaid to the date fixed for redemption, in accordance with the applicable Indenture, without further direction from the Board.

*Selection of Bonds for Redemption.* Whenever Bonds are redeemed, the particular Bonds or portion thereof to be redeemed shall be selected as follows: (i) any Bond of a denomination of more than $100,000 shall be in the principal amount of an Authorized Denomination and (ii) in selecting portions of such Bonds for redemption, the Trustee shall treat each such Bond as representing that number of the Bonds of the same Series, which is obtained by dividing the principal amount of such Bond to be redeemed in part by $100,000. No such redemption shall cause the remaining principal amount of Bonds of any Series and maturity outstanding to be less than $100,000. If all Bonds are held in book-entry only form, the particular Bonds or portions thereof to be redeemed shall be selected by the securities depository for the Bonds in such manner as such securities depository shall determine.

Notice of Redemption. For a description of the giving of notices while the Bonds are in the book–entry only system, see APPENDIX C – "BOOK-ENTRY ONLY SYSTEM." When the Trustee shall receive notice from the Board of its election to redeem Bonds pursuant to the applicable Indenture as described herein under the heading " – Optional Redemption" or when the Trustee is required to redeem Bonds pursuant to the applicable Indenture as described under the heading "— Mandatory Sinking Fund Redemption," the Trustee shall give notice, in the name of the Board, of the redemption of such Bonds, which notice shall specify the Series and maturities of the Bonds to be redeemed, the date fixed for the redemption, and the place or places where amounts due upon such date fixed for redemption will be payable and, if less than all of the Bonds of any like Series and maturity are to be redeemed, the letters and numbers or other distinguishing marks of such Bonds so to be redeemed, and, in the case of Bonds to be redeemed in part only, such notice shall also specify the respective portions of the principal amount thereof to be redeemed. Such notice shall further state whether the redemption is conditioned upon sufficient moneys being available on the redemption date, or any other conditions. Such notice shall further state that on the redemption date there will become due and payable the Redemption Price of each Bond to be redeemed, or the Redemption Price of the specified portions of the principal thereof in the case of Bonds to be redeemed in part only, together with interest accrued to the date fixed for redemption,

and that from and after such date, interest thereon shall cease to accrue and be payable. The Trustee shall mail copies of such notice by first class mail, postage prepaid, not less than 30 days and not more than 60 days before the date fixed for redemption, to the registered owners of the Bonds to be redeemed at their addresses as shown on the registration books of the Board maintained by the Registrar; *provided*, that if all Bonds are held in book–entry only form, such notice may be given pursuant to the then–existing agreement with the securities depository for the Bonds. The failure of the Trustee to give notice to a registered owner of any Bond or any defect in such notice shall not affect the validity of the redemption of any other Bonds as to which proper notice was given.

**Bond Registration and Transfers**

For a description of the procedure to transfer ownership of a Bond of a Series while in the book–entry only system, see APPENDIX C – "BOOK-ENTRY ONLY SYSTEM." Subject to the limitations described below, each Bond of a Series shall be transferable only upon the registration books of the Board, which shall be kept for that purpose by the Trustee, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Trustee, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Bond of a Series, the Board shall issue in the name of the transferee a new Bond or Bonds of such Series in Authorized Denominations of the same aggregate principal amount. The Board and the Trustee may deem and treat the person in whose name any Bond shall be registered upon the registration books of the Board as the absolute owner of such Bond, whether such Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal or Redemption Price of, and interest on, such Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Bond to the extent of the sum or sums so paid, and neither the Board nor the Trustee shall be affected by any notice to the contrary.

**Defeasance**

The Bonds of a Series or interest installments thereon for the payment or redemption of which moneys have been set aside and held in trust by the Trustee under the applicable Indenture at or prior to their maturity or redemption date shall be deemed to have been paid within the meaning of such Indenture and the pledge of the Trust Estate under such Indenture and all covenants, agreements and other obligations of the Board thereunder shall be discharged and satisfied with respect to such Bonds. See APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES – Defeasance."

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## SECURITY FOR THE BONDS

### General Obligations of the Board

The Bonds are the direct and general obligations of the Board. The full faith and credit and taxing power of the Board are pledged to the punctual payment of the principal of and interest on the Bonds. The Bonds are not secured by any real property of the Board or any physical assets of the Board. The maturity of a Series of the Bonds cannot be accelerated in the event that the Board fails to pay any installment of interest on, or principal of, such Series of the Bonds when due. The Bonds are not the obligations of the City, the State or any political subdivision of the State other than the Board. Neither the full faith and credit nor the taxing power of the City, the State or any political subdivision of the State other than the Board is pledged to the payment of the Bonds.

### Alternate Revenue Bonds, Authorizations and Bond Resolution

The Bonds are issued under the School Code and the Debt Reform Act as "alternate bonds" (referred to herein as "Alternate Revenue Bonds"). The Debt Reform Act authorizes the Board to adopt a resolution authorizing the issuance of general obligation bonds as Alternate Revenue Bonds (an "Authorization") in a principal amount not to exceed a stated limit, payable from one or more dedicated revenue sources (the "Pledged Revenues").

The Series 2025B Bonds are being issued as statutory refunding bonds under Section 15 of the Debt Reform Act pursuant to Resolution No. 25-0529-RS4, adopted by the Board on May 29, 2025 (the "Series 2025 *Bond Resolution*"), authorizing the issuance, from time to time, in one or more series, of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues) in an aggregate principal amount not to exceed $1,800,000,000 for the purpose of refunding outstanding Alternate Revenue Bonds of the Board.

On October 26, 2022, the Board adopted Resolution No. 22-1026-RS6, authorizing the issuance of Alternate Revenue Bonds and completed the Statutory Proceedings in connection therewith, thereby authorizing the Board to issue such Alternate Bonds in said amount not to exceed $1,800,000,000 (the "*2022 Authorization*"). On November 9, 2023, the Board issued, pursuant to the 2022 Authorization, $575,000,000 principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2023A ("Series 2023A Bonds") and on September 25, 2025, the Board issued pursuant to the 2022 Authorization, $650,000,000 principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2025A ("Series 2025A Bonds"). $575,000,000 principal amount of the 2022 Authorization remains authorized and not yet issued.

The Series 2025C Bonds are authorized pursuant to the remaining 2022 Authorization and the Series 2025 Bond Resolution, which authorizes the issuance, from time to time, in one or more series, of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues) in an aggregate principal amount not to exceed $1,800,000,000 for the purpose of refunding outstanding Alternate Revenue Bonds of the Board, of which the Series 2025C Bonds are limited to a not to exceed principal amount of $575,000,000.

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**Sources of Payment for the Bonds**

Each Series of the Bonds is payable from and secured under the applicable Indenture by a pledge of and lien on (i) the applicable Pledged Revenues pledged pursuant to the applicable Authorization under the applicable Indenture and the Series 2025 Bond Resolution to secure such Series of the Bonds, and (ii) the applicable Pledged Taxes. Each Series of Bonds is also payable from all Funds, Accounts and Sub–Accounts pledged as security for the payment of such Series of the Bonds under the applicable Indenture.

**Pledge and Lien Under Debt Reform Act**

As Alternate Revenue Bonds, the Bonds are entitled to the benefits and security of the Debt Reform Act that provides that the pledge of applicable Pledged Revenues and the applicable Pledged Taxes as security for the payment of the Bonds is valid and binding from the time such pledge is made and that such Pledged Revenues, Pledged Taxes and the other moneys and funds so pledged and thereafter received by the Board shall be immediately subject to the lien of such pledge without any physical delivery or further act and that the lien of such pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such parties have notice of such lien. Pursuant to each Indenture, the Board has granted to the Trustee for the benefit of the holders of the applicable Series of Bonds a lien on the applicable Pledged Revenues and the applicable Pledged Taxes. The Debt Reform Act also provides that covenants relating to Alternate Revenue Bonds are enforceable by any Bondholder, any taxpayer of the Board and the people of the State acting through the Attorney General of the State or any designee. The right to such enforcement is included in the applicable Indenture securing such Series of the Bonds.

**Pledged Revenues**

The Pledged Revenues securing the Bonds consist of Pledged State Aid Revenues (as defined herein), in the maximum annual amount specified in the applicable Authorization. The Board has determined that the Pledged Revenues securing the Bonds, as a "governmental revenue source" under the Debt Reform Act, will provide in each year an amount not less than 1.10 times annual debt service to be paid from the Pledged State Aid Revenues. The amount of Pledged Revenues as compared to the annual debt service to be paid from the Pledged Revenues is referred to as the "Statutory Coverage."

The "Pledged State Aid Revenues" consist of a portion of the State Aid (as defined herein) payments to be made to the Board in the maximum annual amount specified in the applicable Authorization in any year pursuant to Article 18 of the School Code, or such successor or replacement act as may be enacted from time to time (the "State Aid"). Revenues received by the Board from State Aid are referred to herein as "State Aid Revenues." See "STATE AID REVENUES." Assuming the issuance of the Bonds, the Board has issued and there are outstanding approximately $8.3 billion of Alternate Revenue Bonds secured by Pledged State Aid Revenues (the "Outstanding Pledged State Aid Revenue Bonds") and such bonds, together with the Bonds, are referred to herein as "Pledged State Aid Revenue Bonds." The pledge of Pledged State Aid Revenues as Pledged Revenues securing Alternate Revenue Bonds of the Board has from time to time been combined with one or more additional sources of Pledged Revenues, with each source allocated to specified debt service and coverage obligations of the Board that secure such bonds. See "STATE AID REVENUES – State Aid Revenues Pledged to Secure Alternate Revenue Bonds" for a description of the amount of such revenues pledged to Outstanding Pledged State Aid Revenue Bonds.

Under the 2022 Authorization, $425,000,000 is the maximum annual amount of State Aid Revenues that may be pledged in any year for the payment of the Bonds and all other Alternate Revenue Bonds payable from the pledge under the 2022 Authorization. Except for the Board's Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2023A and Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2025A and upon issuance, the Series 2025C Bonds, there will be no other outstanding Alternate Revenue Bonds secured by the Pledged State Aid Revenues pledged under the 2022 Authorization.

**Additional Bonds Payable from Pledged Revenues**

Pursuant to the Indenture, the Board reserves the right to issue Additional Bonds, from time to time, payable on a parity basis with the Bonds, from all or any portion of the Pledged Revenues or any other source of payment which may be pledged under the Debt Reform Act; provided, however, that no Additional Bonds may be issued except in accordance with the provisions of the Debt Reform Act as in existence on the date of issuance of such Additional Bonds. For an overview of the requirements of the Indenture regarding the issuance of Additional Bonds see APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES."

**Pledged Taxes**

Illinois Real Property Tax System Overview. The levy, extension and collection of ad valorem property taxes in Illinois are governed by the Illinois Property Tax Code (35 ILCS 200) (the "Property Tax Code"). A general summary of the current procedures for real property assessment, tax levy and tax collection in Cook County (the "County") that are applicable to the Board is included in APPENDIX D – "THE REAL PROPERTY TAX SYSTEM." In Illinois, property taxes levied for a calendar year (the "Tax Year") are extended by the County for collection and are billed to property owners in the following calendar year (the "Collection Year"). Property taxes are currently due and payable by property owners in two installments, the first due on the first business day in March and the second on the later of the first business day in August or 30 days after the mailing of the tax bills in each Collection Year. The first installment is an estimated bill calculated at 55% of the prior year's tax extension and the second installment is for the balance of the then-current year's tax extension.

Pledged Taxes Levied. Pursuant to each Bond Resolution, the Board has levied the Pledged Taxes for each year that each Series of the Bonds is outstanding, in amounts sufficient to pay debt service on each Series of the Bonds when due. In 1995, the Board became subject to the provisions of the Property Tax Extension Limitation Law (35 ILCS 200/18–185) ("PTELL") that limits the ability of the Board to increase property taxes for operations. The restrictions of PTELL do not apply to the levy of the Pledged Taxes. The Pledged Taxes are ad valorem taxes levied against all of the taxable property within the School District without limitation as to rate or amount. In addition, the Board has covenanted under the applicable Indenture to take all actions necessary to cause the levy and extension of ad valorem property taxes in excess of those previously levied, if necessary, to pay debt service on each Series of the Bonds.

The Board intends to make each payment on each Series of the Bonds from the applicable Pledged Revenues securing such Series of the Bonds, or from other legally available funds of the Board, and anticipates that the Pledged Taxes that have been levied will be abated on a year–by–year basis prior to such taxes being extended for collection. To date, the Board has never had to extend ad valorem property taxes for collection to provide sufficient revenues for payment of any of its Alternate Revenue Bonds.

Direct Deposit of Pledged Taxes with the Trustee. In the event that the Pledged Taxes are extended in any year for collection, the Board has directed the County Collectors of Cook and DuPage Counties (the "County Collectors") to segregate from each distribution of property tax collections to the Board, the amount of total tax collections attributable to the Pledged Taxes extended and collected for payment of each Series of the Bonds and to directly deposit the amount so segregated with the Trustee under the applicable Indenture (the "Deposit Directions" and each a "Deposit Direction"). All Pledged Taxes received by the applicable Trustee shall be (i) deposited into the Pledged Taxes Account established under the applicable Indenture and (ii) applied to the payment of the interest on and principal of the applicable Series of the Bonds due during the calendar year in which such Pledged Taxes are extended and collected. The forms of Deposit Directions executed by the Board and delivered to the County Collectors are attached hereto as APPENDIX E.

Pursuant to each Indenture, the Board covenants that as long as any of the applicable Series of the Bonds remains outstanding, the Board will not modify or amend any Deposit Direction, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of ad valorem property taxes; provided that no such modification or amendment may provide for the deposit with the Trustee of less than all of the Pledged Taxes to be collected in any year. A violation of this covenant constitutes an Event of Default under each Indenture, for which there is no cure period. See APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES - Events of Default and Remedies."

Annual Determination of Abatement or Extension of Pledged Taxes. The Pledged Taxes securing each Series of the Bonds can be abated or extended by the Board each year in accordance with the provisions of the applicable Indenture securing such Series of the Bonds. See APPENDIX A – "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES - Particular Covenants and Representations of the Board - *Covenants Regarding Pledged Taxes*." With respect to the Bonds secured by Pledged State Aid Revenues, the Pledged Taxes will be extended and collected each year unless the Board takes a formal action to abate the Pledged Taxes based on a determination by the Trustee that sufficient funds have been deposited in the Pledged Revenues Account under the applicable Indenture by the Deposit Date (as defined in the applicable Indenture).

In the event the Trustee in any year determines an insufficiency in the amount on deposit in a Pledged Revenues Account pursuant to the provisions of the applicable Indenture, the Trustee will notify the Board of the amount of such insufficiency and direct the Board to take such actions as are necessary to cause the extension of the Pledged Taxes levied for collection during such year in an amount sufficient, when added to the amount then on deposit in such Pledged Revenues Account, to provide funds sufficient to pay such interest on and principal of the applicable Series of the Bonds that will become due and payable during such year.

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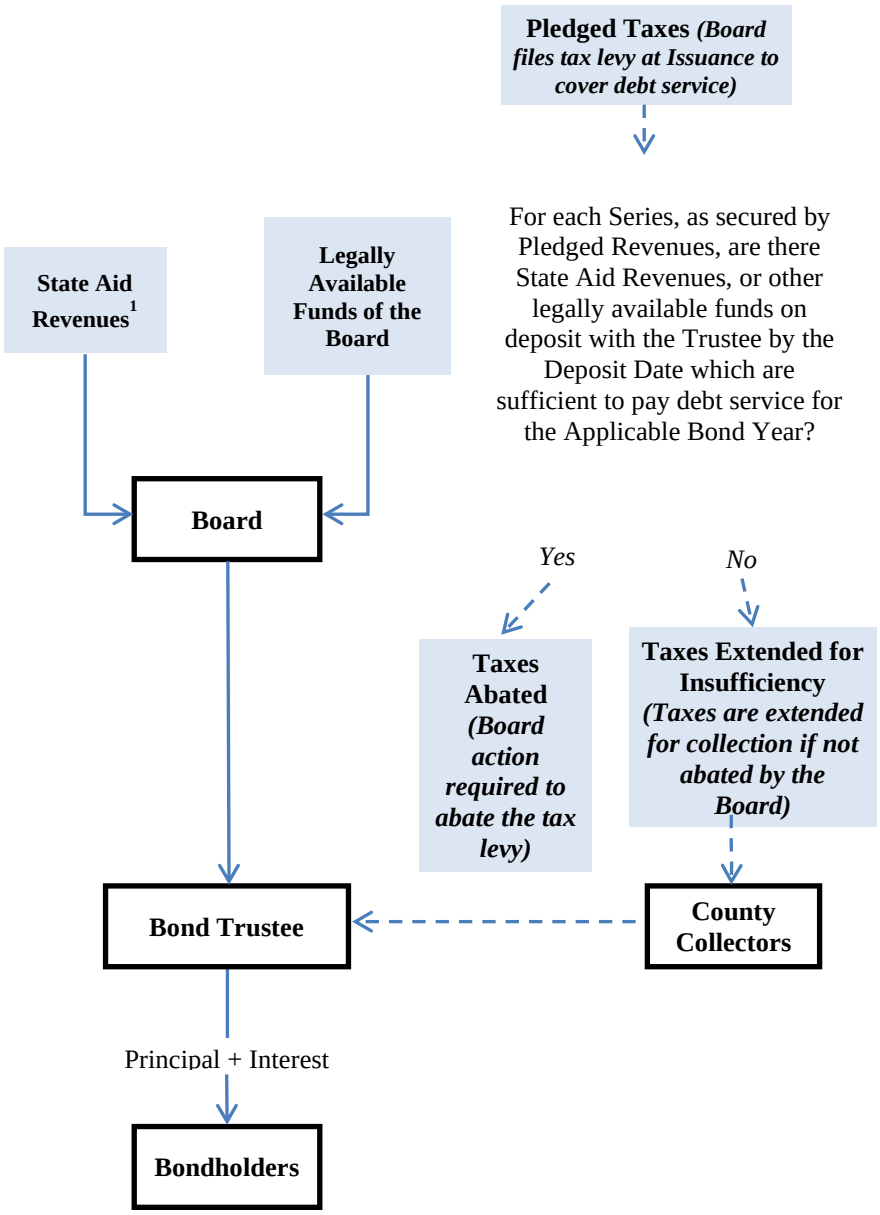
**Flow of Pledged Revenues and Pledged Taxes Under the Indenture**

The diagram below describes the collection, deposit and application of Pledged State Aid Revenues and Pledged Taxes under the Indenture.




1. See "—Post Default Remedy for Pledged State Aid Revenues" herein.

**Post Default Remedy for Pledged State Aid Revenue Bonds**

The Board has entered into a State Aid Revenues Escrow Agreement, dated as of July 13, 2017 (the "State Aid Revenues Escrow Agreement"), with Amalgamated Bank of Chicago, as escrow agent (the "State Aid Escrow Agent"), that provides a post default remedy to bondholders for the Board's Pledged State Aid Revenue Bonds, including the Bonds. A copy of the executed State Aid Revenues Escrow Agreement is attached hereto as APPENDIX F. The State Aid Revenues Escrow Agreement provides that all State Aid Revenues are paid by the State Comptroller directly to the State Aid Escrow Agent and are held and distributed pursuant to the provisions of the State Aid Revenues Escrow Agreement until the Escrow Termination Date (as defined therein). During a "Required Funding Period" (as defined therein) which is triggered by the occurrence of a "Bankruptcy Event" (as defined therein) or a "Bond Payment Default Event" (as defined therein), the State Aid Revenues are deposited in a Security Account in an amount equal to the greater of the annual debt service requirements allocable to State Aid Revenues for the current or next succeeding Bond Year (as defined therein) on all of the Board's Pledged State Aid Revenue Bonds, including the Bonds. Funds in the Security Account will be used to pay debt service and satisfy other indenture funding requirements of the Board's Pledged State Aid Revenue Bonds on a parity basis and are not available to the Board for its general operations, unless and until the "Security Account Requirement" (as defined therein) has been met. Other than amounts deposited in the Security Account during a Required Funding Period, all funds on deposit under the State Aid Revenues Escrow Agreement may be withdrawn by the Board in its complete discretion.

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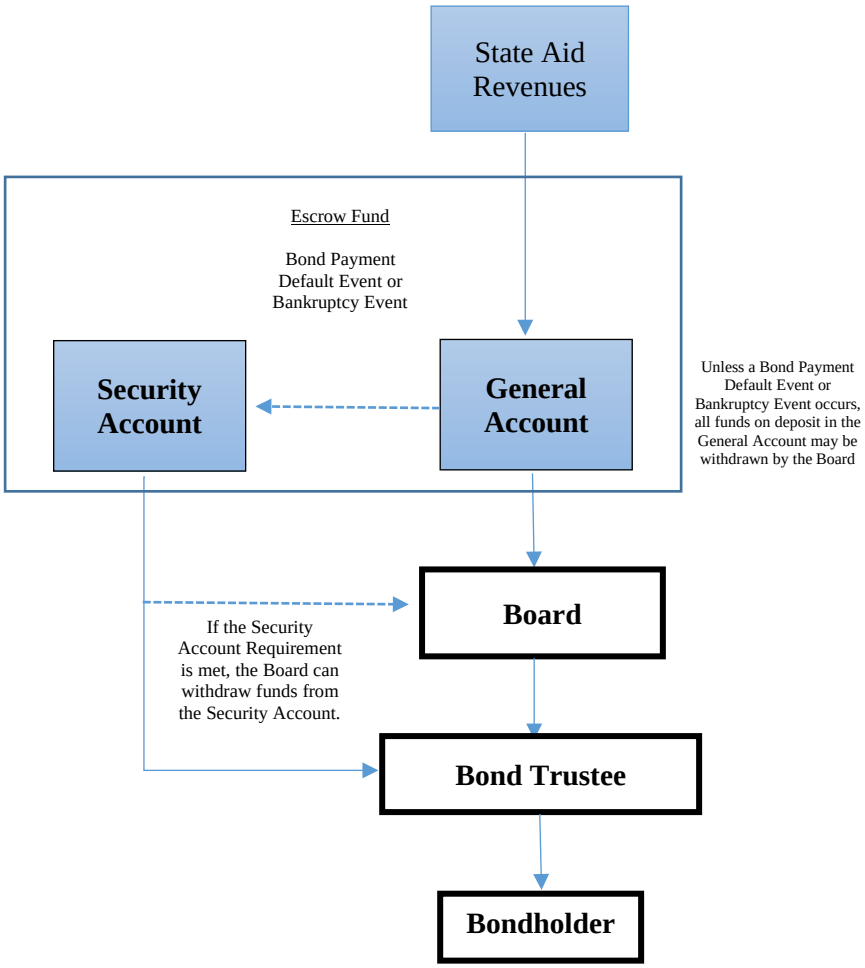
The diagram below describes the flow of State Aid Revenues pursuant to the State Aid Revenues Escrow Agreement:



## STATE AID REVENUES

### Overview

Public Act 100-465. On August 31, 2017, Public Act 100-465 became effective and provided a significant revision to the State's funding of the Board by establishing the EBF Formula (as defined herein) for allocating State Aid to school districts, beginning with the 2017-2018 school year, and replaced the Historical State Aid Formula (as defined herein). See "- Historical State Aid Revenues for Fiscal Years 2008-2017" and for a discussion of the calculation of State Aid under the Historical State Aid Formula see APPENDIX G – "OVERVIEW OF HISTORICAL STATE AID REVENUES TO THE BOARD." Subsequent to its enactment, two technical correction bills were adopted to assure that the language of the Act reflected legislative intent (Public Act 100-465, as supplemented and amended, is referred to herein as "P.A. 100-465"). P.A. 100-465 resulted in a structural change to and substantial increase in State funding of the Board and State authorization for the Board to impose increased ad valorem property taxes to fund its required pension contributions. P.A. 100-465 included the establishment of a new State Aid funding formula for school districts throughout the State, including the Board. The "Evidence-Based Funding" formula (the "EBF" or "EBF Formula") replaced the prior school funding formula (the "Historical State Aid Formula") that provided State Aid to school districts using a "Foundation Formula Grant" and "Poverty Grant" funding formula that had resulted in historically flat or declining operating funds and State Aid Revenues for the Board. The EBF Formula ties school district funding to 27 evidence-based best practices shown to enhance student achievement in the classroom and sets a target funding level ("Adequacy Target") based on a school district's demographics and Local Capacity (as defined herein) to fund schools.

### Evidence-Based Funding Formula

Overview. Since P.A. 100-465 was enacted, the State has increased funding for the EBF Formula in all but one fiscal year. The following table shows the history of the annual amounts.

**Historical State Increases to the EBF Formula**
(Dollars in Millions)

| Fiscal Year | Additional Statewide EBF Funding |
|---|---|
| 2018 | $350 |
| 2019 | 300* |
| 2020 | 375 |
| 2021 | 0** |
| 2022 | 362 |
| 2023 | 350 |
| 2024 | 350 |
| 2025*** | 350 |
| 2026**** | 307 |

Source: Illinois State Budgets, ISBE
*An additional $50 million was allocated to a separate Statewide property tax relief pool.
**As a result of the impact of the COVID-19 pandemic.
***Estimated.
****Projected.

Under the EBF Formula, the Illinois State Board of Education ("ISBE") calculates the Adequacy Target each year for each school district based upon its unique student population, regional wage differences and best practices. Each school district is placed in one of four tiers depending on how close its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity") are to its Adequacy Target.

ISBE administers the calculation and distribution of State Aid under the EBF Formula and has finalized EBF calculations, including verifying the necessary data elements with school districts that go into the calculation of EBF. P.A. 100-465 provides that each school district will be allocated at least as much in State Aid in future years as it received in their current school year (such amount being that school district's "Base Funding Minimum" for their then-current school year). This Base Funding Minimum for the Board includes the total amount of State Aid allocated to the Board in the prior school year and certain historical grant funding received from the State ("State Grants" or "State Grant").

Under the EBF Formula, for each school year all State funds appropriated for 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 school districts based on "Tier" placement. "Tier 1" and "Tier 2" are those school districts that are the furthest away from their Adequacy Targets and "Tier 3" and "Tier 4" are those school districts that are the closest to (or above) their Adequacy Targets. In Fiscal Year 2026, the Board is currently a Tier 1 school district with an adequacy level of 73.3%. Of any New State Funds available, Tier 1 receives 50%, Tier 2 receives 49%, Tier 3 receives 0.9%, and Tier 4 receives 0.1%. Tier 2 includes all Tier 1 school districts for the purpose of the allocation percentages for New State Funds. In Fiscal Year 2021, due to anticipated fiscal constraints resulting from the COVID-19 pandemic, no new tier funding was provided and all school districts received a base funding minimum that was equal to the prior year. The State resumed increasing annual funding beginning in Fiscal Year 2022. For Fiscal Year 2026, of the 934 school districts assigned to a tier, 286, including the Board, fall within the Tier 1 adequacy level threshold of 75.6% or less. Tier 2 consists of 313 districts with adequacy levels between 75.6% and 90%.

Under the EBF Formula, the Base Funding Minimum is designed to provide that in any school year no school district will receive less State Aid funding than it received the prior year since all New State Funds received by a school district in a year become part of its Base Funding Minimum in the following year. If the State appropriates insufficient funds to cover the cost of the Base Funding Minimum, reductions will be made first to the Base Funding Minimum for all Tier 3 and Tier 4 school districts on a per pupil basis; *provided, however*, that such reductions may not reduce State funding for such school districts below the Base Funding Minimum for school year 2017-18 (approximately $1.5 billion for the Board). If funds are still insufficient, then further reductions are to be done on a per pupil basis for all school districts. Consequently, reduced appropriations for State Aid in future years could result in the Board receiving less in a future Fiscal Year than its Base Funding Minimum.

In Fiscal Year 2021, as a result of the impact of the COVID-19 pandemic, there were no new EBF State Funds and Illinois school districts, including the Board, received an EBF base funding minimum equal to their Fiscal Year 2020 funding. In Fiscal Year 2022, the State resumed increasing annual EBF Funding amounts.

From Fiscal Years 2018 to 2022, an ISBE calculation error resulted in overpayments to the Board totaling $87.5 million. ISBE detected the error in 2022, resulting in an agreement between ISBE and the Board to repay the amount over eight years in installments of $10.9 million per year, concluding in Fiscal Year 2029.

**Calculation of State Aid Under the EBF Formula**

Adequacy Target Calculation. Each school district's Adequacy Target is determined by multiplying the Average Student Enrollment ("ASE") for each subgroup of children (categorized by grade and demographics) by the number of "Full-Time Equivalent" personnel ("FTE") the EBF Formula indicates is needed for an adequate education. ASE is the average of the number of students enrolled at the school district on October 1 and March 1, for the greater of the immediately preceding school year or the immediately preceding three school years.

The product of ASE and FTE is then multiplied by the average Illinois salary for a similar FTE position, adding 30% for benefits to such cost as well the value of any teacher pension normal cost being paid by a school district determined under the EBF Formula, with adjustments for regional cost of living differences using the National Center for Education Statistics "Comparable Wage Index" ("CWI"). The EBF Formula then adds non salary-based items (such as funding for instructional materials) to come to a final Adequacy Target for each school district.

The FTEs calculated to determine a school district's Adequacy Target are various categories of core ("Core Investments") and specialist ("Additional Investments") teaching positions allocated by the EBF Formula expressed as the number of students per FTE position, based on position type, grade band, and whether or not a student is low-income, an English learner or in special education.

The combination of the assumed salary and benefit costs calculated as Core Investments and Additional Investments, and the value of the "Per-Student Investments" such as instructional materials, student activities, and professional development, is a school district's final Adequacy Target. This is the amount of State and local resources that the EBF Formula establishes for each school district to educate their unique student population.

Local Capacity Calculation. A school district's "Local Capacity Target" (or "LCT") is the dollar amount obtained by multiplying its Adequacy Target by its Local Capacity Ratio ("Local Capacity Ratio"). The goal of the EBF Formula's Local Capacity Target calculation is to determine how adequately a school district is already funded, relative to its Adequacy Target, and to rank order school districts by this adequacy gap for the purposes of distributing State Aid Revenues, should the State not appropriate enough to fully fund each school district's Adequacy Target.

To determine how well a school district is already funded, the EBF Formula looks at the sum of a school district's Local Capacity, Personal Property Replacement Tax Revenues ("PPRT Revenues") from the prior calendar year, and the Base Funding Minimum. The Personal Property Replacement Tax ("PPRT") is a tax that businesses and partnerships, trusts, and S corporations pay on their net Illinois income, along with a tax that public utilities pay on invested income. The amount of funding school districts receive from this revenue can vary significantly from year to year due to contributing factors such as changes in the economy, tax policies and tax rates. While the rate of taxation used by the State to determine collections has been primarily constant under Illinois Department of Revenue regulations, more recent robust economic performance and tax policy changes to the State and Local Tax ("SALT") deduction cap by the federal government and the State's creation of a Pass-Through Entity Tax ("PTE"), resulted in large, temporary increases in PPRT receipts for the District. The increases in the Board's PPRT Revenues were a contributing factor in the Board becoming a Tier 2 district, rather than Tier 1, in Fiscal Years 2023 through 2025. The Base Funding Minimum is the total amount allocated to a school district in the prior school year for State Aid, equity grants, funding for children requiring special education services, special education facilities and staffing, special education summer school, and bilingual education. Each year's Base Funding Minimum is the amount of the prior year's EBF funding and Base Funding Minimum. When the EBF Formula went into effect, the Board's Base Funding Minimum was increased by the value of the loss in funding associated

with the State Block Grant funding items remaining outside of the EBF Formula, which were reduced as a result of the elimination of the State Block Grant protection. This provision had the effect of holding the Board harmless generally once all grants were included and resulted in an approximate $203 million shift of State funding of the Board from State Block Grant funding to State Aid funding.

For the Local Capacity Target calculation, the EBF Formula assumes a school district levies at a dollar amount of the greater of a school district's Real Receipt[2] or LCT. For those school districts subject to PTELL, such as the Board, the formula adjusts its calculated Local Capacity to account for the statutorily capped property tax extensions. The formula also reduces a school district's LCT by the amount, if any, of any remaining required school district contribution towards its teacher pensions. This provision reduces the Board's LCT calculation by the difference of the statutorily-required employer contribution and the State's contribution to the Board's required pension contribution. See "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS."

Each school district is then given a Local Capacity Ratio that is calculated by dividing its Adjusted EAV or PTELL EAV by its Adequacy Target. The PTELL EAV is the product of the EAV last used in the calculation of Historical State Aid or EBF and the school district's Extension Limitation Ratio, for school districts subject to PTELL. The Extension Limitation Ratio is a numerical ratio, certified by the County Clerk, in which the numerator is the Base Tax Year's Tax Extension and the denominator is the Preceding Tax Year's Tax Extension. The Local Capacity Ratios are then converted into a normal cost equivalent score, or "Local Capacity Percentage" to determine each school district's relative position in the school district queue for New State Funds each year.

Distribution Formula. The EBF Formula provides that each school year, a school district is entitled to funding at the level of its Base Funding Minimum plus a portion of New State Funds (also known as "EBF Funding"). If a school district is fully-funded as determined by the model, then the State appropriation will be sufficient to fund each school district's Adequacy Target. If a school district is not fully-funded as determined by the model, the EBF funds are distributed in a manner that allocates funding to the least adequately funded school districts first. In the event of the latter, each school district is placed into one of four Tiers based on a school district's existing State and local resources divided by its Adequacy Target.[3] Tier 1 districts are the least adequately funded while Tier 4 districts are the most adequately funded. Tier 2 school districts have a percent of adequacy less than 90%. Tier 3 school districts have a percent of adequacy of at least 90% and less than 100%. Tier 4 school districts have a percent of adequacy of at least 100%. 50% of new EBF funds are allocated to Tier 1 school districts, 49% are allocated to Tier 2 (which also includes Tier 1 school districts), 0.9% are allocated to Tier 3, and 0.1% are allocated to Tier 4. The percent of adequacy that defines a Tier 1 school district is that level necessary to allocate the designated amount of appropriations in a given year and this number will change annually with the State appropriation level.

P.A. 100-465 set a "Minimum Funding Level" (as a target for appropriation of New State Funds to keep pace with inflation and continue to advance equity through the EBF Formula) of $350 million annually, with $50 million used for a property tax relief grants for high-tax school districts. In the event the State fails to appropriate enough to meet this Minimum Funding Level in a given year, EBF imposes a funding model that withholds New State Funds from each Tier of school districts beginning with Tier 4 and withholds from the next lower Tier only when the shortfall has not been exhausted. This adjusted distribution model acts to ensure that the Tier 1 school districts, such as the Board, have priority in receiving

[2] Product of the applicable district's adjusted operating tax rate and its Adjusted or PTELL EAV; the Adjusted EAV is the average of its EAV over the immediately preceding three years or its EAV in the immediately preceding year if the EAV in the immediately preceding year has declined by 10% or more compared to the 3-year average.

[3] Existing State and local resources are the sum of Local Capacity, PPRT, and Base Funding Minimum.

the most New State Funds in the event the State fails to appropriate in any Fiscal Year the Minimum Funding Level.

**Historical State Aid Revenues of the Board**
**for Fiscal Years 2018 – 2026 Under the EBF Formula**

(Dollars in Millions)

| | (A) State Allocation to the Board | (B) State–Approved Charter Schools Allocation | (C) Prior Year Adjustment | (D) Overpayment Adjustment | (E) Unrestricted State Aid Revenues |
|---|---|---|---|---|---|
| 2018 | $1,552.9 | $ (28.9) | $ 16.3 | - | $1,540.3 |
| 2019 | 1,619.3 | (29.8) | 16.3 | - | 1,605.8 |
| 2020 | 1,683.4 | (33.6) | 16.3 | - | 1,666.2 |
| 2021 | 1,683.4 | (41.4) | 16.3 | - | 1,658.3 |
| 2022 | 1,767.1 | (44.5) | 16.3 | (10.9) | 1,727.9 |
| 2023 | 1,749.2 | (49.4) | 16.3 | (10.9) | 1,705.2 |
| 2024 | 1,772.5 | (58.7) | 16.3 | (10.9) | 1,719.2 |
| 2025 est. | 1,798.3 | (58.5) | 16.3 | (10.9) | 1,745.2 |
| 2026 proj. | 1,874.3 | (47.9) | 16.3 | (10.9) | 1,831.8 |

Source: ISBE

| Column | |
|---|---|
| A | Total amount appropriated to the Board from the State |
| B | Diversion of the Board's State Aid revenues to State-approved charter schools |
| C | The additional State Aid payable to the Board based on adjustment of prior year's Statutory Claims |
| D | The amount of adjustment to correct for EBF overpayment from 2019-22, concluding in 2029 |
| E | The amount of State Aid Revenues available for general operating purposes |

**Historical State Aid Revenues for Fiscal Years 2008 – 2017 Under Historical State Aid Formula**

Total State Aid Revenues received by the Board for each of the Fiscal Years 2008 through 2017 and the required historical statutory contributions for the Supplemental General State Aid allocation of $261 million, required by the School Code (prior to the adoption of P.A. 100-465) to be provided to individual schools for supplemental programs for children from low-income families, and the net amount of "Historical State Aid Revenues" were deposited into the General Fund and available to the Board for its general operating purposes, including to be pledged as a source of Pledged Revenues securing Alternate Revenue Bonds under the Debt Reform Act. For a discussion of the calculation of the Historical State Aid Formula and the calculation of Historical State Aid Revenues prior to the adoption of P.A. 100-465, see APPENDIX G – "OVERVIEW OF HISTORICAL STATE AID REVENUES TO THE BOARD."

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**State Aid Revenues Pledged to Secure Alternate Revenue Bonds**

Prior to the issuance of the Bonds, there are outstanding approximately $8.3 billion of Outstanding Pledged State Aid Revenue Bonds under various Authorizations of the Board. The following table sets forth the amount of State Aid Revenues collectively pledged to secure Alternate Revenue Bonds of the Board pursuant to the requirements of the Debt Reform Act under their respective bond resolutions (i.e. the amounts pledged include 110% or 125% coverage under the Debt Reform Act).

| Year of Deposit Date [1] | Debt Service on Outstanding Pledged State Aid Revenue Bonds [2][3] | (Less) Debt Service on the Series 2025B Refunded Bonds and Series 2025C Refunded Bonds Secured by Pledge State Aid Revenues | Debt Service on Series 2025B Bonds [3] | Debt Service on Series 2025C Bonds [3] | Total Debt Service Secured by Pledged State Aid Revenues [3] | State Aid Revenues Pledged |
|---|---|---|---|---|---|---|
| 2025 | $536,351,896 | | | | $536,351,896 | $681,872,166 |
| 2026 | 588,844,026 | | | | 588,844,026 | 733,729,162 |
| 2027 | 594,241,844 | | | | 594,241,844 | 688,475,910 |
| 2028 | 537,254,271 | | | | 537,254,271 | 622,652,477 |
| 2029 | 513,927,641 | | | | 513,927,641 | 620,033,192 |
| 2030 | 517,435,802 | | | | 517,435,802 | 587,201,034 |
| 2031 | 555,220,414 | | | | 555,220,414 | 632,087,200 |
| 2032 | 536,028,646 | | | | 536,028,646 | 613,311,753 |
| 2033 | 543,519,430 | | | | 543,519,430 | 620,897,129 |
| 2034 | 550,002,364 | | | | 550,002,364 | 627,331,161 |
| 2035 | 542,038,057 | | | | 542,038,057 | 617,244,325 |
| 2036 | 537,895,095 | | | | 537,895,095 | 611,630,770 |
| 2037 | 533,379,610 | | | | 533,379,610 | 602,153,237 |
| 2038 | 541,010,618 | | | | 541,010,618 | 608,990,556 |
| 2039 | 508,866,789 | | | | 508,866,789 | 572,006,398 |
| 2040 | 508,965,584 | | | | 508,965,584 | 570,416,036 |
| 2041 | 505,915,583 | | | | 505,915,583 | 564,859,554 |
| 2042 | 507,307,433 | | | | 507,307,433 | 559,619,664 |
| 2043 | 476,104,560 | | | | 476,104,560 | 534,622,754 |
| 2044 | 499,551,163 | | | | 499,551,163 | 560,339,954 |
| 2045 | 511,936,167 | | | | 511,936,167 | 569,897,784 |
| 2046 | 511,936,263 | | | | 511,936,263 | 569,898,451 |
| 2047 | 390,716,613 | | | | 390,716,613 | 429,788,274 |
| 2048 | 329,731,300 | | | | 329,731,300 | 362,704,430 |
| 2049 | 298,394,900 | | | | 298,394,900 | 328,234,390 |
| 2050 | 197,372,000 | | | | 197,372,000 | 217,109,200 |

Source: Chicago Public Schools.

[1] "Deposit Date" with respect to the Bonds, means March 15 of each year or such earlier date as may be necessary to permit the Board to lawfully make the abatement of taxes described in the Indenture relating to the Bonds and Outstanding Pledged State Aid Revenue Bonds. For other Pledged State Aid Revenue Bonds issued prior to 2023, the deposit date is February 15 of each year.

[2] Calculated based on debt service on Outstanding Pledged State Aid Revenue Bonds after the issuance of the Bonds. For Outstanding Pledged State Aid Revenue Bonds secured by a combination of State Aid Revenues and another dedicated source of revenue, the column only includes the portion of debt service to be paid from State Aid Revenues. The amounts shown are pledged pursuant to the Debt Reform Act as described above.

[3] Net of capitalized interest and expected federal subsidy to be received in connection with payment of debt service on Build America Bonds and Qualified School Construction Bonds.

**Required Timing of State Aid Payments**

The School Code requires semimonthly payments of State Aid to be made by the State during the months of August through June in an amount equal to 1/22 of the total amount to be distributed and are to be made as soon as possible after the 10th and 20th days of each month. Typically, payments are available one or two days after the 10th and 20th days of the month or on the following working day if the payment date falls on a weekend or a holiday. Payments of appropriated amounts of State Aid from the State have consistently been received by the Board on a timely basis for at least the last 10 years.

**Recognized District and Legislative Standards for Receipt of State Aid**

State Aid is distributed to Illinois school districts that maintain **"**recognized district status**"** that is achieved pursuant to the periodic compliance reviews of a school district by the office of the regional superintendent of schools. Recognition activities are designed to assure that school districts comply with the required standards of State law and in case of failure to meet the standards for all or a portion of a district's schools, the school district is ineligible to file a claim for all or a portion of State Aid for the subsequent school year. The Board is a **"**recognized district**"** under the provisions of the School Code.

In addition to the general requirement of maintaining recognition, the Board must also adhere to a variety of other legislated standards in order to receive State Aid, including the following, and the Board is currently in compliance with the legislated standards for receipt of State Aid.

(i) Adoption of a School Calendar that ensures at least 176 days of pupil attendance. The Board's approved School Calendar for Fiscal Year 2026 reflects 176 days of pupil attendance. School districts which fail to operate schools for the required number of pupil attendance days may be subject to the loss of State Aid. The financial loss is calculated on the basis of a daily penalty of 0.56818% (1 divided by 176) of the total amount of State Aid Revenues for each day of required operation not met. Under certain circumstances, a school district may not be penalized for failure to meet the required school calendar requirement, such as, but not limited to, the occurrence of "acts of god." In addition to the foregoing, remote learning by students due to the COVID-19 pandemic did not have an impact on State Aid Revenue payments, as the State, in its responses to the pandemic, agreed to hold school districts harmless from reduced in-person student attendance days due to the pandemic.

(ii) Filing of an annual report relating to the number of children who have received, have not received, or are exempted from necessary immunizations and health examinations. If less than 90% of those students enrolled in a school district have had the necessary immunizations or health examinations, 10% of each subsequent State Aid payment is withheld by the regional superintendent until the school district is in compliance with the 90% requirement.

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## BONDHOLDERS' RISKS

*Investment in the Bonds involves certain risks. In evaluating an investment in the Bonds, prospective purchasers should carefully consider the risk factors set forth under this heading "BONDHOLDERS' RISKS," as well as all other information contained in or incorporated by reference into this Official Statement, including the appendices hereto and additional information in the form of the complete documents summarized or incorporated by reference herein and in the appendices hereto, copies of which are available as described herein. The risks and uncertainties described below and elsewhere in this Official Statement (or in documents incorporated by reference into this Official Statement) could materially and adversely affect the Board's financial position, liquidity and ability to make payments in respect of the Bonds.*

*There may be other risk factors and investment considerations that are not presently foreseen by the Board, or that the Board does not currently consider material, including risks that an investor may consider material to its decision to invest in the Bonds. Moreover, any one or more of the factors discussed under this heading, and other factors not described under this heading, could lead to a decrease in the market value and the liquidity of the Bonds.*

### Suitability of Investment

The Bonds are not suitable investments for all persons. Prospective purchasers should confer with their own legal and financial advisors and should be able to bear the risks associated with the potential limited liquidity and price volatility, as well as the loss of their investment, in the Bonds before considering a purchase of the Bonds. The factors described under this heading "BONDHOLDERS' RISKS," many of which are outside of the control of the Board, may impact the Board's financial condition as well as its ability to make timely debt service payments on the Bonds.

### Ongoing Budgetary Pressures

Certain factors that control a substantial portion of the revenues of the Board are largely outside the Board's control. The Board's authority to increase its property tax revenues for operations is restricted by PTELL, with the exception of the Pledged Taxes, the Board's Capital Improvement Taxes and Pension Property Taxes. The Board's revenues from property taxes, PPRT Revenues, Intergovernmental Agreement Revenues and State and federal funding are limited by State and federal laws, and legislation would be required to provide new or increased revenues. Certain State and Federal Revenues (as defined herein) are allocated based on statutory formulas and limited by State and federal appropriations and thus are dependent in part on the competing demands for funding at the State and federal level.

In addition, certain factors that affect a substantial portion of the operating expenses of the Board, such as its required Pension Fund contributions, are largely outside the Board's control, limiting the Board's ability to adjust such expenses in relation to the Board's operating revenues.

The Board's largest source of expenditures is salaries and wages. A majority of Board employees have salaries, wages and benefits governed by contractual agreements with the Board's various collective bargaining units. In Fiscal Year 2024, the Board's annual salaries, wages and benefits totaled $5.67 billion and constituted approximately 68% of the Board's annual operating expenses. See "CHICAGO PUBLIC SCHOOLS – Chicago Teachers Union and Other Employee Groups." The Board has also entered into labor agreements with other employee groups that have increased costs. Other agreements will expire in future Fiscal Years, and the Board cannot predict cost increases or savings associated with labor contracts that may be entered into in the future.

Debt service costs on the Board's outstanding long-term general obligation debt in Fiscal Year 2026 are estimated to total approximately $1.040 billion. See "DEBT STRUCTURE". Future financings may increase the Board's outstanding long–term general obligation debt and debt service costs. Although not a part of the Refunding Plan, the Board has, from time to time, issued bonds to refund and restructure outstanding bonds to extend maturities to obtain budgetary relief which has the effect of extending and increasing the Board's overall debt levels. See "FINANCIAL INFORMATION."

**Cash Flow, Liquidity and Future Borrowings**

For Fiscal Year 2024, the Board reported General Operating Fund revenues of approximately $8.36 billion and expenses of approximately $8.35 billion, resulting in an operating surplus of approximately $6.8 million. The General Operating Fund balance increased by $6.9 million while the Capital Project Fund balance increased by $35 million. The Debt Service Fund increased by $155.2 million. Total Fiscal Year 2024 General Operating Revenues of $8.36 billion were $450 million, or 5.69%, higher than the prior year amount of $7.91 billion. Total Fiscal Year 2024 General Operating Fund expenses of approximately $8.35 billion represent a decrease of $640 million or 8.30% from the prior year amount of $7.71 billion.

The Board's authority to borrow is dependent on statutory authorization and historically the Board has relied on Alternate Revenue Bonds that require the availability of a source of Pledged Revenues to cover debt service and an additional coverage factor (10% or 25% dependent on the source of revenue) as its primary source of borrowing for long–term capital needs. While the Board's general obligation debt is subject to a legal debt margin imposed by State law, the Alternate Revenue Bonds are not included in the debt restricted by such margin so long as the Pledged Taxes are not extended to pay such Alternate Revenue Bonds. If the Pledged Revenues pledged to pay the Board's outstanding Alternate Revenue Bonds are not available to pay such Alternate Revenue Bonds and the Pledged Taxes are extended for payment of debt service, such series of Alternate Revenue Bonds would be included as outstanding debt and limit the borrowing capacity of the Board under the legal debt margin until such time as an audit of the Board shall show that such series of Alternate Revenue Bonds have been paid from the Pledged Revenues for a complete Fiscal Year.

The Board expects to continue to issue short-term debt to address its cash flow, liquidity and operating needs and for other purposes. The Board has levied in calendar year 2024 for collection in calendar year 2025 approximately $3.1 billion of ad valorem property taxes for educational purposes (the "2024 Tax Levy") and has authorized the issuance of up to $1.25 billion of tax anticipation notes in anticipation of the collection of the 2024 Tax Levy (the "2024 TANs"). As of October 14, 2025, the Board is awaiting the delayed distribution of the second installment of the 2024 Tax Levy from Cook County, Illinois. The Board has issued $1.20 billion of 2024 TANs structured as drawdown notes, with an aggregate principal amount of draws outstanding totaling $1.0 billion. In addition to the 2024 Tax Levy, the Board has also levied in calendar year 2025 for collection in calendar year 2026 approximately $3.28 billion of ad valorem property taxes for educational purposes (the "2025 Tax Levy") and has authorized the issuance of up to $1.25 billion of tax anticipation notes in anticipation of the collection of the 2025 Tax levy (the "2025 TANs"), with $450 million in 2025 TANs issued and an additional $450 million in 2025 TANs expected to be issued as of the date of this Official Statement. See "DEBT STRUCTURE – Tax Anticipation Notes" and "CASH FLOW AND LIQUIDITY." Although the Board's short-term borrowing program is in place with lending facilities available through the expected period of Tax Year 2024 collections, there can be no assurance as to the terms on which the Board will continue to be able to borrow or whether the Board's existing $1.20 billion borrowing structure will provide sufficient borrowing capacity.

**Availability of State Aid Revenues**

State Aid Revenues make up a sizable portion of the available operating revenues of the Board and a substantial portion is pledged to pay debt service on Alternate Revenue Bonds, including the Bonds.

The availability of State Aid Revenues is dependent upon numerous factors, including the impact of certain factors, such as PPRT Revenue receipts, EAV adjusted for PTELL, the Board's Adequacy Target and State Aid Base Funding Minimum under the EBF Formula. Other factors impacting the availability of State Aid Revenues include: (i) the continuation of the State Aid program under Illinois law and the Board's continued eligibility for State Aid under the provisions of the School Code including a required school calendar; (ii) timely collection by the State of the revenues from which State Aid is derived; (iii) the amount of funds appropriated by the State to pay State Aid; and (iv) the financial condition of the State and the availability of sufficient State revenues to pay State Aid appropriations. Changes in any one of the foregoing may negatively impact the receipt of State Aid Revenues that are used as Pledged State Aid Revenues for annual debt service on the Bonds and other Outstanding Pledged State Aid Revenue Bonds. See "– Financial Condition of the State" and "STATE AID REVENUES."

The Board cannot predict if State Aid Revenues will be available in sufficient amounts to pay debt service on the Bonds and the Outstanding Pledged State Aid Revenue Bonds in any given year and if State Aid Revenues remaining after payment of debt service (together with other revenues available for operating expenses) will be sufficient to fund the operating expenses of the Board.

**Availability of Property Tax Revenues**

The availability of property tax revenues in amounts sufficient, together with Pledged Revenues, to pay the annual debt service on the Board's general obligation bonds, including the Bonds and outstanding Alternate Revenue Bonds, and to support the ongoing operating expenses of the Board is dependent on numerous factors. The Board has never had to extend ad valorem property taxes for collection to provide sufficient revenues for payment of its previously–issued Alternate Revenue Bonds.

The availability of property tax revenues is dependent on the tax base of real property within the City and the School District (which boundaries are coterminous) and the ability of this tax base to support the tax burden imposed in any year by the Board and the other Overlapping Taxing Districts (as defined herein) for operations, debt service and other payment obligations, including pension and other post–employment retirement benefits. The availability of ad valorem property tax revenues is also dependent on the administration of the assessment, levy and tax collection procedures by the County Collectors. See "DEBT STRUCTURE – Overlapping Taxing Districts and Overlapping Debt."

There are six major units of local government located in whole or in part within the boundaries of the School District (the "Overlapping Taxing Districts"). The Overlapping Taxing Districts share, to varying degrees, a common property tax base and have the power to impose and increase property taxes on the same property tax base as the Board. Reasons for such tax increases include, but are not limited to, increased costs of operation, increased debt service requirements on new or outstanding indebtedness, increased pension funding requirements, and other increased costs. See "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS—Overlapping Taxing Districts." The Board does not control the amount or timing of the taxes levied by these Overlapping Taxing Districts.

In addition, certain of the Board, the City and the Overlapping Taxing Districts have levied taxes to pay Alternate Revenue Bonds and certain other general obligation bonds and such taxes are currently not extended for collection and are not reflected in the current tax rates of such entities. Such taxes could be extended in the future resulting in a substantial increase in the tax burden of property owners within the

boundaries of such entities. Such increased burden could potentially be harmful to the local economy and may impact the value of property in the region and lead to population migration, delayed payments of taxes, lower tax collection rates and other factors that may result in a decrease in the rate and amount of tax collections received by the Board, including the Pledged Taxes if extended for collection.

**Labor**

The two labor unions that represent the largest number of Board employees are the CTU (representing teachers) and SEIU Local 73 (representing custodians, security officers, special education classroom assistants and bus aids). The Board's current agreement with the CTU is effective as of July 1, 2024 and expires on June 30, 2028. The Board's current agreement with SEIU Local 73 is effective as of July 1, 2023 and expires on June 30, 2027. See "CHICAGO PUBLIC SCHOOLS – Chicago Teachers Union and Other Employee Groups" for information on all union representation of Board employees and the status of the related collective bargaining agreements. While agreements are currently in place with the CTU and SEIU Local 73, negotiations will be required to extend the agreements beyond their respective expiration dates. To the extent that the negotiation process does not produce new agreements, upon a sufficient vote of the respective union membership and compliance with applicable notice requirements, strikes could occur. If a strike or strikes occur during the school year, school days may be lost, which in turn, could have a negative impact on State Aid Revenues. See "STATE AID REVENUES – Recognized District and Legislative Standards for Receipt of State Aid."

**Bankruptcy of the Board and Enforcement Remedies Under Each Indenture**

*General.* Units of local government, such as the Board, cannot file for protection under the U.S. Bankruptcy Code unless they are specifically authorized to be a debtor by state law or by a governmental officer or an organization empowered by state law to authorize such entity to be a debtor in a bankruptcy proceeding. State law does not currently permit the Board to be a debtor in a bankruptcy proceeding. However, from time to time, legislation has been introduced in the Illinois General Assembly which, if enacted, would permit Illinois units of local government to be a debtor in bankruptcy under the U.S. Bankruptcy Code. The Board cannot predict whether any such legislation will be enacted that would permit units of local government, such as the Board, to be a debtor in bankruptcy.

Notwithstanding the foregoing, if the Board were authorized by State law to become a debtor in bankruptcy and were to become a debtor in a proceeding under Chapter 9 of the U.S. Bankruptcy Code, it is possible that the application of the Pledged Taxes and/or Pledged Revenues to pay the Bonds could be stayed during the proceeding, and that the terms of the Bonds, the applicable Bond Resolution, the 2022 Authorization, or the Indenture securing the Bonds (including amount, rate, security, and tax–related covenants) could be altered by a plan of adjustment, if the bankruptcy court determines that the alterations are fair and equitable and otherwise comply with requirements of the U.S. Bankruptcy Code.

*Board Intent*. Although the Board can provide no assurances, and there is no binding judicial precedent dealing with facts similar to those supporting the Board's position, the Board believes that the Pledged Taxes currently pledged by the Board under the Indenture securing the Bonds constitute *"special revenues,"* as defined in Section 902(2)(E) of the U.S. Bankruptcy Code, and, as a consequence, (i) pursuant to Section 928(a) of the U.S. Bankruptcy Code, any and all of such Pledged Taxes currently pledged by the Board under each such Indenture collected on behalf of the Board after the commencement of a case by the Board under Chapter 9 of the U.S. Bankruptcy Code should remain subject to the lien of the Indenture and could not lawfully be used by the Board without providing the bondholders "adequate protection" (as that term is defined in Section 361 of the U.S. Bankruptcy Code) for any diminution in value of the bondholders' interest in the Pledged Taxes resulting from the bankruptcy case and (ii) under Section 922(d) of the U.S. Bankruptcy Code, the application by the Trustee of the Pledged Taxes under the terms

of each related Indenture should not be subject to stay after the commencement by the Board of a case under Chapter 9 of the U.S. Bankruptcy Code. The Board intends that the Pledged Taxes securing the Bonds be treated as *special revenues*. Investors are cautioned that the representations of the Board contained in this paragraph should not be construed to be conclusions of law and should not place undue reliance on the Board's beliefs, expectations or any other "forward–looking statements" when evaluating the information presented in this paragraph and in this Official Statement. See "REGARDING THE USE OF THIS OFFICIAL STATEMENT – Cautionary Note Regarding Forward-Looking Statements."

*No Opinion or Belief Regarding Special Revenue Treatment of the Pledged Revenues Securing the Bonds.* No opinion, intent or belief is expressed with regard to the treatment of the Pledged Revenues securing the Bonds in a bankruptcy proceeding.

The opinions of Bond Counsel and the Board's General Counsel as to the enforceability of the Board's obligations pursuant to the Indenture and to make payments on the Bonds are qualified as to bankruptcy and similar events and as to the application of equitable principles and the exercise of judicial discretion in appropriate cases and to common law and statutes affecting the enforceability of contractual obligations generally and to principles of public policy concerning, affecting or limiting the enforcement of rights or remedies against governmental entities such as the Board. See APPENDIX J – "FORMS OF OPINIONS OF BOND COUNSEL" and APPENDIX A — "CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES — Events of Default and Remedies."

**Federal Funding, Legislation and Policy**

The operations of the Board depend in part on its receipt of federal revenues, which are revenues received by the Board in the form of federal grants dedicated to specific purposes ("Federal Revenues"). Funding for Federal Revenues is appropriated annually by the United States Congress and is paid to the Board on a reimbursement basis for qualified expenditures. See "FINANCIAL INFORMATION – Federal Revenues." The receipt of Federal Revenues is impacted by many factors, including satisfaction of grant eligibility requirements, compliance with requirements of the grant agreements and certain federal regulations, congressional appropriation of funding, executive orders and other policy documents issued by the federal government, legislative proposals and lawsuits initiated by the United States. School enrollment is also a factor in receipt of Federal Revenues, and enrollment at Board schools has declined over the last eight years from 381,349 students enrolled for the Fall of 2016 to 325,305 students enrolled for the Fall of 2024. The evolving priorities and policies of the Trump administration has had and is expected to continue to have a significant effect on the education industry, and potential federal legislative and executive actions and initiatives that adversely impact the Board could be introduced in the future. In September of 2025, the Trump administration canceled certain federal grant funding for the Board, which primarily relates to its magnet school program. The canceled funding totals approximately $23.3 million over the life of the program and includes $5.8 million for the current 2026 fiscal year. While the immediate impact of proposed and potential federal initiatives is still uncertain, these and other developments involving the federal government may, directly or indirectly, have a material adverse effect on the financial condition of the Board. The Board is unable to predict the amount, timing or likelihood of receipt of future Federal Revenues.

**Financial Condition of the State**

The State has experienced and continues to experience a structural deficit and pension obligations that result annually in significant shortfalls between the State's general fund revenues and spending demands. There can be no certainty as to if or when the State will resolve its structural deficit. Continued budget problems of the State may impact State appropriations of State Aid and State Grants to the Board and State Statutory Contributions to the Pension Fund and could impact the level and timing of payments

of State revenues to the Board. Any failure of the State to resolve its current and future deficits or resolve them by budget cuts and/or increases in taxes, could have an adverse effect on the local and State economy and/or property tax base and therefore an adverse impact on the operations and revenues of the Board. Further information regarding the State may be obtained on its website.

**Financial Condition of the City**

The City has experienced structural deficits in recent years. The City has in the past increased property taxes and may increase property taxes in the future to address budget needs. The City is not currently subject to the PTELL limit on property tax increases. The City has an overlapping taxing base with the Board and, from time to time, provides certain funding to the Board. The failure of the City to resolve any future deficits or resolving them by budget cuts and/or continued increases in property taxes, could have an adverse effect on the local economy and/or property tax base. Such actions may therefore have an adverse impact on the operations of the Board and the revenues it receives, including the timing, collection and distribution of Pledged Taxes.

**Local and State Economy**

The financial health of the Board is in part dependent on the strength of the local economy, which in turn is a component of the State economy. Many factors affect both economies, including rates of employment and economic growth and the level of residential and commercial development. Actions of local governments and the State may also have an economic impact to the extent such actions foster or impede economic growth and development. In addition, financial difficulties experienced by the State and by the Overlapping Taxing Districts may place stress on the same sources of revenue from which the Board derives the funds for its operations and debt service. It is not possible to predict whether any changes in economic conditions, demographic characteristics, population or commercial and industrial activity will occur or to quantify what impact such changes would have on the finances of the Board.

**Credit Ratings, Investment Illiquidity and Market Prices**

The interest rates the Board pays on new issuances of long and short–term debt are heavily impacted by the credit ratings of the Board's debt obligations, and downward changes in such ratings have resulted and may continue to result in higher interest rates payable by the Board on bond issuances and other borrowings. The credit ratings of the Board's Alternate Revenue Bonds are currently below investment grade by each of Moody's, S&P, and Fitch. KBRA, which maintains an investment grade rating on the Board's Alternate Revenue Bonds, first rated the Board's credit in 2015.

Numerous factors may impact the liquidity of the Bonds, including any loss of value of the Bonds as a result of downgrades to the credit ratings of the Bonds or the other debt of the Board, additional downgrades to the credit ratings of the City or State, any deterioration of the Board's financial condition, or as a result of market or other factors. There is no assurance that the secondary market for the Bonds will provide the Bondholders with sufficient liquidity for their investment or that such secondary market will continue through the final maturity of the Bonds.

**Cybersecurity Risks**

In the last few years, the increase in reported customer or data breaches and other fraudulent activities/attacks, have heightened awareness of data security. Like many organizations, the Board relies on digital technologies to conduct customary operations, therefore the Board could be the target of cyber-attacks. Additionally, outside parties may attempt to fraudulently induce the Board's employees, customers, business partners, service providers and other users of its services to disclose information in

order to gain access to sensitive data and the Board's systems. The Board maintains a network security system environment, along with several employee and student policies, that aim to provide best practice enhancements against cyber-attacks by third parties and to minimize any adverse impact on the Board's operations. However, the techniques used to obtain unauthorized access to, or to disable or degrade, electronic networks, computers, systems and solutions are rapidly evolving and have become increasingly complex and sophisticated. Such incidents are likely to continue and the Board is unable to predict the direct or indirect impact of these future attacks and activities on the Board.

**Change in Laws**

There are a variety of State and federal laws, regulations and constitutional provisions that apply to the Board, including the Board's ability to raise taxes and other revenues, fund its pension obligations or to reorganize its debts. There is no assurance that there will not be any change in, change in the interpretation of, or addition to such applicable laws, regulations and provisions. Any such change, change in interpretation, or addition may have a material adverse effect, either directly or indirectly, on the Board or the taxing authority of the Board, which could materially adversely affect the Board's operations or financial condition.

**Tax-Exempt Status**

In the event that the Board fails to comply with the requirements of the Code, interest on the Bonds may become includable in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, the Indenture does not require acceleration of payment of principal of or interest on the Bonds or payment of any additional interest or penalties to the owners of the Bonds. See the section captioned "TAX MATTERS" in this Official Statement.

**IRS Bond Examinations**

The Internal Revenue Service (the "IRS") has established an ongoing program to audit tax-exempt obligations to determine whether interest on such obligations should be included in gross income for federal income tax purposes. Owners of the Bonds are advised that, if an audit of the Bonds were commenced, the IRS, in accordance with its current published procedures, is likely to treat the Board as the taxpayer, and the owners of the Bonds may not have a right to participate in such audit. Public awareness of any audit could adversely affect the market value and liquidity of the Bonds during the pendency of the audit, regardless of the ultimate outcome of the audit.

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## BOARD OF EDUCATION OF THE CITY OF CHICAGO

### General

The Board is a body politic and corporate of the State. The Board is established under and governed by the School Code and is a non-home rule unit of government. The Board maintains a system of public schools within the School District for pre-kindergarten through grade twelve and is the fourth largest school district in the nation.

The School District has boundaries coterminous with the boundaries of the City. The City has a population of approximately 2.7 million. The City, located on the shores of Lake Michigan in the Midwestern United States, has a large and diverse economy that contributed to a gross regional product of approximately $895 billion in 2023. Trade, transportation and utilities, government, education and health service and professional and business services are among the Chicago region's largest industry sectors. The City's Chicago O'Hare International Airport has been consistently among the top-ranked airports in every metric, including total passengers, both internationally and domestically, since its opening. Chicago's transportation and distribution network offers access to air, rail, and water, with two ports capable of handling ocean-going ships and barges, and an airport system that moves 2.1 million tons of freight, mail, and goods annually. See APPENDIX I – "ECONOMIC AND DEMOGRAPHIC INFORMATION."

### Governing Body

The School District's governing body is a twenty-one-member Board. Under the School Code, the Board is responsible for approving the annual budget, approving contracts (including collective bargaining agreements), levying real property taxes and establishing general policies of the Board. The current Board members are composed of ten elected members and eleven appointed by the Mayor of the City. The Board's mayoral appointments do not require approval of the City Council. See "Transition to Elected School Board" herein. In addition to its Board, elected local school councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools in the public school system, including selection of principals.

### Transition to Elected School Board

The School Code formerly provided for a seven-member Board, as the governing body of the School District, to be appointed by the Mayor with no required approval by the City Council. In July 2021, Illinois Governor JB Pritzker signed legislation (P.A. 102-0177) (the "Elected School Board Legislation"), which amended the School Code to provide for a two-step transition from the current mayoral-appointed Board, first in January of 2025 to a hybrid Board comprised of 10 mayoral-appointed and 10 elected members and a President appointed by the Mayor, and then in January of 2027 to an all elected 21-member Board (20 members elected from single-member districts and a President elected City-wide). Two additional acts (P.A. 102-0691 and P.A. 103-0584, the "Trailer Bills") specified terms of office, districting, and election procedures. The Elected School Board Legislation and Trailer Bills do not affect any of the Board's powers to levy taxes (including the capital improvement taxes), issue debt obligations or adopt an annual budget and does not otherwise change or modify the administrative, operational or financial structure or systems of the Board, including, without limitation, State funding for the Board as described under "FINANCIAL INFORMATION – State Aid Revenues" herein.

Beginning January 15, 2025, until January 15, 2027, each district is represented by one member who was elected at the 2024 general election and one member who was appointed by the Mayor. Additionally, in December 2024 the Mayor of Chicago appointed the president of the Board for a 2-year term that also ends January 15, 2027. The Board elects annually from its members a vice-president. Whenever there is a vacancy in the office of an appointed member of the Board, the Mayor appoints a successor to fill the vacancy for the remainder of the unexpired term. Whenever there is a vacancy in the office of an elected member of the Board, the President of the Board notifies the Mayor of the vacancy within 7 days after its occurrence and, within 30 days, fills the vacancy for the remainder of the unexpired term by majority vote of the remaining members of the Board. Successors to appointed or elected members must have the same qualifications as the member's predecessor.

The current members of the Board are as follows:

| Member | District | Appointed/Elected | Term Expires |
|---|---|---|---|
| Sean B. Harden, President | Citywide | Appointed | January 14, 2027 |
| Olga Bautista, Vice President | 10B | Appointed | January 14, 2027 |
| Ed Bannon | 1A | Appointed | January 14, 2027 |
| Jennifer Custer | 1B | Elected | January 14, 2027 |
| Ebony DeBerry | 2A | Elected | January 14, 2027 |
| Debby Pope | 2B | Appointed | January 14, 2027 |
| Norma Rios-Sierra | 3A | Appointed | January 14, 2027 |
| Carlos Rivas Jr. | 3B | Elected | January 14, 2027 |
| Karen Zaccor | 4A | Appointed | January 14, 2027 |
| Ellen Rosenfeld | 4B | Elected | January 14, 2027 |
| Jitu Brown | 5A | Elected | January 14, 2027 |
| Michilla Blaise | 5B | Appointed | January 14, 2027 |
| Anusha Thotakura | 6A | Appointed | January 14, 2027 |
| Jessica Biggs | 6B | Elected | January 14, 2027 |
| Pastor Emma Lozano | 7A | Appointed | January 14, 2027 |
| Yesenia Lopez | 7B | Elected | January 14, 2027 |
| Angel Gutierrez | 8A | Elected | January 14, 2027 |
| Cydney Wallace | 8B | Appointed | January 14, 2027 |
| Dr. Angel Velez | 9A | Appointed | January 14, 2027 |
| Therese Boyle | 9B | Elected | January 14, 2027 |
| Dr. Che “Rhymefest” Smith | 10A | Elected | January 14, 2027 |

**Entanglements Report**

In December 2021, Governor Pritzker signed legislation (P.A. 102-0691, one of the Trailer Bills) which required the Board to commission for completion by October 2022 an independent financial review to assess its finances and its “entanglements with the City of Chicago.” The Board timely completed and delivered the independent review (the “Entanglements Report”) to the Illinois State Board of Education (“ISBE”). Pursuant to P.A. 102-0691, ISBE was required, no later than July 1, 2023, to assess the financial review and make recommendations to the General Assembly on the Board’s “ability to operate with the financial resources available to it as an independent unit of local government.” On June 23, 2023, ISBE delivered its assessment and recommendations to the General Assembly, identifying seven potential risks to the Board and making seven recommendations. ISBE specifically noted that additional EBF funding “can be used to fund each area [of risk] identified…” ISBE’s recommendations to the General Assembly included: continuing to increase school funding by $350 million overall; continuing to fund school transportation costs and other grants at a high level for the benefit of all schools; re-establishing a statewide

school capital construction program; providing CPS with the ability to call for a referendum for operating tax increases; and providing a mechanism whereby CPS would have board representation for the Municipal Employees' Annuity and Benefit Fund of Chicago. ISBE's recommendations to CPS included: considering undertaking the process to secure a short-term exception to PTELL to generate increased property tax revenues; and, continuing to partner with the City on student transportation and school resource officer costs. P.A. 102-0691 does not obligate the General Assembly to take-up any of ISBE's recommendations. Similarly, the Board is not obligated to take any actions with respect to ISBE's recommendations.

## CHICAGO PUBLIC SCHOOLS

### Central Administration

As authorized under the School Code, the Board has established the following offices and appointed the following individuals to serve in the capacities indicated.

| | |
|---|---|
| Interim Superintendent/Chief Executive Officer | Dr. Macquline King |
| Treasurer and Deputy Chief Financial Officer | Walter M. Stock |
| Chief Operating Officer | Charles Mayfield |
| Comptroller | James Patrick T. Alforque |
| Acting General Counsel | Elizabeth K. Barton |

*Interim Superintendent/Chief Executive Officer*. **Dr. Macquline King** brings more than 30 years of public education experience to CPS. Raised in Chicago, she attended Oakenwald North Elementary and the Metropolitan School of Studies. She attended City Colleges of Chicago, leading to a degree in Teacher Education from National Louis University. She served as a classroom teacher and, eventually, as a master teacher, where she mentored and supported novice educators. After 12 years of teaching in CPS classrooms, she began her leadership journey. Dr. King moved to the next level of her professional journey when she was selected for the prestigious New Leaders Principal Preparation Program, a nationally-recognized principal preparation program on accelerating outcomes for all students.

Dr. King became the principal of Dumas Elementary School in Woodlawn on Chicago's South Side. In her first year as principal, a successful grant application enabled Dumas to become one of the district's inaugural technology academies. As the leader of Dumas, Dr. King led the school community with compassion and strength through the unprecedented 2013 CPS school closures, providing her students and families with support during an incredibly difficult time.

From Dumas, she became principal of Courtenay Elementary, a designated Welcoming School for students impacted by the closures on Chicago's North Side. During her tenure at Courtenay, Dr. King's leadership was recognized when she became a Cahn Fellow for Distinguished Educators—a program celebrating outstanding school leaders. She deepened her commitment to the field by earning her Doctorate in Education Leadership and completing her Superintendent's License. Under her guidance, the school added a magnet cluster comprehensive gifted program, with Dr. King obtaining her gifted endorsement alongside her teachers. Additionally, she spearheaded a successful fundraising initiative that secured the funding to build an inclusive playground for both the school community and the nearby neighborhood.

In 2022, Dr. King transitioned to Senior Director of Education Policy (PK-16) in the Office of the Mayor for the City of Chicago. In this capacity, she worked on aligning resources and policy initiatives across CPS, City Colleges of Chicago, Chicago Public Libraries, and early childhood programs. Her efforts included leading the reactivation of the UNCF Scholarship Campaign in Chicago, funneling over $150,000 in scholarship funding to graduating high school students from underrepresented communities. It also

included finalizing a multi-year funding effort securing $41 million to transform three key schools in the West Side North Lawndale neighborhood into innovative hubs for science and arts education.

Dr. King re-joined CPS in 2025 as interim superintendent. Her vision is one rooted in transparency and opportunity for all, with a commitment to ensuring that every student in Chicago has the tools, resources, and support needed to thrive.

*Treasurer and Deputy Chief Financial Officer*. **Walter M. Stock** is the Treasurer and Deputy Chief Financial Officer of the Board, currently serving as Acting Chief Financial Officer, and has oversight over treasury management and risk management. He was appointed to his current positions as Treasurer and Deputy Chief Financial Officer on July 24, 2019, with a retroactive effective date of June 23, 2019. Mr. Stock has been with the Board since January 2014. His responsibilities have included cash operations and forecasting, debt management and new issuance, investments, risk management, and management of all CPS banking accounts, including those of the local schools. Previous to his tenure at CPS, Mr. Stock was a Managing Director at PNC Capital Markets. Preceding PNC Capital Markets, he was a Managing Director at Mesirow Financial. Prior to that he was a Vice President at Bernardi Securities. In total, Mr. Stock has over 28 years of municipal finance experience and has structured and executed in excess of $16 billion of financings for the Board and municipal issuers across the Midwest. He holds a Bachelor's Degree in Economics from the University of Illinois at Chicago.

*Chief Operating Officer*. **Charles Mayfield** is Chief Operating Officer and is responsible for working closely with the CEO and other District leaders to ensure that the District's priorities and core values are reflected through the resources and services CPS provides to students, staff, and families. Prior to this role, he served as the District's Chief Procurement Officer. In this position, he oversaw vendor management services to schools and Central Office locations to ensure the highest quality and value of goods and services for the District. Mr. Mayfield also oversaw the Keep Improving District Services (KIDS) initiative—a partnership between CPS schools, departments, and vendors that aims to continuously improve vendor performance through innovative services, increased equity participation, elimination of waste, and value-add philanthropic support. A graduate of CPS, Charles is an Air Force veteran and earned a bachelor's degree in marketing and a master of business administration from Southern Illinois University.

*Comptroller*. **James Patrick T. Alforque** was appointed as the Controller of the Board in September 2022. Patrick has over 25 years of experience in auditing and accounting. Previously, he worked at Roosevelt University as the Controller for over 10 years and recently, at Northeastern Illinois University as the Controller and at Loyola University Chicago as the Senior Director for Accounting and Financial Reporting. He also spent 13 years in public accounting including 4 years as an auditor with Ernst & Young, LLP in Chicago. He is a CPA both in Illinois, USA and in the Philippines. He ranked 20th place in the 1992 National Philippine CPA Board Examination. Patrick attended a public elementary school in the Philippines. Patrick has lived in Chicago, IL since migrating from the Philippines in 2000. Patrick graduated Magna Cum Laude with a degree in Bachelor of Science in Commerce major in Accounting from Xavier University in Cagayan de Oro, Philippines.

*Acting General Counsel*. **Elizabeth K. Barton** is the Acting General Counsel of the Board effective August 6, 2025. In that capacity, she oversees the Board's Law Department and advises the Board and the District on a variety of legal issues, including litigation, labor and employment, education law, commercial transactions, policy, and risk mitigation. Ms. Barton is a 2005 graduate of The University of Iowa with a B.B.A. in Business Management & Organizations, and she obtained her J.D. from the University of Illinois Chicago School of Law in 2008.

For two years, she served as a Managing Deputy General Counsel with responsibility for overseeing three practice area groups in the Board's Law Department: Litigation (federal, state, administrative), Transactions, and Investigations. Prior to that, Ms. Barton managed the Federal Litigation Unit for four years, defending claims involving employment discrimination, due process, civil rights, Title IX, and special education.

Prior to joining the Board, Ms. Barton was in private practice representing a variety of local government entities across Illinois such as police departments, school districts, and park districts in federal litigation. Ms. Barton is a Board Member of the Chicago Chapter of the Federal Bar Association, as well as a member of its Association and Corporate Counsel Committee. Ms. Barton also volunteers as an English language tutor of adult migrants and asylum seekers.

## School System and Enrollment

The following table presents the number of schools and the enrollment for the Board for Fiscal Years 2020 through 2025. Enrollment has declined over the period shown, based on numerous factors including a decades-long decline in the number of children born in the City, migration of students to private schools and suburban school districts, and impacts of the COVID-19 pandemic. The Board's Fall 2024 (occurring in Fiscal Year 2025) school enrollment was 325,305 students.

**Chicago Board of Education**
**Number of Schools and School Enrollment**

| **Number of Schools** | **Fiscal Year 2020** | **Fiscal Year 2021** | **Fiscal Year 2022** | **Fiscal Year 2023** | **Fiscal Year 2024** | **Fiscal Year 2025** |
|---|---|---|---|---|---|---|
| Elementary [1] | 422 | 422 | 422 | 425 | 424 | 424 |
| High School | 106 | 106 | 106 | 101 | 101 | 101 |
| Charter Schools | 127 | 127 | 126 | 122 | 122 | 122 |
| Total Schools | 655 | 655 | 654 | 648 | 647 | 647 |
| **School Enrollment** [2] | | | | | | |
| Elementary [1] | 220,539 | 206,314 | 197,429 | 190,702 | 192,950 | 195,946 |
| High School | 76,340 | 77,062 | 77,548 | 75,361 | 75,132 | 76,972 |
| Charter Schools | 58,277 | 57,282 | 55,434 | 56,043 | 55,169 | 52,387 |
| Total School Enrollment | 355,156 | 340,658 | 330,411 | 322,106 | 323,251 | 325,305 |

Source: Chicago Public Schools. Number of Schools Includes Alternative Learning Opportunities Programs (ALOPs).
[1] Elementary schools include the traditional classification of middle schools.
[2] Includes the number of students in each type of school regardless of the students' grades.

## Summary and Status of School Actions

A State–mandated process governs the annual timing for school action proposals, including co-locations, reassignment boundary changes, consolidations and closures ("School Actions"). Pursuant to this process, by October 1st each year the Board creates and releases any updated Guidelines for School Actions ("Guidelines") that outline the academic and non–academic criteria for a school action. All proposed School Actions to be taken at the close of a current academic year must be consistent with the Guidelines and must be announced by the following December 1st. These proposals are also subject to requirements of notice, two community meetings, and one public hearing prior to being put to a vote by the Board. Proposed school actions are typically voted on by the Board in the February–May timeframe.

Over the last several years, the Board's School Actions have reduced overall school count from 661 in Fiscal Year 2018 to 647 in Fiscal Year 2025. This reduction is the net result of lower enrollment figures, consolidating several Board–operated schools that were located in the same building as other Board–operated schools, and closing of other Board–operated schools and charter schools. The Elected School Board Legislation instituted a moratorium on school closings, consolidations, or phase-outs until the elected members of the Board were seated in January of 2025. The Board passed a resolution in Fiscal Year 2025 resulting in a new moratorium on closures, consolidations, and phase-outs for district-managed schools through school year 2026-2027. See "BOARD OF EDUCATION OF THE CITY OF CHICAGO."

**Capital Improvement Program**

The Board has an ongoing "Capital Improvement Program" that includes a capital budget assembled as part of the Board's Five-Year Capital Plan and Ten-Year Master Education Facility Plan pursuant to State law.

The Board's Fiscal Year 2026 budget includes a capital budget (the "Fiscal Year 2026 Capital Budget") totaling $555.9 million that focuses on the funding of a capital plan (the "Fiscal Year 2026 Capital Plan") that prioritizes critical facility needs, interior improvements, programmatic investments, site improvements, and IT upgrades. The Fiscal Year 2026 Capital Plan includes, among other projects: (i) $195.9 million for priority roof, envelope, and mechanical projects; (ii) $15 million for fire alarm system replacement; (iii) $16.7 million for space efficiency and interior improvements; (iv) $10 million for energy efficiency projects; and (v) $80 million for unanticipated emergency repairs. Funding of the Fiscal Year 2026 Capital Plan derives from the proceeds of bond issuances and other confirmed and potential outside resources as they become identified.

The Board released the 2023 Educational Facilities Master Plan (the "EFMP") as of September 28, 2023. The Board first adopted such a plan in 2013 and it is required to be updated periodically pursuant to the requirements of State Law. The EFMP combines data and feedback from internal and external sources to provide a holistic picture of the Board's short and long-term facility needs. The planning process is part of a continuous effort to provide safe, healthy, and supportive learning environments. The EFMP was to be used along with community input to prepare a five-year strategic plan released in 2024. Future Capital Plans will align with the priorities outlined in the EFMP and the strategic plan. Additionally, the Board conducts biannual facility assessments for each facility owned, leased, or operated by the district. The Board completed its most recent round of facility condition assessments for each Board-operated school building between June 2023 and December 2024. The current round of assessments started in June 2025.

**Annual Regional Analysis**

In Fiscal Year 2025, the Board provided its most recent Annual Regional Analysis (the "ARA") which provides a consistent set of information regarding school quality, enrollment patterns, school choice, and program offering by region. The goal of the ARA is to ensure every student in Chicago has reasonable access to quality public schools and a variety of schools and programs and it promotes communication, collaboration and transparency. The ARA is organized into 16 geographic regions aligned with Chicago neighborhoods and includes information by region relating to the quality of schools, enrollment and available seats, the number of students that attend schools within and outside their region, and the variety of programs including fine and performing arts, world language, and STEM. One of the key findings of the ARA is that there are approximately 148,000 more seats than students enrolled in the School District. The purpose of the ARA is to discuss issues related to school quality, quantity, choice and variety and to begin a dialogue with the community around a common set of facts related to schools in each community. In an effort to begin this dialogue, the Board conducted facilitated workshops in each of the 16 planning groups across the City.

**Five-Year Strategic Plan**

In Fiscal Year 2025, the Board approved Success 2029: Together We Rise, a new five-year strategic plan for Chicago Public Schools. The plan contains a vision of a rigorous, joyful, and equitable learning experience for every student; resources and conditions for success in every school; and inclusive and collaborative partnerships in every community. The plan builds on recent academic gains achieved since the COVID-19 pandemic and sets ambitious goals, including:

- 100% of students will have access to high-quality instructional materials (curriculum) that are grade-level aligned and culturally responsive in all content areas across all classroom settings.
- Increase by 20% the number of 3rd-8th graders who meet or exceed proficiency levels on the state's IAR assessment for English language arts and math.
- 100% of schools will implement an equity-based Multi-Tiered System of Supports and fully integrate social-emotional learning practices into student experiences.
- The overall District rate for chronic absenteeism will decline by 15%.
- Increase the percentage of schools rated as "strong" or "very strong" on the Supportive Environment Essential on the 5Essentials survey to at least 25%
- All middle and high school students will have equitable access to high-quality postsecondary opportunities through college and career readiness instruction, advanced coursework, and career and technical education.
- 70% of CPS graduates will have earned the equivalent of a semester of college credit or an advanced career credential.
- The District will reach at least 90% funding adequacy, based on the state's funding adequacy assessment, so schools have the resources they need to ensure a high-quality and equitable student experience, regardless of the size of the school or the unique needs of the student population.

**Educational Highlights**

The following is a description of certain recent educational highlights related to the Board.

*Record-High Graduation Rate*. The graduation rate for CPS students continues to be at all-time highs with 84 percent earning a diploma in 2024, including strong gains from African American students. The graduation rate has steadily risen over the past twelve years, growing more than 24 percent since 2012, when just over half of CPS students earned a high school diploma.

*Lowest One-Year Dropout Rate.* The 2023-2024 one-year dropout rate hit a low of 4.9 percent. The decrease was largest for African American students and also decreased for Latinx students, White students, Asian students, economically disadvantaged students, and English learners. The dropout rate has steadily declined in recent years from a rate of 7.1 percent in the 2016-2017 school year to a rate of 4.9 percent in the 2024-2025 school year.

*College and Career Readiness.* In 2025, more than 1,000 graduating students earned fifteen or more college credits, the equivalent of one semester in college, which represents a 21.4 percent increase from 2024. In addition, 320 students earned 30 credits or more, equivalent to one full year of college and a 47.5 percent one-year increase. Finally, 211 graduating seniors earned an associate degree while still in high school. The District continues to increase access to college-level coursework in high schools, which helps prepare students for post-secondary opportunities and helps make college more accessible and affordable. CPS is also expanding pathways to high wage, high demand careers through Career and Technical Education and work-based learning with labor and industry partners. In 2025, 10,000 students participated in training programs, career readiness workshops, internships, and field trips to explore various skilled

trades – with about 250 students directly hired into skilled trades jobs after graduation through bridge programs.

*CPS School Rankings.* Several Board high schools are locally and nationally ranked by U.S. News and World Report, recognizing academic performance on state assessments and student preparation for college as measured by advanced placement tests. In 2025, out of more than 24,000 high schools nationally surveyed, six CPS schools were ranked among the top 10 high schools in Illinois, and the Board's Walter Payton College Prep, Northside College Prep, and Lane Technical College Prep High School were ranked among the "top 100" schools nationally.

*Growth in Biliteracy.* In 2025 more than 3,400 students from 91 schools earned the Illinois Seal of Biliteracy, which is about 17 percent higher than 2024 and more than 80 percent higher than 2022. The Seal of Biliteracy is given to students who have attained proficiency in English and at least one other language before their high school graduation.

**Educational Initiatives**

The Board has implemented a series of recent educational initiatives to support student learning, including the following:

Administrative Initiatives

*AI Guidebook*. The Board has released a guidebook for the responsible adoption of generative artificial intelligence (GenAI) across the District. The AI Guidebook outlines an initial approach to GenAI integration, including guidelines for ethical use and pedagogical strategies. This guidebook will be regularly reviewed and revised to reflect stakeholder input, best practices, and advances in GenAI technology. The Board is committed to integrating these tools ethically and responsibly, ensuring that they align with the CPS's educational goals and standards while upholding the safety and privacy of the community. The Board will also support faculty and staff with professional development opportunities to support its implementation.

*"Back to Our Future" Initiative*. With an initial investment of $18 million (including a $16.2 million award from the Illinois Department of Human Services), in 2022 CPS began piloting a new high touch intervention model to 1,000 youth who have been disconnected from school for at least 12-18 months. CPS partners with community-based organizations and the University of Chicago Crime and Education Labs to conduct extensive outreach to engage these hardest-to-reach students and provide comprehensive behavioral health services, mentoring and employment opportunities, and other wrap-around supports in order to build the skills needed to safely reconnect with their school communities.

*Chicago Connected.* Chicago Connected is a program started during the COVID-19 pandemic that provides no-cost, high-speed internet service to CPS students in their households. According to Census data, an estimated 100,000 students lack access to high-speed internet in Chicago. In order to narrow the digital divide for CPS families, Chicago Connected offers up to four years of high-speed internet for CPS families who are most in need. Since its launch in June 2020, more than 64,000 students have enrolled in the program. Chicago Connected eligibility has expanded to more than 228,000 student households, creating the foundation for a permanent publicly supported system for families in the city.

*Children First Fund*. CPS originally established the Children First Fund in 1996 to promote the growth and success of CPS through philanthropy and partnerships. The Children First Fund serves as a knowledge hub and liaison between CPS and its community of partners, including businesses, foundations, and individuals. By matching resources provided by external donors and partners with the students, schools, and staff that need them most, the fund maximizes the impact of CPS' partnerships and advances

the CPS Vision. For many years, Chicago's business, philanthropic, higher education, health and cultural institutions have invested in CPS schools and enriching experiences for its students. The Children's First Fund continues to be a singular liaison for partners, streamlining processes, maximizing partners' impact and increasing student access to real-world learning experiences.

*Continuous Improvement and Data Transparency.* In 2023 the Board adopted a new policy for school accountability. This new system, known as Continuous Improvement and Data Transparency, shifts focus away from punitive measurements of school quality to a holistic understanding of student learning and wellbeing. This means focusing not only on academic success but also fostering an environment that supports students' growth and wellbeing.

*Innovation and Engagement Center of Excellence.* To ensure that CPS students are well-prepared for the workforce of the future, CPS is fostering a culture of innovation and providing educators with the tools and resources they need to excel. The Innovation and Engagement Center of Excellence will serve as a catalyst for this transformation, facilitating the integration of cutting-edge technologies and evidence-based practices into the district's instructional strategies. The Center will centralize cross-functional Enterprise Governance and Innovation Management processes and tools to identify and implement emerging digital technologies in the district, with the goals to advance the use of technology in and out of the classroom, promote student engagement, improve teacher access to resources, and enhance the overall learning experience.

*Healthy CPS.* Healthy CPS is an Office of Student Health and Wellness initiative that seeks to eliminate health-related barriers by providing schools with guidance and support to adhere to state and district health and wellness policies. Healthy CPS streamlines these policies into four badges: Health Leadership, Health Instruction, Healthy Environments, and Health Services. To achieve Healthy CPS, a school must meet the 90% threshold of Healthy CPS criteria. Healthy CPS achievement is determined through the annual Healthy CPS Survey, distributed in the Spring of every school year.

*Safe Passage*. CPS continues to operate and add schools to its Safe Passage program to help ensure that CPS students are able to travel safely to and from school every day. The City-wide Safe Passage program is delivered through community-based vendors that hire safe passage workers each school year. Crime along Safe Passage routes has fallen since the inception of Safe Passage. The program provides students with the enhanced confidence in the ability to travel to and from school safely and has demonstrated improved attendance at the schools served.

*Lead With CPS.* In 2020, CPS launched Lead With CPS in order to promote continuous learning and supplement existing programs for all staff. Lead With CPS is part of the Board's commitments to increase transparency and equity around career pathways, invest in the development of employees and create talent pipelines. On Lead with CPS, employees can search for leadership opportunities, learn how the framework aligns with their role, and access additional tools, resources, and information.

*Teach Chicago Tomorrow.* CPS has developed a pipeline program to help students who have a desire for a career in teaching. Through intentional career pathway design, targeted outreach and counselor engagement, and academic and financial support, Teach Chicago Tomorrow will help ensure that more young Chicagoans who aspire to a teaching career will achieve their goal.

District Wide Education Initiatives

*Arts Education Plan*. In 2025 CPS released Arts Education 2.0: Cultivating Creativity. The plan is centered around two key goals: expanding access to well-resourced, developmentally appropriate arts instruction delivered by certified educators; and establishing a districtwide standard for high-quality

instruction through rigorous curricula, professional development, strong arts partnerships, and robust data systems. This dual focus on access and quality aims to create meaningful, transformative arts experiences that support student expression, academic success, and social-emotional growth.

*Black Student Success*. While CPS has made efforts to address long-standing racial inequities in education, Black students continue to face historic and persistent disparities in educational opportunities and outcomes. To confront these systemic inequities in 2025 CPS launched the Black Student Success Plan. The plan is an essential strategic priority to improve Black students' daily learning experiences and life outcomes by addressing opportunity gaps and advancing equity. This work has been codified and mandated in state law, demonstrating the district's commitment to aligning its efforts with legislative requirements. Reporting and progress monitoring at the Board level will adhere to Illinois Public Act 103-0584, which established the Chicago Board of Education Black Student Achievement Committee.

*Cultivate Survey*. Cultivate is a student survey that gathers their perspectives on their learning experiences and overall sense of belonging in their classroom communities. Cultivate provides schools with actionable reports on student experiences that can help schools create the learning environments that research shows positively impact students' performance and overall well-being.

*Curriculum Equity Initiative.* At the core of this Initiative is a standards-aligned, grade-level-appropriate, and culturally relevant collection of curricular materials that CPS educators across all grade levels and subjects will be able to utilize to ensure that the needs of all students are met, especially English learners and students receiving specialized services. The Curriculum Equity Initiative's resources include a curriculum development guidebook covering educational standards; process documents; rubrics; evidence guides; and a growing library of current research and best practices around curriculum and teaching and learning with technology. While schools and educators will continue to have the autonomy to implement their own lesson plans, the Initiative will ensure teachers at all schools have guaranteed access to high-quality, culturally responsive curriculum to supplement or serve as a basis for instruction.

Early Childhood Education Initiatives

*Full Day Kindergarten.* In the 2014-2015 school year, CPS expanded kindergarten from half-day to full day in every public school. CPS has added seats for full day Pre-K to better prepare students for kindergarten. The City of Chicago and CPS are continuing to work together towards offering enough seats for every four-year-old child in the city to attend full-day Pre-K at no charge.

*Pre-K Application*. In the 2016-2017 school year, the Office of Early Childhood Education ("OECE"), in collaboration with the City and Department of Family Support Services ("DFSS"), started a new universal online application process for preschool parents to apply for all school and community-based early learning programs.

High School Initiatives.

*Chicago Roadmap*. CPS and City Colleges of Chicago ("CCC") have partnered to support the path to college and career for diverse students and learners. The goal of the program is to ensure students receive high-quality, well-aligned instructional practice across CPS and CCC through deeper collaboration in academic readiness and success, access to high-quality programs, student advising and supports, and career exploration and preparedness. Through this partnership high school students can take courses for both high school graduation credit and college credit, free of charge.

*STEM.* CPS has continued investing in STEM programs with specialists to provide targeted, job-embedded professional development in STEM-focused instructional practices, expanding opportunities for the Early College STEM model in high-demand industries, and launching of STEM certification for STEM Initiative schools. Each new ECSS high school is working with a lead industry partner to support enrichment and work-based learning. Industry partners include Rush University Medical Center, Verizon, the City of Chicago Department of Innovation and Technology and Salesforce.

*Computer Science Graduation Requirement.* CPS has offered continued support of computer science, which became a graduation requirement starting with the class of 2020. The program will be enhanced with teacher supports such as teaching assistants and a teacher credentialing program. Additionally, the program will increase the number of elementary schools participating in the program, which will provide a pipeline of better-prepared students for high school success.

*Chicago Builds.* CPS has launched the second cohort for Chicago Builds, a citywide career and technical education ("CTE") program focused on the trades: electricity, advanced carpentry, HVAC, welding, and general construction. Enrolled students participate in a two-year program geared towards exposing them to various trades, preparing them for apprenticeship opportunities and engaging in certification and work-based learning opportunities.

*IB Program.* CPS has the nation's largest International Baccalaureate ("IB") network with 56 schools (23 high schools and 33 elementary) currently serving over 39,000 students. The high school programs provide students with more opportunities to earn college-level credits before graduation. The elementary feeder schools prepare students for IB coursework in high school.

*Advanced Placement.* Chicago Public Schools has one of the largest Advanced Placement ("AP") programs in the nation and is the only district of any size to be named the AP District of the Year more than one time for its achievements in expanding access and improving outcomes. CPS offers access to all 36 AP courses in diverse subjects at all district, charter and contract managed high school campuses in addition to the AP Capstone Diploma Program and its two courses: AP Seminar and AP Research. CPS students pursuing the AP Capstone Diploma comprise one of the nation's largest such programs with nearly 70% of the students earning an AP Capstone Diploma.

*College Readiness.* In addition to implementing Common Core state standards, the Board has implemented reforms designed to make students college-ready including: (i) expanding dual enrollment programs that give high school juniors and seniors exposure to college-level courses; (ii) expanding high school options that have a strong track record of college readiness and persistence; (iii) establishing the award of a State Seal of Biliteracy to graduating seniors who demonstrate proficiency in English and in a secondary language; (iv) partnering with leaders in higher education to form the Chicago Higher Education Compact, a collaboration dedicated to developing solutions to increase college enrollment and success; and (v) expanding student awareness of the Chicago Star Scholarship program, which provides eligible CPS students with a free education at City Colleges of Chicago.

*Dual Language Program.* CPS dual language programs are currently offered in select neighborhood schools, charter schools, and magnet schools. The dual language program provides students with comprehensive programming to develop language and cultural literacy skills and fluency in both English and Spanish.

**Chicago Teachers Union and Other Employee Groups**

*Overview.* The Board currently employs approximately 42,000 persons of which approximately 97% are represented by six unions that engage in collective bargaining with the Board. Approximately 59% of the Board employees are represented by the CTU, approximately 38% are represented by other unions and approximately three (3) percent of the Board employees have no union affiliation. The unions, number of employees represented and effective dates of the Board's most recent collective bargaining agreements are as follows:

| Labor Organization | Number Of Covered Employees | Agreement Start Date | Agreement End Date |
|---|---|---|---|
| CTU | 25,000 | July 1, 2024 | June 30, 2028 |
| SEIU Local 73 | 11,300 | July 1, 2023 | June 30, 2027 |
| UNITE-HERE Local 1 | 3,000 | July 1, 2021 | June 30, 2025 |
| CPAA | 1,146 | (tentative through June 30, 2026) | |
| SEIU Local 1 | 400 | July 1, 2021 | June 30, 2025 |
| IB of T Local 700 | 24 | July 1, 2022 | June 30,2027 |

*CTU.* The Chicago Teachers Union represents teachers, counselors, librarians, paraprofessionals, and other school-related personnel. The Board's current collective bargaining agreement with CTU became effective as of July 1, 2024. The agreement covers the terms and conditions of employment for teachers, school clerks, teacher assistants and other paraprofessionals and provides for minimum wage increases of 16% over four years, specifically 4% in Fiscal Years 2025 and 4-5% in Fiscal Years 2026 through 2028, based on the Consumer Price Index. Increased staffing requirements for clinicians, and $40 million allocated to address class size issues were among other negotiated terms.

*SEIU Local 73.* This union represents custodians, security guards, special education classroom assistants, child welfare attendants, and school bus aides. The Board's current collective bargaining agreement with SEIU Local 73 became effective as of July 1, 2023. The SEIU Local 73 agreement calls for a minimum wage increase of 16% over four years, specifically 4% in Fiscal Years 2024 and 2025 and 4-5% in Fiscal Years 2026 and 2027, based on the Consumer Price Index.

*UNITE HERE Local 1 and SEIU Local 1.* The Board's most recent collective bargaining agreements with UNITE HERE Local 1 and SEIU Local 1, respectively representing lunchroom employees and managers, became effective as of July 1, 2021. The agreements expired June 30, 2025, and their terms remain in effect until new agreements are completed. The parties are currently in active bargaining on terms of new collective bargaining agreements.

*CPAA.* In February 2023, Illinois enacted Public Act 102-1138, which allows Chicago principals and assistant principals to engage in collective bargaining, but not to strike. The Chicago Principals and Administrators Association recently reached a tentative agreement with the Board that addresses pay and disciplinary procedures and runs through June 30, 2026. The Board and CPAA continue to negotiate on other issues.

*IB of T Local 700.* The Board's current collective bargaining agreement with IB of T Local 700 became effective July 1, 2022. The employees covered by this agreement are motor truck drivers and covered by prevailing wage statutes.

Approximately three (3) percent of CPS employees, or 1,437 employees, are not affiliated with a bargaining unit.

## PENSION AND OTHER POST–EMPLOYMENT OBLIGATIONS

### Overview

Employees of the Board participate in one of two defined benefit retirement funds (the "Retirement Funds") which provide benefits upon retirement, death or disability to Board employees and their beneficiaries. The Retirement Funds are established, administered and financed under the Illinois Pension Code (the "Pension Code") as separate legal entities and for the benefit of the members of the Retirement Funds. The Pension Code requires certain statutorily mandated contributions by the Board to the Retirement Funds for each Fiscal Year, as well as required contributions by employees and the State. The Board has historically paid its Statutory Contribution on the last day of its Fiscal Year ending June 30. The two Retirement Funds are: (i) the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund"), which covers teachers, educational, administrative, professional and other certified individuals employed by the Board, and (ii) the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"), which covers non–teacher employees of the Board and most civil service employees of the City.

The benefits paid under the Retirement Funds, contributions to the Retirement Funds and investments by the Retirement Funds are governed by the Pension Code. As defined benefit pension plans, the Retirement Funds pay periodic benefits to beneficiaries, which generally consist of retired or disabled employees, their dependents and their survivors, in a fixed amount (subject to certain scheduled increases) for life. The amount of the benefit is determined at the time of retirement based, among other things, on the length of time worked and the salary earned. To fund benefits, employees, the Board, the City, the State and, in certain instances, approved City charter schools make contributions to the Retirement Funds (the "Statutory Contributions").

The Retirement Funds invest Statutory Contributions with the goal of achieving projected investment returns over time and increasing the assets of the Retirement Funds. Information, as reported by the Board, pertaining to the Retirement Funds and the Board's Statutory Contributions is contained in APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024." The Retirement Funds' actuaries perform separate actuarial valuations of each of the Retirement Funds on an annual basis. These actuarial valuations calculate, among other things, the employer contributions, assets and liabilities of the Retirement Funds. In the actuarial valuations, the actuaries make a variety of assumptions and employ actuarial methods to calculate such contributions, assets and liabilities. The assumptions and methods used by the actuary have a significant impact on the measures of financial position of the Retirement Funds and may change from time to time.

The discussion under this heading is a summary of certain aspects of the Board's Pension Fund, Annuity Fund and other post-employment obligations. Additional information regarding the Board's employee retirement funds and plans, including specifically the Board's Pension Fund, Annuity Fund and other post–employment obligations, and the Board's required contributions is included in APPENDIX H – "PENSION AND OTHER POST–EMPLOYMENT OBLIGATIONS." For a discussion of certain risks related to the Board's pension and other post–employment obligations see "BONDHOLDERS' RISKS." For a discussion of the timing of pension contributions and the availability of certain revenue sources therefor, see "CASH FLOW AND LIQUIDITY – Timing of Expenditures – Pension Contributions." For a discussion of changes to State funding of the Pension Fund see "STATE AID REVENUES – Overview – Public Act 100-465."

**The Pension Fund**

As of June 30, 2024, the Pension Fund included 67,466 members (the majority of which are Board employees) consisting of 27,359 retirees and beneficiaries currently receiving benefits, 7,018 vested terminated members entitled to benefits but not yet receiving them, 16,518 total active vested current members and 16,571 nonvested current members. An additional 29,088 non-vested, former members are eligible for refunds of contributions.

The Pension Fund's active contributors make bi-weekly contributions to the Pension Fund from their salaries which contributions are currently set at 9% of covered payroll. Historically, as part of its collective bargaining agreement with the CTU, the Board paid a substantial portion of the employee contribution in an amount equal to 7% of covered payroll. However, new Pension Fund members hired after January 1, 2017 make their entire 9% employee contribution.

The Pension Fund is presently underfunded and the funded status of the Pension Fund has deteriorated steadily over time. The decrease in the Pension Fund's funding levels is due to a number of contributing factors, including but not limited to adverse economic factors, inadequacy of legislatively mandated employee, employer and other contributions, automatic annual increases and changes in benefit levels, changes in actuarial assumptions and the changed demographics of both the workforce and retirees of the Funds. The required Statutory Contributions under the Pension Code have been lower than those which would have been necessary to fund the Pension Fund on an actuarial basis in recent years. The most recent Pension Fund Actuarial Valuation projection required Board Pension Fund contributions to annually increase through Fiscal Year 2059 (the end of the projection period), reflecting a 90% funded percentage. See APPENDIX H — "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS — PENSION FUND CONTRIBUTIONS – Table 4."

**Dedicated Revenues to Fund Required Board Statutory Contributions to the Pension Fund**

Overview. The State's authorization of the Pension Property Tax Levy and the increase in the authorized rate cap for such tax, combined with the required State Statutory Contribution to the Pension Fund, have established dedicated sources of revenue that are intercepted and directly deposited with the Pension Fund and credited to the Board's required Statutory Contribution to the Pension Fund.

Required State Contribution to the Pension Fund. P.A. 100-465 provided for an increase in the required annual State contribution to the Board's Pension Fund to cover the "normal pension costs" of Board teachers and other covered employees and the Board's annual required retiree health care contribution, similar to State funding that has historically been provided to other school districts in the State for teachers' pensions. The State required contribution is expected to increase annually based on the Pension Fund's certification of the projected normal cost contribution and any required health care contributions which have historically been capped at $65 million. The required State Statutory Contribution to the Pension Fund was approximately $354 million in Fiscal Year 2025 and will be approximately $363 million in Fiscal Year 2026. Such State funding is subject to a continuing appropriation; a statutory amendment would be required to discontinue such appropriation.

Pension Property Tax Levy. Public Act 099–0521 became effective in 2016 and authorized the Board to annually levy a property tax on all real property within the boundaries of the School District at a rate not to exceed 0.383% to be paid directly to the Pension Fund to be credited to the Board's annual required contribution (the "Pension Property Tax" or the "Pension Property Tax Levy"). This tax is not subject to PTELL. The Board authorized the levy of this additional tax for Tax Year 2016. P.A. 100-465 authorized the Board to increase the annual Pension Property Tax Levy to a rate not to exceed 0.567%. In Tax Year 2017, the Board increased the Pension Property Tax Levy to the maximum rate of 0.567% and

has continued to levy this amount in subsequent fiscal years. The Board anticipates that it will continue to levy this amount in future years.

**Change in Pension Fund Actuarial Assumptions and Board Funding of Pension Contributions**

In 2021, the Pension Fund's actuary reduced the investment rate of return assumptions for the Pension Fund from 6.75% to 6.50%, which resulted in an approximately $728 million increase in the unfunded actuarial accrued liability of the Pension Fund. The Pension Fund's actuary had previously reduced the assumed rate of return four times from a rate of 8.00% in Fiscal Year 2013. The expected rate of return on investments is a key assumption in estimating the value of pension obligations and is used to estimate the present value of future benefit payments. Reducing the rate increases the estimated present value because more money must be set aside now to pay future benefits. This present value, known as the actuarial liability, is compared with the value of pension assets to determine the funded status of pension plans and therefore how much must be contributed by the Board to the Pension Fund. However, it is the actual rate of return on Pension Fund investments that determines the value of pension assets and actual rates of return that exceed the assumed rate will decrease the required Statutory Contribution to the Pension Fund by the Board. The lower assumed investment rate of return increases the likelihood that the assumed rate of return will be realized in future years.

The Pension Fund commissioned an "experience study" to evaluate certain actuarial assumptions used by the actuaries in preparing the annual actuarial valuation, which was presented to the Pension Fund at its July 2023 meeting. The study recommended maintaining most of the current actuarial assumptions, including price inflation, cost of living adjustments, investment returns, wage inflation, and salary increases. The study recommended assumption adjustments in mortality, retirement, and employee turnover rates.

**The Annuity Fund**

Employees of the Board that are not members of the Pension Fund participate in the Annuity Fund which is considered a cost-sharing defined benefit, multiple employer plan. See APPENDIX - B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024" – Note 12. As of December 31, 2024, the Annuity Fund had 90,893 total members including 25,828 retirees and beneficiaries, 26,410 inactive members entitled to benefits and 38,655 active members (of which 12,890 were vested and 25,765 were non-vested). As of December 31, 2024, the most recently available information, CPS employees comprised about 64% of the Annuity Fund's active participants.

The Annuity Fund receives its income from three primary sources: a City of Chicago tax levy; income from investments; and deductions from participating employees' salaries. See APPENDIX H — "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS — Pensions for Other Board Personnel."

**Other Post-Employment Benefits and Other Board Liabilities**

Health care benefits for certified teachers and administrators are provided under a cost sharing multiple-employer plan administered by the Pension Fund (the "Health Insurance Program"). Certain recipients of a retirement pension, survivor pension, or disability pension may be eligible to participate in the Health Insurance Program and premium rebate sponsored by the Pension Fund. Although the Board does not contribute directly to retirees' health care premiums, the funding of such premiums by the Pension Fund increases the Board's required contributions to such fund. See APPENDIX H — "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS — Other Post-Employment Benefits and Other Board Liabilities."

In addition, as of June 30, 2024, the Board had $305.1 million in accrued sick pay benefits. The Board provides sick pay benefits for substantially all of its employees. See APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024" – Note 11.

### Illinois Constitution Pension Protection Clause

Illinois's state constitution contains a pension protection clause (Illinois Constitution, Article XIII, Section 5) that provides "membership in any pension or retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired." This constitutional provision and related judicial decisions have impacted, and in the future may impact, any State pension reform efforts.

### Overlapping Taxing Districts

Certain of the Overlapping Taxing Districts and the State maintain their own defined benefit pension plans (collectively, all such other plans are referred to herein as the "Other Retirement Funds"), many of which are also significantly underfunded. The underfunding of the Other Retirement Funds places a substantial additional potential burden on the Board's taxpayers, who bear the burden of funding a portion of the contributions to such plans. Additional information regarding each of the Overlapping Taxing Districts and the State (including with respect to their pension plans) may be obtained on their respective websites. None of the information on such websites is incorporated by reference into this Official Statement and the Board takes no responsibility for the information contained therein nor has the Board attempted to verify the accuracy of such information. See "BONDHOLDERS' RISKS—Availability of Property Tax Revenues."

## DEBT STRUCTURE

### Overview

The Board's debt structure includes both short and long-term obligations as described under this heading. Short-term debt includes Tax Anticipation Notes payable from a pledge of specified ad valorem property tax. The Board's primary source of debt funding is long-term general obligation bonds secured by the full faith and credit of the Board and consists of Alternate Revenue Bonds secured by a pledge of Pledged Revenues. The Board also has outstanding its long-term Dedicated Capital Improvement Tax Bonds which are not general obligations and are secured by a pledge of revenues from the Board's Capital Improvement Tax.

### Long-Term General Obligation Debt

As of June 30, 2025, the Board has approximately $7.7 billion aggregate principal amount of outstanding long–term general obligation debt, all of which is in the form of fixed rate Alternate Revenue Bonds.

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**Board's Long-Term Debt Service Schedule**

The following table sets forth the debt service requirements on the Board's long–term general obligation debt secured by ad valorem property tax levies unlimited as to rate or amount, including outstanding Alternate Revenue Bonds. The table includes debt service on the Board's long–term general obligation debt. Debt service is shown on a calendar year basis (rather than on the basis of the Board's Fiscal Year) to be consistent with the Tax Year used for the levy and collection of the taxes that secure the Board's general obligation bonds. The table does not include any obligations of the Board which are not general obligations and are not secured by the unlimited taxing power of the Board, including any outstanding Tax Anticipation Notes and Dedicated Capital Improvement Tax Bonds.

**Board's Long–Term General Obligation Debt Service Schedule**
(Dollars in Thousands)

| Deposit Year | Outstanding Alternate Revenue Bonds Debt Service[1][2] | Series 2025B and Debt Service[1] | Series 2025C Debt Service[1] | (Less) Series 2025B Refunded Bonds and Series 2025C Refunded Bonds Debt Service | Total Annual Debt Service[1] |
|---|---|---|---|---|---|
| 2025 | $ 794,503 | | | | $ 794,503 |
| 2026 | 765,169 | | | | 765,169 |
| 2027 | 862,116 | | | | 862,116 |
| 2028 | 797,694 | | | | 797,694 |
| 2029 | 805,325 | | | | 805,325 |
| 2030 | 774,856 | | | | 774,856 |
| 2031 | 743,571 | | | | 743,571 |
| 2032 | 581,500 | | | | 581,500 |
| 2033 | 588,381 | | | | 588,381 |
| 2034 | 575,398 | | | | 575,398 |
| 2035 | 566,648 | | | | 566,648 |
| 2036 | 555,190 | | | | 555,190 |
| 2037 | 549,050 | | | | 549,050 |
| 2038 | 555,538 | | | | 555,538 |
| 2039 | 522,180 | | | | 522,180 |
| 2040 | 521,009 | | | | 521,009 |
| 2041 | 516,568 | | | | 516,568 |
| 2042 | 511,939 | | | | 511,939 |
| 2043 | 511,934 | | | | 511,934 |
| 2044 | 511,937 | | | | 511,937 |
| 2045 | 511,936 | | | | 511,936 |
| 2046 | 511,936 | | | | 511,936 |
| 2047 | 390,717 | | | | 390,717 |
| 2048 | 329,731 | | | | 329,731 |
| 2049 | 298,395 | | | | 298,395 |
| 2050 | 197,372 | | | | 197,372 |

Source: Chicago Public Schools.
[1] Net of capitalized interest.
[2] Inclusive of certain Build America Bonds and Qualified School Construction Bonds federal subsidies.

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**Additional Alternate Revenue Bonds**

The Board may issue Alternate Revenue Bonds secured by Pledged Revenues made available by the Board under the 2022 Authorization and future Authorizations and pursuant to separate trust indentures, in accordance with the provisions of the Debt Reform Act as in existence on the date of issuance of such Alternate Revenue Bonds, including the Board's determination as to the availability of the required coverage of a dedicated source of revenues ("Pledged Revenues") pursuant to the Debt Reform Act. Subject only to compliance with such provisions of the Debt Reform Act, including coverage requirements, there is no limit on the aggregate principal amount of Alternate Revenue Bonds secured by Pledged Revenues that may be issued by the Board. See "PLAN OF FINANCE – Fiscal Year 2026 and Future Financings." For a discussion of the risks associated with the Board's expected increased debt levels, see "BONDHOLDERS' RISKS – Bankruptcy of the Board - Structural Deficit, Cash Flow and Liquidity."

**No Variable Rate Bonds**

The Board has no outstanding variable rate bonds.

**Debt Management Policy**

The Board has adopted a Debt Management Policy ("Debt Policy") to provide guidance for debt management and capital planning and to enhance the Board's ability to manage its debt.

**Board's Borrowing Authority and Legal Debt Margin**

As a non-home rule governmental entity, the Board's authority to borrow is limited to authority granted under State statutes. These legislative authorizations set forth the terms and conditions under which the Board issues its short-term and long-term debt, the security the Board can pledge to the repayment of such debt, and the procedures the Board must follow in exercising its borrowing authority, including, in certain circumstances, a requirement of voter approval for the issuance of general obligation bonds payable from unlimited ad valorem taxes.

Pursuant to Illinois law, the statutory "Debt Limit" for general obligation debt of the Board is 13.80% of the equalized assessed value of real property within the School District. The Board's Alternate Revenue Bonds do not count against the Debt Limit so long as the ad valorem property tax levy to pay debt service on such bonds is abated annually and not extended for collection. In the event the sources of Pledged Revenues securing Alternate Revenue Bonds in any year are not sufficient to pay debt service on such bonds, and as a result the tax levy to pay debt service is extended for collection in the amount of such shortfall, such Alternate Revenue Bonds would count against the Debt Limit. The following table sets forth the calculation of the debt margin of the Board for the last five Fiscal Years.

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**Legal Debt Margin Information of the Board**
**Last Five Available Fiscal Years**
(Dollars in Thousands)
As of Fiscal Years Ending June 30

| | 2021 | 2022 | 2023 | 2024 | 2025 |
|---|---|---|---|---|---|
| Equalized Assessed Value[(1)] | $89,524,130 | $96,918,460 | $98,895,516 | $99,651,574 | $109,820,777 |
| Debt Limit (13.80% of EAV) | 12,354,330 | 13,374,748 | 13,647,581 | 13,751,917 | 15,552,672 |
| General Obligation Debt[(2)] | - | - | - | - | |
| Less: Amount set aside for repayment of debt[(2)] | - | - | - | - | |
| Total Net Applicable Debt[(2)] | - | - | - | - | |
| Legal Debt Margin | $12,354,330 | $13,374,748 | $13,647,581 | $13,751,917 | $15,552,672 |
| Total Net Applicable Debt as a percentage of Debt Limit | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |

Source: Chicago Public Schools.
(1) Includes taxable property within the School District located in Cook County and DuPage County.
(2) Does not include the Board's outstanding Alternate Revenue Bonds or the Bonds. Alternate Revenue Bonds would be included and would reduce the Board's borrowing capacity under the Legal Debt Margin if the Pledged Taxes were extended for collection to pay such bonds as the result of the unavailability of sufficient Alternate Revenues (including State Aid Revenues) to abate such taxes.

## Bond Issue Notification Act

The Bond Issue Notification Act (30 ILCS 352) requires a public hearing to be held by any non–home rule governmental unit, including the Board, proposing to sell non-referendum general obligation bonds or limited bonds (other than refunding bonds) subject to backdoor referendum. The public hearing is intended to require the governing body approving the bond issue to explain the reasons for the proposed issuance and allow persons desiring to be heard an opportunity to present written or oral testimony.

## Overlapping Taxing Districts and Overlapping Debt

There are six major units of local government located in whole or in part within the boundaries of the School District, each of which (i) is separately incorporated under the laws of the State, (ii) has an independent tax levy, (iii) derives its power and authority under the laws of the State, (iv) maintains its own financial records and accounts, and (v) is authorized to issue debt obligations. Each of the Overlapping Taxing Districts levies taxes upon property located in the School District, and, in some cases, in other parts of Cook County. See APPENDIX H – "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS – Overlapping Taxing Districts," "FINANCIAL INFORMATION – Property Tax Revenues" and "BONDHOLDERS' RISKS – Availability of Property Tax Revenues." However, the Overlapping Taxing Districts are all separate legal and financial units, and the financial conditions or circumstances of any one unit do not necessarily imply similar financial conditions or circumstances for the Board. Information about these Overlapping Taxing Districts is set forth below and additional information may be obtained on their respective websites. None of the information on such websites is incorporated by reference into this Official Statement and the Board takes no responsibility for the information contained therein nor has the Board attempted to verify the accuracy of such information.

The **City of Chicago** is a home rule unit of government under the Illinois Constitution and was incorporated in 1837. The City is governed by a Mayor, elected at-large for a four-year term, and the City Council. The City Council consists of 50 members elected for four–year terms and each representing one of the City's 50 wards.

The **Chicago Park District** (the "Park District") is responsible for the maintenance and operation of parks, boulevards, marinas and certain other public property within the City. The Park District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

**Community College District Number 508** (the "Community College District") maintains a system of community colleges within the City. The Community College District is governed by a seven-member board, appointed by the Mayor with the approval of the City Council.

The **County of Cook** is a home rule unit of government under the Illinois Constitution, and includes virtually all of the City, plus numerous surrounding suburbs and unincorporated areas. The County is governed by a seventeen-member Board of Commissioners, each elected for four-year terms from one of 17 districts. The voters of the entire County elect a number of County officials, including the President of the Board of Commissioners, the County Sheriff, the County Assessor, the County Clerk, the State's Attorney and the County Treasurer.

The **Forest Preserve District of Cook County** (the "Forest Preserve District") has boundaries coterminous with the County. The Forest Preserve District creates, maintains and operates forest preserves within the County. The Forest Preserve District is governed by a seventeen-member board composed of the members of the County Board of Commissioners.

The **Metropolitan Water Reclamation District of Greater Chicago** (the "Water Reclamation District" or "MWRD") includes virtually all of the City and most of the County. The Water Reclamation District constructs, maintains and operates sewage treatment plants and certain sanitary sewers and constructs and maintains drainage outlets. The Water Reclamation District is governed by a nine-member board elected at-large by the voters of the Water Reclamation District.

In addition to the Overlapping Taxing Districts, there are also other governmental bodies in the geographical boundaries of the School District that are authorized to issue debt obligations, but which are not authorized to levy real property taxes and as such do not share an overlapping tax base with the Board. Among such other public bodies, the Public Building Commission of Chicago (the "PBC") is a municipal corporation authorized to acquire, construct and improve public buildings and facilities for use by one or more of the local governmental units. The PBC issues bonds to finance its various projects and then leases its facilities to certain governmental units, including the Board. See the table "Board's Overlapping Debt Schedule." Other such public bodies include the Chicago Transit Authority (the "CTA"), a municipal corporation which owns, operates and maintains a public mass transportation system in the City and portions of the County; the Regional Transportation Authority (the "RTA"), a municipal corporation which provides planning, funding, coordination and fiscal oversight of separately governed operating entities, including the CTA, which provide public mass transportation services in a six-county area of northeastern Illinois, including Cook County; and the Metropolitan Pier and Exposition Authority (the "MPEA"), a municipal corporation which owns the McCormick Place convention and exposition facilities and Navy Pier, both located in the City.

The following table sets forth the Board's long-term debt secured by ad valorem property taxes of the Board and that of the Overlapping Taxing Districts (as of October 14, 2025), including the Board's outstanding Alternate Revenue Bonds, the Dedicated Capital Improvement Tax Bonds and the Bonds.

## Board's Overlapping Debt Schedule

(Dollars in Thousands)

| | |
|---|---|
| **Direct Debt** | |
| The Bonds | $_____ |
| Total Outstanding General Obligation Bonds | 8,332,491 |
| Dedicated Capital Improvement Tax Bonds | 1,401,315 |
| **Total Direct Debt**(1) | $ 9,773,806* |

| **Overlapping Debt**(1)(2) | **Debt Outstanding** | **Estimated Percentage Applicable** | **Estimated Share of Overlapping Debt** |
|---|---|---|---|
| City of Chicago | $5,756,924 | 100.00% | $ 5,765,924 |
| Community College District(3) | 289,081 | 100.00% | 289,081 |
| Chicago Park District(4) | 831,335 | 100.00% | 831,335 |
| Cook County(5) | 1,930,662 | 50.03% | 965,964 |
| Forest Preserve District | 75,290 | 50.03% | 37,670 |
| MWRD(6) | 2,667,410 | 50.92% | 1,358,256 |
| **Total Overlapping Debt** | | | $9,239,229* |
| **Total Direct and Overlapping Debt** | | | $18,973,035* |

| | |
|---|---|
| Estimated Population (2024) | 2,721,308(7) |
| Equalized Assessed Valuation (2024) | $109,820,777(8) |
| Estimated Fair Market Value (2022) | $388,365,020(9) |

| | Per Capita(10) | % EAV | % FMV |
|---|---|---|---|
| **Direct Debt** | $3,576.88 | 8.86% | 2.51% |
| **Total Direct and Overlapping Debt** | 6,972.03 | 17.28% | 4.89% |

Source: Chicago Public Schools. As of October 14, 2025 and prior to the issuance of the Bonds.
(1) Excludes outstanding tax anticipation notes.
(2) Debt of Overlapping Taxing Districts.
(3) All outstanding general obligation bonds were issued as alternate bonds under the Debt Reform Act for which the alternate revenue source is tuition, fees and State Grant revenues.
(4) Includes $220,510,000 of outstanding general obligation bonds issued as alternate bonds under the Debt Reform Act.
(5) Excludes $839,125,000 outstanding sales tax-backed bonds.
(6) Includes $88,210,000 of outstanding general obligation bonds issued as alternate bonds under the Debt Reform Act.
(7) Source: United States Census Bureau.
(8) Source: Cook County Clerk's Office. Total Equalized Assessed Value is net of exemptions and includes assessment of pollution control facilities. Includes Equalized Assessed Value of property in DuPage County.
(9) Source: The Civic Federation Report November 19, 2024.
(10) Per Capita amounts are not expressed as dollars in thousands.
*Numbers may not foot due to rounding.

**Dedicated Capital Improvement Tax Bonds**

Beginning in Tax Year 2015 for collections in Fiscal Year 2016, the Board started to receive for the first time a Board-approved and statutorily-authorized annual levy of a capital improvement property tax (the "Capital Improvement Tax") to aid in funding its ongoing Capital Improvement Program. For the Fiscal Year 2026 Budget, the Capital Improvement Tax is estimated at $104 million. The statute establishing the levy authorizes annual increases to the amount of the levy based on inflation, and further provides for the amount of the levy to increase by an additional $142.5 million in Tax Year 2031. The Capital Improvement Tax levy is not subject to the limitations of PTELL. The Board issued and has outstanding $1.4 billion in aggregate principal amount of its dedicated capital improvement tax bonds payable from and secured by a lien on the revenues from the Capital Improvement Tax pursuant to a master trust indenture securing bonds issued by the Board secured by the Capital Improvement Tax (the "Dedicated Capital Improvement Tax Bonds"). The Dedicated Capital Improvement Tax Bonds are not general obligations of and are not secured by the unlimited taxing power of the Board. From time to time, the Board may issue additional Dedicated Capital Improvement Tax Bonds.

**Tax Anticipation Notes**

In recent Fiscal Years, the Board has relied on short-term borrowing to fund operations and liquidity. These short-term borrowings have primarily consisted of the issuance of Tax Anticipation Notes, payable from the collection of real property taxes levied by the Board for a given tax levy year (referred to herein as the Tax Year) and payable in the following calendar year (referred to herein as the Collection Year) (i.e., Tax Anticipation Notes issued during Fiscal Year 2025 and Fiscal Year 2026 are payable from collection of the real property taxes levied for tax levy year 2024). Real property taxes levied in one year become payable during the following year in two installments. The first installment, an estimated tax bill, is typically expected to be due on March 1 and is equal to 55% of the prior year's tax extension. The second installment is typically expected to be due on the later of August 1 or 30 days after the mailing of the tax bill and is equal to the remaining amount of the current year's tax extension.

In Fiscal Year 2021, the Cook County Board of Commissioners approved a 60-day delay to the tax penalty date for taxes due on March 1, 2021. This delay allowed taxpayers to pay property taxes up to 60 days after the bills are due without interest penalties. The property tax due date for the second installment property taxes was delayed by 60 days to October 1, 2021 primarily as a result of the COVID-19 pandemic. In Fiscal Year 2022, the due date for the second installment for Tax Levy Year 2021 was extended to December 30, 2022 primarily because of the implementation of a new computer system by the County. In Fiscal Year 2023, the due date for the first installment for Tax Levy Year 2022 was extended to April 3, 2023 and the due date for the second installment for Tax Levy Year 2022 was extended to December 1, 2023 due to computer system upgrades. Similarly, in Fiscal Year 2026, the due date for the second installment for Tax Levy Year 2024 has been extended for computer upgrades, likely until at least November 15. See APPENDIX D – "THE REAL PROPERTY TAX SYSTEM."

The Board levied in Tax Year 2025 for collection in Collection Year 2026, approximately $3.28 billion of ad valorem property taxes for educational purposes. The Board is authorized under the School Code and the Debt Reform Act to issue Tax Anticipation Notes in an amount not to exceed 85% of such tax levy and Resolution 25-0828-RS4 of the Board adopted on August 28, 2025 authorized the issuance of up to $1.25 billion of 2025 TANs in anticipation of the collection of the 2025 Tax Levy.

As of October 14, 2025, the Board has issued $1.2 billion of 2024 TANs structured as drawdown notes, with an aggregate principal amount of draws totaling $1.2 billion outstanding. As of October 14, 2025, the Board has issued $450 million of 2025 TANs structured as drawdown notes, with an aggregate principal amount of draws totaling $200 million and outstanding. The Board expects to issue an additional $450 million of 2025 TANs structured as drawdown notes on or about October 15, 2025. See "CASH FLOW AND LIQUIDITY—Short-Term Borrowing to Fund Liquidity."

The Board anticipates that it will continue to issue Tax Anticipation Notes to fund operations and liquidity in subsequent Fiscal Years. For further information concerning the Board's issuance of TANs during Fiscal Year 2026 and into early Fiscal Year 2027, see "CASH FLOW AND LIQUIDITY."

## FINANCIAL INFORMATION

### Accounting and Financial Statements

The Board, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. All Board funds are reported in the governmental funds consisting of the General Operating Fund, Capital Projects Fund, and Debt Service Fund. The General Operating Fund includes the General and Special Revenue Programs.

The Board's fund financial statements provide detailed information about the most significant funds. The Board's governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. All of the Board's services are reported in governmental funds, showing how money flows into and out of funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of the Board's operations and the services it provides.

### Investment Policy

The Board has adopted an Investment Policy (the "Investment Policy"). The objectives of the Investment Policy are to invest public funds in a manner which is consistent with all State and local statutes governing the investment of public funds and which will provide for the safety of principal, diversification and maximization of the rate of return. The Investment Policy specifically prohibits any purchase of financial futures, any leveraged investment lending securities and any collateralized mortgage obligations. All investments of the moneys on deposit in the funds and accounts established under the Indenture are subject to the provisions of the Investment Policy as in effect from time to time. A copy of the Investment Policy is available on the Board's website. The Investment Policy may be subsequently amended or modified by the Board, without notice to or consent of the registered owners of the Bonds subject, in all respects, to the provisions of the Public Funds Investment Act of the State of Illinois, as amended.

### Auditing Procedures

In addition, the Board is required to have an annual independent audit of its financial statements. The Annual Comprehensive Financial Report of the Board for the year ended June 30, 2024, prepared by Baker Tilly US, LLP, the Board's independent auditor, is attached hereto as APPENDIX B. See "FINANCIAL STATEMENTS."

**Property Tax Revenues**

Overview. Property tax revenue is the Board's largest revenue source. In Fiscal Year 2025, revenues from ad valorem property taxes were approximately $3.9 billion and made up approximately 46% of the General Operating Fund revenues. The Board's educational fund property tax levy has had a compounded annual growth rate of approximately 4% per year. As a part of its Fiscal Year 2026 Budget, the Board increased its educational fund property tax levy to the maximum levy allowable under PTELL. The Fiscal Year 2026 Budget includes revenue from property taxes budgeted to be approximately $4.1billion and will be approximately 48% of Fiscal Year 2026 budgeted operating revenues. For a discussion of the real property tax system see APPENDIX D – "THE REAL PROPERTY TAX SYSTEM." For an overview of the historic and budgeted property tax revenues, see the tables under the subheadings "– General Operating Fund," and "—Board's Fiscal Year 2026 Budget." For a discussion of the timing of receipt of property tax revenues see "CASH FLOW AND LIQUIDITY—Timing of Receipt of Revenues" and APPENDIX D – "THE REAL PROPERTY TAX SYSTEM." And see "BONDHOLDERS' RISKS—Availability of Property Tax Revenues."

Capital Improvement Tax Levy. Beginning in Tax Year 2015 for collections in Fiscal Year 2016, the Board started to receive for the first time a Board-approved and statutorily authorized annual levy of a Capital Improvement Tax to aid in funding its ongoing Capital Improvement Program. For the Fiscal Year 2026 Budget, the Capital Improvement Tax is estimated at $104 million. For additional information on the Capital Improvement Tax and certain Dedicated Capital Improvement Tax Bonds secured by the Capital Improvement Tax, see "DEBT STRUCTURE – Dedicated Capital Improvement Tax Bonds."

Pension Property Tax Levy. First levied in Fiscal Year 2017, the Board receives a statutorily authorized annual Pension Property Tax Levy at a rate not to exceed 0.567%. This levy is paid directly to the Pension Fund and credited to the Board's annual required Statutory Contribution. In Fiscal Year 2026, the Board budgeted approximately $602 million for the Pension Property Tax Levy, levying taxes at the maximum rate.

Property Tax Base, Tax Extensions and Collections. The tables on the following pages provide statistical data regarding the property tax base of the Board, the City and the other Overlapping Taxing Districts and the tax rates, tax levies and tax collections (for the Education Fund included in the General Fund program) for the Board. The tables reflect the tax levy year and such taxes are extended for collection in the following calendar year.

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**Assessed, Equalized Assessed and Estimated Value of All Taxable Property within the School District for Years 2015–2024**
(Dollars in Thousands)

| Tax Year Levy [1] | Assessed Values Class 2[2] | Class 3[3] | Class 5[4] | Other [5] | Total | State Equalization Factor | Total Equalized Assessed Value[6] | Total Estimated Fair Cash Value[7] | Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value % |
|---|---|---|---|---|---|---|---|---|---|
| 2015 | 17,319,503 | 1,589,995 | 11,240,864 | 541,183 | 30,691,545 | 2.6685 | 70,963,289 | 278,076,449 | 25.52 |
| 2016 | 17,219,809 | 1,663,312 | 11,316,868 | 562,402 | 30,762,391 | 2.8032 | 74,016,506 | 293,121,793 | 25.25 |
| 2017 | 17,196,902 | 1,905,033 | 11,370,329 | 497,856 | 30,970,120 | 2.9627 | 76,768,955 | 306,074,351 | 25.08 |
| 2018 | 19,759,176 | 2,329,709 | 13,321,105 | 626,755 | 36,036,745 | 2.9109 | 86,326,179 | 323,128,275 | 26.72 |
| 2019 | 19,705,845 | 2,552,750 | 13,908,306 | 666,850 | 36,833,751 | 2.9160 | 87,816,177 | 335,856,711 | 26.15 |
| 2020 | 17,874,896 | 2,657,697 | 13,139,430 | 660,097 | 34,332,120 | 3.2234 | 89,514,969 | 334,792,009 | 26.74 |
| 2021 | 21,394,731 | 3,284,731 | 15,064,489 | 774,983 | 40,518,394 | 3.0027 | 96,913,881 | 358,461,809 | 27.04 |
| 2022 | 21,281,457 | 3,512,465 | 15,809,938 | 784,594 | 41,388,454 | 2.9237 | 96,891,179 | 388,365,020 | 24.95 |
| 2023 | 21,188,366 | 3,644,312 | 15,771,105 | 756,315 | 41,360,098 | 3.0163 | 99,645,245 | *** | *** |
| 2024*** | | | | | | | | | |

Source: Chicago Public Schools.

[1] Triennial updates of assessed valuation occurred in years 2015, 2018, and 2021.
[2] Residential, six units and under.
[3] Residential, seven units and over and mixed-use.
[4] Industrial/Commercial.
[5] Vacant, not-for-profit and industrial/commercial incentive classes.
[6] Source: Cook County Clerk's Offices. Calculation is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.
[7] Source: Civic Federation.

*** Information not available.

The impact of the COVID-19 pandemic on property values and consequent assessments will tend to be longer-range, and in addition to interim actions by the Cook County Assessor to implement a downward adjustment to assessment levels due to COVID-19, the Board cannot predict if, when or to what extent the assessed values of properties within the School District will be further affected by the economic impacts of the COVID-19 pandemic.

The table below sets forth the Board's ad valorem property tax extensions and collections for Collection Years 2021 – 2025.

**Board of Education of City of Chicago Education Fund Property Tax Collections**
(As of September 3, 2025 (Dollars in Thousands)

| | | | Amounts Collected within the Collection Year of Extension[1] | | | | All Collections to Date[1] | |
|---|---|---|---|---|---|---|---|---|
| Tax Levy Year | Collection Year | Education Fund Total Tax Extension | 1/1 to 6/30 (A) | 7/1 to 12/31 (B) | 1/1 to 12/31 (A +B) | Percentage of Extension | Amount[2] | Percentage of Extension |
| 2020 | 2021 | 2,621,866 | 1,320,780 | 1,204,482 | 2,525,262 | 96% | 2,582,926 | 99% |
| 2021 [3] | 2022 | 2,700,357 | 1,402,307 | 1,228,325 | 2,630,632 | 97% | 2,670,616 | 99% |
| 2022 [4] | 2023 | 2,867,239 | 1,436,953 | 1,320,102 | 2,757,055 | 97% | 2,825,860 | 99% |
| 2023 | 2024 | 3,034,917 | 1,466,327 | 1,447,017 | 2,913,344 | 96% | 2,913,344 | 96% |
| 2024 | 2025 | 3,167,671 | 1,627,891 | | 1,627,891 | 51% | 1,627,891 | 51% |

Source: Chicago Public Schools and Cook County Treasurer. Only Education Fund extensions and collections are included in the figures shown above. Excludes all other property tax levies of the Board.

[1] All collections shown are net of refunds, as calculated by the Board based on information available at the time that such collections were reported by the Board.
[2] Includes all amounts including those received during and after the calendar year of the extension.
[3] First year collections for Levy Year 2021 are shown through January 27, 2023 due to the Cook County property tax collections delay.
[4] First year collections for Levy Year 2022 are shown through February 21, 2024 due to the Cook County property tax collections delay.

Property tax collections may experience impacts during the current Fiscal Year 2026. The effects of mitigating actions taken by the County to date, including the delay of the due date for the second installment of property taxes, do not appear to have had a significant impact on the collection rate, although the extension has resulted in a delay in CPS' receipt of collections.

Tax Rates of the Board and Overlapping Taxing Districts. The following table sets forth the tax rates that were extended by the Board and the Overlapping Taxing Districts in tax years 2015–2024. For a discussion of these Overlapping Taxing Districts see "DEBT STRUCTURE – Overlapping Taxing Districts and Overlapping Debt." These Overlapping Taxing Districts share in varying degrees a common property tax base with the Board.

In addition to the tax rates extended (as reflected in the table below), the Board and certain of the Overlapping Taxing Districts have levied taxes to secure long-term general obligation bonds (including the Board's Alternate Revenue Bonds) which have not been extended because the debt service on such bonds has been paid from other sources. In the event in any year the debt service on the Alternate Revenue Bonds of the Board or any of the Overlapping Taxing Districts was not fully funded by the dedicated revenue source securing such bonds, and as a result the taxes levied to secure such bonds were extended for collection in the amount of such shortfall, the tax rates of the Board or the Overlapping Taxing Districts would be increased by the amount extended for collection. See "BONDHOLDERS' RISKS – Availability of Property Tax Revenues." The tax rates in the table below do not reflect taxes that have been levied to pay such debt but have not been extended. For a discussion of the outstanding long–term general obligation bonds of the Board and the Overlapping Taxing Districts, see "DEBT STRUCTURE – Overlapping Taxing Districts and Overlapping Debt."

**Real Property Tax Rates of Overlapping Major Units of Government**
**2015–2024 Tax Levy Year***
(per $100 equalized assessed valuation)

| **Year of Levy** (Taxes Extended for Collection in Following Calendar Year) | **2015** | **2016** | **2017** | **2018** | **2019** | **2020** | **2021** | **2022** | **2023** | **2024** |
|---|---|---|---|---|---|---|---|---|---|---|
| **Tax Rates by Board Fund:** | | | | | | | | | | |
| Educational | $3.205 | $3.115 | $3.161 | $2.845 | $2.893 | $2.929 | $2.786 | $2.959 | $3.046 | $2.884 |
| Workers' and Unemployment Compensation Tort Immunity | 0.111 | 0.107 | 0.038 | 0.093 | 0.090 | 0.094 | 0.089 | 0.084 | 0.084 | 0.078 |
| PBC Lease Rentals | 0.075 | 0.072 | 0.069 | 0.036 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| Capital Improvement Tax[(1)] | 0.064 | 0.065 | 0.070 | 0.068 | 0.071 | 0.070 | 0.076 | 0.093 | 0.101 | 0.095 |
| Teacher Pension[(2)] | 0.000 | 0.367 | 0.551 | 0.511 | 0.565 | 0.562 | 0.532 | 0.567 | 0.555 | 0.529 |
| Levy Adjustment[(3)] | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 | 0.032 | 0.052 | 0.042 | 0.045 |
| Board Subtotal | $3.455 | $3.726 | $3.890 | $3.552 | $3.620 | $3.656 | $3.517 | $3.757 | $3.828 | $3.631 |
| | | | | | | | | | | |
| **Other Major Government Units:** | | | | | | | | | | |
| City of Chicago | $1.806 | $1.880 | $1.894 | $1.812 | $1.893 | $1.886 | $1.838 | $1.914 | $1.884 | * |
| Community College District | 0.177 | 0.169 | 0.164 | 0.147 | 0.149 | 0.151 | 0.145 | 0.155 | 0.158 | |
| Chicago Park District | 0.382 | 0.362 | 0.352 | 0.330 | 0.326 | 0.329 | 0.311 | 0.323 | 0.318 | |
| Water Reclamation District | 0.426 | 0.406 | 0.402 | 0.396 | 0.389 | 0.378 | 0.382 | 0.374 | 0.345 | |
| Cook County | 0.552 | 0.533 | 0.496 | 0.489 | 0.454 | 0.453 | 0.446 | 0.431 | 0.386 | |
| Cook County Forest Preserve | 0.069 | 0.063 | 0.062 | 0.060 | 0.059 | 0.058 | 0.058 | 0.081 | 0.075 | |
| Other Unit Subtotal | $3.412 | $3.413 | $3.37 | $3.234 | $3.270 | $3.255 | $3.180 | $3.278 | $3.166 | |
| **TOTAL** | $6.867 | $7.139 | $7.20 | $6.786 | $6.890 | $6.911 | $6.697 | $7.035 | $6.994 | |

Source: Cook County Clerk's Office – tax rates by levy year.
[(1)] The Capital Improvement Tax was levied for the first time in 2015.
[(2)] The Pension Property Tax Levy was levied for the first time in 2016.
[(3)] Public Act 102-0519 went into effect in 2021 and amends PTELL to provide that a taxing district's levy will be automatically increased each year to recapture property tax refunds made in the prior 12 months arising from a PTAB appeal, tax objection suit, or certificate of error that reduced a property's assessed value. See "APPENDIX D – THE REAL PROPERTY TAX SYSTEM."
*2024 data for other units of government is not yet available.

Application of PTELL to Overlapping Taxing Districts and the Board. In 1995, the Board became subject to PTELL, which limits the ability of the Board to increase property taxes for operations. PTELL specifically limits the annual growth in property tax extensions for the Board to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant tax levy year. Generally, extensions can be increased beyond this limitation only due to increases in the Equalized Assessed Valuation attributable to new construction or with voter approval. PTELL requires the Cook County Clerk, in extending taxes for the Board, to use the Equalized Assessed Valuation of all property within the School District for the levy year prior to the levy year for which taxes are then being extended. PTELL does not limit the rate or amount of the Capital Improvement Tax levy or the Pledged Taxes extended by the Board with respect to its Alternate Revenue Bonds, including the Bonds. See APPENDIX D – "THE REAL PROPERTY TAX SYSTEM."

PTELL specifically limits the annual growth in certain property tax extensions for certain of the Overlapping Taxing Districts. The City is not subject to the restrictions of PTELL and can impose property taxes without limit as to rate or amount for its governmental purposes.

### State Aid Revenues

State Aid Revenues under the EBF Formula for Fiscal Year 2026 are budgeted to be $1,831.8 million. For Fiscal Year 2025, State Aid Revenues were budgeted at $1,758.5 million and in Fiscal Year 2024, the Board received, State Aid Revenues in the amount of $1,719.2 million, which represents approximately 21% of General Operating Fund Revenues. State Aid Revenues are received from August

through June in similar semi-monthly installments. For a discussion of the calculation, funding and payment of State Aid to the Board under the EBF Formula and the Historical State Aid Formula, see "STATE AID REVENUES" and "BONDHOLDERS' RISKS—Availability of State Aid Revenues."

**State Grant Revenues**

Beginning Fiscal Year 2018, the State's grant funding for the Board changed as a result of P.A. 100-465. See STATE AID REVENUES – Overview – Public Act 100-465." For Fiscal Year 2026, Board revenues from State Grants are budgeted to be approximately $525 million. For Fiscal Year 2025 State Grants were budgeted at $488 million, and for Fiscal Year 2024, the Board received State Grants in the amount of $469.4 million, which represents approximately 5.5% of General Operating Fund Revenues. For a discussion of the timing of receipt of State Grant Revenues see "CASH FLOW AND LIQUIDITY – Timing of Receipt of Revenues."

**PPRT Revenues**

The Board's personal property replacement tax revenues ("PPRT Revenues") (net of amounts used to pay debt service on bonds of the Board secured by PPRT Revenues) are budgeted to be approximately $250 million for Fiscal Year 2026. For Fiscal Year 2025 PPRT was budgeted at $375.2 million and for Fiscal Year 2024 the Board received PPRT Revenues in the amount of $343.1 million, which represents approximately 4.1% of General Operating Fund Revenues.

**Federal Revenues**

Federal grants for Fiscal Year 2026 are budgeted to be $932 million and make up approximately 10.0% of the budgeted General Operating Fund revenues of the Board. The Board receives Federal Revenue in the form of grants that are dedicated to specific purposes and may not be used for other expenditures. Grants are linked to overarching federal programs including the Elementary and Secondary Education Act (also referred to as No Child Left Behind), the largest of which is geared toward a district's poverty count, or Title 1–A; the Individuals with Disabilities Education Act; the National School Lunch Program and Child and Adult Care Food Program; Medicaid Reimbursement; and other federal competitive grants such as Carl D. Perkins (job training), and Race to the Top funds. In Fiscal Year 2026, Title 1–A was budgeted at $420.5 million, the Individuals with Disabilities Education Act is budgeted at $115.9 million, the National School Lunch Program, Child and Adult Care Food Program, and Fresh Fruit and Vegetables Program are budgeted at $21 million. Medicaid is budgeted at $63.4 million.

In response to the COVID-19 pandemic and its subsequent impact on school districts throughout the country, the federal government has provided funding relief for impacted revenues through three rounds of emergency funding. The first round of Elementary and Secondary School Emergency Relief funding ("ESSER I") was allocated to school districts through the Coronavirus Aid, Relief, and Economic Security ("CARES") Act, passed by Congress in March 2020. The Board received $206 million in ESSER I funding that was used to support costs in the Fiscal Year 2020 and Fiscal Year 2021 budgets.

Congress passed the second round of relief funding ("ESSER II") in December 2020, through which the Board was allocated $797 million. The Board utilized this allocation over the course of Fiscal Year 2021 and Fiscal Year 2022.

In April 2021 Congress approved the American Rescue Plan, within which a third round of ESSER funding ("ESSER III") authorized nearly $1.8 billion for the Board, which was utilized during Fiscal Years 2022 through 2025.

In addition to these federal grants, the Board receives federal subsidies on debt service related to its Build America Bonds and Qualified School Construction Bonds. For an overview of the historical and budgeted Federal Revenues, see the tables under the subheadings "– General Operating Fund." A decline in total receipts of Federal Revenues by year-end typically indicates offsetting expenditures that were less than expected. For a discussion of the timing of receipt of Federal Revenues see "CASH FLOW AND LIQUIDITY—Timing of Receipt of Revenues" and see "BONDHOLDERS' RISKS—Availability of Federal Revenues."

The State administers federal grants to the Board on behalf of the federal government and federal grant revenues are distributed to the Board only after the grants for these funds have been approved by the State. Upon this approval, the Board submits for reimbursement of qualified expenditures which drives the timing of Federal Revenues for cash flow purposes.

**General Operating Fund Fiscal Years 2020–2024**

The following table presents a summary of the General Operating Fund for Fiscal Years ending June 30, 2020 to June 30, 2024. The table depicts the amount of revenues versus expenditures, other financing resources, changes in fund balance and fund balance composition to prior years.

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## General Operating Fund Revenues, Expenditures, Other Financing Sources and Changes in Fund Balances of the Board[1]

(Dollars in Thousands)

| Fiscal Years | Restated 2020[2] | 2021 | 2022 | Restated 2023[3] | 2024 |
|---|---|---|---|---|---|
| **Revenue:** | | | | | |
| Property Taxes | $ 3,014,452 | $ 3,097,307 | $ 3,296,967 | $ 3,443,950 | $ 3,639,553 |
| Replacement Taxes (PPRT) | 139,729 | 242,643 | 570,467 | 597,048 | 343,080 |
| State Aid | 1,846,012 | 1,817,275 | 1,850,534 | 1,860,250 | 1,988,253 |
| Federal Aid | 722,420 | 1,116,343 | 1,474,334 | 1,461,830 | 1,681,641 |
| Interest and investment income | 6,000 | 584 | 1,421 | 13,911 | 19,583 |
| Other | 469,328 | 470,381 | 465,885 | 531,399 | 687,590 |
| **Total Revenue** | $ 6,197,941 | $ 6,744,533 | $ 7,659,608 | 7,908,388 | 8,359,700 |
| **Expenditures:** | | | | | |
| Salaries: | | | | | |
| Teachers | $ 1,990,348 | $ 2,133,813 | $ 2,253,233 | $ 2,405,708 | $ 2,578,904 |
| Career Services / Education Services Personnel | 706,758 | 723,876 | 810,384 | 906,595 | 1,015,917 |
| Commodities: | | | | | |
| Energy | 70,935 | 63,294 | 66,329 | 76,520 | 81,255 |
| Food | 94,333 | 51,663 | 83,785 | 93,719 | 111,357 |
| Other Commodities | 117,917 | 175,802 | 271,217 | 254,288 | 242,520 |
| Services: | | | | | |
| Professional Services | 506,269 | 540,289 | 633,417 | 662,143 | 736,684 |
| Charter schools | 768,328 | 820,187 | 910,419 | 922,190 | 954,254 |
| Transportation | 103,693 | 67,948 | 133,609 | 163,169 | 176,087 |
| Equipment and Other | 154,536 | 175,905 | 293,705 | 197,142 | 202,464 |
| Building and sites | 45,598 | 36,234 | 49,133 | 113,213 | 99,415 |
| Fixed Charges: | | | | | |
| Teachers' pension | 968,083 | 1,003,935 | 1,060,042 | 977,397 | 1,140,734 |
| Career Services / Education Services Personnel pension | 188,977 | 221,022 | 276,573 | 303,338 | 333,406 |
| Hospitalization and dental insurance | 347,073 | 398,385 | 459,705 | 502,425 | 525,550 |
| Other Benefits | 66,756 | 59,906 | 68,318 | 72,752 | 77,977 |
| Other Fixed Charges | 34,043 | 35,599 | 26,442 | 63,408 | 76,337 |
| **Total Expenditures** | $ 6,163,647 | $ 6,507,858 | $ 7,396,311 | $ 7,714,007 | $ 8,352,861 |
| Revenue (less than) Expenditure | $ 34,294 | $ 236,675 | $ 263,297 | $ 194,381 | $ 6,839 |
| Lease value and lease termination | - | - | 12,613 | (41) | - |
| Transfers in (out) | 11,010 | - | (10) | 4,272 | 102 |
| Net Change in Fund Balance | 45,304 | 236,675 | 275,900 | 198,612 | 6,941 |
| **Fund Balance, beginning of period** | 471,766 | 567,093 | 803,768 | 1,079,668 | 1,348,138 |
| Adjustments for Changes in Accounting Principle[2][3] | 50,023 | | | 69,858 | |
| **Fund Balance, end of period** | $ 567,093 | $ 803,768 | $ 1,079,668 | $ 1,348,138 | $ 1,355,079 |
| **Composition of Fund Balance** | | | | | |
| Non–Spendable | 429 | 429 | 12,162 | 873 | 1,578 |
| Restricted | 77,865 | 64,590 | 68,415 | 97,003 | 72,978 |
| Assigned for appropriated fund balance | - | - | - | - | - |
| Assigned for encumbrances | 109,944 | 135,314 | 92,186 | 121,283 | 103,107 |
| Unassigned | 378,855 | 603,435 | 906,905 | 1,059,121 | 1,177,416 |
| **Total Ending Fund Balance** | $ 567,093 | $ 803,768 | $ 1,079,668 | 1,278,280 | 1,355,079 |

Source: Chicago Public Schools Annual Comprehensive Financial Report for Fiscal Year ended June 30, 2024. See APPENDIX B – "ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024."

[1]The Board reports its financial activities through the use of fund accounting and follows the modified accrual basis of accounting for its Governmental Funds. See the subheading "–Accounting and Financial Statements."

[2]Fiscal Year 2020 year-end net position and fund balances have been restated upward due to the implementation of GASB Statement No. 84 Fiduciary Activities to present student activity amounts within the governmental activities and governmental funds.

[3]In FY2024, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

**Historical Financial Performance (Fiscal Years 2020–2024)**

Fiscal Year 2020. The Board reported General Operating Fund revenues of approximately $6.20 billion and expenses of approximately $6.16 billion, resulting in an operating surplus of approximately $34 million. The General Operating Fund balance increased by $45 million while the Capital Project Fund decreased by $534.8 million. The Debt Service Fund increased by $19.5 million. Total General Operating Revenues increased to $6.20 billion which were $191.6 million or 3.2% higher than the prior year amount of $6.01 billion. Total General Operating Fund expenses totaled approximately $6.16 billion, an increase of $304.8 million or 5.2% from the prior year.

Fiscal Year 2021. The Board reported General Operating Fund revenues of approximately $6.74 billion and expenses of approximately $6.51 billion, resulting in an operating surplus of approximately $237 million. The General Operating Fund balance increased by $237 million while the Capital Project Fund balance increased by $6.7 million. The Debt Service Fund increased by $40.1 million. Total General Operating Revenues of $6.74 billion were $545.8 million, or 8.8%, higher than the prior year amount of $6.20 billion. Total General Operating Fund expenses of approximately $6.51 billion represent an increase of $344.2 million or 5.6% from the prior year.

Fiscal Year 2022. The Board reported General Operating Fund revenues of approximately $7.66 billion and expenses of approximately $7.40 billion, resulting in an operating surplus of approximately $263.3 million. The General Operating Fund balance increased by $275.9 million while the Capital Project Fund balance decreased by $25.1 million. The Debt Service Fund increased by $35.4 million. Total General Operating Revenues of $7.66 billion were $915.1 million, or 13.6%, higher than the prior year amount of $6.74 billion. Total General Operating Fund expenses of approximately $7.0 billion represent an increase of $888.5 million or 13.7% from the prior year.

Fiscal Year 2023. The Board reported General Operating Fund revenues of approximately $7.91 billion and expenses of approximately $7.71 billion, resulting in an operating surplus of approximately $194.4 million. The General Operating Fund balance increased by $198.6 million while the Capital Project Fund balance increased by $35.1 million. The Debt Service Fund increased by $155.3 million. Total General Operating Revenues of $7.91 billion were $248.8 million, or 3.2%, higher than the prior year amount of $7.66 billion. Total General Operating Fund expenses of approximately $7.71 billion represent an increase of $317.7 million or 4.3% from the prior year.

Fiscal Year 2024. The Board reported General Operating Fund revenues of approximately $8.36 billion and expenses of approximately $8.35 billion, resulting in an operating surplus of approximately $7 million. The General Operating Fund balance grew by $77 million due to a change in GASB Standards while the Capital Project Fund balance grew by $35 million. The Debt Service Fund grew by $155 million. Total General Operating Revenues of $8.36 billion were $451 million, or 5.7% higher than the prior year amount of $7.91 billion. Total General Operating Fund expenses of approximately $8.34 billion represent an increase of $639 million or 8.3% from the prior year.

As of the date of this Official Statement, the Board has not yet closed-out its Fiscal Year 2025 financials, but expects to end the year with materially balanced operations in its General Operating Fund.

**Overview of Board's Budget Process**

The Board is required by the School Code to adopt an annual balanced budget for each Fiscal Year no later than 60 days after the beginning of the Fiscal Year on July 1. The Board's budget process is nearly a year long and includes the preparation of projected revenues and expenditures, strategic planning with departments at the central office to develop preliminary budgets based on critical initiatives identified by senior leadership and the Board, preparation of initiatives and proposed budgets by each school, and the preparation of a proposed budget for presentation to the public and for consideration by the Board. Under the School Code, a proposed budget must be prepared and made available for public review at least 15 days prior to its finalization and the Board is required to advertise notice of and hold at least two public hearings at least five days after copies of the proposed budget are made available for review and not less than five days prior to the Board action.

In Fiscal Year 2014, the Board introduced **"**student-based budgeting" ("SBB"), a funding model that allocates core instructional funds to schools on a per-pupil basis. SBB replaced the quota formulas that were used by the Board in the past to allocate teachers and school administrative positions to most schools. However, SBB does not affect how schools receive Title I funds, special education resources, early childhood programs, supplemental bilingual/ELL funding, and positions for magnet, selective enrollment, International Baccalaureate, or STEM programs. SBB creates greater consistency in funding to schools across the School District, ensuring that funding is equitable. Additionally, schools are given more autonomy to decide where the dollars are applied within the school and how the school manages the total level of educational funding.

Beginning in Fiscal Year 2019, the Board introduced several modifications shifting away from SBB designed to enhance equity and schools' ability to plan. In Fiscal Year 2025 the Board adopted a new model that starts by ensuring every school receives a core foundation of positions and resources, then uses enrollment as one of several need-based factors to determine additional funding. Prior releasing each year's proposed budget, the Board holds a series of community hearings to increase transparency and gather feedback.

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**Board's Fiscal Year 2025 Budget and Estimated Results**

The table below presents a summary of the General Operating Fund for the Fiscal Year ending June 30, 2025 showing the Fiscal Year 2025 Budget amounts, the year-end Fiscal Year 2025 estimated totals, and the variance between such budgeted and estimated year-end totals.

**Fiscal Year 2025 Budgeted and Year-end General Operating Fund Revenues, Expenditures, Other Financing Sources and Changes in Fund Balances of the Board**

(Dollars in Millions)

| | FY 2025 Budget | Estimated Year-End 2025 | Variance Estimated vs. FY 2025 Budget |
|---|---|---|---|
| **Revenue:** | | | |
| **Total Revenue** | $ 8,572.2 | $ 8,249.5 | $ (322.7) |
| **Expenditures:** | | | |
| **Total Expenditures** | $ (8,572.2) | $ (8,246.0) | $ (326.2) |
| Revenue less Expenditure (Operating Surplus / (Deficit)) | $ 0 | $ 3.5 | $ 3.5 |
| Transfers in | 0 | (0.5) | (0.5) |
| Net Change in Fund Balance | 0 | 3.0 | 3.0 |
| **Fund Balance, beginning of period** | 1,355.1 | 1,355.1 | 0 |
| **Fund Balance, end of period** | $ 1,355.1 | $ 1,358.1 | $ 3.0 |

On July 25, 2024, the Board approved its Fiscal Year 2025 budget, which includes approximately $8.57 billion in revenues and expenditures.

The Fiscal Year 2025 Budget reflects $57 million decrease in revenues over Fiscal Year 2024, including a $172 million increase in the property tax revenues for the General Operating Fund, a $338 million decrease in Federal Revenues related to the end of ESSER funds, a $204 million decrease in PPRT Revenues, a $123 million increase in State funding, and a $62 million increase in TIF Surplus.

Through the end of Fiscal Year 2025, with both revenues and expenditures less than the budget, the Board anticipates that Fiscal Year 2025 will end with the General Operating Fund in balance. These results are unaudited and preliminary. The Board's final Fiscal Year 2025 financial and operating results will be reflected in the Board's Fiscal Year 2025 audited financial statements, which are anticipated to be released by January, 2026.

**Board's Fiscal Year 2026 Budget**

On August 28, 2025, the Board approved its Fiscal Year 2026 budget, which includes approximately $8.66 billion in revenues and expenditures.

The Fiscal Year 2026 Budget assumes a full year of normal in-person operations and full staffing. The Budget reflects a $60 million increase in revenues over Fiscal Year 2025, including a $233 million increase in the property tax revenues for the General Operating Fund, a $95 million decrease in PPRT Revenues, a $206 million increase in State funding, and no change in TIF Surplus, and a $433 million

decrease in Federal Revenues related to the end of ESSER funds. Fiscal Year 2026 is the first full fiscal year after the end of federal ESSER funding.

The Board employed a variety of recurring and non-recurring measures to address revenue pressures, including $272 million of cuts to non-classroom expenses. The Budget includes savings from debt refunding transactions and the use of a philanthropic fund. The payment of $175 million to the Municipal Employees Benefit and Annuity Fund on behalf of the City of Chicago was made contingent on the receipt of additional Tax Increment Financing district surplus revenues from the City.

## CASH FLOW AND LIQUIDITY

### Overview

The Board's cash flow experiences peaks and valleys throughout the year depending on when revenues are received and expenditures paid. Most revenues are received in the second half of each Fiscal Year while most expenditures, largely payroll and vendor expenses, are paid equally throughout each Fiscal Year. Also, the Board's required annual debt service deposit is made immediately prior to the receipt of an installment of property tax revenues, one of the largest revenue sources of the Board. The impact of these patterns in revenues and expenditures creates natural cash flow pressures for the Board within each Fiscal Year.

For Fiscal Year 2025, the Board's liquidity position on June 30th decreased by approximately $35 million compared to Fiscal Year 2024. This is primarily attributable to the underperformance of PPRT and Federal Revenues. As a result, on June 30, 2024, $450 million in Tax Anticipation Notes were outstanding. The Board increased its maximum amount of Tax Anticipation Notes Outstanding by $50 million for Fiscal Year 2024 versus Fiscal Year 2023. The maximum principal amount of Tax Anticipation Notes borrowed was $1.15 billion and $1.2 billion in Fiscal Year 2024 and Fiscal Year 2025, respectively. The maximum principal amount of Tax Anticipation Notes borrowed against the second installment of property taxes for the 2024 Tax Levy totaled $1.20 billion and $1 billion was outstanding as of September 1, 2025.

The due dates for the second installment for Tax Levy Year 2021, the first installment for Tax Levy Year 2022, the second installment for Tax Levy Year 2022, and the second installment for Tax Levy Year 2024 were extended to December 30, 2022, April 3, 2023, December 1, 2023, and at least November 15, 2025 respectively, primarily because of the implementation of a new computer system by the County, which implementation remains ongoing. These significant changes in the due dates delayed approximately $1.5 billion of revenues for the Board for each installment distribution. In Fiscal Year 2026, to react to the delay in revenues, the Board drew a principal amount of $1 billion of Tax Anticipation Notes against Tax Levy Year 2024 second installment property taxes from July to October 2025.

In Fiscal Year 2026, the Board authorized the issuance of not to exceed $1,250,000,000 aggregate principal amount of 2025 Tax Anticipation Notes in order to fund future cash flow needs. For additional information on projected issuance and repayment, see "Forecasted Liquidity" herein.

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**Timing of Receipt of Revenues**

The paragraphs below describe the timing of receipt of the Board's three main sources of operating revenues: Property Taxes, State revenues and Federal revenues.

Property Taxes. Property taxes will be approximately 48% of Fiscal Year 2026 budgeted operating revenues and are predominantly received in two installments. The first installment is typically received in late February and March. In Fiscal Year 2021, due to COVID-19, the Cook County Board of Commissioners approved a 60-day delay to the tax penalty date for taxes due on March 1, 2021. This delay allowed taxpayers to pay property taxes up to 60 days after the bills are due without interest penalties. Again, due to COVID-19, the County delayed the property tax due date for the second installment by 60 days to October 1, 2021 (again, due to COVID-19). The due dates for the second installment for Tax Levy Year 2021, the first installment for Tax Levy Year 2022, and the second installment for Tax Levy Year 2022 were extended to December 30, 2022, April 3, 2023, and December 1, 2023, respectively, primarily because of the implementation of a new computer system by the County. The same set of computer upgrades has also delayed collection of the second installment for Tax Levy Year 2024, the due date of which has not yet been announced. From 2012 through 2019, this due date and tax penalty date has been on or about August 1, resulting in the receipt of second installment revenues in late July and August. See "FINANCIAL INFORMATION – Property Tax Revenues."

State Revenues. EBF State Aid Revenues for Fiscal Year 2024 are expected to be approximately 16% of budgeted operating revenues and received from August through June in similar semi-monthly installments. The timing of the Board's receipt of State Grant payments has varied and has been often dependent on the State's financial condition and cash flow.

Federal Revenues. Federal revenues (the "Federal Revenues") are approximately 11% of the Board's total Fiscal Year 2026 budgeted operating revenues. The State administers federal grants to the Board on behalf of the federal government and federal grant revenues are distributed to the Board only after the grants for these funds have been approved by the State. Upon this approval, which historically occurs approximately halfway through the Fiscal Year, the Board submits for reimbursement of qualified expenditures which drives the timing of Federal revenues for cash flow purposes. A decline in total receipts of Federal Revenues by year-end typically indicates offsetting expenditures were also less than expected. See "FINANCIAL INFORMATION – Board's Fiscal Year 2026 Budget" for a discussion of expected federal funding relating to the Fiscal Year 2026 Budget.

**Timing of Expenditures**

The timing of the Board's expenditures is relatively stable and can be broken down into three categories: payroll and vendor, debt service, and pensions.

Payroll and Vendor Expenses. In Fiscal Year 2026, approximately 63% of the Board's budgeted expenditures are for payroll and associated taxes, withholdings and employee contributions. These payments occur every other week and occur primarily during the school year from September through June. In addition, the Board's recurring expenses for textbooks, educational materials, charter school payments, healthcare, transportation, facilities and commodities total approximately 30% of the Board's budgeted expenditures; the timing of such payments is relatively predictable and spread throughout the fiscal year. Approximately 6% of budgeted revenues, which flow through the operating account, are comprised of debt service, annual pension payments, and interest on short-term debt.

Debt Service Deposits. Debt service payments on the Board's alternate revenue bonds backed by State Aid Revenues are deposited into debt service funds once a year by March 15, prior to when the Board receives the first installment of property tax revenues. In Fiscal Year 2026, the projected debt service

deposit in February 2026 and March 2026 relative to these alternate revenue bonds is approximately $402 million and $58 million respectively, a decrease of $75 million from Fiscal Year 2025. Deposits for debt service for alternate revenue bonds backed PPRT in Fiscal Year 2026 total approximately $10 million.

Pension Contributions. In Fiscal Year 2026, the Board expects total CTPF pension contributions to be approximately $1.03 billion, as certified by the Pension Fund as the necessary contribution to achieve 90% funded status by 2059 as prescribed by statute. In Fiscal Year 2026, approximately $588 million of this pension contribution will be funded through the Pension Property Tax Levy and $363 million will be funded by the State contribution, as provided for under P.A. 100-465. These funds are directly intercepted to the Pension Fund. In the aggregate, approximately $951 million or 92%, will be funded by a dedicated revenue source other than the Board's unrestricted general operating funds and is credited against the Board's required pension contribution. The Board will make approximately $79 million in contributions out of unrestricted general operating revenues for Fiscal Year 2026. In addition, the Board has in recent fiscal years made periodic pension contributions totaling approximately $15 million that coincide with the payroll for employees paid with federal funds. In Fiscal Year 2023, the Board contributed $175 million to the Annuity Fund. In Fiscal Year 2026, the Board has contingently budgeted to contribute $175 million to the Annuity Fund, but only if additional revenues become available. Any such contribution would need to be authorized by the Board. There is no statutory requirement that the Board make Annuity Fund payments and the amounts contributed could change in the future depending on discussions with the City. See APPENDIX H — "PENSION AND OTHER POST-EMPLOYMENT OBLIGATIONS — Pensions for Other Board Personnel."

The historical annual growth in equalized assessed valuation of property within the School District for the period 2013-2024 has averaged approximately 3.80% based upon records of the Cook County Clerk. The Board's required pension contribution is currently projected by the Pension Fund's actuaries to grow by an average of approximately 2% annually through 2059. The majority of the Board's required contributions to the Retirement Funds from unrestricted general operating revenues are required to be made in late June, before the Board receives the distribution of the second installment of property tax revenues in July and August. In Fiscal Year 2026, the Board budgeted approximately $79 million of operating expenditures for this payment.

**Short-Term Borrowing to Fund Liquidity**

In Fiscal Year 2023, the Board authorized the issuance of 2022 TANs in a principal amount outstanding from time to time of up to $1.25 billion to be issued in tranches to fund its cash flow needs. From November 2022 to March 2023, the Board drew $950 million against the 2022 Tax Anticipation Notes in anticipation of the 2022 tax levy and these were repaid in full on April 10, 2023. During Fiscal Year 2024, the Board drew a maximum par amount of $1.15 billion against the 2022 Tax Anticipation Notes in anticipation of the 2022 tax levy. This amount was repaid by December 11, 2023 due to a delay in the second installment due date for the 2022 tax levy to December 1, 2023. The Board closed on Series 2023 TANS in January 2024, drawing up to $800 million, which was repaid by March 11, 2024. During Fiscal Year 2025 there was no delay in the second installment. The Board drew a maximum of $500 million on the 2023 TANS, which was fully repaid by August 5, 2024. During January and February of 2025 the Board issued the Series 2024 TANS and drew a maximum of $1.2 billion, which was repaid by March 12, 2025. From April to October 2025, the Board has drawn $1.2 billion of 2024 TANS, which are still outstanding as of October 14, 2025, as the second installment due date has once again been delayed by Cook County.

**Forecasted Liquidity**

The table entitled "Projected Cash Flow Table" which follows at the end of this subheading reflects the Board's forecasted liquidity profile by month from July 2025 to August 2026. The table shows the use of proceeds of the Tax Anticipation Notes to provide needed operating funds. Additional Tax Anticipation Notes are expected to be issued during Fiscal Year 2024 and early Fiscal Year 2025. Forecasting future results is inherently subject to uncertainty. The forecasts in the table below are based upon various judgments (many of which are subjective), estimates and assumptions relating to the timing and amount of revenues and expenses of the Board, many of which are outside the control of the Board and may not materialize. These assumptions include (but are not limited to) the following: (i) the timing and amount of revenues and expenses of the Board will be consistent with current expectations for its Fiscal Year 2024 and Fiscal Year 2025, and (ii) the issuance of the Tax Anticipation Notes providing net funding to the Board of a maximum of approximately $1.05 million.

There can be no assurance that the assumptions, estimates and judgments made in preparing the forecasts will prove accurate or that any of the forecasts will be realized. The inclusion of the forecasts in this document should not be regarded as an indication that the Board considered or considers the forecasts to be a prediction of actual future events, and the forecasts should not be relied upon as such.

Throughout this Official Statement, there are discussions of various matters that may impact the realization of the assumptions and estimates underlying the forecasts, and investors should read this entire Official Statement. The information under this heading constitutes Forward-Looking Statements. Accordingly, investors are cautioned not to place undue reliance upon the following forecasts. The forecasts also were not prepared in compliance with Generally Accepted Accounting Principles or the published guidelines of the Securities and Exchange Commission or the guidelines established by the American Institute of Certified Public Accountants, including guidelines regarding projections or forecasts. The Board's independent registered public accounting firm has not examined, compiled or otherwise applied procedures to the forecasts and, accordingly, assumes no responsibility for them.

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# Projected Cash Flow Table (as of October 14, 2025)

**Chicago Public Schools**

Cash Flow Forecast
FY 2026 - Current Forecast
*$ in millions*

| | | FY 2026 | | | | | | | | | | | | Total | FY 2027 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Jul-25 | Aug-25 | Sep-25 | Oct-25 | Nov-25 | Dec-25 | Jan-26 | Feb-26 | Mar-26 | Apr-26 | May-26 | Jun-26 | FY 2026 | Jul-26 | Aug-26 |
| *Beginning cash balance* | A | $ 116.2 | $ 234.2 | $ 286.8 | $ 414.7 | $ 208.2 | $ 137.7 | $ 444.7 | $ 352.3 | $ 94.1 | $ 454.4 | $ 124.4 | $ 114.3 | $ 116.2 | $ 145.9 | $ 116.8 |
| Operating receipts | | | | | | | | | | | | | | | | |
| Property taxes | | $ - | $ 0.6 | $ 4.5 | $ - | $ 322.1 | $ 1,277.6 | $ - | $ 575.1 | $ 1,262.8 | $ - | $ - | $ 0.0 | $ 3,442.8 | $ 749.6 | $ 975.1 |
| TIF | | 101.4 | 1.3 | - | - | - | 56.9 | - | - | 60.0 | 163.6 | - | - | 383.2 | 98.5 | - |
| Other local revenue | | 50.7 | 17.3 | 24.8 | 77.6 | 30.3 | 101.5 | 21.9 | 70.7 | 22.0 | 56.7 | 68.2 | 22.1 | 563.7 | 87.2 | 28.3 |
| State block grants | | 61.2 | 19.9 | 77.9 | 67.9 | 73.1 | 21.9 | 49.2 | 16.4 | 43.7 | 53.8 | 31.5 | 56.3 | 572.8 | 16.5 | 25.3 |
| Evidence Based Funding | | - | 163.4 | 163.4 | 163.5 | 163.5 | 163.5 | 163.5 | 163.5 | 179.8 | 163.5 | 163.5 | 179.8 | 1,830.6 | - | 163.5 |
| Federal revenue | | 42.2 | 189.3 | 17.9 | 56.8 | 69.9 | 83.6 | 160.4 | 58.6 | 67.6 | 98.9 | 69.0 | 88.9 | 1,003.0 | 67.0 | 48.5 |
| Total operating receipts | | 255.5 | 391.8 | 288.5 | 365.8 | 658.9 | 1,704.9 | 394.9 | 884.2 | 1,635.8 | 536.5 | 332.1 | 347.1 | 7,796.0 | 1,018.8 | 1,240.6 |
| Operating expenditures | | | | | | | | | | | | | | | | |
| Payroll | | (120.8) | (194.2) | (335.4) | (481.6) | (347.9) | (343.7) | (268.1) | (350.7) | (352.8) | (479.7) | (352.9) | (301.9) | (3,929.8) | (64.5) | (56.4) |
| Health Insurance | | (62.9) | (68.6) | (65.5) | (72.3) | (69.9) | (71.9) | (76.4) | (70.8) | (70.8) | (71.0) | (71.0) | (70.8) | (841.9) | (70.8) | (69.2) |
| Employer pension payment | | - | - | - | - | (45.8) | (0.7) | (0.3) | - | (0.5) | (0.3) | (0.3) | (0.3) | (48.3) | (27.8) | - |
| Pension Pick-up | | (9.1) | (8.0) | (15.5) | (15.9) | (15.9) | (23.9) | (15.9) | (15.9) | (15.9) | (15.9) | (15.9) | (15.9) | (184.0) | (10.1) | (2.0) |
| Charter School | | (225.1) | (11.6) | (3.7) | (210.4) | (3.3) | (12.1) | (183.7) | (5.0) | (8.2) | (193.7) | (10.1) | (14.7) | (881.6) | (230.1) | (3.8) |
| AP disbursements | | (144.3) | (137.0) | (148.5) | (183.2) | (143.1) | (116.7) | (120.5) | (108.9) | (119.9) | (121.0) | (110.0) | (116.9) | (1,569.9) | (173.8) | (235.6) |
| Total operating expenditures | | (562.4) | (419.4) | (568.6) | (963.4) | (626.0) | (568.9) | (664.9) | (551.3) | (568.1) | (881.6) | (560.2) | (520.5) | (7,455.3) | (577.1) | (367.0) |
| **Net operating cash flows** | | **(306.9)** | **(27.5)** | **(280.1)** | **(597.6)** | **32.9** | **1,136.0** | **(270.0)** | **332.9** | **1,067.7** | **(345.1)** | **(228.1)** | **(173.3)** | **340.7** | **441.7** | **873.6** |
| Financing cash flows | | | | | | | | | | | | | | | | |
| FY25 TAN drawdown | | 400.0 | 150.0 | 200.0 | - | - | - | - | - | - | - | - | - | 750.0 | - | - |
| FY25 TAN repayment | | - | - | - | (8.0) | (322.1) | (869.9) | - | - | - | - | - | - | (1,200.0) | - | - |
| FY26 TAN drawdown | | - | - | - | 399.0 | 200.0 | - | 200.0 | 400.0 | - | - | 250.0 | 200.0 | 1,649.0 | 250.0 | - |
| FY26 TAN repayment | | - | - | - | - | - | - | - | (566.1) | (633.9) | - | - | - | (1,200.0) | (700.0) | - |
| Debt service and transfers | | - | - | - | - | - | - | - | (410.7) | (58.5) | - | - | - | (469.2) | (10.0) | (2.5) |
| Financing cash flows | | 400.0 | 150.0 | 200.0 | 391.0 | (122.1) | (869.9) | 200.0 | (576.8) | (692.4) | - | 250.0 | 200.0 | (470.2) | (460.0) | (2.5) |
| Capital cash flows | | | | | | | | | | | | | | | | |
| Capital reimbursements | | 70.9 | 28.5 | 261.9 | 35.6 | 39.2 | 64.0 | 30.1 | 41.2 | 31.0 | 57.1 | 30.0 | 51.0 | 740.6 | 32.1 | 11.3 |
| Capital expenditures | | (45.9) | (98.3) | (53.9) | (35.5) | (20.5) | (23.2) | (52.5) | (55.5) | (46.0) | (42.0) | (62.0) | (46.0) | (581.3) | (43.0) | (61.0) |
| Net capital cash flows | | 24.9 | (69.8) | 208.0 | 0.1 | 18.7 | 40.9 | (22.4) | (14.3) | (15.0) | 15.1 | (32.0) | 5.0 | 159.3 | (10.9) | (49.7) |
| **Net cash flows** | B | **$ 118.1** | **$ 52.6** | **$ 127.9** | **$ (206.5)** | **$ (70.5)** | **$ 307.0** | **$ (92.4)** | **$ (258.2)** | **$ 360.3** | **$ (330.0)** | **$ (10.1)** | **$ 31.7** | **$ 29.8** | **$ (29.2)** | **$ 821.4** |
| **Ending cash balance** | A+B=C | **$ 234.2** | **$ 286.8** | **$ 414.7** | **$ 208.2** | **$ 137.7** | **$ 444.7** | **$ 352.3** | **$ 94.1** | **$ 454.4** | **$ 124.4** | **$ 114.3** | **$ 145.9** | **$ 145.9** | **$ 116.8** | **$ 938.2** |
| *Minimum cash balance* | | *$ 111.4* | *$ 227.8* | *$ 80.5* | *$ 200.1* | *$ 137.7* | *$ 101.3* | *$ 309.4* | *$ 55.3* | *$ 87.2* | *$ 104.5* | *$ 110.7* | *$ 81.1* | *$ 81.1* | *$ 106.9* | *$ 94.9* |
| End of Month TANs Outstanding | | $ (850.0) | $ (1,000.0) | $ (1,200.0) | $ (1,592.0) | $ (1,469.9) | $ (600.0) | $ (800.0) | $ (633.9) | $ - | $ - | $ (250.0) | $ (450.0) | $ (450.0) | $ - | $ - |
| Maximum TANs Outstanding | | $ (500.0) | $ (1,000.0) | $ (1,200.0) | $ (1,592.0) | $ (1,792.0) | $ (1,094.5) | $ (800.0) | $ (1,200.0) | $ (633.9) | $ - | $ (250.0) | $ (450.0) | $ (450.0) | $ (700.0) | $ - |

## TAX MATTERS

### Summary of Bond Counsel Opinions

Katten Muchin Rosenman LLP, Bond Counsel ("Bond Counsel"), is of the opinion that under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for federal income tax purposes. If there is continuing compliance with the applicable requirements of the Code, Bond Counsel is of the opinion that interest on the Bonds will continue to be excluded from the gross income of the owners thereof for federal income tax purposes. In addition, interest on the Bonds is not an "item of tax preference" for purposes of the alternative minimum tax; however, such interest is included in the adjusted financial statement income of those corporations subject to the corporate alternative minimum tax. Interest on the Bonds is not exempt from Illinois income taxes.

### Exclusion from Gross Income: Requirements

The Code contains certain requirements that must be satisfied from and after the date of issuance of the Bonds in order to preserve the exclusion from gross income for federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. Among these specific requirements are the following:

(a) *Investment Restrictions*. Except during certain "temporary periods," proceeds of the Bonds and investment earnings thereon (other than amounts held in a reasonably required reserve or replacement fund, if any, or as part of a "minor portion") may generally not be invested in investments having a yield that is materially higher than the yield on the Bonds.

(b) *Rebate of Permissible Arbitrage Earnings*. Unless the Bonds qualify for an exception, earnings from the investment of the "gross proceeds" of the Bonds in excess of the earnings that would have been realized if such investments had been made at a yield equal to the yield on the Bonds are required to be paid to the United States at periodic intervals. For this purpose, the term "gross proceeds" includes the original proceeds of the Bonds, amounts received as a result of investing such proceeds and amounts to be used to pay debt service on the Bonds.

(c) *Restrictions on Ownership and Use*. The Code includes restrictions on the ownership and use of the facilities financed with the proceeds of the Bonds. Such provisions may restrict future changes in the use of any property financed with the proceeds of the Bonds, including property financed with loans made to other state or local governmental units.

### Covenants to Comply

The Board covenants in the Indenture to comply with the requirements of the Code relating to the exclusion from gross income for federal income tax purposes of interest on the Bonds.

### Risk of Non-Compliance

In the event that the Board fails to comply with the requirements of the Code, interest on the Bonds may become includable in the gross income of the owners thereof for federal income tax purposes retroactively to the date of issue. In such event, the Indenture does not require acceleration of payment of principal of or interest on the Bonds or payment of any additional interest or penalties to the owners of the Bonds.

**Federal Income Tax Consequences**

Pursuant to Section 103 of the Code, interest on the Bonds is not includible in the gross income of the owners thereof for federal income tax purposes. However, the Code contains a number of other provisions relating to the treatment of interest on the Bonds that may affect the taxation of certain types of owners, depending on their particular tax situations. Some of the potentially applicable federal income tax provisions are described in general terms below. Prospective purchasers should consult their tax advisors concerning the particular federal income tax consequences of their ownership of the Bonds.

(a) *Cost of Carry*. Owners of the Bonds will generally be denied a deduction for otherwise deductible interest on any debt that is treated for federal income tax purposes as incurred or continued to purchase or carry the Bonds. Financial institutions are denied a deduction for their otherwise allowable interest expense in an amount determined by reference to their adjusted basis in the Bonds.

(b) *Corporate Owners*. Interest on the Bonds is taken into account in computing the branch profits tax imposed on certain foreign corporations, the passive investment income tax imposed on certain S corporations, and the accumulated earnings tax.

(c) *Individual Owners*. Receipt of interest on the Bonds may increase the amount of social security and railroad retirement benefits included in the gross income of the recipients thereof for federal income tax purposes.

(d) *Certain Blue Cross or Blue Shield Organizations*. Receipt of interest on the Bonds may reduce a special deduction otherwise available to certain Blue Cross or Blue Shield organizations.

(e) *Property or Casualty Insurance Companies*. Receipt of interest on the Bonds may reduce otherwise deductible underwriting losses of a property or casualty insurance company.

(f) *Foreign Personal Holding Company Income*. A United States shareholder of a foreign personal holding company may realize taxable income to the extent that interest on the Bonds held by such a company is properly allocable to the shareholder.

Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the Bonds.

**Bonds Purchased at a Premium or At a Discount**

The difference (if any) between the initial price at which a substantial amount of each maturity of the Bonds is sold to the public (the "Offering Price") and the principal amount payable at maturity of such Bonds is given special treatment for federal income tax purposes. If the Offering Price is higher than the maturity value of a Bond, the difference between the two is known as "bond premium;" if the Offering Price is lower than the maturity value of a Bond, the difference is known as "original issue discount."

Bond premium and original issue discount is amortized over the term of a Bonds on the basis of the owner's yield from the date of purchase to the date of maturity, compounded at the end of each accrual period of one year or less with straight line interpolation between compounding dates, as provided more specifically in the Income Tax Regulations. The amount of bond premium accruing during each period is treated as an offset against interest paid on the Bond and is subtracted from the owner's tax basis in the Bond, as the case may be. The amount of original issue discount accruing during each period is treated as interest that is excludable from the gross income of the owner of such Bond for federal income tax purposes, to the same extent and with the same limitations as current interest, and is added to the owner's tax basis in

the Bond. A Bonds' adjusted tax basis is used to determine whether, and to what extent, the owner realizes taxable gain or loss upon the disposition of such Bond (whether by reason of sale, acceleration, redemption prior to maturity or payment at maturity of the Bond).

Owners who purchase Bonds at a price other than the Offering Price, after the termination of the initial public offering or at a market discount should consult their tax advisors with respect to the tax consequences of their ownership of such Bonds. In addition, owners of Bonds should consult their tax advisors with respect to the state and local tax consequences of owning the Bonds; under the applicable provisions of state or local income tax law, bond premium may give rise to taxable income at different times and in different amounts than is the case for federal income tax purposes.

**State and Local Income Tax Consequences**

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

**Changes of Law**

The opinion of Bond Counsel and the descriptions of the tax law contained in this Official Statement are based on statutes, judicial decisions, regulations, rulings, and other official interpretations of law in existence on the date the Bonds are issued. There can be no assurance that such law or the interpretation thereof will not be changed or that new provisions of law will not be enacted or promulgated at any time while the Bonds are outstanding in a manner that would adversely affect the value or the tax treatment of ownership of the Bonds.

Future legislative proposals, if enacted into law, administrative actions or court decisions may cause interest on the Bonds to be subject, directly or indirectly, to federal income taxation, or otherwise have an adverse impact on the potential benefits of the exclusion from gross income of the interest on the Bonds for federal income tax purposes. The introduction or enactment of any such legislative proposals, administrative actions or court decisions may also affect, perhaps significantly, the value or marketability of the Bonds. Prospective purchasers of the Bonds should consult their own tax advisors regarding the impact of any future federal tax legislation, regulations or court decisions.

## CERTAIN LEGAL MATTERS

**Opinions Related to the Bonds**

Certain legal matters incident to the authorization, issuance and sale of the Bonds are subject to the approving legal opinion of Katten Muchin Rosenman LLP, Chicago, Illinois, as Bond Counsel ("Bond Counsel"), who has been retained by, and acts as Bond Counsel to, the Board. The proposed form of such opinion is included herein as APPENDIX J. Bond Counsel has not been retained or consulted on disclosure matters and have not undertaken to review or verify the accuracy, completeness or sufficiency of this Official Statement or other offering material relating to the Bonds and assumes no responsibility for the statements or information contained in or incorporated by reference in this Official Statement, except that in their capacity as Bond Counsel, Katten Muchin Rosenman LLP, at the request of the Board, reviewed those sections of this Official Statement involving the description of the Bonds, the security for the Bonds and the description of the federal tax exemption of interest on the Bonds. This review was undertaken solely at the request and for the benefit of the Board and did not include any obligation to establish or confirm

factual matters set forth herein. In connection with the issuance of the Bonds, certain legal matters were passed upon for the Board by its Acting General Counsel, Elizabeth K. Barton, and by its Issuer's Counsel, Greenberg Traurig, LLP, Chicago, Illinois, and in connection with the preparation of this Official Statement by its Disclosure Counsel, Charity & Associates, P.C., Chicago, Illinois. Certain legal matters will be passed upon for the Underwriters by their counsel, Chapman and Cutler LLP, Chicago, Illinois.

## LITIGATION

The Board is involved in numerous lawsuits that arise out of the ordinary course of operating the school system, including, but not limited to, any lawsuits described in this Official Statement. Some of the cases pending against the Board involve claims for substantial moneys. As discussed in Note 15 of the Board's Annual Comprehensive Financial Report for Fiscal Year 2024 attached hereto as APPENDIX B, in the opinion of Board management and legal counsel the final resolution of these claims and legal actions are not material to the Board's financial statements as of June 30, 2024. Since that date, there have been no additional cases where an adverse result is probable or reasonably possible and where the Board's liability, on any individual matter and net of insurance, is greater than $10 million.

As is true with any complex litigation, neither the Board nor its counsel is able to predict either the eventual outcome of such litigation or its impact on the Board's finances. The Board has available to it a tort liability tax levy to pay tort judgments and settlements. This tort liability tax levy is unlimited as to rate, but subject to the limitations on the annual growth in property tax extensions of the Board imposed by PTELL.

Upon delivery of the Bonds to the Underwriters, the Board will furnish a certificate to the effect that, among other things, except as disclosed in this Official Statement, there is no litigation pending in any court seeking to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting the validity or enforceability of the Bonds.

## FINANCIAL STATEMENTS

The financial statements of the Board of Education of the City of Chicago as of and for the Fiscal Year ended June 30, 2024, included in APPENDIX B to this Official Statement have been audited by Baker Tilly US, LLP, Chicago, Illinois, independent auditors, as stated in their report appearing herein. Baker Tilly US, LLP has not been engaged to perform, and has not performed, since the date of its report included herein, any procedures on the financial statements addressed in that report. Baker Tilly US, LLP also has not performed any procedures relating to this Official Statement.

In accordance with its existing continuing disclosure agreements relating to bonds previously issued by the Board, the Board is obligated to file its audited annual financial statements with EMMA on or prior to 210 days after the last day of the Board's Fiscal Year.

## FINANCIAL ADVISOR

The Board has engaged Columbia Capital Management, LLC (the "Financial Advisor") in connection with the authorization, issuance and sale of the Bonds. The Financial Advisor has provided advice on the plan of financing and structure of the Bonds and has reviewed certain legal documents, including this Official Statement, with respect to financial matters. Unless indicated to the contrary, the Financial Advisor has not independently verified the factual information contained in this Official Statement, but has relied on the information supplied by the Board and other sources. The Financial Advisor is a "*municipal advisor*" as defined in the Dodd–Frank Wall Street Reform and Consumer Protection Act, Public Law No. 111–203.

## RATINGS

The Bonds have been assigned the ratings of "BB+" (stable outlook) by S&P Global Ratings ("S&P") and "BBB-" (negative outlook) by Kroll Bond Rating Agency, LLC ("KBRA"), respectively. The ratings reflect only the view of such rating agencies at the time such ratings are given, and the Underwriters and the Board make no representation as to the appropriateness of such ratings. An explanation of the significance of such ratings may be obtained only from the rating agencies. The Board has furnished the rating agencies with certain information and materials relating to the Bonds and the Board that have not been included in this Official Statement. Generally, rating agencies base their ratings on the information and materials so furnished and on investigations, studies and assumptions made by the rating agencies. The above ratings are not a recommendation to buy, sell or hold the Bonds. There is no assurance that a particular rating will be maintained for any given period of time or that it will not be lowered or withdrawn entirely if, in the judgment of the rating agency originally establishing such rating, circumstances so warrant. Except as described under the heading "CONTINUING DISCLOSURE UNDERTAKING," neither the Underwriters nor the Board have undertaken any responsibility to bring to the attention of the holders of the Bonds any proposed revision or withdrawal of the ratings of the Bonds or to oppose any such proposed revision or withdrawal. Any such revision or withdrawal of the ratings could have an adverse effect on the market price and marketability of the Bonds.

The Board previously engaged Moody's Investors Service and Fitch Ratings, Inc to assign ratings for prior bond issues. The Board has elected not to obtain ratings from such rating agencies for the Bonds.

## UNDERWRITING AND DEALER MANAGER RELATIONSHIP

The Bonds are being purchased by the Underwriters listed on the cover page of this Official Statement (the "Underwriters"), led by BofA Securities, Inc. The Underwriters have agreed to purchase the Bonds at a purchase price of $_____ (representing an aggregate principal amount of $_____, [plus][less] $_____ net original issue [premium][discount] and less $_____ of Underwriters' discount). The Underwriters will be obligated to purchase all of the Bonds if any are purchased. The Underwriters reserve the right to join with dealers and other underwriters in offering the Bonds to the public.

The obligation of the Underwriters to accept delivery of and pay for the Bonds is subject to various conditions set forth in the Bond Purchase Agreement to be entered into in connection with the Bonds, including, among others, the delivery of specified opinions of counsel and a certificate of the Board that there has been no material adverse changes in its conditions (financial or otherwise) from that set forth in this Official Statement.

In accordance with the Bond Purchase Plan, the Series 2025C Refunded Bonds are being tendered under the terms of the Invitation through BofA Securities, Inc. and Cabrera Capital Markets LLC, as co-Dealer Managers (the "Dealer Managers"). For their services as Dealer Managers, the Dealer Managers will be compensated (the "Dealer Manager Fee") in an amount equal to a percentage of the aggregate principal amount of the Series 2025C Refunded Bonds, pursuant to the terms of a Dealer Manager Agreement between the Dealer Managers and the Board. The Dealer Manager Fee is expected to be paid from proceeds of the Series 2025C Bonds.

## CERTAIN RELATIONSHIPS

The Underwriters and their respective affiliates comprise full-service securities firms and commercial banks engaged in securities trading and brokerage activities, as well as providing investment banking, asset management, financing, and financial advisory services and other commercial and investment banking products and services to a wide range of corporations and individuals. The Underwriters and their respective affiliates may currently have and may in the future have investment and commercial banking, trust and other relationships with parties that may relate to assets of, or be involved in the issuance of securities and/or instruments by, the Board and any affiliates thereof.

In the ordinary course of their respective businesses, the Underwriters and their respective affiliates have engaged, and may in the future engage, in transactions with, and perform services for, the Board and any affiliates thereof for which they received or will receive customary fees and expenses. Under certain circumstances, the Underwriters and their respective affiliates may have certain creditor and/or other rights against the Board and any affiliates thereof in connection with such transactions and/or services.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and may actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of customers. Such investment and trading activities may involve or relate to assets, securities and/or instruments of the Board (whether directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with (or that are otherwise involved with transactions by) the Board. The Underwriters and their respective affiliates also may communicate independent investment recommendations, market advice or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and at any time may hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

The Underwriters and their affiliates may have certain inter-company compensation arrangements that relate to transactions that may occur from time to time between the Underwriters and their affiliates, on the one hand, with the Board, on the other, as the case may be. Such inter-company compensation may be determined in part passed on the size of the relevant transaction.

BofA Securities, Inc., one of the Underwriters of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities, Inc. may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities, Inc. may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

J.P. Morgan Securities LLC ("JPMS"), one of the Underwriters of the Bonds, has entered into negotiated dealer agreements (each, a "Dealer Agreement") with each of Charles Schwab & Co., Inc. ("CS&Co.") and LPL Financial LLC ("LPL") for the retail distribution of certain securities offerings at the original issue prices. Pursuant to each Dealer Agreement, each of CS&Co. and LPL may purchase Bonds from JPMS at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that such firm sells.

Morgan Stanley & Co. LLC, one of the Underwriters of the Bonds, has entered into a retail distribution arrangement with its affiliate Morgan Stanley Smith Barney LLC. As part of the distribution arrangement, Morgan Stanley & Co. LLC may distribute municipal securities to retail investors through the financial advisor network of Morgan Stanley Smith Barney LLC. As part of this arrangement, Morgan

Stanley & Co. LLC may compensate Morgan Stanley Smith Barney LLC for its selling efforts with respect to the Bonds.

## CONTINUING DISCLOSURE UNDERTAKING

The Board will enter into a Continuing Disclosure Undertaking (the "Undertaking") for the Bonds 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 Section (b)(5) of Rule 15c2–12 (the "Rule") adopted by the Securities and Exchange Commission (the "Commission") under the Securities Exchange Act of 1934, as amended (the "Exchange Act"). The MSRB has designated its Electronic Municipal Market Access system ("EMMA") as the system to be used for continuing disclosure to investors. The information to be provided on an annual basis, the events to be noticed on an occurrence basis and a summary of other terms of the Undertaking, including termination, amendment and remedies, are set forth below.

A failure by the Board to comply with the Undertaking will not constitute an event of default under the applicable Bond Resolution or Indenture, and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. See "Consequences of Failure to Provide Information."

The following is a brief summary of certain provisions of the Undertaking and does not purport to be complete. The statements made under this heading are subject to the detailed provisions of the Undertaking, copies of which are available upon request from the Board.

### Annual Financial Information Disclosure

The Board covenants in the Undertaking that it will disseminate its Annual Financial Information and its Audited Financial Statements, if any (as described below) in electronic format to the MSRB. The Board is required to deliver such information so that the MSRB receives the information by the dates specified in the Undertaking.

"Annual Financial Information" means historical information generally consistent with information of the type set forth in this Official Statement under the headings "CHICAGO PUBLIC SCHOOLS – School System and Enrollment," "DEBT STRUCTURE – Long–Term General Obligation Debt" and "– Board's Borrowing Authority and Legal Debt Margin," and "FINANCIAL INFORMATION – General Operating Fund Fiscal Years 2020-2024," and in APPENDIX H - "PENSION AND OTHER POST–EMPLOYMENT OBLIGATIONS." Except however, the information in APPENDIX H - "PENSION AND OTHER POST–EMPLOYMENT OBLIGATIONS" (except for the section therein entitled "– Recent Reports Regarding the Pension Fund" and information expressly derived from the Chicago Public Schools Annual Comprehensive Financial Reports) is sourced primarily from documents published by the Pension Fund and/or parties other than the Board (such information is collectively referred to as the "Third–Party Source Pension Information") and the Board takes no responsibility for the accuracy or completeness of the Third–Party Source Pension Information. If the Third–Party Source Pension Information or any information contained therein is no longer publicly available or is not publicly available in a form or manner or by the time that the Annual Financial Information is required to be disseminated by the Board, the Board shall, as part of its Annual Financial Information for the year in which such a lack of availability arises, include a statement to that effect and state that it will promptly file such information as it becomes available.

The Undertaking for the Bonds requires that Annual Financial Information be provided to the MSRB not more than 210 days after the last day of the Board's Fiscal Year. The Board has covenanted to give notice in a timely manner to EMMA of any failure to provide Annual Financial Information Disclosure when the same is due pursuant to the Undertaking.

"Audited Financial Statements" means the audited general purpose financial statements of the Board prepared in accordance with generally accepted accounting principles applicable to governmental units as in effect from time to time (i.e., as subject to pronouncements of the Governmental Accounting Standards Board) and subject to any express requirements of the laws of the State of Illinois. The Undertaking for the Bonds requires that Audited Financial Statements will be provided to the MSRB on a date which is the earlier of 30 days after availability to the Board or 210 days after the last day of the Board's Fiscal Year.

**Events Notification; Reportable Events Disclosure**

The Board covenants that it will disseminate in a timely manner, not in excess of ten business days after the occurrence of the "Reportable Event" (as described below), to the MSRB in such manner and format, accompanied by identifying information as prescribed by the MSRB or the Commission at the time of delivery of such information. Certain Reportable Events are required to be disclosed only to the extent that such Reportable Event is material, as materiality is interpreted under the Exchange Act. The "Reportable Events," certain of which may not be applicable to the Bonds, are:

(a) principal and interest payment delinquencies;

(b) non–payment related defaults, if material;

(c) unscheduled draws on debt service reserves reflecting financial difficulties;

(d) unscheduled draws on credit enhancements reflecting financial difficulties;

(e) substitution of credit or liquidity providers, or their failure to perform;

(f) 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;

(g) modifications to rights of Bond holders, if material;

(h) Bond calls, if material, and tender offers;

(i) defeasances;

(j) release, substitution or sale of property securing repayment of the Bonds, if material;

(k) rating changes;

(l) bankruptcy, insolvency, receivership or similar event of the Board (such an event will be considered to have occurred in the following instances: the appointment of a receiver, fiscal agent or similar officer for the Board 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 Board, or if the jurisdiction of the Board has been assumed by leaving the Board and the Board's 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 Board);

**Note**: For the purposes of the events described in this part (l), the event is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent or similar

officer for the Board 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 Board, 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 Board.

(m) the consummation of a merger, consolidation, or acquisition involving the Board or the sale of all or substantially all of the assets of the Board, 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;

(n) appointment of a successor or additional trustee or the change of name of a trustee, if material;

(o) incurrence of a financial obligation of the Board, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Board, any of which affect security holders, if material; and

(p) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Board, any of which reflect financial difficulties.

**Note**: For the purposes of the events described in parts (o) and (p), the term "financial obligation" means: (1) a debt obligation; (2) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (3) guarantee of (1) or (2). The term "financial obligation" shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule.

**Consequences of Failure to Provide Information**

The Board agrees in the Undertaking to give notice in a timely manner to the MSRB of any failure to provide disclosure of the Annual Financial Information and Audited Financial Statements when the same are due under the Undertaking.

A default under the Undertaking shall not be deemed an event of default under the applicable Bond Resolution or Indenture, and the sole remedy in the event of any failure of the Board to comply with the Undertaking shall be an action to compel performance. A failure by the Board to comply with the Undertaking must be reported in accordance with the Rule and must be considered by any broker, dealer or municipal securities dealer before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such failure may adversely affect the transferability and liquidity of the Bonds and their market price.

**Amendment; Waiver**

Notwithstanding any other provision of the Undertaking, the Board may amend the Undertaking, and any provision thereof may be waived, if:

(a) (i) The amendment or the waiver is made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature, or status of the Board, or type of business conducted;

(ii) The Undertaking, 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

(iii) The amendment or waiver does not materially impair the interests of the beneficial owners of the Bonds, as determined by a party unaffiliated with the Board (such as the Trustee or Bond Counsel), or by the approving vote of the owners of the Bonds pursuant to the terms of the Indenture at the time of the amendment; or

(b) The amendment or waiver is otherwise permitted by the Rule.

**Termination of Undertaking**

The Undertaking shall be terminated if the Board no longer has any legal liability for any obligation on or relating to repayment of the Bonds under the Indentures. If a termination of this Undertaking occurs prior to the final maturity of the Bonds, the Board shall give notice in a timely manner to the MSRB.

**Dissemination Agent**

The Board may, from time to time, appoint or engage a dissemination agent to assist it in carrying out its obligations under the Undertaking, and may discharge any such agent, with or without appointing a successor dissemination agent.

**Additional Information**

Nothing in the Undertaking shall be deemed to prevent the Board from disseminating any other information, using the means of dissemination set forth in the Undertaking or any other means of communication, or including any other information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event, in addition to that which is required by the Undertaking. If the Board chooses to include any information in any Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event in addition to that which is specifically required by the Undertaking, the Board shall have no obligation under the Undertaking to update such information or include it in any future Annual Financial Information or Audited Financial Statements or notice of occurrence of a Reportable Event.

**Current Status of Compliance**

Except as described below, with respect to the previous five years, the Board has been, and is currently, in material compliance with respect to its continuing disclosure undertakings to file Annual Financial Information, Audited Financial Statements and notices of Reportable Events relating to previously issued bonds and notes in accordance with the Rule.

On October 27, 2021, and November 4, 2021, the Board entered into revolving credit facility agreements with JPMorgan Chase Bank, N.A. and PNC Bank, N.A., respectively. The Board filed notices on EMMA concerning these facilities on December 21, 2021 and not within the required ten business day period. The Board has resolved a communication error with its dissemination agent which resulted in the delayed filing and neither facility remains outstanding.

On January 26, 2023, the Board filed a notice on EMMA concerning the failure to timely file its Audited Financial Statements and its Annual Financial Information for the Fiscal Year ended June 30, 2022, as required by the Board's continuing disclosure undertakings. On February 17, 2023, the Board undertook corrective action relating to the foregoing circumstance by filing its Audited Financial Statements and its Annual Financial Information for the Fiscal Year ended June 30, 2022 on EMMA.

On January 25, 2024, the Board filed a notice on EMMA concerning the failure to timely file its Audited Financial Statements and its Annual Financial Information for the Fiscal Year ended June 30, 2023, as required by the Board's continuing disclosure undertakings. On February 21, 2024, the Board undertook corrective action relating to the foregoing circumstance by filing its Audited Financial Statements and its Annual Financial Information for the Fiscal Year ended June 30, 2023 on EMMA.

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## AUTHORIZATION

The Board has authorized the distribution of this Official Statement. This Official Statement has been duly executed and delivered on behalf of the Board.

**BOARD OF EDUCATION OF THE CITY OF CHICAGO**

By: _____
Treasurer and Deputy Chief Financial Officer

# APPENDIX A

## CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE INDENTURES

Each Series of the Bonds is secured under a separate and distinct Indenture. The security provided under one Indenture does not provide security for a different Series of Bonds. The following are summaries of certain provisions of the Series 2025B Indenture and the Series 2025C Indenture, respectively, and does not purport to be complete or definitive and is qualified in its entirety by the Series 2025B Indenture and the Series 2025C Indenture, respectively, to which reference is made for a complete statement of the provisions and contents thereof. The discussion herein is qualified by such reference. Copies of the Series 2025B Indenture and the Series 2025C Indenture are on file with the Trustee.

# APPENDIX A-1

## CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2025B INDENTURE

The following is a summary of certain provisions of the Series 2025B Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by the Series 2025B Indenture, to which reference is made for a complete statement of the provisions and contents thereof. The discussion herein is qualified by such reference. Copies of the Series 2025B Indenture are on file with the Trustee.

*Definitions of Certain Terms*

"*Act*" means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

"*Additional Bonds*" means any Alternate Bonds by the Board issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged State Aid Revenues with respect to the Pledged State Aid Revenues with any Prior Authorization Bonds and the Series 2025C Bonds, as authorized by the Series 2025C Indenture.

"*Alternate Bonds*" means general obligation bonds payable from any revenue source as provided by the Act, particularly Section 15 thereof.

"*Annual Debt Service Requirement*" means, with respect to the Series 2025B Bonds and for any Bond Year, the sum of the interest on and principal (including sinking fund installments) of the Series 2025B Bonds that will become due and payable during such Bond Year, exclusive of any such interest scheduled to be paid from amounts held in the Capitalized Interest Sub-Account.

"*Applicable Bond Year*" means, in determining on a Deposit Date the sufficiency of amounts held in the Pledged Revenues Account for the Series 2025B Bonds to satisfy any Annual Debt Service Requirement, the then current Bond Year.

"*Authorized Denominations*" means $100,000 and any multiple of $5,000 in excess thereof.

"*Authorized Officer*" means (i) any Designated Official, (ii) the Controller and the Chief Operating Officer of the Board acting together or (iii) any other officer or employee of the Board authorized to perform specific acts or duties under the 2025B Indenture by resolution duly adopted by the Board.

"*Board*" means the Board of Education of the City of Chicago, as governed by the Chicago Board of Education, created and established pursuant to Article 34 of the School Code.

"*Bond Counsel*" means any nationally recognized firm(s) of municipal bond attorneys approved by the Board.

"*Bond Payment Account*" means the Bond Payment Account established in the Series 2025B Indenture.

"*Bond Year*" means each annual period beginning on December 2 of a calendar year to and including December 1 of the next succeeding calendar year.

"*Business Day*" means any day which is not a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the designated corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

"*Capital Improvement Program*" means the Capital Improvement Program of the Board, as from time to time approved and amended by the Board and on file in the office of the Secretary of the Board.

"*Capitalized Interest Sub-Account*" means the Sub-Account of that name in the Pledged Revenues Account established in the Series 2025B Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Code and Regulations*" means the Code and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"*Costs of Issuance Account*" means the Cost of Issuance Account established in the Series 2025B Indenture.

"*Counsel's Opinion*" or "*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the General Counsel to the Board) or Bond Counsel.

"*County Clerks*" means, collectively, the County Clerks of the Counties of Cook and DuPage, Illinois.

"*County Collectors*" means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"*Debt Service Fund*" means the Debt Service Fund established in the Series 2025B Indenture.

"*Defeasance Obligations*" means (i) Government Obligations, (ii) Federal Agencies and (iii) Pre-refunded Municipal Obligations which are not subject to redemption other than at the option of the holder thereof.

"*Deposit Date*" with respect to the Series 2025B Bonds, means March 15 of each year or such earlier date as may be necessary to permit the Board to lawfully make the abatement of taxes described in the Series 2025B Indenture.

"*Deposit Sub-Account*" means the Sub-Account of that name in the Pledged Revenues Account.

"*Designated Official*" means (i) the President of the Board, (ii) the Chief Executive Officer, (iii) the Chief Financial Officer, (iv) the Treasurer of the Board or (v) any other officer of the Board authorized to perform specific acts and duties hereunder by resolution duly adopted by the Board.

"*DTC*" means The Depository Trust Company, New York, New York, as securities depository for the Series 2025B Bonds.

"*DTC Participant*" means any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2025B Bonds with DTC pursuant to the book entry only system described under the caption "THE BONDS – General" and in APPENDIX C – "BOOK ENTRY ONLY SYSTEM" in this Official Statement.

"*Electronic Means*" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"*Event of Default*" means any event so designated and specified in the Series 2025B Indenture.

"*Federal Agencies*" means senior debt obligations issued or guaranteed by, or otherwise stripped from senior debt obligations issued or guaranteed by, any U.S. federal agency, including but not limited to Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit System, the Tennessee Valley Authority and the Resolution Funding Corporation;

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Registrar and any Paying Agent, or any or all of them, as may be appropriate.

"*Forward Supply Contract*" means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a "*Counterparty*") pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

"*Government Obligations*" means (i) any direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including but not limited to Treasury Bills, Bonds, Notes, and STRIPS; Resolution Funding Corporation Interest STRIPS; and United States Agency for International Development ("US AID") guaranteed notes (including stripped securities), provided that any US AID security shall mature at least 10 Business Days prior to any cash flow or escrow requirement and (ii) certificates of ownership of the principal of or interest on obligations of the type described in clause (i) of this definition (a) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (b) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations and (c) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any Person claiming through the custodian, or any Person to whom the custodian may be obligated.

"*Interest Payment Date*" means each June 1 and December 1, commencing June 1, 2026.

"*Interest Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Series 2025B Indenture.

"*Investment Policy*" means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

"*Investment Securities*" means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

(i) Government Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

– Export-Import Bank

- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(iii) Federal Agencies;

(iv) U.S. dollar denominated certificates of deposit, deposit accounts, federal funds and banker's acceptances with domestic commercial banks insured by the Federal Deposit Insurance Corporation (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of no less than "A-1" or "A-1+" by S&P and "P-1" by Moody's;

(v) Commercial paper which is rated at the time of purchase no less than "A-1" or "A-1+" or above by S&P and "P-1" by Moody's and which matures not more than 180 days after the date of purchase;

(vi) Obligations issued by any county, township, city, village, incorporated town, municipal corporation, or school district of the State or any other state and having a rating at the time of purchase within the four highest general classifications by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

(vii) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm-G" or better by any of the Rating Services, including those for which the Trustee or an affiliate performs services for a fee whether as a custodian, transfer agent, investment advisor or otherwise;

(viii) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(ix) Pre-refunded Municipal Obligations;

(x) Any Forward Supply Contract; and

(xi) Any other investment securities authorized by law and the Investment Policy as permitted investments of Board funds.

"*Net Annual Debt Service Requirement*" means, for any Bond Year, the sum of the interest on and principal of the Series 2025B Bonds that will become due and payable during such Bond Year, less (i) the amount held in the Capitalized Interest Sub-Account and allocated for the payment of such interest and (ii) the amount held in the Deposit Sub-Account that is to be transferred to the Interest Sub-Account for the payment of such interest.

"*Outstanding*" means, with respect to the Series 2025B Bonds, as of any date, all such Bonds theretofore or thereupon being authenticated and delivered under the Series 2025B Indenture except:

(i) Any Series 2025B Bonds canceled by the Trustee at or prior to such date;

(ii) Series 2025B Bonds (or portions of Series 2025B Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under the Series 2025B Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Series 2025B Bonds (or portions of Series 2025B Bonds) are to be redeemed, notice of such redemption shall have been given as provided in the 2025B Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Series 2025B Bonds in lieu of or in substitution for which other Series 2025B Bonds shall have been authenticated and delivered pursuant to the Series 2025B Indenture; and

(iv) Series 2025B Bonds deemed to have been paid as provided in the Series 2025B Indenture.

"*Owner*" means any Person who shall be the registered owner of any Series 2025B Bond or Series 2025B Bonds.

"*Paying Agent*" means the Trustee and any other bank, national banking association or trust company designated by a Designated Official as paying agent for the Series 2025B Bonds and any successor or successors appointed by a Designated Official under the Series 2025B Indenture.

"*Person*" means and includes an association, unincorporated organization, a corporation, a limited liability company, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

"*Pledged Revenues Account*" means the account of that name in the Debt Service Fund established under the Series 2025B Indenture.

"*Pledged State Aid Revenues*" means that amount of State Aid Revenues, not in excess of the amount available pursuant to the applicable Prior Authorization in any year, as shall provide for the payment of the relevant Prior Authorization Bonds, the Series 2025B Bonds and any Additional Bonds issued pursuant to the Prior Authorization and the provision of not less than an additional .10 times debt service thereon in each such year, all as pledged, in conjunction with the lien on the Pledged State Aid Revenues imposed by and arising under the Act and under this Indenture, as security for the Series 2025B Bonds.

"*Pledged Taxes*" means the *ad valorem* taxes levied against all of the taxable property in the School District without limitation as to rate or amount and pledged under the Series 2025B Indenture as security for the Series 2025B Bonds.

"*Pledged Taxes Account*" means the account of that name in the Debt Service Fund established in the Series 2025B Indenture.

"*Pre-refunded Municipal Obligations*" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which

irrevocable instructions have been given by the obligor to call on the date specified in the notice, and

(A) which are rated at the time of purchase, based on an irrevocable escrow account or fund, in the highest rating category of S&P and Moody's or any successors thereto; or

(B) (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Defeasance Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the Series 2025B Bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

"*Principal Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Series 2025B Indenture.

*"Prior 2012 Authorization Bonds*" means the (i) $109,825,000 aggregate outstanding principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2012B, (ii) $150,000,000 principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2013B, (iii) $150,000,000 aggregate principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2013C, (vi) $280,000,000 aggregate principal amount of Tax Exempt Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenues), Series 2015C Project Bonds, and (v) the $20,000,000 aggregate principal amount of Tax Exempt Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenues), Series 2015E Project Bonds.

*"Prior 2015 Authorization Bonds*" means the (i) $725,000,000 aggregate principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016A, of the Board; (ii) $150,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2016B, of the Board and (iii) $285,000,000 Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2017A, of the Board.

"*Prior Authorization Bonds"* means the Prior 2012 Authorization Bonds and the Prior 2015 Authorization Bonds.

"*Rating Services*" means the nationally recognized rating services, or any of them, that shall have assigned ratings to any Outstanding Series 2025B Bonds as requested by or on behalf of the Board, and which ratings are then currently in effect.

"*Record Date*" means, with respect to any Interest Payment Date for the Series 2025B Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"*Redemption Price*" means, with respect to any Series 2025B Bond, the amount payable upon the date fixed for redemption.

"*Registrar*" means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under the Series 2025B Indenture and designated as registrar for the Series 2025B Bonds, and its successor or successors.

"*School Code*" means 105 Illinois Compiled Statutes 5.

"*School District*" means the school district constituted by the City of Chicago, Illinois pursuant to Article 34 of the School Code and governed by the Board.

"*Series*" or "*Series of Bonds*" means the Series 2025B Bonds. When the term "Series" is used without any other description, it shall mean the Series 2025B Bonds.

"*Series 2025B Bonds*" means the $_____ aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board issued pursuant to the Series 2025B Indenture.

"*Series 2025B Indenture*" means the Indenture securing and under which the Series 2025B Bonds are issued, dated as of November 1, 2025 by and between the Board and the Trustee.

"*Series 2025C Bonds*" means the $_____ aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board issued pursuant to the Series 2025C Indenture.

"*Series 2025C Indenture*" means the Indenture securing and under which the Series 2025C Bonds are issued, dated as of November 1, 2025 by and between the Board and the Trustee.

"*SLGS*" means United States Treasury Certificates of Indebtedness, Notes and Bonds — State and Local Government Series.

"*State*" means the State of Illinois.

"*State Aid Revenues*" means those State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, or such successor or replacement fund or act as may be enacted from time to time.

"*State Aid Revenues Sub-Account*" means the sub-account of that name in the Pledged Revenues Account established by the Series 2025B Indenture.

"*Supplemental Indenture*" means any Supplemental Indenture between the Board and the Trustee authorized pursuant to the Series 2025B Indenture.

"*Tax Agreement*" means the Tax Exemption Certificate and Agreement of the Board relating to the Series 2025B Bonds.

"*Trustee*" means Zions Bancorporation, National Association, Chicago, Illinois, and any successor or successors appointed under the Indenture. The "designated corporate trust operations office" of the Trustee means 111 West Washington Street, Suite 1860, Chicago, Illinois 60602 or such other address as is provided by the Trustee.

"*Trust Estate*" means the Pledged State Aid Revenues, the Pledged Taxes and all other property pledged to the Trustee pursuant to the Granting Clauses of the Series 2025B Indenture.

"*2012 Authorization*" means the authorization adopted by the Board on September 25, 2012 pursuant to Resolution No. 12-0925-RS1 authorizing the issuance of Alternate Bonds pursuant to the Act, in an amount not to exceed $750,000,000.

*"2015 Authorization"* means the authorization adopted by the Board on the July 22, 2015 pursuant to Resolution No. 15-0722-RS1 authorizing the issuance of Alternate Bonds pursuant to the Act, in an amount not to exceed $1,160,000,000.

"*Year*" or "*year*" means a calendar year.

*Pledge of Trust Estate*

In order to secure the payment of the principal of, premium, if any, and interest on all Series 2025B Bonds issued under the Series 2025B Indenture, according to the import thereof, and the performance and observance of each and every covenant and condition in such Series 2025B Indenture and in the Series 2025B Bonds contained, the Board pledges and grants in the Series 2025B Indenture a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners, to the extent provided in such Series 2025B Indenture:

(a) The Pledged State Aid Revenues and the Pledged Taxes, *provided* that the pledge of the Pledged State Aid Revenues to the payment of the Series 2025B Bonds is on a parity with the pledge of such revenues to any Additional Bonds that may be hereafter issued.

(b) All moneys and securities and earnings thereon in all funds, accounts and sub-accounts established pursuant to the Series 2025B Indenture; and

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other Persons to be held by the Trustee under the terms of the Series 2025B Indenture.

Pursuant to Section 13 of the Act, the moneys, securities and funds pledged under the Series 2025B Indenture and received by the Board, shall immediately be subject to the lien and pledge of such Indenture without any physical delivery or further act, and the lien and pledge under said Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board, irrespective of whether such parties have notice of the lien and the pledge.

Except as provided in the Series 2025B Indenture, each and all of the Series 2025B Bonds shall have the same right, lien and privilege under such Indenture and shall be equally secured thereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery of such Indenture.

*The Series 2025B Bonds are General Obligations*

The Series 2025B Bonds are, at all times Outstanding, the general obligation of the Board, for the payment of which its full faith and credit are irrevocably pledged, and are payable from, in addition to the Pledged State Aid Revenues, the Pledged Taxes, as described in the Series 2025B Indenture. The Series 2025B Bonds do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation unless the Pledged Taxes shall have been extended for collection, in which case the Outstanding Series 2025B Bonds shall, to the extent required by law, be included in the computation of indebtedness of the Board for purposes of all statutory provisions or limitations until such time as an audit of the Board shows that the Series 2025B Bonds have been paid from the Pledged State Aid Revenues for a complete fiscal year of the Board.

*Additional Bonds Payable From Pledged State Aid Revenues*

Except as described in the following two paragraphs, the Board shall not hereafter issue any bonds or other evidences of indebtedness, other than the Series 2025B Bonds, which are secured by a pledge of or lien on the Pledged State Aid Revenues, the Pledged Taxes or the moneys, securities, or funds held or set aside by the Board or by the Trustee under the Series 2025B Indenture, and shall not, except as expressly authorized in the Series 2025B Indenture, create or cause to be created any lien or charge on such Pledged State Aid Revenues, Pledged Taxes or such moneys, securities or funds.

The Board reserves the right to issue Additional Bonds from time to time payable from (i) all or any portion of the Pledged State Aid Revenues or (ii) any other source of payment which may be pledged under the Act, and any such Additional Bonds shall share ratably and equally in such Pledged State Aid Revenues with the Series 2025B Bonds; *provided, however*, that no Additional Bonds shall be issued except in accordance with the provisions of the Act as in existence on the date of issuance of the Additional Bonds.

The Board reserves the right to issue bonds or other evidences of indebtedness payable from Pledged State Aid Revenues subordinate to Series 2025B Bonds. Such subordinate obligations will be paid from various Pledged State Aid Revenues available to the Board in each year in excess of those required to be deposited in the State Aid Revenues Sub-Account during such Year.

*Provisions Regarding Transfer and Exchange of Series 2025B Bonds*

Subject to the operation of the global book-entry-only system described in "APPENDIX C—BOOK-ENTRY ONLY SYSTEM" in this Official Statement, the following provisions apply to the transfer and exchange of Bonds of the Series 2025B Bonds under the Series 2025B Indenture. Each Series 2025B Bond shall be transferable only upon the registration books of the Board, which shall be kept for that purpose by the applicable Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Series 2025B Bond, the Board shall issue in the name of the transferee a new Series 2025B Bond or Series 2025B Bonds in Authorized Denominations of the same aggregate principal amount. The Board and each Fiduciary may deem and treat the person in whose name any such Series 2025B Bond shall be registered upon the registration books of the Board as the absolute owner of such Series 2025B Bond, whether such Series 2025B Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Series 2025B Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Series 2025B Bond to the extent of the sum or sums so paid, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Series 2025B Bonds is exercised, the Board shall execute and the Trustee shall authenticate and deliver Series 2025B Bonds in accordance with the provisions of the Series 2025B Indenture. All Series 2025B Bonds surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Series 2025B Bonds whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental

charge required to be paid. Neither the Trustee nor any Registrar shall be required to make any registration, transfer or exchange of any Series 2025B Bond after such Series 2025B Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

*Establishment and Application of Debt Service Fund and Accounts*

A Debt Service Fund with the following Accounts within the Debt Service Fund are established with the Trustee to be held and applied in accordance with the provisions of the Series 2025B Indenture: (i) Pledged Revenues Account consisting of (1) the Deposit Sub-Account, (2) the Capitalized Interest Sub-Account and (3) the State Aid Revenues Sub-Account (ii) the Pledged Taxes Account; and (iii) the Bond Payment Account, consisting of (1) the Interest Sub-Account and (2) the Principal Sub-Account.

*Pledged Revenues Account.* The Trustee shall deposit to the credit of the Deposit Sub-Account any amounts paid by the Board to the Trustee from time to time with instructions for such deposit. All or a portion of such amounts so deposited to the credit of the Deposit Sub-Account shall be transferred no later than the next succeeding Interest Payment Date to the Interest Sub-Account and applied to pay up to the amount of interest then due on the Series 2025B Bonds on such Interest Payment Date as described in the Series 2025B Indenture.

(i) On or before each Deposit Date, the Board shall deposit to the credit of the State Aid Revenues Sub-Account such amounts derived from Pledged State Aid Revenues as shall be necessary to cause the amount on deposit in said Sub-Account to equal the Net Annual Debt Service Requirement for the Applicable Bond Year. Once such deposit has been made, the Board shall take such actions as are necessary to abate in full the Pledged Taxes levied to otherwise provide funds for the payment of the debt service on the Series 2025B Bonds during the then-current Bond Year. The Board shall make the deposit required pursuant to this paragraph on such earlier date as may be necessary in the future to permit the Board to make the abatement of taxes described in the preceding sentence. In the event that on any Deposit Date there has been deposited to the credit of the State Aid Revenues Sub-Account an insufficient amount to satisfy the Net Annual Debt Service Requirement, the Board shall, pursuant to the provisions of the Series 2025B Indenture, take such actions as are necessary to cause the extension of the Pledged Taxes levied for the calendar year next preceding the calendar year of such Deposit Date in an amount sufficient, when added to the amount then on deposit in the State Aid Revenues Sub-Account, to such Net Annual Debt Service Requirement.

(ii) All amounts on deposit in the State Aid Revenues Sub-Account on December 2 of each Year, following the transfers required to be made to the Bond Payment Account pursuant to the Series 2025B Indenture, shall be withdrawn from such Sub-Account and paid to the Board free and clear of the lien of the Series 2025B Indenture and the Trustee shall provide notice to the Board that such amounts constitute State Aid Revenues.

If, on any Business Day, the amount on deposit in State Aid Revenues Sub-Account is in excess of the unpaid Net Annual Debt Service Requirement for the then current Bond Year then, pursuant to a written direction of the Board signed by an Authorized Officer and filed with the

Trustee, all or part of such excess may be withdrawn by the Board free and clear of the lien of the Series 2025B Indenture.

*Pledged Taxes Account*. As described in the Series 2025B Indenture, the Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of the Series 2025B Indenture. All Pledged Taxes received by the Trustee shall be (i) deposited promptly upon receipt into the Pledged Taxes Account and (ii) applied to the payment of the interest on and principal of the Series 2025B Bonds due during the Year in which said Pledged Taxes are collected. All amounts remaining in the Pledged Taxes Account on December 2 of any Year shall be transferred to the Board and the Board shall deposit such moneys into the Educational Fund of the Board and apply such moneys to the abatement of the first Educational Fund tax levy for which the County Clerks will accept an abatement.

*Bond Payment Account*. The Trustee shall deposit to the credit of the Interest Sub-Account or the Principal Sub-Account any amounts directed by the Board to be deposited into such Sub-Accounts. The Trustee shall also transfer, from time to time, to the credit of the Interest Sub-Account or the Principal Sub-Account all other amounts so directed by the Board to be transferred into each such Sub-Account.

There shall be transferred *first* from moneys on deposit in the Pledged Taxes Account, *second*, pursuant to Board instructions, from money on deposit in the Deposit Sub-Account, and *third*, from money on deposit in the State Aid Revenues Sub-Account (i) to the Interest Sub-Account on or before each Interest Payment Date for any of the Outstanding Series 2025B Bonds, (after crediting the amount to be withdrawn from the Capitalized Interest Sub-Account and deposited into the Interest Sub-Account pursuant to the Series 2025B Indenture), the amount required for the interest payable on such date, less the amount then on deposit in the Interest Sub-Account and available for such payment; (ii) to the Principal Sub-Account on or before June 1, an amount equal to the sum of (A) one-half of the principal amount of the Outstanding Series 2025B Bonds, if any, which mature on the next December 1, and (B) one-half of the amount required for the payment of the Redemption Price of Outstanding Series 2025B Bonds, if any, required to be redeemed on that December 1 by the application of sinking fund installments and (iii) to the Principal Sub-Account after June 1 and on or prior to December 1, an amount sufficient so that the aggregate amount held in the Principal Sub-Account will equal the sum of (A) principal amount of the Outstanding Series 2025B Bonds, if any, which mature on that December 1 and (B) the amount required for the payment of the Redemption Price of Outstanding Series 2025B Bonds, if any, required to be redeemed on that December 1 by the application of sinking fund installments.

The Trustee shall pay to the respective Paying Agents in immediately available funds on or before each date on which interest or principal is due on the Series 2025B Bonds the respective amounts on deposit in the Interest Sub-Account and the Principal Sub-Account described in clauses (i) and (ii) above necessary to pay such debt service. Such amounts shall be paid to the Owners of the Outstanding Series 2025B Bonds by the Paying Agents for the aforesaid purposes on the due dates thereof.

*Board Payments to Cure Deficiencies*. If on any Interest Payment Date the amount held in the Interest Sub-Account is less than the interest payable on the Outstanding Series 2025B Bonds on such Interest Payment Date, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Interest Sub-Account, the sum required to cure such deficiency. If on

any December 1, the amount held in the Principal Sub-Account is less than the amount required to pay the principal amount of Outstanding Series 2025B Bonds maturing on that December 1, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Principal Sub-Account, the sum required to cure such deficiency.

*Notice Regarding Deposit of Pledged State Aid Revenues*. On or before the Deposit Date of each Year, (i) whenever funds are on deposit in the State Aid Revenues Sub-Account in an amount sufficient to meet the Net Annual Debt Service Requirement for the Applicable Bond Year, the Trustee shall deliver to the Board a notice evidencing the sufficiency of such deposit for said purpose and directing the Board to take such actions as are necessary to abate the Pledged Taxes with respect to the Series 2025B Bonds and (ii) whenever the funds on deposit in the Pledged Revenues Account are not sufficient to meet the Net Annual Debt Service Requirement for the Applicable Bond Year, the Trustee shall deliver to the Board a notice setting forth the deficiency of such deposit for such purpose and directing the Board to take such actions as are necessary to cause the extension of the Pledged Taxes levied for collection in the Applicable Bond Year in an amount sufficient when added to the amount held on deposit in the State Aid Revenues Sub-Account to provide funds sufficient to satisfy the Net Annual Debt Service Requirement for the Applicable Bond Year.

*Capitalized Interest Sub-Account.* The Trustee shall withdraw from the Capitalized Interest Sub-Account and transfer into the Interest Sub-Account, on each of the Interest Payment Dates set forth in the Series 2025B Indenture, the specified amount set forth in the Series 2025B Indenture.

Any amount remaining in the Capitalized Interest Sub-Account on December 2, 2026, shall be withdrawn from the Capitalized Interest Sub-Account and deposited into the Interest Sub-Account.

*Investment of Funds*

Moneys held in the Cost of Issuance Account and the several Accounts and Sub-Accounts of the Debt Service Fund shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of the Series 2025B Indenture and the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account. The Trustee may conclusively rely upon the Designated Official's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it under the Series 2025B Indenture fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested. Nothing contained in the Series 2025B Indenture shall be construed to prevent such Designated Official from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by Illinois law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any

amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

*Valuation and Sale of Investments*

Investment Securities in any Fund, Account or Sub-Account created under the Series 2025B Indenture shall be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment shall be charged to such Fund, Account or Sub-Account. Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established under the Series 2025B Indenture shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in the following paragraph.

The value of Investment Securities shall mean the fair market value thereof; *provided, however*, that all SLGS shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

Except as otherwise provided in the Series 2025B Indenture, the Trustee at the written direction of a Designated Official shall sell at the best price reasonably obtainable, or present for redemption, any Investment Securities held in any Fund, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be.

*Particular Covenants and Representations of the Board*

*Covenants Regarding Pledged State Aid Revenues*

Pursuant to Section 15(e) of the Act the Board covenants, so long as there are any Outstanding Series 2025B Bonds, to provide for, collect and apply Pledged State Aid Revenues to the payment of the Series 2025B Bonds and any Additional Bonds secured by Pledged State Aid Revenues and the provision of not less than an additional .10 times debt service on the Series 2025B Bonds and any Additional Bonds secured by such Pledged State Aid Revenues. The Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged State Aid Revenues may be allocated and paid to the Board for application as provided in the Series 2025B Indenture.

*Covenants Regarding Pledged Taxes*

The Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of the Series 2025B Indenture (the "Deposit Direction"). As long as any of the Series 2025B Bonds remain Outstanding, the Board will not modify or amend the applicable Deposit Direction, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of *ad valorem* property taxes; *provided* that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Pledged Taxes to be collected in any

Year. The Board will deliver an executed copy of any modification or amendment to the Deposit Direction permitted by the preceding sentence to the Trustee at the same time such modification or amendment is provided to the County Collectors.

As described in this Official Statement under the heading "SECURITY FOR THE BONDS — Pledged Taxes – Annual Determination of Abatement or Extension of Pledged Taxes," the Board shall direct such abatement of the Pledged Taxes in whole or in part as may be required by the Series 2025B Indenture, and proper notification of any such abatement shall be filed with (i) the County Clerks, in a timely manner to effect such abatement, and (ii) the County Collectors, so as to advise such officers of the amount of the Pledged Taxes to be extended for the relevant levy year.

For as long as there are any Outstanding Series 2025B Bonds, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied and extended and collected and deposited to the Pledged Taxes Account as described above.

In furtherance of the general obligation, full faith and credit promise of the Board to pay the principal and Redemption Price of and interest on the Series 2025B Bonds, the Board will take all actions necessary to (i) cause the levy and extension of Pledged Taxes, including any Pledged Taxes required to be levied in excess of those levied pursuant to the applicable Bond Resolution (as defined in the Official Statement), for collection on a timely basis to make all such payments and (ii) to cause such Pledged Taxes when extended for collection to be deposited directly with the Trustee for application pursuant to the Series 2025B Indenture.

In the event that in any year the Trustee delivers to the Board pursuant to the Series 2025B Indenture a "Notice Regarding Deposit of Pledged State Aid Revenues" described in the Series 2025B Indenture evidencing that the amount on deposit to the credit of the State Aid Revenues Sub-Account is insufficient to meet the Net Annual Debt Service Requirement for the Series 2025B Bonds during the Applicable Bond Year, the Trustee will, promptly after delivering such Deposit Notice to the Board, confirm with the County Collectors that the Deposit Direction remains in full force and effect. In the event the Trustee learns that the Deposit Direction has been modified or amended in a manner contrary to that described in the first paragraph under the subheading "Covenants Regarding Pledged Taxes" under the caption "*Particular Covenants and Representations of the Board*" in this APPENDIX A-1, the Trustee shall be deemed to have taken notice of the resulting Event of Default and shall take such actions to remedy such Event of Default as shall be permitted under the Series 2025B Indenture. See "*Events of Default and Remedies*" in this APPENDIX A-1.

*Accounts and Reports*

The Board shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged State Aid Revenues, the Pledged Taxes and the Funds, Accounts and Sub-Accounts established by the Series 2025B Indenture, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent in aggregate principal amount of Outstanding Series 2025B Bonds or their representatives duly authorized in writing.

*Tax Covenants*

The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2025B Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2025B Bond is subject on the date of original issuance thereof.

The Board shall not permit any of the proceeds of the Series 2025B Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code. The Board shall not permit any of the proceeds of the Series 2025B Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

*Events of Default and Remedies*

*Events of Default*

Each of the following events constitutes an Event of Default as to the Series secured under the Series 2025B Indenture:

(1) If a default shall occur in the due and punctual payment of interest on any Series 2025B Bond issued under such Indenture when and as such interest shall become due and payable;

(2) If a default shall occur in the due and punctual payment of the principal or Redemption Price of any Series 2025B Bond issued under such Indenture when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(3) If a default (other than a default resulting from an action described in paragraph (4) below) shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in the Series 2025B Indenture or in the Series 2025B Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Series 2025B Bonds, *provided* that if the nature of the default is such that it cannot be cured within the 60-day period but can be cured within a longer period, no event of default shall occur if the Board institutes corrective action within the 60-day period and diligently pursues such action until the default is corrected (provided such default is correctable);

(4) If the Board shall modify or amend the applicable Deposit Direction in a manner contrary to that described in the first paragraph under the subheading "Covenants Regarding Pledged Taxes" under the caption "*Particular Covenants and Representations of the Board*" in this APPENDIX A-1; or

(5) If the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State.

*Proceedings Brought by Trustee*

**THERE IS NO PROVISION FOR THE ACCELERATION OF THE SERIES 2025B BONDS IF AN EVENT OF DEFAULT OCCURS UNDER THE SERIES 2025B INDENTURE.**

If an Event of Default shall happen under the Series 2025B Indenture and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Series 2025B Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners under such Series 2025B Bonds or the Series 2025B Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant therein contained, or in aid of the execution of any power granted therein, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under such Indenture or enforcing any of the rights on interests of the Owners of the Series 2025B Bonds under such Series 2025B Bonds or the Series 2025B Indenture.

All rights of action under the Series 2025B Indenture may be enforced by the Trustee without the possession of any of the Series 2025B Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

All actions against the Board under the Series 2025B Indenture shall be brought in the State or federal court located in the State.

The Owners of not less than a majority in aggregate principal amount of Series 2025B Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of the Series 2025B Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise of any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to such Owners not parties to such direction.

Regardless of the happening of an Event of Default, the Trustee shall have the power to, but, unless requested in writing by the Owners of a majority in aggregate principal amount of the Series 2025B Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Series 2025B Indenture and to preserve or protect its interests and the interest of such Owners.

*Application of Trust Estate and Other Moneys on Default*

During the continuance of an Event of Default under the Series 2025B Indenture, the Trustee shall apply all moneys, securities, funds, Pledged State Aid Revenues, and Pledged Taxes and the income therefrom (other than any amounts not constituting part of the Trust Estate) under such Indenture as follows and in the following order:

(a) To the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it; and

(b) To the payment of the principal of, Redemption Price and interest on the Series 2025B Bonds then due, as follows:

*First:* to the payment to the Persons entitled thereto of all installments of interest then due on the Series 2025B Bonds in the order of the maturity of such installments, together with accrued and unpaid interest on such Series 2025B Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

*Second:* to the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Series 2025B Bonds which shall have become due, whether at maturity or by call for redemption and, if the amount available shall not be sufficient to pay in full all such Series 2025B Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of principal and Redemption Price of and interest on all the Series 2025B Bonds together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under the Series 2025B Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on all such Series 2025B Bonds held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Series 2025B Indenture or the Series 2025B Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of such Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee and the Owners shall be restored, respectively, to their former positions and rights under such Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under such Indenture or impair any right consequent thereon.

*Restriction on Owners' Actions*

No Owner of any Series 2025B Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of the Series 2025B Indenture or the execution of any trust under such Indenture or for any remedy under said Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, and the Owners of at least a majority in aggregate principal amount of the Series 2025B Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the relevant Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of such Series 2025B Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by such Series 2025B Indenture or to enforce any right thereunder, except in the manner provided therein; and that all proceedings at law or in equity to enforce any provision of such Series 2025B Indenture shall be instituted, had and maintained in the manner provided therein and shall be for the equal benefit of all Owners of the Outstanding Series 2025B Bonds.

*Remedies Conferred By the Act*

The Board and the Trustee each acknowledge that Section 15(e) of the Act provides that all covenants of the Board relating to the issuance of the Series 2025B Bonds as Alternate Bonds pursuant to Section 15 of the Act and the conditions and obligations imposed by said Section 15 are enforceable by any Owner of such Series 2025B Bonds, any taxpayer of the Board and the people of the State acting through the Attorney General of the State or any designee, and in the event that any such action results in an order finding that the Board has not properly collected and applied the Pledged State Aid Revenues as required by the Act, the plaintiff in any such action shall be awarded reasonable attorneys' fees.

*Remedies Not Exclusive*

No remedy by the terms of the Series 2025B Indenture conferred upon or reserved to the Trustee or the Owners of the Series 2025B Bonds is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under such Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery thereof.

*Waiver*

The Owners of not less than two-thirds in aggregate principal amount of the Series 2025B Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may, on behalf of the Owners of all of the Series 2025B Bonds, waive any past default under the Series 2025B Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of such Series 2025B Bonds when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

*Provisions Relating to Trustee*

*Resignation and Removal of Trustee*

The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by the Series 2025B Indenture by giving not less than 60 days written notice to the Board, all Owners of the Series 2025B Bonds and the other Fiduciaries with respect to such Series, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in such Series 2025B Indenture and accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed and accepted such appointment within a period of 60 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as described below under "– *Appointment of Successor Trustee*."

The Trustee may be removed at any time by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of the Series 2025B Bonds then Outstanding (excluding any Series 2025B Bonds held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Series 2025B Bonds then Outstanding, excluding any such Series 2025B Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

*Appointment of Successor Trustee*

In case at any time the Trustee shall resign, be removed or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Series 2025B Bonds then Outstanding, excluding any Series 2025B Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Board, each Fiduciary and the predecessor Trustee. Pending such appointment, the Board shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners as herein authorized. The Board shall mail notice to each Fiduciary and to the Owners of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the Board shall, immediately and without further act, be superseded by a Trustee appointed by the Owners. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Board written notice of resignation as provided in the Series 2025B Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner may apply to any court of competent jurisdiction to appoint a successor.

Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of the Series 2025B Indenture in succession to the Trustee shall be a bank, trust company or national banking association, doing business and having a corporate trust office in the State, and having capital stock and surplus aggregating at least $15,000,000, or shall be a wholly owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by such Indenture.

*Supplemental Indentures*

*Supplemental Indentures Not Requiring Consent of Owners*

The Board and the Trustee may without the consent of, or notice to, any of the Owners of the Series 2025B Bonds, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Series 2025B Indenture for any one or more of the following purposes:

(1) To impose additional covenants or agreements to be, observed by the Board;

(2) To impose other limitations or restrictions upon the Board;

(3) To surrender any right, power or privilege reserved to or conferred upon the Board by such Indenture;

(4) To confirm, as further assurance, any pledge of or lien upon the Pledged State Aid Revenues, the Pledged Taxes or any other moneys, securities or funds;

(5) To make any necessary amendments to or to supplement such Indenture in connection with the issuance of Additional Bonds as authorized in such Indenture;

(6) To cure any ambiguity, omission or defect in such Indenture;

(7) To provide for the appointment of a successor securities depository;

(8) To provide for the appointment of any successor Fiduciary; and

(9) To make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners of the Series 2025B Bonds.

*Supplemental Indentures Effective Upon Consent of Owners*

Any Supplemental Indenture not effective in accordance with the foregoing provisions shall take effect only if permitted and approved and in the manner described below under the heading "*Amendments*".

*Amendments*

*General*

Exclusive of Supplemental Indentures as described above under the subheading "**Supplemental Indentures Not Requiring the Consent of Owners**", and subject to the provisions described below under subheading "**Consent of Owners**", the Owners of not less than a majority in aggregate principal amount of the Series 2025B Bonds then Outstanding shall have the right, from time to time, anything contained in the Series 2025B Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental to such Indenture as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained therein or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of such Indenture or of any indenture supplemental thereto; *provided*, *however*, that nothing in the Series 2025B Indenture permits or may be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Series 2025B Bond, without the consent of the Owner of such Series 2025B Bond, (b) except for the pledge of the Pledged State Aid Revenues in connection with the issuance of Additional Bonds, the creation of any lien prior to or on a parity with the lien of the Series 2025B Indenture, without the consent of the Owners of all the Series 2025B Bonds at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Series 2025B Bonds, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Series 2025B Bonds at the time Outstanding which would be affected by the action to be taken, (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) with respect to the Series 2025B Bonds, the loss of the exclusion from federal gross income of the Owners of the interest paid on such Series 2025B Bonds held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

*Consent of Owners*

The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment described in the preceding paragraph, to take effect when and as described in this paragraph. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners of the Series 2025B Bonds. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to such Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as described below. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required aggregate principal amount of Outstanding Series 2025B Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of the Series 2025B Indenture, is authorized or permitted by such Indenture and,

when effective, will be valid and binding upon the Board and the Trustee, and (b) a notice shall have been delivered as described below. Any such consent shall be binding upon the Owner of the Series 2025B Bonds giving such consent and upon any subsequent Owner of such Series 2025B Bonds and of any Series 2025B Bonds issued in exchange therefor or replacement thereof whether or not such subsequent Owner has notice thereof; *provided, however*, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter described in this paragraph referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by the Series 2025B Indenture and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee (and not theretofore revoked) shall be sufficient under the Series 2025B Indenture, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required aggregate principal amount of Outstanding Bonds of such Series 2025B Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds of such Series 2025B Bonds and will be effective as provided in this paragraph, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). A record, consisting of the information required or permitted by this paragraph to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Additionally, the Series 2025B Indenture and the rights and obligations of the Board and of the Owners of the Series 2025B Bonds may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all of the Outstanding Series 2025B Bonds. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in the preceding paragraph and (b) with the Board of the Trustee's written statement that the consents of the Owners of all of the Outstanding Series 2025B Bonds have been filed with it. No mailing or publication of any Supplemental Indenture (or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

*Defeasance*

If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all the Series 2025B Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Series 2025B Indenture, then the pledge of the Trust Estate under such Series 2025B Indenture and all covenants, agreements and other obligations of the Board to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Paying Agent shall pay over or deliver to the Board all moneys and securities held by it pursuant to such Indenture which are not required for the payment of Series 2025B Bonds not previously surrendered for such payment or redemption.

If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all or a portion of the Outstanding Series 2025B Bonds, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Series 2025B Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under such Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Series 2025B Bonds and to the Trustee shall thereupon be discharged and satisfied.

Series 2025B Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid as described in the preceding paragraph if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any such Bonds so to be redeemed, (c) either moneys in an amount which shall be sufficient or Defeasance Obligations the principal of and the interest on which when due without further reinvestment will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time are sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Series 2025B Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, (d) if Defeasance Obligations are used, an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and moneys will be sufficient to provide for the payment when due of the interest on and principal or Redemption Price, if applicable, of said Series 2025B Bonds, and (e) if any of said Series 2025B Bonds are not to be paid or redeemed within the next succeeding 45 days, irrevocable instructions to mail to all Owners of said Series 2025B Bonds a notice that such deposit has been made with the Trustee and that said Series 2025B Bonds are deemed to have been paid in accordance with the Series 2025B Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Series 2025B Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this paragraph shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Series 2025B Bonds. No payments of principal of any such Defeasance Obligations or interest thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of or interest on said Series 2025B Bonds, unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Series 2025B Bonds, at maturity or upon redemption, as the case may be.

The Defeasance Obligations (or any portion thereof) held for the payment of the principal and Redemption Price of and interest on said Series 2025B Bonds as described in the preceding paragraph may not be sold, redeemed, invested, reinvested or removed from the lien of the Series 2025B Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a "*Subsequent Action*") unless prior to the taking of such Subsequent Action, the Trustee shall have received the following: (i) either (a) a certified copy of the proceedings of the Board authorizing the Subsequent Action, or (b) an Opinion of Counsel for the Board to the effect that such Subsequent Action has been duly authorized by all necessary action on the part of the Board; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of such Series 2025B Bonds after

the taking of the Subsequent Action will remain sufficient to pay, without any further reinvestment thereof, the principal and Redemption Price of and interest on said Series 2025B Bonds at or prior to their maturity in the manner provided in the preceding paragraph; (iii) an Opinion of Bond Counsel to the effect that the Subsequent Action will not adversely affect any exemption from federal income tax of the interest paid on such Series 2025B Bonds to which such Series 2025B Bonds are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require.

## APPENDIX A-2

## CERTAIN DEFINITIONS AND SUMMARY OF CERTAIN PROVISIONS OF THE SERIES 2025C INDENTURE

The following is a summary of certain provisions of the Series 2025C Indenture. This summary does not purport to be complete or definitive and is qualified in its entirety by the Series 2025C Indenture, to which reference is made for a complete statement of the provisions and contents thereof. The discussion herein is qualified by such reference. Copies of the Series 2025C Indenture are on file with the Trustee.

*Definitions of Certain Terms*

"*Act*" means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

"*Additional Bonds*" means any Alternate Bonds by the Board issued in the future in accordance with the provisions of the Act on a parity with and sharing ratably and equally in all or any portion of the Pledged State Aid Revenues with the Series 2025C Bonds, with respect to the Pledged State Aid Revenues as authorized by the Series 2025C Indenture.

"*Alternate Bonds*" means general obligation bonds payable from any revenue source as provided by the Act, particularly Section 15 thereof.

"*Annual Debt Service Requirement*" means, with respect to the Series 2025C Bonds and for any Bond Year, the sum of the interest on and principal (including sinking fund installments) of the Series 2025C Bonds that will become due and payable during such Bond Year, exclusive of any such interest scheduled to be paid from amounts held in the Capitalized Interest Sub-Account.

"*Applicable Bond Year*" means, in determining on a Deposit Date the sufficiency of amounts held in the Pledged Revenues Account for the Series 2025C Bonds to satisfy any Annual Debt Service Requirement, the then current Bond Year.

"*Authorized Denominations*" means $100,000 and any multiple of $5,000 in excess thereof.

"*Authorized Officer*" means (i) any Designated Official, (ii) the Controller and the Chief Operating Officer of the Board acting together or (iii) any other officer or employee of the Board authorized to perform specific acts or duties under the 2025C Indenture by resolution duly adopted by the Board.

"*Board*" means the Board of Education of the City of Chicago, as governed by the Chicago Board of Education, created and established pursuant to Article 34 of the School Code.

"*Bond Counsel*" means any nationally recognized firm(s) of municipal bond attorneys approved by the Board.

"*Bond Payment Account*" means the Bond Payment Account established in the Series 2025C Indenture.

"*Bond Year*" means each annual period beginning on December 2 of a calendar year to and including December 1 of the next succeeding calendar year.

"*Business Day*" means any day which is not a Saturday, a Sunday, a legal holiday or a day on which banking institutions in the city where the designated corporate trust office of any Fiduciary is located are authorized by law or executive order to close (and such Fiduciary is in fact closed).

"*Capital Improvement Program*" means the Capital Improvement Program of the Board, as from time to time approved and amended by the Board and on file in the office of the Secretary of the Board.

"*Capitalized Interest Sub-Account*" means the Sub-Account of that name in the Pledged Revenues Account established in the Series 2025C Indenture.

"*Code*" means the Internal Revenue Code of 1986, as amended.

"*Code and Regulations*" means the Code and the regulations promulgated or proposed pursuant thereto as the same may be in effect from time to time.

"*Costs of Issuance Account*" means the Cost of Issuance Account established in the Series 2025C Indenture.

"*Counsel's Opinion*" or "*Opinion of Counsel*" means an opinion signed by an attorney or firm of attorneys of recognized standing in the area of law to which the opinion relates, who may be counsel to the Board (including the General Counsel to the Board) or Bond Counsel.

"*County Clerks*" means, collectively, the County Clerks of the Counties of Cook and DuPage, Illinois.

"*County Collectors*" means, collectively, the County Treasurers of The Counties of Cook and DuPage, Illinois, in their respective capacities as county collector, or, respectively, such other officer as may be lawfully appointed in the future to serve as county collector in either of said counties.

"*Debt Service Fund*" means the Debt Service Fund established in the Series 2025C Indenture.

"*Defeasance Obligations*" means (i) Government Obligations, (ii) Federal Agencies and (iii) Pre-refunded Municipal Obligations which are not subject to redemption other than at the option of the holder thereof.

"*Deposit Date*" with respect to the Series 2025C Bonds, means March 15 of each year or such earlier date as may be necessary to permit the Board to lawfully make the abatement of taxes described in the Series 2025C Indenture.

"*Deposit Sub-Account*" means the Sub-Account of that name in the Pledged Revenues Account.

"*Designated Official*" means (i) the President of the Board, (ii) the Chief Executive Officer, (iii) the Chief Financial Officer, (iv) the Treasurer of the Board or (v) any other officer of the Board authorized to perform specific acts and duties hereunder by resolution duly adopted by the Board.

"*DTC*" means The Depository Trust Company, New York, New York, as securities depository for the Series 2025C Bonds.

"*DTC Participant*" means any securities broker or dealer, bank, trust company, clearing corporation or other organization depositing Series 2025C Bonds with DTC pursuant to the book entry only system described under the caption "THE BONDS – General" and in APPENDIX C – "BOOK ENTRY ONLY SYSTEM" in this Official Statement.

"*Electronic Means*" shall mean the following communications methods: e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services hereunder.

"*Event of Default*" means any event so designated and specified in the Series 2025C Indenture.

"*Federal Agencies*" means senior debt obligations issued or guaranteed by, or otherwise stripped from senior debt obligations issued or guaranteed by, any U.S. federal agency, including

but not limited to Fannie Mae, Freddie Mac, the Federal Home Loan Banks, the Federal Farm Credit System, the Tennessee Valley Authority and the Resolution Funding Corporation;

"*Fiduciary*" or "*Fiduciaries*" means the Trustee, the Registrar and any Paying Agent, or any or all of them, as may be appropriate.

"*Forward Supply Contract*" means any contract entered into between the Board and a supplier of Investment Securities selected by or pursuant to the direction of the Board (a "*Counterparty*") pursuant to which the Counterparty agrees to sell to the Board (or to the Trustee on behalf of the Board) and the Board (or the Trustee on behalf of the Board) agrees to purchase specified Investment Securities on specific dates at specific purchase prices, all as established at the time of the execution and delivery of such contract and as set forth in such contract. Any amounts due and owing from the Board to the Counterparty pursuant to any Forward Supply Contract (other than the specified purchase prices of the Investment Securities set forth therein) shall be treated as current operating expenses of the Board subject to annual appropriation, and shall not constitute indebtedness of the Board.

"*Government Obligations*" means (i) any direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, including but not limited to Treasury Bills, Bonds, Notes, and STRIPS; Resolution Funding Corporation Interest STRIPS; and United States Agency for International Development ("US AID") guaranteed notes (including stripped securities), provided that any US AID security shall mature at least 10 Business Days prior to any cash flow or escrow requirement and (ii) certificates of ownership of the principal of or interest on obligations of the type described in clause (i) of this definition (a) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian, (b) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations and (c) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any Person claiming through the custodian, or any Person to whom the custodian may be obligated.

"*Interest Payment Date*" means each June 1 and December 1, commencing June 1, 2026.

"*Interest Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Series 2025C Indenture.

"*Investment Policy*" means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

"*Investment Securities*" means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

(i) Government Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration

- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(iii) Federal Agencies;

(iv) U.S. dollar denominated certificates of deposit, deposit accounts, federal funds and banker's acceptances with domestic commercial banks insured by the Federal Deposit Insurance Corporation (including the Trustee and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of no less than "A-1" or "A-1+" by S&P and "P-1" by Moody's;

(v) Commercial paper which is rated at the time of purchase no less than "A-1" or "A-1+" or above by S&P and "P-1" by Moody's and which matures not more than 180 days after the date of purchase;

(vi) Obligations issued by any county, township, city, village, incorporated town, municipal corporation, or school district of the State or any other state and having a rating at the time of purchase within the four highest general classifications by a rating service of nationally recognized expertise in rating bonds of states and their political subdivisions;

(vii) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm-G" or better by any of the Rating Services, including those for which the Trustee or an affiliate performs services for a fee whether as a custodian, transfer agent, investment advisor or otherwise;

(viii) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the Regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State of Illinois;

(ix) Pre-refunded Municipal Obligations;

(x) Any Forward Supply Contract; and

(xi) Any other investment securities authorized by law and the Investment Policy as permitted investments of Board funds.

"*Net Annual Debt Service Requirement*" means, for any Bond Year, the sum of the interest on and principal of the Series 2025C Bonds that will become due and payable during such Bond Year, less (i) the amount held in the Capitalized Interest Sub-Account and allocated for the payment of such interest and (ii) the amount held in the Deposit Sub-Account that is to be transferred to the Interest Sub-Account for the payment of such interest.

"*Outstanding*" means, with respect to the Series 2025C Bonds, as of any date, all such Bonds theretofore or thereupon being authenticated and delivered under the Series 2025C Indenture except:

(i) Any Series 2025C Bonds canceled by the Trustee at or prior to such date;

(ii) Series 2025C Bonds (or portions of Series 2025C Bonds) for the payment or redemption of which moneys and/or Defeasance Obligations, equal to the principal amount or Redemption Price thereof, as the case may be, with interest to the date of maturity or date fixed for redemption, are held in trust under the Series 2025C Indenture and set aside for such payment or redemption (whether at or prior to the maturity or redemption date), *provided* that if such Series 2025C Bonds (or portions of Series 2025C Bonds) are to be redeemed, notice of such redemption shall have been given as provided in the 2025C Indenture or provision satisfactory to the Trustee shall have been made for the giving of such notice;

(iii) Series 2025C Bonds in lieu of or in substitution for which other Series 2025C Bonds shall have been authenticated and delivered pursuant to the Series 2025C Indenture; and

(iv) Series 2025C Bonds deemed to have been paid as provided in the Series 2025C Indenture.

"*Owner*" means any Person who shall be the registered owner of any Series 2025C Bond or Series 2025C Bonds.

"*Paying Agent*" means the Trustee and any other bank, national banking association or trust company designated by a Designated Official as paying agent for the Series 2025C Bonds and any successor or successors appointed by a Designated Official under the Series 2025C Indenture.

"*Person*" means and includes an association, unincorporated organization, a corporation, a limited liability company, a partnership, a joint venture, a business trust, or a government or an agency or a political subdivision thereof, or any other public or private entity, or a natural person.

"*Pledged Revenues Account*" means the account of that name in the Debt Service Fund established under the Series 2025C Indenture.

"*Pledged State Aid Revenues*" means State Aid Revenues, in the maximum annual amount of $425,000,000 provided for under the 2022 Authorization, in amounts each year as shall provide for the annual debt service payments and coverage on the Series 2023A Bonds, Series 2025A Bonds, Series 2025C Bonds and any Additional Bonds, and pledged, in conjunction with the lien on the Pledged State Aid Revenues imposed by and arising under the Act and under the Series 2025C Indenture as security for the Series 2025C Bonds.

"*Pledged Taxes*" means the *ad valorem* taxes levied against all of the taxable property in the School District without limitation as to rate or amount and pledged under the Series 2025C Indenture as security for the Series 2025C Bonds.

"*Pledged Taxes Account*" means the account of that name in the Debt Service Fund established in the Series 2025C Indenture.

"*Pre-refunded Municipal Obligations*" means any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state which are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice, and (i) which are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or Defeasance Obligations, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as

verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the Series 2025C Bonds or other obligations described in this paragraph on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate.

"*Principal Sub-Account*" means the sub-account of that name in the Bond Payment Account established in the Series 2025C Indenture.

"*Rating Services*" means the nationally recognized rating services, or any of them, that shall have assigned ratings to any Outstanding Series 2025C Bonds as requested by or on behalf of the Board, and which ratings are then currently in effect.

"*Record Date*" means, with respect to any Interest Payment Date for the Series 2025C Bonds, the 15th day (whether or not a Business Day) of the calendar month next preceding such Interest Payment Date.

"*Redemption Price*" means, with respect to any Series 2025C Bond, the amount payable upon the date fixed for redemption.

"*Registrar*" means the Trustee and any other bank, national banking association or trust company appointed by a Designated Official under the Series 2025C Indenture and designated as registrar for the Series 2025C Bonds, and its successor or successors.

"*School Code*" means 105 Illinois Compiled Statutes 5.

"*School District*" means the school district constituted by the City of Chicago, Illinois pursuant to Article 34 of the School Code and governed by the Board.

"*Series*" or "*Series of Bonds*" means the Series 2025C Bonds. When the term "Series" is used without any other description, it shall mean the Series 2025C Bonds.

"*Series 2023A Bonds*" means the $575,000,000 principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues), Series 2023A, of the Board.

"*Series 2025A Bonds*" means the $650,000,000 aggregate principal amount of Unlimited Tax General Obligation Bonds (Dedicated Revenues) Series 2025A, of the Board.

"*Series 2025B Bonds*" means the $_____ aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board issued pursuant to the Series 2025B Indenture.

"*Series 2025B Indenture*" means the Indenture securing and under which the Series 2025B Bonds are issued, dated as of November 1, 2025 by and between the Board and the Trustee.

"*Series 2025C Bonds*" means the $_____ aggregate principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board issued pursuant to the Series 2025C Indenture.

"*Series 2025C Indenture*" means the Indenture securing and under which the Series 2025C Bonds are issued, dated as of November 1, 2025 by and between the Board and the Trustee.

"*SLGS*" means United States Treasury Certificates of Indebtedness, Notes and Bonds — State and Local Government Series.

"*State*" means the State of Illinois.

"*State Aid Revenues*" means those State Aid payments to be made to the Board in any year pursuant to Article 18 of the School Code, or such successor or replacement fund or act as may be enacted from time to time.

"*State Aid Revenues Sub-Account*" means the sub-account of that name in the Pledged Revenues Account established by the Series 2025C Indenture.

"*Supplemental Indenture*" means any Supplemental Indenture between the Board and the Trustee authorized pursuant to the Series 2025C Indenture.

"*Tax Agreement*" means the Tax Exemption Certificate and Agreement of the Board relating to the Series 2025C Bonds.

"*Trustee*" means Zions Bancorporation, National Association, Chicago, Illinois, and any successor or successors appointed under the Indenture. The "designated corporate trust operations office" of the Trustee means 111 West Washington Street, Suite 1860, Chicago, Illinois 60602 or such other address as is provided by the Trustee.

"*Trust Estate*" means the Pledged State Aid Revenues, the Pledged Taxes and all other property pledged to the Trustee pursuant to the Granting Clauses of the Series 2025C Indenture.

"*2022 Authorization*" means the authorization adopted by the Board pursuant to Resolution No. 22-1026-RS6 on October 26, 2022, authorizing the issuance of alternate bonds pursuant to the Act in an amount not to exceed $1,800,000,000.

"*Year*" or "*year*" means a calendar year.

*Pledge of Trust Estate*

In order to secure the payment of the principal of, premium, if any, and interest on all Series 2025C Bonds issued under the Series 2025C Indenture, according to the import thereof, and the performance and observance of each and every covenant and condition in such Series 2025C Indenture and in the Series 2025C Bonds contained, the Board pledges and grants in the Series 2025C Indenture a lien upon the following Trust Estate to the Trustee and its successors in trust and assigns, for the benefit of the Owners, to the extent provided in such Series 2025C Indenture:

(a) The Pledged State Aid Revenues and the Pledged Taxes, *provided* that the pledge of the Pledged State Aid Revenues to the payment of the Series 2025C Bonds is on a parity with the pledge of such revenues to any Additional Bonds that may be hereafter issued.

(b) All moneys and securities and earnings thereon in all funds, accounts and sub-accounts established pursuant to the Series 2025C Indenture; and

(c) Any and all other moneys, securities and property furnished from time to time to the Trustee by the Board or on behalf of the Board or by any other Persons to be held by the Trustee under the terms of the Series 2025C Indenture.

Pursuant to Section 13 of the Act, the moneys, securities and funds pledged under the Series 2025C Indenture and received by the Board, shall immediately be subject to the lien and pledge of such Indenture without any physical delivery or further act, and the lien and pledge under said Indenture shall be valid and binding as against all parties having claims of any kind in tort, contract

or otherwise against the Board, irrespective of whether such parties have notice of the lien and the pledge.

Except as provided in the Series 2025C Indenture, each and all of the Series 2025C Bonds shall have the same right, lien and privilege under such Indenture and shall be equally secured thereby, with the same effect as if the same had all been made, issued and negotiated upon the delivery of such Indenture.

*The Series 2025C Bonds are General Obligations*

The Series 2025C Bonds are, at all times Outstanding, the general obligation of the Board, for the payment of which its full faith and credit are irrevocably pledged, and are payable from, in addition to the Pledged State Aid Revenues, the Pledged Taxes, as described in the Series 2025C Indenture. The Series 2025C Bonds do not represent or constitute a debt of the Board within the meaning of any constitutional or any statutory limitation unless the Pledged Taxes shall have been extended for collection, in which case the Outstanding Series 2025C Bonds shall, to the extent required by law, be included in the computation of indebtedness of the Board for purposes of all statutory provisions or limitations until such time as an audit of the Board shows that the Series 2025C Bonds have been paid from the Pledged State Aid Revenues for a complete fiscal year of the Board.

*Additional Bonds Payable From Pledged State Aid Revenues*

Except as described in the following two paragraphs, the Board shall not hereafter issue any bonds or other evidences of indebtedness, other than the Series 2025C Bonds, which are secured by a pledge of or lien on the Pledged State Aid Revenues, the Pledged Taxes or the moneys, securities, or funds held or set aside by the Board or by the Trustee under the Series 2025C Indenture, and shall not, except as expressly authorized in the Series 2025C Indenture, create or cause to be created any lien or charge on such Pledged State Aid Revenues, Pledged Taxes or such moneys, securities or funds.

The Board reserves the right to issue Additional Bonds from time to time payable from (i) all or any portion of the Pledged State Aid Revenues or (ii) any other source of payment which may be pledged under the Act, and any such Additional Bonds shall share ratably and equally in such Pledged State Aid Revenues with the Series 2025C Bonds; *provided*, *however*, that no Additional Bonds shall be issued except in accordance with the provisions of the Act as in existence on the date of issuance of the Additional Bonds.

The Board reserves the right to issue bonds or other evidences of indebtedness payable from Pledged State Aid Revenues subordinate to Series 2025C Bonds. Such subordinate obligations will be paid from various Pledged State Aid Revenues available to the Board in each year in excess of those required to be deposited in the State Aid Revenues Sub-Account during such Year.

*Provisions Regarding Transfer and Exchange of Series 2025C Bonds*

Subject to the operation of the global book-entry-only system described in "APPENDIX C—BOOK-ENTRY ONLY SYSTEM" in this Official Statement, the following provisions apply to the transfer and exchange of Bonds of the Series 2025C Bonds under the Series 2025C Indenture. Each Series 2025C Bond shall be transferable only upon the registration books of the

Board, which shall be kept for that purpose by the applicable Registrar, by the Owner in person or by its attorney duly authorized in writing, upon surrender thereof with a written instrument of transfer satisfactory to the Registrar, duly executed by the Owner or its duly authorized attorney. Upon the transfer of any such Series 2025C Bond, the Board shall issue in the name of the transferee a new Series 2025C Bond or Series 2025C Bonds in Authorized Denominations of the same aggregate principal amount. The Board and each Fiduciary may deem and treat the person in whose name any such Series 2025C Bond shall be registered upon the registration books of the Board as the absolute owner of such Series 2025C Bond, whether such Series 2025C Bond shall be overdue or not, for the purpose of receiving payment of, or on account of, the principal and Redemption Price, if any, of and interest on, such Series 2025C Bond and for all other purposes, and all such payments so made to any such Owner or upon its order shall be valid and effectual to satisfy and discharge the liability upon such Series 2025C Bond to the extent of the sum or sums so paid, and neither the Board nor any Fiduciary shall be affected by any notice to the contrary.

In all cases in which the privilege of transferring or exchanging Series 2025C Bonds is exercised, the Board shall execute and the Trustee shall authenticate and deliver Series 2025C Bonds in accordance with the provisions of the Series 2025C Indenture. All Series 2025C Bonds surrendered in any such exchanges shall forthwith be canceled by the Trustee. For any exchange or transfer of Series 2025C Bonds whether temporary or definitive, the Board, the Trustee or the Registrar may make a charge sufficient to reimburse it for any tax, fee or other governmental charge required to be paid. Neither the Trustee nor any Registrar shall be required to make any registration, transfer or exchange of any Series 2025C Bond after such Series 2025C Bond has been called for redemption or, in the case of any proposed redemption of Bonds, during the 15 days next preceding the date of first giving notice of such redemption.

*Establishment and Application of Debt Service Fund and Accounts*

A Debt Service Fund with the following Accounts within the Debt Service Fund are established with the Trustee to be held and applied in accordance with the provisions of the Series 2025C Indenture: (i) Pledged Revenues Account consisting of (1) the Deposit Sub-Account, (2) the Capitalized Interest Sub-Account and (3) the State Aid Revenues Sub-Account (ii) the Pledged Taxes Account; and (iii) the Bond Payment Account, consisting of (1) the Interest Sub-Account and (2) the Principal Sub-Account.

*Pledged Revenues Account.* The Trustee shall deposit to the credit of the Deposit Sub-Account any amounts paid by the Board to the Trustee from time to time with instructions for such deposit. All or a portion of such amounts so deposited to the credit of the Deposit Sub-Account shall be transferred no later than the next succeeding Interest Payment Date to the Interest Sub-Account and applied to pay up to the amount of interest then due on the Series 2025C Bonds on such Interest Payment Date as described in the Series 2025C Indenture.

(i) On or before each Deposit Date, the Board shall deposit to the credit of the State Aid Revenues Sub-Account such amounts derived from Pledged State Aid Revenues as shall be necessary to cause the amount on deposit in said Sub-Account to equal the Net Annual Debt Service Requirement for the Applicable Bond Year. Once such deposit has been made, the Board shall take such actions as are necessary to abate in full the Pledged Taxes levied to otherwise provide funds for the payment of the debt service on the Series 2025C Bonds during the then-current Bond Year. The Board shall make

the deposit required pursuant to this paragraph on such earlier date as may be necessary in the future to permit the Board to make the abatement of taxes described in the preceding sentence. In the event that on any Deposit Date there has been deposited to the credit of the State Aid Revenues Sub-Account an insufficient amount to satisfy the Net Annual Debt Service Requirement, the Board shall, pursuant to the provisions of the Series 2025C Indenture, take such actions as are necessary to cause the extension of the Pledged Taxes levied for the calendar year next preceding the calendar year of such Deposit Date in an amount sufficient, when added to the amount then on deposit in the State Aid Revenues Sub-Account, to such Net Annual Debt Service Requirement.

(ii) All amounts on deposit in the State Aid Revenues Sub-Account on December 2 of each Year, following the transfers required to be made to the Bond Payment Account pursuant to the Series 2025C Indenture, shall be withdrawn from such Sub-Account and paid to the Board free and clear of the lien of the Series 2025C Indenture and the Trustee shall provide notice to the Board that such amounts constitute State Aid Revenues.

If, on any Business Day, the amount on deposit in State Aid Revenues Sub-Account is in excess of the unpaid Net Annual Debt Service Requirement for the then current Bond Year then, pursuant to a written direction of the Board signed by an Authorized Officer and filed with the Trustee, all or part of such excess may be withdrawn by the Board free and clear of the lien of the Series 2025C Indenture.

*Pledged Taxes Account.* As described in the Series 2025C Indenture, the Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of the Series 2025C Indenture. All Pledged Taxes received by the Trustee shall be (i) deposited promptly upon receipt into the Pledged Taxes Account and (ii) applied to the payment of the interest on and principal of the Series 2025C Bonds due during the Year in which said Pledged Taxes are collected. All amounts remaining in the Pledged Taxes Account on December 2 of any Year shall be transferred to the Board and the Board shall deposit such moneys into the Educational Fund of the Board and apply such moneys to the abatement of the first Educational Fund tax levy for which the County Clerks will accept an abatement.

*Bond Payment Account*. The Trustee shall deposit to the credit of the Interest Sub-Account or the Principal Sub-Account any amounts directed by the Board to be deposited into such Sub-Accounts. The Trustee shall also transfer, from time to time, to the credit of the Interest Sub-Account or the Principal Sub-Account all other amounts so directed by the Board to be transferred into each such Sub-Account.

There shall be transferred *first* from moneys on deposit in the Pledged Taxes Account, *second*, pursuant to Board instructions, from money on deposit in the Deposit Sub-Account, and *third*, from money on deposit in the State Aid Revenues Sub-Account (i) to the Interest Sub-Account on or before each Interest Payment Date for any of the Outstanding Series 2025C Bonds, (after crediting the amount to be withdrawn from the Capitalized Interest Sub-Account and deposited into the Interest Sub-Account pursuant to the Series 2025C Indenture), the amount required for the interest payable on such date, less the amount then on deposit in the Interest Sub-

Account and available for such payment; (ii) to the Principal Sub-Account on or before June 1, an amount equal to the sum of (A) one-half of the principal amount of the Outstanding Series 2025C Bonds, if any, which mature on the next December 1, and (B) one-half of the amount required for the payment of the Redemption Price of Outstanding Series 2025C Bonds, if any, required to be redeemed on that December 1 by the application of sinking fund installments and (iii) to the Principal Sub-Account after June 1 and on or prior to December 1, an amount sufficient so that the aggregate amount held in the Principal Sub-Account will equal the sum of (A) principal amount of the Outstanding Series 2025C Bonds, if any, which mature on that December 1 and (B) the amount required for the payment of the Redemption Price of Outstanding Series 2025C Bonds, if any, required to be redeemed on that December 1 by the application of sinking fund installments.

The Trustee shall pay to the respective Paying Agents in immediately available funds on or before each date on which interest or principal is due on the Series 2025C Bonds the respective amounts on deposit in the Interest Sub-Account and the Principal Sub-Account described in clauses (i) and (ii) above necessary to pay such debt service. Such amounts shall be paid to the Owners of the Outstanding Series 2025C Bonds by the Paying Agents for the aforesaid purposes on the due dates thereof.

*Board Payments to Cure Deficiencies*. If on any Interest Payment Date the amount held in the Interest Sub-Account is less than the interest payable on the Outstanding Series 2025C Bonds on such Interest Payment Date, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Interest Sub-Account, the sum required to cure such deficiency. If on any December 1, the amount held in the Principal Sub-Account is less than the amount required to pay the principal amount of Outstanding Series 2025C Bonds maturing on that December 1, then the Board shall immediately pay over to the Trustee for deposit to the credit of the Principal Sub-Account, the sum required to cure such deficiency.

*Notice Regarding Deposit of Pledged State Aid Revenues*. On or before the Deposit Date of each Year, (i) whenever funds are on deposit in the State Aid Revenues Sub-Account in an amount sufficient to meet the Net Annual Debt Service Requirement for the Applicable Bond Year, the Trustee shall deliver to the Board a notice evidencing the sufficiency of such deposit for said purpose and directing the Board to take such actions as are necessary to abate the Pledged Taxes with respect to the Series 2025C Bonds and (ii) whenever the funds on deposit in the Pledged Revenues Account are not sufficient to meet the Net Annual Debt Service Requirement for the Applicable Bond Year, the Trustee shall deliver to the Board a notice setting forth the deficiency of such deposit for such purpose and directing the Board to take such actions as are necessary to cause the extension of the Pledged Taxes levied for collection in the Applicable Bond Year in an amount sufficient when added to the amount held on deposit in the State Aid Revenues Sub-Account to provide funds sufficient to satisfy the Net Annual Debt Service Requirement for the Applicable Bond Year.

*Capitalized Interest Sub-Account*. The Trustee shall withdraw from the Capitalized Interest Sub-Account and transfer into the Interest Sub-Account, on each of the Interest Payment Dates set forth in the Series 2025C Indenture, the specified amount set forth in the Series 2025C Indenture.

Any amount remaining in the Capitalized Interest Sub-Account on December 2, 2026, shall be withdrawn from the Capitalized Interest Sub-Account and deposited into the Interest Sub-Account.

*Investment of Funds*

Moneys held in the Cost of Issuance Account and the several Accounts and Sub-Accounts of the Debt Service Fund shall be invested and reinvested by the Trustee at the written direction of a Designated Official in Investment Securities within the parameters of the Series 2025C Indenture and the Investment Policy which mature no later than necessary to provide moneys when needed for payments to be made from such Fund or Account. The Trustee may conclusively rely upon the Designated Official's written instructions as to both the suitability and legality of the directed investments. Ratings of Investment Securities shall be determined at the time of purchase of such Investment Securities. In the absence of written investment instructions from the Board, the Trustee shall not be responsible or liable for keeping the moneys held by it under the Series 2025C Indenture fully invested in Investment Securities, but shall immediately notify the Board in the event moneys are being held uninvested. Nothing contained in the Series 2025C Indenture shall be construed to prevent such Designated Official from directing the Trustee to make any such investments or reinvestments through the use of a Forward Supply Contract, to the extent permitted by Illinois law and the Investment Policy, and the Trustee shall comply with the terms and provisions of any such Forward Supply Contract. The Trustee may make any and all such investments through its trust department or the bond department of any bank (including the Trustee) or trust company under common control with the Trustee. The Board has provided a certified copy of the Investment Policy to the Trustee in connection with the initial delivery of the Bonds and the Board covenants and agrees to provide to the Trustee in a timely fashion any amendments to or revisions of such Investment Policy. The Trustee shall be entitled to conclusively rely on the Investment Policy provided to it by the Board as the Investment Policy in effect at the time any investment is made. All investment income shall be retained in the Fund or Account to which the investment is credited from which such income is derived.

*Valuation and Sale of Investments*

Investment Securities in any Fund, Account or Sub-Account created under the Series 2025C Indenture shall be deemed at all times to be part of such Fund, Account or Sub-Account and any profit realized from the liquidation of such investment shall be credited to such Fund, Account or Sub-Account and any loss resulting from liquidation of such investment shall be charged to such Fund, Account or Sub-Account. Valuations of Investment Securities held in the Funds, Accounts and Sub-Accounts established under the Series 2025C Indenture shall be made by the Trustee as often as may be necessary or requested by the Board to determine the amounts held therein. In computing the amounts in such Funds, Accounts and Sub-Accounts, Investment Securities therein shall be valued as provided in the following paragraph.

The value of Investment Securities shall mean the fair market value thereof; *provided, however*, that all SLGS shall be valued at par and those obligations which are redeemable at the option of the holder shall be valued at the price at which such obligations are then redeemable.

Except as otherwise provided in the Series 2025C Indenture, the Trustee at the written direction of a Designated Official shall sell at the best price reasonably obtainable, or present for redemption, any Investment Securities held in any Fund, Account or Sub-Account held by the Trustee whenever it shall be necessary to provide moneys to meet any payment or transfer from such Fund, Account or Sub-Account as the case may be.

*Particular Covenants and Representations of the Board*

*Covenants Regarding Pledged State Aid Revenues*

Pursuant to Section 15(e) of the Act the Board covenants, so long as there are any Outstanding Series 2025C Bonds, to provide for, collect and apply Pledged State Aid Revenues to the payment of the Series 2025C Bonds and any Additional Bonds secured by Pledged State Aid Revenues and the provision of not less than an additional .10 times debt service on the Series 2025C Bonds and any Additional Bonds secured by such Pledged State Aid Revenues. The Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged State Aid Revenues may be allocated and paid to the Board for application as provided in the Series 2025C Indenture.

*Covenants Regarding Pledged Taxes*

The Board has directed the County Collectors to deposit all collections of the Pledged Taxes, if and when extended for collection, directly with the Trustee for application in accordance with the provisions of the Series 2025C Indenture (the "Deposit Direction"). As long as any of the Series 2025C Bonds remain Outstanding, the Board will not modify or amend the applicable Deposit Direction, except for such modifications or amendments as may be necessitated by changes in State law, procedures, rules or regulations thereunder with respect to the collection and distribution of *ad valorem* property taxes; *provided* that no such modification or amendment shall provide for the deposit with the Trustee of less than all of the Pledged Taxes to be collected in any Year. The Board will deliver an executed copy of any modification or amendment to the Deposit Direction permitted by the preceding sentence to the Trustee at the same time such modification or amendment is provided to the County Collectors.

As described in this Official Statement under the heading "SECURITY FOR THE BONDS — Pledged Taxes – Annual Determination of Abatement or Extension of Pledged Taxes," the Board shall direct such abatement of the Pledged Taxes in whole or in part as may be required by the Series 2025C Indenture, and proper notification of any such abatement shall be filed with (i) the County Clerks, in a timely manner to effect such abatement, and (ii) the County Collectors, so as to advise such officers of the amount of the Pledged Taxes to be extended for the relevant levy year.

For as long as there are any Outstanding Series 2025C Bonds, the Board and its officers will comply with all present and future applicable laws in order to assure that the Pledged Taxes may be levied and extended and collected and deposited to the Pledged Taxes Account as described above.

In furtherance of the general obligation, full faith and credit promise of the Board to pay the principal and Redemption Price of and interest on the Series 2025C Bonds, the Board will take all actions necessary to (i) cause the levy and extension of Pledged Taxes, including any Pledged Taxes required to be levied in excess of those levied pursuant to the applicable Bond Resolution (as defined in the Official Statement), for collection on a timely basis to make all such payments and (ii) to cause such Pledged Taxes when extended for collection to be deposited directly with the Trustee for application pursuant to the Series 2025C Indenture.

In the event that in any year the Trustee delivers to the Board pursuant to the Series 2025C Indenture a "Notice Regarding Deposit of Pledged State Aid Revenues" described in the Series 2025C Indenture evidencing that the amount on deposit to the credit of the State Aid Revenues Sub-Account is insufficient to meet the Net Annual Debt Service Requirement for the Series 2025C Bonds during the Applicable Bond Year, the Trustee will, promptly after delivering such Deposit Notice to the Board, confirm in writing with the County Collectors that the Deposit Direction remains in full force and effect. In the event the Trustee learns that the Deposit Direction has been modified or amended in a manner contrary to that described in the first paragraph under the subheading "Covenants Regarding Pledged Taxes" under the caption "*Particular Covenants and Representations of the Board*" in this APPENDIX A-2, the Trustee shall be deemed to have taken notice of the resulting Event of Default and shall take such actions to remedy such Event of Default as shall be permitted under the Series 2025C Indenture. See "*Events of Default and Remedies*" in this APPENDIX A-2.

*Accounts and Reports*

The Board shall keep proper books of record and account (separate from all other records and accounts) in which complete and correct entries shall be made of its transactions relating to the Pledged State Aid Revenues, the Pledged Taxes and the Funds, Accounts and Sub-Accounts established by the Series 2025C Indenture, and which, together with all other books and financial records of the Board, shall at all reasonable times be available for the inspection of the Trustee and the Owners of not less than twenty-five percent in aggregate principal amount of Outstanding Series 2025C Bonds or their representatives duly authorized in writing.

*Tax Covenants*

The Board shall not take, or omit to take, any action lawful and within its power to take, which action or omission would cause interest on any Series 2025C Bond to become subject to federal income taxes in addition to federal income taxes to which interest on such Series 2025C Bond is subject on the date of original issuance thereof.

The Board shall not permit any of the proceeds of the Series 2025C Bonds, or any facilities financed with such proceeds, to be used in any manner that would cause any Bond to constitute a "private activity bond" within the meaning of Section 141 of the Code. The Board shall not permit any of the proceeds of the Series 2025C Bonds or other moneys to be invested in any manner that would cause any Bond to constitute an "arbitrage bond" within the meaning of Section 148 of the Code or a "hedge bond" within the meaning of Section 149(g) of the Code. The Board shall comply with the provisions of Section 148(f) of the Code relating to the rebate of certain investment earnings at periodic intervals to the United States of America.

*Events of Default and Remedies*

*Events of Default*

Each of the following events constitutes an Event of Default as to the Series secured under the Series 2025C Indenture:

(1) If a default shall occur in the due and punctual payment of interest on any Series 2025C Bond issued under such Indenture when and as such interest shall become due and payable;

(2) If a default shall occur in the due and punctual payment of the principal or Redemption Price of any Series 2025C Bond issued under such Indenture when and as the same shall become due and payable, whether at maturity or by call for redemption or otherwise;

(3) If a default (other than a default resulting from an action described in paragraph (4) below) shall occur in the performance or observance by the Board of any other of the covenants, agreements or conditions in the Series 2025C Indenture or in the Series 2025C Bonds contained, and such default shall continue for a period of 60 days after written notice thereof to the Board by the Trustee or after written notice thereof to the Board and to the Trustee by the Owners of not less than a majority in aggregate principal amount of the Outstanding Series 2025C Bonds, *provided* that if the nature of the default is such that it cannot be cured within the 60-day period but can be cured within a longer period, no event of default shall occur if the Board institutes corrective action within the 60-day period and diligently pursues such action until the default is corrected (provided such default is correctable);

(4) If the Board shall modify or amend the applicable Deposit Direction in a manner contrary to that described in the first paragraph under the subheading "Covenants Regarding Pledged Taxes" under the caption "*Particular Covenants and Representations of the Board*" in this APPENDIX A-2; or

(5) If the Board shall file a petition seeking a composition of indebtedness under the federal bankruptcy laws or under any other applicable law or statute of the United States of America or of the State.

*Proceedings Brought by Trustee*

**THERE IS NO PROVISION FOR THE ACCELERATION OF THE SERIES 2025C BONDS IF AN EVENT OF DEFAULT OCCURS UNDER THE SERIES 2025C INDENTURE.**

If an Event of Default shall happen under the Series 2025C Indenture and shall not have been remedied, then and in every such case, the Trustee, by its agents and attorneys, may proceed, and upon identical written request of the Owners of not less than a majority in aggregate principal amount of the Series 2025C Bonds Outstanding and upon being indemnified to its satisfaction shall proceed, to protect and enforce its rights and the rights of the Owners under such Series 2025C Bonds or the Series 2025C Indenture forthwith by a suit or suits in equity or at law, whether for the specific performance of any covenant therein contained, or in aid of the execution of any power granted therein, or for an accounting against the Board as if the Board were the trustee of an express trust, or in the enforcement of any other legal or equitable right as the Trustee, being advised by counsel, shall deem most effectual to enforce any of its rights or to perform any of its duties under such Indenture or enforcing any of the rights on interests of the Owners of the Series 2025C Bonds under such Series 2025C Bonds or the Series 2025C Indenture.

All rights of action under the Series 2025C Indenture may be enforced by the Trustee without the possession of any of the Series 2025C Bonds or the production thereof in any suit or other proceeding, and any such suit or other proceeding instituted by the Trustee shall be brought in its name.

All actions against the Board under the Series 2025C Indenture shall be brought in the State or federal court located in the State.

The Owners of not less than a majority in aggregate principal amount of Series 2025C Bonds at the time Outstanding may direct the time, method and place of conducting any proceedings to be taken in connection with the enforcement of the terms and conditions of the Series 2025C Indenture or for the enforcement of any remedy available to the Trustee, or for the exercise of any trust or power conferred upon the Trustee, *provided* that the Trustee shall have the right to decline to follow any such direction if the Trustee shall be advised by counsel that the action or proceeding so directed may not lawfully be taken, or if the Trustee in good faith shall determine that the action or proceeding so directed would involve the Trustee in personal liability or be unjustly prejudicial to such Owners not parties to such direction.

Regardless of the happening of an Event of Default, the Trustee shall have the power to, but, unless requested in writing by the Owners of a majority in aggregate principal amount of the Series 2025C Bonds then Outstanding and furnished with reasonable security and indemnity, shall be under no obligation to, institute and maintain such suits and proceedings as may be necessary or expedient to prevent any impairment of the security under the Series 2025C Indenture and to preserve or protect its interests and the interest of such Owners.

*Application of Trust Estate and Other Moneys on Default*

During the continuance of an Event of Default under the Series 2025C Indenture, the Trustee shall apply all moneys, securities, funds, Pledged State Aid Revenues, and Pledged Taxes and the income therefrom (other than any amounts not constituting part of the Trust Estate) under such Indenture as follows and in the following order:

(a) To the payment of the reasonable and proper charges and expenses of the Trustee, including the reasonable fees and expenses of counsel employed by it; and

(b) To the payment of the principal of, Redemption Price and interest on the Series 2025C Bonds then due, as follows:

*First:* to the payment to the Persons entitled thereto of all installments of interest then due on the Series 2025C Bonds in the order of the maturity of such installments, together with accrued and unpaid interest on such Series 2025C Bonds theretofore called for redemption, and, if the amount available shall not be sufficient to pay in full any installment or installments of interest maturing on the same date, then to the payment thereof ratably, according to the amounts due thereon, to the Persons entitled thereto, without any discrimination or preference; and

*Second:* to the payment to the Persons entitled thereto of the unpaid principal or Redemption Price of any Series 2025C Bonds which shall have become due, whether at maturity or by call for redemption and, if the amount available shall not be sufficient to pay in full all such Series 2025C Bonds due on any date, then to the payment thereof ratably, according to the amounts of principal or Redemption Price due on such date, to the Persons entitled thereto, without any discrimination or preference.

If and whenever all overdue installments of principal and Redemption Price of and interest on all the Series 2025C Bonds together with the reasonable and proper charges and expenses of the Trustee, and all other overdue sums payable by the Board under the Series 2025C Indenture, including the overdue principal and Redemption Price of and accrued unpaid interest on all such Series 2025C Bonds held by or for the account of the Board, or provision satisfactory to the Trustee shall be made for such payment, and all defaults under the Series 2025C Indenture or the Series 2025C Bonds shall be made good or secured to the satisfaction of the Trustee or provision deemed by the Trustee to be adequate shall be made therefor, the Trustee shall pay over to the Board all moneys, securities and funds then remaining unexpended in the hands of the Trustee (except moneys, securities and funds deposited or pledged, or required by the terms of such Indenture to be deposited or pledged, with the Trustee), and thereupon the Board, the Trustee and the Owners shall be restored, respectively, to their former positions and rights under such Indenture. No such payment to the Board by the Trustee nor such restoration of the Board and the Trustee to their former positions and rights shall extend to or affect any subsequent default under such Indenture or impair any right consequent thereon.

*Restriction on Owners' Actions*

No Owner of any Series 2025C Bond shall have any right to institute any suit or proceeding at law or in equity for the enforcement or violation of any provision of the Series 2025C Indenture or the execution of any trust under such Indenture or for any remedy under said Indenture, unless such Owner shall have previously given to the Trustee written notice of the happening of an Event of Default, and the Owners of at least a majority in aggregate principal amount of the Series 2025C Bonds then Outstanding shall have filed a written request with the Trustee, and shall have offered it reasonable opportunity either to exercise the powers granted in the relevant Indenture or by the laws of the State or to institute such suit or proceeding in its own name, and unless such Owners shall have offered to the Trustee adequate security and indemnity against the costs, expenses and liabilities to be incurred therein or thereby, and the Trustee shall have refused or failed to comply with such request within 60 days after receipt by it of such notice, request and offer of indemnity, it being understood and intended that no one or more Owners of such Series 2025C Bonds shall have any right in any manner whatever by its or their action to affect, disturb or prejudice the pledge created by such Series 2025C Indenture or to enforce any right thereunder, except in the manner provided therein; and that all proceedings at law or in equity to enforce any provision of such Series 2025C Indenture shall be instituted, had and maintained in the manner provided therein and shall be for the equal benefit of all Owners of the Outstanding Series 2025C Bonds.

*Remedies Conferred By the Act*

The Board and the Trustee each acknowledge that Section 15(e) of the Act provides that all covenants of the Board relating to the issuance of the Series 2025C Bonds as Alternate Bonds pursuant to Section 15 of the Act and the conditions and obligations imposed by said Section 15 are enforceable by any Owner of such Series 2025C Bonds, any taxpayer of the Board and the people of the State acting through the Attorney General of the State or any designee, and in the event that any such action results in an order finding that the Board has not properly collected and applied the Pledged State Aid Revenues as required by the Act, the plaintiff in any such action shall be awarded reasonable attorneys' fees.

*Remedies Not Exclusive*

No remedy by the terms of the Series 2025C Indenture conferred upon or reserved to the Trustee or the Owners of the Series 2025C Bonds is intended to be exclusive of any other remedy, but each remedy shall be cumulative and shall be in addition to every other remedy given under such Indenture or existing at law or in equity or by statute on or after the date of the execution and delivery thereof.

*Waiver*

The Owners of not less than two-thirds in aggregate principal amount of the Series 2025C Bonds at the time Outstanding, or their attorneys-in-fact duly authorized, may, on behalf of the Owners of all of the Series 2025C Bonds, waive any past default under the Series 2025C Indenture and its consequences, except a default in the payment of interest on or principal or Redemption Price of any of such Series 2025C Bonds when due. No such waiver shall extend to any subsequent or other default or impair any right consequent thereon.

*Provisions Relating to Trustee*

*Resignation and Removal of Trustee*

The Trustee may at any time resign and be discharged of the duties and obligations imposed upon it by the Series 2025C Indenture by giving not less than 60 days written notice to the Board, all Owners of the Series 2025C Bonds and the other Fiduciaries with respect to such Series, and such resignation shall take effect upon the day specified in such notice but only if a successor shall have been appointed by the Board or the Owners as provided in such Series 2025C Indenture and accepted such appointment, in which event such resignation shall take effect immediately on the acceptance of such appointment by such successor whether or not the date specified for such resignation to take effect has arrived. If a successor Trustee shall not have been appointed and accepted such appointment within a period of 60 days following the giving of notice, then the Trustee shall be authorized to petition any court of competent jurisdiction to appoint a successor Trustee as described below under "*– Appointment of Successor Trustee*."

The Trustee may be removed at any time by an instrument in writing approved by and executed in the name of the Board and delivered to the Trustee; *provided, however*, that if an Event of Default shall have occurred and be continuing, the Trustee may be so removed by the Board only with the written concurrence of the Owners of a majority in aggregate principal amount of the Series 2025C Bonds then Outstanding (excluding any Series 2025C Bonds held by or for the account of the Board). The Trustee may be removed at any time by the Owners of a majority in aggregate principal amount of the Series 2025C Bonds then Outstanding, excluding any such Series 2025C Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed and duly acknowledged by such Owners or their attorneys-in-fact duly authorized, and delivered to the Board. Copies of each such instrument shall be delivered by the Board to each Fiduciary.

*Appointment of Successor Trustee*

In case at any time the Trustee shall resign, be removed or become incapable of acting, or shall be adjudged a bankrupt or insolvent, or if a receiver, liquidator or conservator of the Trustee, or of its property, shall be appointed, or if any public officer or court shall take charge or control of the Trustee, or of its property or affairs, a successor may be appointed by the Owners of a majority in principal amount of the Series 2025C Bonds then Outstanding, excluding any Series 2025C Bonds held by or for the account of the Board, by an instrument or concurrent instruments in writing signed by such Owners or their attorneys duly authorized in writing and delivered to such successor Trustee, notification thereof being given to the Board, each Fiduciary and the predecessor Trustee. Pending such appointment, the Board shall forthwith appoint a Trustee to fill such vacancy until a successor Trustee (if any) shall be appointed by the Owners as herein authorized. The Board shall mail notice to each Fiduciary and to the Owners of any such appointment within 20 days after such appointment. Any successor Trustee appointed by the Board shall, immediately and without further act, be superseded by a Trustee appointed by the Owners. If in a proper case no appointment of a successor Trustee shall be made pursuant to the foregoing provisions of this Section within 45 days after the Trustee shall have given to the Board written notice of resignation as provided in the Series 2025C Indenture or after the occurrence of any other event requiring or authorizing such appointment, the Trustee or any Owner may apply to any court of competent jurisdiction to appoint a successor.

Such court may thereupon, after such notice, if any, as such court may deem proper and prescribe, appoint a successor Trustee.

Any Trustee appointed under the provisions of the Series 2025C Indenture in succession to the Trustee shall be a bank, trust company or national banking association, doing business and having a corporate trust office in the State, and having capital stock and surplus aggregating at least $15,000,000, or shall be a wholly owned subsidiary of such an entity, if there be such a bank, trust company, national banking association or subsidiary willing and able to accept the office on reasonable and customary terms and authorized by law to perform all the duties imposed upon it by such Indenture.

*Supplemental Indentures*

*Supplemental Indentures Not Requiring Consent of Owners*

The Board and the Trustee may without the consent of, or notice to, any of the Owners of the Series 2025C Bonds, enter into a Supplemental Indenture or Supplemental Indentures as shall not be inconsistent with the terms and provisions of the Series 2025C Indenture for any one or more of the following purposes:

(1) To impose additional covenants or agreements to be, observed by the Board;

(2) To impose other limitations or restrictions upon the Board;

(3) To surrender any right, power or privilege reserved to or conferred upon the Board by such Indenture;

(4) To confirm, as further assurance, any pledge of or lien upon the Pledged State Aid Revenues, the Pledged Taxes or any other moneys, securities or funds;

(5) To make any necessary amendments to or to supplement such Indenture in connection with the issuance of Additional Bonds as authorized in such Indenture;

(6) To cure any ambiguity, omission or defect in such Indenture;

(7) To provide for the appointment of a successor securities depository;

(8) To provide for the appointment of any successor Fiduciary; and

(9) To make any other change which, in the judgment of the Trustee, does not materially adversely affect the rights of the Trustee or the Owners of the Series 2025C Bonds.

*Supplemental Indentures Effective Upon Consent of Owners*

Any Supplemental Indenture not effective in accordance with the foregoing provisions shall take effect only if permitted and approved and in the manner described below under the heading "*Amendments*".

*Amendments*

*General*

Exclusive of Supplemental Indentures as described above under the subheading "**Supplemental Indentures Not Requiring the Consent of Owners**", and subject to the provisions described below under subheading "**Consent of Owners**", the Owners of not less than a majority in aggregate principal amount of the Series 2025C Bonds then Outstanding shall have the right, from time to time, anything contained in the Series 2025C Indenture to the contrary notwithstanding, to (i) consent to and approve the execution by the Board and the Trustee of such other indenture or indentures supplemental to such Indenture as shall be deemed necessary and desirable by the Board for the purpose of modifying, altering, amending, adding to or rescinding, in any particular, any of the terms or provisions contained therein or in any supplemental indenture, or (ii) waive or consent to the taking by the Board of any action prohibited, or the omission by the Board of the taking of any action required, by any of the provisions of such Indenture or of any indenture supplemental thereto; *provided*, *however*, that nothing in the Series 2025C Indenture permits or may be construed as permitting, (a) an extension of the stated maturity or reduction in the principal amount of, or reduction in the rate or extension of the time of paying of interest on, or reduction of any premium payable on the payment or redemption of any Series 2025C Bond, without the consent of the Owner of such Series 2025C Bond, (b) except for the pledge of the Pledged State Aid Revenues in connection with the issuance of Additional Bonds, the creation of any lien prior to or on a parity with the lien of the Series 2025C Indenture, without the consent of the Owners of all the Series 2025C Bonds at the time Outstanding, (c) a reduction in the aforesaid aggregate principal amount of Series 2025C Bonds, the Owners of which are required to consent to any such waiver or Supplemental Indenture, without the consent of the Owners of all the Series 2025C Bonds at the time Outstanding which would be affected by the action to be taken, (d) a modification of the rights, duties or immunities of the Trustee, without the written consent of the Trustee, or (e) with respect to the Series 2025C Bonds, the loss of the exclusion from federal gross income of the Owners of the interest paid on such Series 2025C Bonds held by a non-consenting Owner to the extent otherwise afforded under the Code and Regulations.

*Consent of Owners*

The Board may at any time authorize the execution and delivery of a Supplemental Indenture making a modification or amendment described in the preceding paragraph, to take effect when and as described in this paragraph. Upon the authorization of such Supplemental Indenture, a copy thereof shall be delivered to and held by the Trustee for the inspection of the Owners of the Series 2025C Bonds. A copy of such Supplemental Indenture (or summary thereof or reference thereto in form approved by the Trustee) together with a request to such Owners for their consent thereto in form satisfactory to the Trustee, shall be mailed to the Owners, but failure to mail such copy and request shall not affect the validity of such Supplemental Indenture when consented to as described below. Such Supplemental Indenture shall not be effective unless and until, and shall take effect in accordance with its terms when (a) there shall have been filed with the Trustee (i) the written consents of the Owners of the required aggregate principal amount of Outstanding Series 2025C Bonds, and (ii) a Counsel's Opinion stating that the execution and delivery of such Supplemental Indenture has been duly authorized by the Board in accordance with the provisions of the Series 2025C Indenture, is authorized or permitted by such Indenture and, when effective, will be valid and binding upon the Board and the Trustee, and (b) a notice shall have been delivered as described below. Any such consent shall be binding upon the Owner of the Series 2025C Bonds giving such consent and upon any subsequent Owner of such Series 2025C Bonds and of any Series 2025C Bonds issued in exchange therefor or replacement thereof whether or not such subsequent Owner has notice thereof; *provided*, *however*, that any consent may be revoked by any Owner of such Bonds by filing with the Trustee, prior to the time when the Trustee's written statement hereafter described in this paragraph referred to is filed, a written revocation, with proof that such Bonds are held by the signer of such revocation. Any consent, or revocation thereof, may be delivered or filed prior to any mailing or publication required by the Series 2025C Indenture and shall not be deemed ineffective by reason of such prior delivery or filing. Within 30 days of any date on which the consents on file with the Trustee (and not theretofore revoked) shall be sufficient under the Series 2025C Indenture, the Trustee shall make and deliver to the Board a written statement that the consents of the Owners of the required aggregate principal amount of Outstanding Bonds of such Series 2025C Bonds have been filed with the Trustee. Such written statement shall be conclusive that such consents have been so filed. Any time thereafter notice, stating in substance that the Supplemental Indenture has been consented to by the Owners of the required principal amount of Outstanding Bonds of such Series 2025C Bonds and will be effective as provided in this paragraph, shall be given by mailing to the Owners (but failure to mail such notice or any defect therein shall not prevent such Supplemental Indenture from becoming effective and binding). A record, consisting of the information required or permitted by this paragraph to be delivered by or to the Trustee, shall be proof of the matters therein stated.

Additionally, the Series 2025C Indenture and the rights and obligations of the Board and of the Owners of the Series 2025C Bonds may be modified or amended in any respect by a Supplemental Indenture effecting such modification or amendment and with the consents of the Owners of all of the Outstanding Series 2025C Bonds. Such Supplemental Indenture shall take effect upon the filing (a) with the Trustee of (i) a copy thereof, (ii) such consents and accompanying proofs and (iii) the Counsel's Opinion referred to in the preceding paragraph and (b) with the Board of the Trustee's written statement that the consents of the Owners of all of the Outstanding Series 2025C Bonds have been filed with it. No mailing or publication of any Supplemental Indenture

(or reference thereto or summary thereof) or of any request or notice shall be required. No such modification or amendment, however, shall change or modify any of the rights or obligations of any Fiduciary without its written consent thereto.

*Defeasance*

If the Board shall pay or cause to be paid or there shall otherwise be paid to the Owners of all the Series 2025C Bonds the principal or Redemption Price, if applicable, and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Series 2025C Indenture, then the pledge of the Trust Estate under such Series 2025C Indenture and all covenants, agreements and other obligations of the Board to the Owners shall thereupon be discharged and satisfied. In such event, the Trustee, upon request of the Board, shall provide an accounting of the assets managed by the Trustee to be prepared and filed with the Board for any year or part thereof requested, and shall execute and deliver to the Board all such instruments as may be desirable to evidence such discharge and satisfaction, and the Paying Agent shall pay over or deliver to the Board all moneys and securities held by it pursuant to such Indenture which are not required for the payment of Series 2025C Bonds not previously surrendered for such payment or redemption. If the Board shall pay or cause to be paid, or there shall otherwise be paid, to the Owners of all or a portion of the Outstanding Series 2025C Bonds, the principal or Redemption Price, if applicable, thereof and interest due or to become due thereon, at the times and in the manner stipulated therein and in the Series 2025C Indenture, such Bonds shall cease to be entitled to any lien, benefit or security under such Indenture, and all covenants, agreements and obligations of the Board to the Owners of such Series 2025C Bonds and to the Trustee shall thereupon be discharged and satisfied.

Series 2025C Bonds or interest installments for the payment or redemption of which moneys shall have been set aside and held in trust by the Trustee at or prior to their maturity or redemption date shall be deemed to have been paid as described in the preceding paragraph if the Board shall have delivered to or deposited with the Trustee (a) irrevocable instructions to pay or redeem all of said Bonds in specified amounts no less than the respective amounts of, and on specified dates no later than the respective due dates of, their principal, (b) irrevocable instructions to mail the required notice of redemption of any such Bonds so to be redeemed, (c) either moneys in an amount which shall be sufficient or Defeasance Obligations the principal of and the interest on which when due without further reinvestment will provide moneys which, together with the moneys, if any, deposited with the Trustee at the same time are sufficient, to pay when due the principal or Redemption Price, if applicable, and interest due and to become due on said Series 2025C Bonds on and prior to each specified redemption date or maturity date thereof, as the case may be, (d) if Defeasance Obligations are used, an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and moneys will be sufficient to provide for the payment when due of the interest on and principal or Redemption Price, if applicable, of said Series 2025C Bonds, and (e) if any of said Series 2025C Bonds are not to be paid or redeemed within the next succeeding 45 days, irrevocable instructions to mail to all Owners of said Series 2025C Bonds a notice that such deposit has been made with the Trustee and that said Series 2025C Bonds are deemed to have been paid in accordance with the Series 2025C Indenture and stating the maturity or redemption date upon which moneys are to be available for the payment of the principal or Redemption Price, if applicable, of said Series 2025C Bonds. The Defeasance Obligations and moneys deposited with the Trustee pursuant to this paragraph shall be held in trust for the payment of the principal or Redemption Price, if applicable, and interest on said Series 2025C Bonds. No payments of principal of any such Defeasance Obligations or interest

thereon shall be withdrawn or used for any purpose other than the payment of such principal or Redemption Price of or interest on said Series 2025C Bonds, unless after such withdrawal the amount held by the Trustee and interest to accrue on Defeasance Obligations so held shall be sufficient to provide fully for the payment of the principal of or Redemption Price and interest on said Series 2025C Bonds, at maturity or upon redemption, as the case may be.

The Defeasance Obligations (or any portion thereof) held for the payment of the principal and Redemption Price of and interest on said Series 2025C Bonds as described in the preceding paragraph may not be sold, redeemed, invested, reinvested or removed from the lien of the Series 2025C Indenture in any manner or other Defeasance Obligations substituted therefor (any such direction to sell, redeem, invest, reinvest, remove or substitute to be referred to as a "*Subsequent Action*") unless prior to the taking of such Subsequent Action, the Trustee shall have received the following: (i) either (a) a certified copy of the proceedings of the Board authorizing the Subsequent Action, or (b) an Opinion of Counsel for the Board to the effect that such Subsequent Action has been duly authorized by all necessary action on the part of the Board; (ii) an opinion from a nationally recognized firm of independent public accountants to the effect that the Defeasance Obligations and cash available or to be available for payment of such Series 2025C Bonds after the taking of the Subsequent Action will remain sufficient to pay, without any further reinvestment thereof, the principal and Redemption Price of and interest on said Series 2025C Bonds at or prior to their maturity in the manner provided in the preceding paragraph; (iii) an Opinion of Bond Counsel to the effect that the Subsequent Action will not adversely affect any exemption from federal income tax of the interest paid on such Series 2025C Bonds to which such Series 2025C Bonds are otherwise entitled; and (iv) such other documents and showings as the Trustee may reasonably require.

# APPENDIX B

# ANNUAL COMPREHENSIVE FINANCIAL REPORT FOR FISCAL YEAR 2024

Chicago Public Schools

## Chicago Public Schools

# Annual Comprehensive Financial Report


**Brandon Johnson**
Mayor, City of Chicago

**Sean B. Harden**
Board President

**Pedro Martinez**
Chief Executive Officer

**Miroslava Mejia Krug**
Chief Financial Officer

**James Patrick Alforque**
Controller


## Office of Finance

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

# CHICAGO PUBLIC SCHOOLS

Chicago Board of Education

**Chicago, Illinois**

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the year ended June 30, 2024

***Prepared by the***
***Office of Finance***

Brandon Johnson, Mayor, City of Chicago
Sean B. Harden, Board President
Pedro Martinez, Chief Executive Officer
Miroslava Mejia Krug, Chief Financial Officer
James Patrick Alforque, Controller

# Board of Education
**City of Chicago**

Office of the Board
1 North Dearborn Street, Suite 950, Chicago, Illinois 60602
Telephone (773) 553-1600 Fax (773) 553-3453



Sean B. Harden
President
Olga Bautista
Vice President

MEMBERS
Ed Bannon
Jessica Biggs
Michilla Blaise
Therese Boyle
Jitu Brown
Jenni Custer
Ebony DeBerry
Angel Gutierrez
Yesenia Lopez
Emma Lozano
Debby Pope
Norma Rios-Sierra
Carlos Rivas, Jr.
Ellen Rosenfeld
Frank Niles Thomas
Dr. Cha 'Rhymefest' Smith
Anusha Thotakura
Karen Zaccor


Dear Friends and Colleagues,

It is our privilege to present you with the Chicago Public Schools (CPS) fiscal year 2024 financial results, which demonstrate the district's continued commitment to ensure its financial stability.

Recently, CPS released five-year strategic plan Success 2029: Together We Rise, providing students with high-quality daily learning experience that is rooted in rigor, joy, and equity. Our plan is centered on the historical and present conditions that our students, families, and communities face, and works to create anti-racist solutions that address systemic disinvestment. We must now build on our existing foundation and make active changes to disrupt the cycles of inequity and close existing opportunity gaps while vigorously seeking additional funding to meet the urgent needs of our students' needs.

The district went above and beyond to support our students, leading to several record-breaking achievements. For example, CPS' four-year graduation rate is at an all-time high of 84.1 percent and students earned the most scholarships to date - worth more than $2.1 billion. In addition, the percentage of graduates enrolling in college has climbed significantly by 69.8 percent since 2004.

To combat the effects of the pandemic on student achievement and well-being, the federal government offered federal aid packages which have resulted in $2.8 billion over five fiscal years beginning in FY2020 through the passage of ESSER I, II, and III.

Our FY2025 operating budget totals $9.9 billion which includes an increase of $149 million in school-base funding. Our capital budget totals $611.1 million of investments focusing on priority facilities needs at neighborhood schools, mechanical systems that control the indoor environment and air quality of our schools, building envelope improvements for roofing systems, ADA accessibility, restroom modernizations, student recreation and athletic improvements, site improvements, and continued expansion of technology upgrades and other academic priorities. The budget also includes investments for enhancements to Career and Technical Education (CTE) and science, technology, engineering, arts, and mathematics (STEAM) programming.

We remain committed to working with the Chicago Board of Education and the Honorable Mayor Brandon Johnson to continue our district's historic progress. Our focus moving forward will be on securing the resources to ensure the district's financial stability and improving the educational equity needed for success in college and civic life that every child from every community in Chicago deserves.

Respectfully submitted,

Sean B. Harden
President
Chicago Board of Education

Pedro Martinez
Chief Executive Officer
Chicago Public Schools

# CHICAGO PUBLIC SCHOOLS
## Chicago Board of Education

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Chicago
Public
Schools

Chicago Public Schools

BOARD OF EDUCATION · CITY OF CHICAGO

# Introductory Section

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

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## BOARD OFFICIALS AS OF JANUARY 23, 2025

### Chicago Board of Education

Sean B. Harden, President
Olga Bautista, Vice President

### Members

Ed Bannon
Jessica Biggs
Michilla Blaise
Therese Boyle
Jitu Brown
Jennifer Custer
Ebony DeBerry
Angel Gutierrez
Yesenia Lopez
Pastor Emma Lozano
Debby Pope
Norma Rios-Sierra
Carlos Rivas Jr.
Ellen Rosenfeld
Dr. Che "Rhymefest" Smith
Frank Niles Thomas
Anusha Thotakura
Karen Zaccor

Government Finance Officers Association

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**Chicago Public Schools**
**Illinois**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

**The Certificate of Excellence in Financial Reporting is presented to**

## Chicago Public Schools

**for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.**

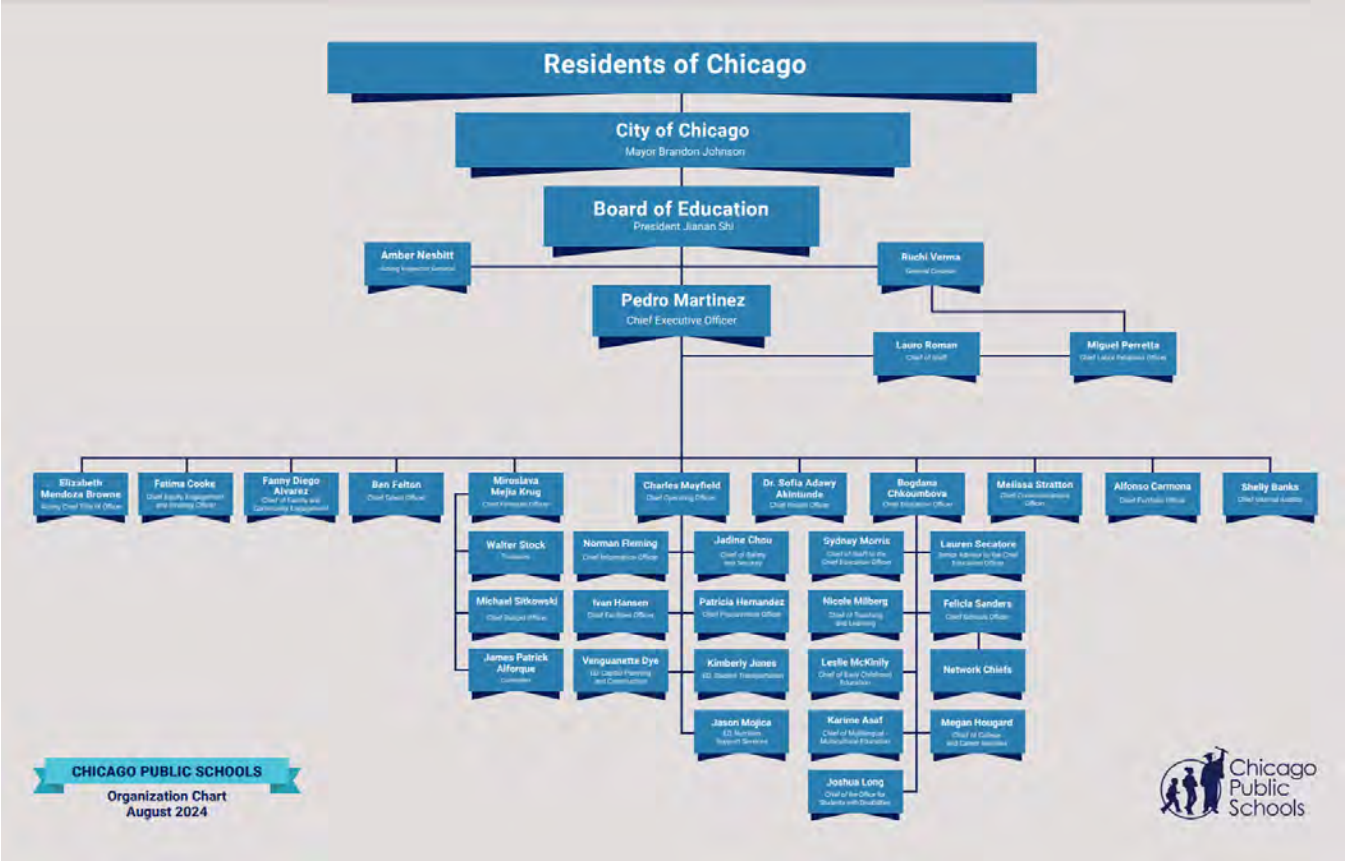
The district report meets the criteria established for ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
SFO
President

James M. Rowan, CAE,
CEO/Executive Director

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**
**Organizational Chart**



**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**Board Member Profiles**

**Sean B. Harden**

Sean B. Harden is a trusted community leader and compassionate advocate for positive change. Raised on the South Side of Chicago, Harden leverages his personal and professional relationships, along with his business expertise, to enhance and elevate the community. Over the past 20 years, he has held many leadership roles, including that of Chief Executive Officer and President of Goodcity, a nonprofit focused on developing social entrepreneurs in under-resourced communities; Deputy Chief Executive Officer of Community Affairs for Chicago Public Schools; and Director of Workforce Development for the City of Chicago, where he helped thousands of individuals secure employment.

Harden's commitment to empowering communities and ensuring optimal efficiency continues to shape his initiatives, in Chicago and beyond. He is currently the Chairman of Inner Voice, an organization dedicated to uplifting the homeless with essential services and resources. He also serves as Chairman for Friend Health, the sixth largest federally qualified health center in Illinois. The health center provides affordable medical services for low-income and uninsured individuals. He most recently assumed the esteemed role of Chairman at the Revolution Institute. The organization offers technical training, certifications, apprenticeships and job placement assistance.

Harden is the founder of Harden Wright Consultant Group, which he has led since 2013. Along with encouraging community engagement, the organization assists nonprofits and businesses with strategic planning, grant administration, and organizational development. In 2021 he also founded Hard Wright Development where he focuses on developing residential housing in low to moderate income neighborhoods.

Harden studied Business Administration and Marketing at Morehouse College in Atlanta, and holds numerous certifications, including but not limited to a Project Management Certification from DePaul University's Egan Urban Center.

**Olga Bautista**

Olga Bautista is the Co-Executive Director of the Southeast Environmental Task Force and the eldest daughter of immigrants from Mexico. She has dedicated her career to improving the quality of life on Chicago's Southeast Side. With decades of community organizing experience, she has emerged as a leading advocate, facilitator, and thought leader. Bautista has mentored youth through the girls' organization Rebel Bells and served as the Community Leadership Director for Our City Our Voice, a civic engagement group focused on increasing local governance participation. She also led community engagement for the Participatory Budgeting Project and is trained in Restorative Justice Conflict Resolution.

Before joining the Southeast Environmental Task Force, Bautista served as the Community Planning Manager for the Alliance for the Great Lakes, where she worked on comprehensive planning efforts to protect and preserve local waterways. She has also served as a Local School Council parent representative at John L. Marsh School and worked as a Crisis Intervention Specialist for the YWCA, where she provided critical support to survivors of sexual violence. As a State Recruiter for the Illinois Migrant Education Program, she worked closely with agricultural migrant workers in Illinois, supporting those engaged in essential work on farms.

In her current role at the Southeast Environmental Task Force, Bautista has been at the forefront of the fight for environmental justice, notably in the battle against General Iron, advocating against the concentration of polluters in Black and Brown neighborhoods. She is equally passionate about ensuring safe, well-funded, and safe schools for students and teachers through her work on the Green New Schools initiative. As the mother of two Chicago Public Schools students, she brings a deep personal commitment to these causes.

**Ed Bannon**

Ed Bannon is a lifelong Chicagoan who has served on the Dever Elementary School Local School Council (LSC) since 2015. He is the LSC Secretary and has chaired the LSC Principal Selection Committee. Bannon's involvement with his neighborhood school's LSC exemplifies his commitment to community improvement, a consistent theme throughout both his professional and volunteer efforts.

His first career was in community journalism for the Lerner Community Newspapers. Covering Chicago neighborhood organizations, businesses and schools gave Bannon a street-level view of how the city works. He attended many LSC meetings as a journalist before he ever considered running for a seat. After leaving Lerner, Bannon worked in economic development on the Northwest Side. Collaborating with neighbors, business owners and elected officials, he helped breathe life back into the Six Corners area. From organizing a local youth basketball league to creating sustainable access for a nearby nature area and leading an annual library clean-up, Bannon actively collaborates with his neighbors to drive community improvements.

A proud father of three–all of whom are Chicago Public Schools graduates–Bannon has been a resident of Chicago's Dunning neighborhood for over 20 years.

**Jessica Biggs**

Jessica Biggs began her career in education in 2005, driven by her commitment to ensuring an excellent educational experience for all of Chicago's young people. Her journey began as an Outreach Coordinator with Alternatives, Inc. at Chicago Public Schools' (CPS) Senn High School. Since that time, Biggs has served as a high school and middle school special education teacher where she focused her work on early literacy development. As she recognized the community-level impact experienced by school leadership, she was inspired to return to CPS in this capacity. Biggs became principal at Burke Elementary School, a neighborhood Pre-kindergarten through eighth-grade school in Washington Park, where her leadership centered student, teacher, parent and community voice in the life of the school. Biggs is proud to have partnered with staff and the community to move Burke Elementary from years of probation to Good Standing over the course of her tenure. Today, she leads several community collaboratives through her work with the Southwest Organizing Project. She is the Director of Healthy Southwest and the Southwest System of Care, which seek to build coalitions of healthcare, behavioral health and community-based organizations in partnership with neighborhood schools and community residents serving as peer navigators and public health ambassadors. These community-led collaborations work to reduce the racial life expectancy gap and create more connected and holistic access to care for young people and families on the Southwest side.

For her work, Biggs has been recognized by the Bronzeville Alliance, the Bronzeville Community Action Council, the South East Chicago Commission, Metropolitan Family Services and the Mayor of Chicago under two administrations.

Biggs is a graduate of Loyola University Chicago where she earned a Bachelor of Arts in Philosophy and a Bachelor of Science in Psychology. She also holds an Education Master's in School Leadership from Harvard's Graduate School of Education. She is proud to call Bronzeville home where she lives with her husband and 10-year-old daughter, a CPS student.

**Michilla Blaise**

Michilla Blaise began her career in public service in 2007 as a staff member for then-46th Ward Ald. Helen Shiller, later starting her own consulting firm, Blaise and Associates, helping uplift progressive candidates and initiatives. She is currently the chief of staff for 16th District Cook County Commissioner Frank J. Aguilar, and volunteers as Board Secretary for Westside Justice Center and as a Board Commissioner for Northwest Home Equity Assurance Program. From 2018 until 2020, Blaise was also executive director of Judicial Accountability PAC and her years as board member for the Grassroots Curriculum Task Force solidified her understanding that the educational system is just as relevant to children's learning as the materials taught in schools. A lifelong Chicagoan, she is the proud mother of two CPS students, ages 14 and 15.

**Therese Boyle**

For over 35 years, as a teacher and school psychologist, Therese Boyle spent her career in service to the students and families of Chicago Public Schools (CPS). Now retired, She has the time to fully commit to the extensive demands of serving on the Chicago Board of Education. She understands the complex issues faced by Chicago's students and has deep knowledge about curriculum and instruction. As a school psychologist, she is trained in trauma-informed practices and special education law. Additionally, Boyle has a strong financial background with an undergraduate degree in finance and economics and has experience working in the financial sector and serving on the Board of the United Credit Union. Her two daughters are serving the students of CPS; one is a first grade teacher and the other is an occupational therapist. Boyle's priority during her Board service is to improve student outcomes.

**Jitu Brown**

Jitu Brown, married and father of one child, is the national director for the Journey for Justice Alliance, a network of grassroots organizations in over 30 cities organizing for community driven school improvement; and was formerly the education organizer for the Kenwood Oakland Community Organization (KOCO). Born and raised in the Rosemoor neighborhood on the far south side of Chicago, Brown is a product of Chicago Public Schools. He studied at Eastern Arizona College and Northeastern Illinois University, majoring in communications with a minor in Spanish.

Brown started volunteering with the Kenwood Oakland Community Organization (KOCO) in 1991, became a board member in 1993 and for several years served as the organization's board president. He joined the staff as education organizer in 2006. He has organized in the Kenwood Oakland neighborhood for over 22 years bringing community voices to the table on school issues. He helped develop the Mid-South Education Association, a grassroots advocacy group made up of administrators, parents, teachers, young people and local school council (LSC) members to meet the needs of schools in the area. They were the first group to certify parents as LSC facilitators, which has become a model being replicated across the city of Chicago. KOCO has served as a resource for organizations nationwide, dealing with school closings and the elimination of community voice from the decision-making process. In 2015, He was the organizer and participant in the historic Dyett High School Hunger Strike, which lasted for 34 grueling days, and resulted in the re-opening of Dyett as an open-enrollment, neighborhood school with over $16 million in new investments.

For 10 years, Brown taught African-American history at St. Leonard's Adult High School, the only accredited high school in that nation that exclusively serves people who have been formerly incarcerated. He has been published in the national education magazine Rethinking Schools, the Washington Post, New York Times, and appeared in Ebony magazine and on several national and local talk shows. He is a Public Voices Fellow for the Ford Foundation's Op-ed Project and a Senior Fellow for Racial Equity with the Atlantic Institute.

**Jennifer Custer**

Jennifer Custer is a wife, mother of three and a lifelong educator. She started her career working as a paraprofessional at Westfield Middle School in Bloomingdale, Illinois. She quickly moved on to lead her own classroom, teaching 7th grade language arts at Peacock Middle School from 2012-2019 in Itasca, Illinois.

Custer received her master's degree in Educational Administration from Northern Illinois University in 2019. She later went on to serve as both a Dean of Students and Assistant Principal at Indian Trail Junior High in Addison, Illinois, from 2019-2023.

Custer has held a variety of leadership roles within a school district, including serving as a team leader, contributing to school-wide and district-wide committees, and leading as a union president who negotiated a historic contract for Itasca. Her extensive experience spans multiple facets of district leadership. Her passion for public education runs deep and has been a part of her life since she was a young girl.

Custer enjoys reading, crafting and sewing, and spending time with her family. She is very excited to serve as the elected member from District 1B on Chicago Board of Education's historic hybrid Board!

**Ebony DeBerry**

Ebony DeBerry is the first Black woman to be elected to the Chicago Board of Education. She represents the Far North Side's District 2A. DeBerry brings experience managing youth programming at Howard Area Community Center and serving as a restorative healing conversations practitioner. She is the Manager of Educational Initiatives at ONE Northside, an organization that builds collective power to eliminate injustice through community organizing. In this role, DeBerry runs the Women of Color Table and oversees the Parent Mentor program. She also recruits for, and is a board member of, Grow Your Own Teachers, a scholarship organization that supports racially diverse individuals who have a desire to become teachers in their own communities.

A lifelong resident of Rogers Park, DeBerry attended Chicago Public Schools' Gale Elementary and Sullivan High School. She later went on to teach in the district. As an organizer, she worked alongside the community on several successful campaigns. Her fights to keep her local school bus stop and to keep Gale Elementary open during a round of school closures are listed among her proudest achievements.

DeBerry graduated from Central State University, an HBCU, with a Bachelor of Science in Elementary Education. She received her Master of Science in Communication from Northwestern University. She and her son mentor students through the DeBerry Civic Scholars program at Northwestern University. The program provides students with the opportunity to engage in meaningful public service rooted in the local community and the reflection space to process those experiences.

DeBerry lives in Rogers Park with her mother and son (a product of Chicago Public Schools and a student at Howard University).

**Angel Gutierrez**

Angel Gutierrez serves as the Deputy Director of Institutional Advancement for Enlace Chicago, where he leads the planning, design and implementation of the organization's fundraising and communications strategy. He brings over 25 years of leadership experience in governance, fundraising, and policy within health, human services, and education, focusing on problem-solving and collaboration.

Previously, Gutierrez was Chief Advancement Officer at Chicago Hope Academy, raising over $7 million in a year for students on the Near West Side. Before that, he served as Vice President of Institutional Advancement for Catholic Charities of the Archdiocese of Chicago, leading a record-breaking $110 million philanthropic growth effort. He transitioned the organization's strategy from event-based to donor-focused fundraising, building a stronger community and expanding the Archdiocese's work.

He also chaired the board of the Rauner YMCA and co-chaired Nuestro Futuro at the Chicago Community Trust, helping distribute over $3.1 million in grants to more than 70 nonprofits throughout the Chicago region. Appointed by both Democrats and Republicans, Gutierrez contributed to policy and funding initiatives on public safety, childhood hunger, workforce development and education.

A lifelong Chicagoan, Gutierrez holds a master's degree in Public Administration from Roosevelt University and a bachelor's degree in Political Science from Loyola University. He holds Certificates in Fundraising, Nonprofit Leadership, and Courageous Leadership Driving Future Growth in Nonprofits from the University of Notre Dame and Northwestern. He lives in Garfield Ridge with his wife and two children.

**Yesenia Lopez**

Yesenia Lopez is a dedicated advocate for equitable education. A former Latino Outreach Director for Illinois Governor J.B. Pritzker's campaign, Lopez now works as an Executive Assistant for the Illinois Secretary of State. She is a proven leader who is committed to transforming educational environments into empowering community hubs. With extensive experience in public service and a history of impactful community involvement, she champions policies that uplift every student and family.

A Gage Park resident, Lopez graduated from Chicago Public Schools' Pickard Elementary and Benito Juarez Community Academy. She became interested in politics and public policy through her upbringing as a first-generation Latina and community organizer in Chicago. Her passion for social justice and civil rights led her to participate in the CHCI Public Policy Fellowship in D.C., public policy field, and political campaigns in Illinois.

Lopez is a graduate of DePaul University, where she studied political science and gender studies. Her mission is to empower communities and develop opportunities for them to thrive. She believes this is possible by advancing equitable public policies, community organizing and proper government representation.

**Pastor Emma Lozano**

Pastor Emma Lozano is a dedicated Board Member of the Chicago Board of Education, renowned for her advocacy against overcrowding in public schools and her steadfast support for bilingual education. Her grassroots efforts have been instrumental in affecting positive change in the Chicago Public Schools system, highlighting the educational needs of underrepresented families.

Pastor Lozano's commitment to improving educational opportunities directly contributed to the establishment of the Rudy Lozano School. She has also played a significant role in the fight for undocumented immigrant parents, advocating for their right to vote and run for Local School Council positions.

Nationally, Pastor Lozano is a leader in the immigrant rights movement, working tirelessly to secure legal protections for the approximately 11 million undocumented individuals living in the United States. Her advocacy combines her faith, community engagement and relentless pursuit of justice, making her a powerful voice for change in the education sector and beyond. Through her work, she continues to inspire hope and resilience among the communities she serves.

**Debby Pope**

Debby (Deborah) Pope began her career as a substitute teacher in Chicago Public Schools before spending a decade with the USDA Food and Nutrition Service, where she advised midwestern state agencies on the correct application of Food Stamp Program (now Supplemental Nutrition Assistance Program) policies and regulations. She returned to teaching at Benito Juarez High School in 1990 as a bilingual and regular history teacher, later moving to Schurz High School where she taught while earning a Master's in Bilingual/Bicultural Curriculum and Instruction from National Louis University. In 2004, Pope began teaching at Gage Park High School where she continued to teach history and English as a Second Language and launched an AP Psychology program. She earned a second Master's degree in Couple and Family Therapy from Adler School of Professional Psychology and retired from Chicago Public Schools in 2011. She is a parent of two CPS alumni and grandparent of a current CPS kindergartner.

**Norma Rios-Sierra**

Norma Rios-Sierra is an accomplished community leader, artist and activist with a strong commitment to creating inclusive, vibrant communities. As a proud parent of a Chicago Public Schools (CPS) student and a CPS graduate, Rios-Sierra is deeply invested in the success of CPS and the well-being of its students.

An artist whose work has been showcased at renowned institutions such as the Field Museum, Chicago Children's Museum and the DuPage Children's Museum, Rios-Sierra uses her creative talents to inspire and unite people. She has partnered with organizations like Palenque LSNA and Comfort Station to organize beloved community events, such as Drag Me to Life, Hermosa Tamal Fest and Noche de Calaveras, fostering connection and celebration in the Logan Square and Hermosa neighborhoods.

Beyond her art, Rios-Sierra has worked tirelessly to empower others by leading workshops for hundreds of parent mentors and collaborating with youth groups to produce impactful community events. Her dedication to education, inclusivity and community-building makes her a passionate advocate for positive change in the local education system.

**Carlos Rivas Jr.**

Carlos Rivas was born and raised in Chicago's Humboldt Park neighborhood. He is currently the Director of Public Affairs with The Civilian Office of Police Accountability (COPA). Rivas joined COPA in June 2022 after serving eight years at Noble Schools. A lifelong educator, he works to build connections in communities across Chicago to build trust and expand COPA's reach in underserved communities. Rivas began his career at Chicago Public Schools, where he served as a security officer, Teacher Assistant II, and long-term substitute at James

Russell Lowell Elementary School, his alma mater. He later joined Teach For America, where he was placed at UIC College Prep, a Noble School.

Rivas served as the Alumni Supports and External Affairs Manager at UIC College Prep. He joined the staff at Noble in 2014 as a Spanish instructor. Later, he joined the College Team as an Alumni Counselor supporting many of his former students. During his time as Alumni Counselor, the six-year college graduation rate for alumni broke 50% for the first time in network history. Each year, Rivas' caseload achieved the highest in-network college retention rates, paving the way for students of color and low-income students to lead choice-filled lives. As the External Affairs manager, he was responsible for building parent and family engagement. Rivas successfully developed parent programming at the school to provide structured support for families, earning their trust and becoming a dependable ally whom families turned to during challenging times.

A licensed teacher, Rivas obtained his bachelor's degree in Government and Spanish from Claremont McKenna College. He holds a master's degree in Teaching from Dominican University and a master's degree in Education Leadership: Higher Education Administration from Northeastern Illinois University. He is a member of the R3 Program Board with the State of Illinois, Vice President of the Fulbright Alumni Association Chicago Chapter, and a member of the board of directors of House Choice Partners.

**Ellen Rosenfeld**

Ellen Rosenfeld is a lifelong advocate for Chicago Public Schools (CPS) who leads by combining her experiences as a CPS parent, teacher and community leader to drive positive change. She began her career as a 3rd-grade teacher at Dulles and Hartigan Elementary Schools. She served as the Chairwoman of the Local School Council at Bell Elementary School, and was later appointed to the district-wide Local School Council Advisory Board. She worked for Chicago Public Schools as a Family and Community Engagement Specialist, empowering parents and supporting families across the district. Rosenfeld also served on the board of The Common Pantry in the North Center neighborhood.

Born and raised in St Louis, Missouri, Rosenfeld is a longtime resident of Chicago. She earned a Bachelor of Arts from Arizona State University and a Master of Education from the University of Illinois at Chicago. Rosenfeld has been married to her husband Paul for 30 years and is the proud mother of three CPS alumni and one current CPS student.

On November 5, 2024, Rosenfeld made history by winning the District 4 seat on Chicago's first hybrid school board. Her passion for ensuring every child receives a safe, rigorous, and equitable education guides her commitment to improving student outcomes and strengthening CPS schools across the city.

**Dr. Che "Rhymefest" Smith**

Dr. Che "Rhymefest" Smith is a Grammy and Academy Award-winning writer, recording artist, educator, humanitarian, and elected member of the Chicago Board of Education. As a strategic partner with Golden State Entertainment, a division of the Golden State Warriors, he leverages culture and arts for positive community impact. His latest project, James & Nikki: A Conversation, reimagines the 1971 dialogue between James Baldwin and Nikki Giovanni with contemporary beats and rhymes.

Dr. Smith has held fellowships at Dartmouth College and the University of Chicago, where he led seminars on using "Cultural Currency" for social and political justice.

His music career includes co-writing Kanye West's Grammy-winning "Jesus Walks" and "Glory" for the film "Selma," which earned a Grammy, Golden Globe and an Academy Award. He was also the subject of the acclaimed documentary "In My Father's House," chronicling his journey to reconnect with his estranged father.

As co-founder of the nonprofit Art of Culture, he championed the healing power of art and nature through initiatives in the U.S.,Tanzania and Senegal. He is also an advocate for global justice through his work with the Abolition Institute to combat modern slavery.

"True Power Is the Power, To Empower." - Rhymefest.

**Frank Niles Thomas**

Frank Niles Thomas is a longtime Chicagoan and veteran of the U.S. Air Force with a wealth of experience in City of Chicago government, organized labor and civic engagement over the past 40 years. A graduate of Chicago Vocational High School with continued education at City Colleges of Chicago and Roosevelt University, Thomas served as 21st Ward superintendent for the Department of Streets and Sanitation for more than a decade, and served as chairman of the Local School Council at Edward F. Dunne Elementary School. Prior to joining the LSC, he was the founder of a mentoring program at Dunne, helping students attending this predominantly African-American school develop leadership skills.

A well-respected labor and grassroots political organizer, Thomas has capably served various sectors of both business and government, navigating the relationship between labor and management in good faith bargaining and negotiations. He is the father of four CPS graduates.

**Anusha Thotakura**

Anusha Thotakura began her career in education as a bilingual middle school math teacher, where she saw firsthand how systemic issues like housing, food, and economic insecurity impacted her students. Driven to address these challenges on a larger scale, she transitioned to policy and advocacy. Thotakura is currently the Executive Director of Citizen Action/Illinois, the state's largest and oldest progressive policy and political coalition, where she leads campaigns to advance issues affecting working families. In addition to her professional work, she volunteers as a middle school Debate en Español coach through Chicago Debates.

Thotakura holds a Bachelor of Arts in Economics and Political Science from the University of Illinois at Urbana-Champaign and a master's degree in Public Policy from the Harvard Kennedy School of Government.

**Karen Zaccor**

Karen Zaccor is a long time resident of the Uptown community. She has been active on various issues both in Uptown and around the City of Chicago. The parent of a Chicago Public Schools (CPS) graduate, Zaccor served as chairperson of the first Local School Council (LSC) at Stockton Elementary School. She embarked on her teaching career in 1995 and has since taught in a wide range of subjects, including 3rd and 5th grade, math and literacy at the middle school level, and various science disciplines in high school. She retired in June of 2024 from Uplift Community High School, a school she co-founded and supported in becoming one of CPS' first Sustainable Community Schools (SCS).

Zaccor has worked on educational issues for decades, both inside schools and as a member of Northside Action for Justice. Most of her work has focused on increasing equity, improving curriculum, and strengthening the voices of students and parents in shaping school policy. She has worked with community organizations and parents around the city to oppose privatization, secure fair and adequate funding, and fight for the elected school board. She was part of the coalition that worked on the visioning and implementation of SCS, and has served on her school's SCS Leadership Team as co-facilitator of the Anti-Racist Educator Committee. She is dedicated to ensuring that every family has access to a high-quality, well-resourced school within their neighborhood–one that provides children with the opportunity to walk to a safe and nurturing learning environment.

The members of the Board have been elected or appointed to serve terms ending as follows:

| Member | Appointed/Elected | Term Expires |
|---|---|---|
| Sean B. Harden, President | Appointed | January 14, 2027 |
| Olga Bautista, Vice President | Appointed | January 14, 2027 |
| Ed Bannon | Appointed | January 14, 2027 |
| Jessica Biggs | Elected | January 14, 2027 |
| Michilla Blaise | Appointed | January 14, 2027 |
| Therese Boyle | Elected | January 14, 2027 |
| Jitu Brown | Elected | January 14, 2027 |
| Jennifer Custer | Elected | January 14, 2027 |
| Ebony DeBerry | Elected | January 14, 2027 |
| Angel Gutierrez | Elected | January 14, 2027 |
| Yesenia Lopez | Elected | January 14, 2027 |
| Pastor Emma Lozano | Appointed | January 14, 2027 |
| Debby Pope | Appointed | January 14, 2027 |
| Norma Rios-Sierra | Appointed | January 14, 2027 |
| Carlos Rivas Jr. | Elected | January 14, 2027 |
| Ellen Rosenfeld | Elected | January 14, 2027 |
| Dr. Che "Rhymefest" Smith | Elected | January 14, 2027 |
| Frank Niles Thomas | Appointed | January 14, 2027 |
| Anusha Thotakura | Appointed | January 14, 2027 |
| Karen Zaccor | Appointed | January 14, 2027 |

Beginning January 15, 2025, until January 15, 2027, each district shall be represented by one member who is elected at the 2024 general election to a 2-year term that begins January 15, 2025 and one member who is appointed by the Mayor by no later than December 16, 2024 to a 2-year term that begins January 15, 2025.

By December 16, 2024, the Mayor shall appoint a President of the Board for a 2-year term that begins January 15, 2025. The Board shall elect annually from its number a vice-president, in such manner and at such time as the Board determines by its rules. One appointed board position is currently vacant.

All elected and appointed members shall serve until a successor is appointed or elected and qualified. Whenever there is a vacancy in the office of an appointed member of the Board, the Mayor shall appoint a successor who has the same qualifications as the member's predecessor to fill the vacancy for the remainder of the unexpired term. Whenever there is a vacancy in the office of an elected member of the Board, the President of the Board shall notify the Mayor of the vacancy within 7 days after its occurrence and shall, within 30 days, fill the vacancy for the remainder of the unexpired term by majority vote of the remaining members of the Board. The successor to the elected member shall have the same qualifications as the member's predecessor.

Chicago
Public
Schools

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January 23, 2025

Sean B. Harden, President,
Members of the Chicago Board of Education,
And Citizens of the City of Chicago:

The Annual Comprehensive Financial Report (ACFR) of Chicago Public Schools (CPS) for the fiscal year ended June 30, 2024, is hereby submitted. It has been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as applicable to governmental entities. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of CPS. Responsibility for the accuracy of the data presented as well as completeness and fairness of presentation of this report rests with CPS management.

Illinois School Code requires CPS to submit an annual report of the financial records and transactions of the school system audited by independent certified public accountants. This document is submitted in fulfillment of this requirement. A single audit was also conducted to meet the requirements of the Single Audit Act and Subpart F of Title 2 U.S. Code of Federal Regulations Part 200 *Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards* (Uniform Guidance). For the fiscal year ended June 30, 2024, the independent auditors have issued an unmodified opinion on CPS' basic financial statements and other required supplementary information, etc. (See Independent Auditors' Report in the Financial Section of the document). Information related to this single audit, including a schedule of federal financial assistance and the independent auditor's reports on the internal control structure and on compliance with applicable laws and regulations, is included under separate cover.

CPS ended fiscal year 2024 with a positive fund balance of $1.4 billion in the General Operating Fund. This is the seventh year in a row that the District has reported positive fund balance. This improvement in financial sustainability is due to an increase in property tax, and State and Federal revenues, and despite a large decrease in replacement tax revenue. And CPS has continued to streamline operational costs to improve financial position.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of the Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors.

**PROFILE OF CHICAGO PUBLIC SCHOOLS**

CPS is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the City of Chicago. The Chicago Board of Education is established under and governed by the Illinois School Code. The Chicago Board of Education is not a home-rule unit of government and operates a system of schools primarily for grades prekindergarten through twelve. CPS has no component units that are legally separate organizations for which CPS is financially accountable.

Starting January 15, 2025, CPS is governed by a twenty-one-member Board of Education, ten of whom were elected by the citizens in November 2024 and the other ten members and the president of the Board of Education were appointed by the Mayor of the City of Chicago. In addition, pursuant to amendments to the Illinois School Code initially enacted in 1988, elected Local School Councils, composed of parents, teachers, principals and community representatives, exercise certain powers relating to the operation of individual schools, most notably the selection of principals. Refer to the CPS website for more information on Local School Councils.

As a large urban school district, CPS schools and students reflect the broad diversity of our city. In fiscal year 2024, CPS had 633 schools, including district-run traditional and "options" schools, as well as charter and contract schools. Charter schools are public schools managed by independent operators, and approved and certified under the State charter law. They can offer a general K-12 educational program or may be approved to offer a program specifically targeting students who have dropped out or are at risk of dropping out. In fiscal year 2024, CPS authorized 109 charter schools, serving nearly 53,244 students.

Student enrollment as of September 2023 was 323,251, an increase of 1,145 from September 2022 (322,106). Approximately 70.70% of our students come from low-income families and 24.70% are English Language Learners. CPS employs 46,544 workers, including 30,584 teaching positions. Based on data available as of September 2024, student enrollment for fiscal year 2025 is 325,305 which is an increase in enrollment of 2,054.

**LOCAL ECONOMIC OUTLOOK**

The Chicago economy continues to improve and recover from the COVID-19 pandemic. Chicago has an unemployment rate of 6.30% as of October 2024, down from the 7.10% reported in June 2024. The current unemployment rate is lower than the City's long-term average of 7.54%. The average home price in Chicago has increased by 7.8% from June of 2023 to June of 2024.

However, it is important to note that the majority of CPS revenues are not economically sensitive. Property tax increases are capped at the rate of inflation; and Federal and State aid are allocated based on formulas and limited by federal and state appropriations. Therefore, our revenues are not directly affected by changes in the local economy. While the impacts of the COVID-19 pandemic and the attempts to counter those impacts are far ranging, the effects on the Board have so far been either financially limited or, where they are not, the Board has made adjustments to mitigate the effects.

For more information regarding Chicago's local economy, refer to the City of Chicago budget book at https://www.chicago.gov/city/en/depts/obm/provdrs/budget/svcs.html.

Local revenues included $3.7 billion in property taxes and $384 million in personal property replacement taxes in fiscal year 2024. Property taxes support the General Operating Fund, Capital Projects Fund and Debt Service Fund. Personal property replacement taxes support the General Operating Fund and Debt Service Fund. In fiscal year 2024, there was $51 million in tax revenue for a Levy Adjustment approved by Cook County of Illinois; as well as, $88 million in tax revenue for Capital Improvement Tax, a levy dedicated to capital improvement expenditures. Property tax revenue can be reduced by certain tax abatement agreements entered into by Cook County of Illinois. In fiscal year 2024, the estimated impact of these abatement was a reduction in property tax revenue of $47 million.

**CURRENT CONDITION**

The fiscal year 2024 budget for General Operating Fund expenditures was $8.5 billion, $496 million above the fiscal year 2023 budget of $8 billion. The 2024 Chicago Public Schools budget is built on the commitments of academic progress, operational excellence, and building trust established by the CPS Three-Year Blueprint and invested over $4.6 billion in school-level funding. School budgets for FY2024 provided CPS schools with a comprehensive set of supports to advance equity; enhance college and career readiness supports; increase opportunity and funding for diverse learners; reduce class sizes and split grade-level classes; expand teacher professional development; Increase access to arts, dual language, prekindergarten and more special classes and programs; conduct academic interventions to keep students from falling behind; mitigate impact of COVID-19 on school enrollment; increase nurse staffing levels to an all-time high; maintain safe and secure schools and school communities in the district.

Total governmental funds revenues for fiscal year 2024 were $9.3 billion, which is $545 million more than the $8.8 billion reported as fiscal year 2023 revenue. Some of that increase is due to the change in an accounting policy for the grant revenue recognition period. Total expenditures for fiscal year 2024 were $9.7 billion, which is approximately $518 million greater than the prior year of $9.2 billion. The increase in year over year expenditures is due to increases in teacher and support staff salaries, pensions, and medical benefits. CPS also had increased spending on educational equipment, textbooks, and professional services. CPS ended fiscal year 2024 with a combined fund balance of $2.6 billion in all governmental funds, an increase of $267 million from fiscal year 2023 ending fund balance of $2.3 billion. The $267M increase in fund balance included $70 million from the restatement of the beginning fund balance due to the accounting policy change for the grant revenue recognition period.

Fiscal year 2024 revenues included a $199 million increase in property tax revenues and a $253 million decrease in Personal Property Replacement Taxes revenues. These are driven by a steady increase of new property in Chicago, stronger than expected growth in property assessments and over performance of state corporate income tax receipts. The decline in the Personal Property Replacement Taxes was primarily due to changes in State law.

In fiscal year 2024, CPS received a total of $1.7 billion state Evidence Based Funding (EBF) unrestricted revenue, which is $14 million higher than that amount in fiscal year 2023; and CPS received other restricted state revenue $469 million. Additionally, CPS received $323 million in pension support from the state — which is nearly a $14 million increase from fiscal year 2023 and represents an improvement in teacher pension equity in Illinois.

In response to the COVID-19 pandemic the federal government has passed multiple financial relief packages that provide funding relief to the district. CPS has allocated more than $2.8 billion in reimbursable federal pandemic relief funds through the Elementary and Secondary School Emergency Relief Funds (ESSER). At the end of June, 2024, CPS projects to spent 92% ($2.6 billion) of these funds to support students and families, with $233 million to be allocated as part of the FY2025 budget.

**Cash Management**: CPS' cash flow goes through peaks and valleys throughout the year, depending on when revenues and expenditures are received and paid. Further, revenues are generally received later in the fiscal year while expenditures, mostly payroll, are level across the fiscal year (with the exception of debt services and pensions). The timing of these two large payments (debt services and pensions) occur just before major revenue receipts. These trends in revenues and expenditures put cash flow pressure on CPS.

CPS continued to make progress on improving its cash flow during FY2024, and no Tax Anticipation Notes (TANs) were outstanding at the end of the fiscal year. This is the third consecutive fiscal year with no TANs outstanding on June 30th.

**Pension Funding**: Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago (Pension Fund), or the Municipal Employees Annuity and Benefit Fund of Chicago (Annuity Fund). As of June 30, 2023, the Pension Fund reported $12.4 billion in actuarial assets and $26.2 billion in actuarial liabilities, for a funded ratio of 47.2%. CPS has recorded a net pension liability of $16 billion in the accompanying financial statements, 100% of which is recognized by CPS. (For the reasons discussed in Note 12 CPS does not recognize any proportionate share of the net pension liability for the Annuity Fund).

CPS has two main sources of revenue for contributions to the Pension Fund. First, the state provides funding for the district's normal cost—the cost of annual increases to the district's total liability—for teacher pensions. In fiscal year 2024, the state contributed $323 million for these costs. The second major funding source is a dedicated property tax levy, which provided $597 million in pension contributions in fiscal year 2024. These two funding sources have reduced the budgetary risk of the district's pension obligations and put CPS on a path to pension funding stability.

**Debt Ratings**: Investors who purchase municipal bonds use debt ratings as an indicator of the safety and security of the debt sold by that organization. CPS currently has general obligation bonds outstanding with credit ratings from Fitch Ratings, Kroll Bond Rating Agency, Moody's Investor Service and Standard & Poor's, and capital improvement tax bonds outstanding with credit ratings from Fitch Ratings and Kroll Bond Rating Agency. Since fiscal year 2018, CPS' general obligation bond ratings have begun to recover from earlier downgrades, with the ratings companies citing improved revenues and fund balance. During fiscal year 2024, CPS received a general obligation upgrade from Moody's.

## LONG-TERM FINANCIAL PLANNING

The District plans to continue allocating federal pandemic relief funds to meet the academic and social-emotional needs of our students. Additional ESSER Funds will continue to be allocated through FY2025 to support changing and shifting needs of our students and schools. The challenge of increasing pension costs, caps on local property taxes, and increased federal funding expired in FY2024 will continue to create budget challenges for the District in the coming years. Since 2017, the new state-wide Evidence-Based funding (EBF) model has improved State funding, however despite these improvements, CPS remains underfunded. CPS remains the only school district in the state that funds the vast majority of its teacher pension costs.

CPS relies heavily on property tax revenues to help fully fund its schools. Since 2007, the percentage of the total budget comprised by property tax revenues has continuously increased from 36.7% in fiscal year 2007 to 41.5% in 2017. In fiscal year 2024, with inflation at 6.5%, CPS capped and applied only 5% inflation as outlined by the PTELL laws; therefore, the base property tax levy only increased by $170 million, putting the total budget's percentage of property tax revenue at 44.2%. Though CPS is able to take advantage of new property that is added to the base property values, CPS will need to keep advocating for the state and federal funding needed to fulfill its mission.

## RELEVANT FINANCIAL POLICIES

***Fund Accounting:*** CPS reports its financial activities through the use of fund accounting. This is a system wherein transactions are reported in self-balancing sets of accounts to reflect the results of activities. (See Notes 1 and 2 of the Notes to the Basic Financial Statements for a summary of significant accounting policies and a description of fund types and account groups).

***Internal Control Structure***: CPS financial management officials are responsible for implementing and enforcing a system of internal controls to protect the assets of CPS from loss, theft, or misuse and to ensure that reliable accounting data is available for the timely preparation of financial statements in accordance with GAAP. The internal control structure is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

***Budgetary Control***: Annual budgets are prepared on a basis consistent with GAAP for the General Operating, Capital Projects and Debt Service Funds. The fiscal year begins on July 1 and ends June 30. Individual school units submit budgets based on the school improvement plans and approved by the Local School Councils. Administrative units submit budget requests to the Office of Budget and Grants Management, which analyzes all requests and prepares a comprehensive budget, balancing revenues and appropriations of each fund. The budget is submitted to the Board of Education for appropriation.

The appropriated budget is prepared by fund, unit, and account.The legal level of budgetary control is at the account level, except for school-based discretionary programs. CPS maintains budgetary controls to ensure that legal provisions of the annual budget are in compliance and expenditures cannot legally exceed the appropriated amount. Personnel expense accounts, including salary and benefit accounts, use budget balancing accounts known as "pointer lines" to ensure budgets remain sufficient to cover expenses. Full annual salary and benefit costs are budgeted for every position to start the fiscal year. Any adjustments to expected salary and benefit costs drive automatic adjustments to the respective salary and benefit accounts, with an offsetting transaction occurring on an associated pointer line account. The district manages balances on pointer line accounts to ensure that sufficient funds are available to cover all personnel costs. Non-personnel expense accounts use budgetary controls in the purchasing process to ensure that budgets are sufficient to cover expenses. To incur an expense in a non-personnel account, users must first open a purchase order. If sufficient funds are not available, the system will not allow a purchase order to be created.

Board approval is required for all funding transfers except school-based discretionary program expenditures, which are governed by specific program policies and procedures. In addition, an amended budget is required for increases in total appropriation. Capital Projects Funds are budgeted on a project-by-project basis and represent the entire project budget for projects expected to begin in that fiscal year.

## MAJOR INITIATIVES

At Chicago Public Schools, our mission is to provide a high-quality public education for every child in every neighborhood that prepares them for success in college, career, and civic life. With our district's improved financial position and students making remarkable academic progress, CPS is focused on improving equity in our schools. To narrow the opportunity gap for students of color, English learners, diverse learners, and students living in the South and West sides, we have implemented strategic initiatives in the areas of education, finance, community, and the environment to build on our commitments to academic progress, financial stability, and integrity.

### Educational Initiatives

The priorities of the FY24 Educational Initiatives and associated budget investments allowed Chicago Public Schools to lead the nation in Academic recovery from the Covid-19 pandemic. CPS reading proficiency levels for elementary schools is now fully surpass pre-pandemic levels. In the early grades, K-2 reading and math scores are out performing large city peer districts on the i-Ready screener assessment.

As a District, we passed a new school accountability policy; *Continuous Improvement and Data Transparency Policy* which outlines a set of holistic indicators that lead to school improvement and codifies the role of the District as the driver for funding and supporting consistent implementation of those practices and indicators. This policy was codified in the new CPS 5-Year Strategic Plan *Together We Rise*, released in SY24. The Educational Initiatives laid out below are directly tied to those indicator definitions prioritizing a high-quality daily student experience aligned to the CPS Instructional Core Vision.

Curriculum, Instruction, and Assessment

Curriculum Equity: we expanded both resources and adoption of our district-wide high-quality, culturally-responsive curriculum Skyline. Over 462 schools are utilizing Skyline, including receiving associated materials and intensive professional development. Over 420,000 Skyline curriculum-embedded assessments were also funded and administered in SY24.CPS centrally funds over $20M directly into school budgets to support teacher professional development. CPS also funds over 180 full-time instructional coaches, and 800 new teacher mentors, and associated development to build coaching and mentoring capacity. Program Lead Teachers (420) in IB, STEM, Gifted, Personalized Learning, Montessori, and ROTC schools are also centrally-funded and professionally developed.

Targeted Academic Interventions for Students

All Title I schools have a minimum of one fully-funded interventionist position to lead Multi-Tiered Systems of Support Teams, and provide interventions to students. More than 298,000 student academic intervention plans were logged in our intervention system. CPS also funds high-quality interventions available to all schools, 355 schools are currently using the district Reading intervention and 410 schools using the district Math intervention, continued implementation of a high dosage reading tutoring program for K-5 reading and 6-12 math through the Tutor Corps program, in over 229 schools, reaching over 12,391 students.

Accelerated Learning and Early College Career Credentials

CPS expanded access to Middle School Algebra in 378 schools, increasing the number of students taking and passing the Algebra Exit Exam, over 4,500 students passed, a 57% passage rate, expanded early college programming to increase the number of students achieving early college milestones, over 52% percent of graduates earned an early college credential, totaling over 55,000 total Early College credit hours earned for seniors alone. Over 27,000 students took AP exams an increase of 1,300 students. There is no opportunity gap for students of color earning 15+ Credits through Dual College and Dual Enrollment opportunities. 47% of those students are Latinx and 28% of those students are Black. 1,890 students attained CTE certifications in SY24 up +400 students compared to SY23.

Early College and Career Access

CPS added over 300 school-based Counselor positions into schools, leading to record-breaking 4-year and 5-year graduation rates. Graduates earned $2.1 Billion in Scholarships, and 69.8% of graduates enrolled in college.

Over 9,000 work-based learning experiences were hosted in SY24, and 1,413 Summer internships were provided to students.

Healing-Centered Supports and Out of School Time

We promoted students' connectedness and well-being through MTSS student supports development; expansion of behavioral health teams across the District, 90% of schools have a functioning Behavioral Health team, and funded behavioral health and mentoring partners to 272 schools and provided professional development in Tier II behavioral heath interventions to over 600 school staff. 11,130 students received school-cay behavioral health and/or mentoring supports. 41.6% of student participated in out of school time and enrichment opportunities (115,000 students). Out of school time program hours increased by over 400,000 and included over 175 Community-Based Partners.

**Capital Improvement Program**

The CPS facility portfolio includes 522 campuses and over 800 buildings. Our average building age is over 83 years old. The fiscal year 2024 budget for CPS included a capital budget totaling $155 million of investments that focused on priority facilities needs at neighborhood schools. To support schools throughout the city, the FY2024 capital plan provided funding in five main areas: critical facility needs, interior improvements, programmatic investments, site improvements, and IT upgrades. These projects were primarily funded by bond proceeds and other capital funds, Tax Increment Financing (TIF) funds, external funding for space to grow, and other potential external funding.

***AWARDS AND ACKNOWLEDGMENTS***

***Awards*****:** The Government Finance Officers Association (GFOA) of the United States and Canada awarded a Certificate of Achievement for Excellence in Financial Reporting to the Board of Education of the City of Chicago for its ACFR for the fiscal year ended June 30, 2023. The Certificate of Achievement is a prestigious national award, recognizing conformance with the highest standards for preparation of state and local government financial reports. CPS has received this award every year since 1996.

In order to be awarded a Certificate of Achievement, a government unit must publish an easily readable and efficiently organized ACFR whose contents conform to accounting principles and applicable legal requirements. A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement program requirements, and we are again submitting it to GFOA.

CPS also received the Certificate of Excellence for Financial Reporting from the Association of School Business Officials International (ASBO) for the 23rd consecutive year. We have included this award in the recognition of the importance of fiscal policies on our ability to educate our students and undertake the new initiatives outlined above.

***Acknowledgments***: This report could not have been prepared without the commitment and dedication of the entire staff of the Office of Finance, the Chief Education Office and the Office of the Board. We wish to express our gratitude and appreciation to them for their dedicated efforts and professionalism.

Respectfully submitted,

Miroslava Mejia Krug
Chief Finance Officer

James Patrick Alforque
Controller

Chicago Public Schools

BOARD OF EDUCATION · CITY OF CHICAGO

# Financial Section

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# Independent Auditors' Report

To the Board of Education of the City of Chicago
Chicago Public Schools

## Report on the Audit of the Financial Statements

### Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Chicago Public Schools (the Board of Education of the City of Chicago, a body politic and corporate of the State of Illinois), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Chicago Public Schools' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Chicago Public Schools, as of June 30, 2024 and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards)*. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Chicago Public Schools and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Emphasis of Matter

As discussed in Note 1 to the financial statements, fund balances as of June 30, 2023 have been restated due to a change in an accounting principal. Chicago Public Schools extended the availabilty period related to grants. Our opinions are not modified with respect to this matter.

Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms.

**Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and 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 the Chicago Public Schools' 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.

**Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Chicago Public Schools' internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Chicago Public Schools' 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.

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Supplementary Information**

Our audit for the year ended June 30, 2024 was conducted for the purpose of forming opinions on the financial statements that collectively comprise Chicago Public Schools' basic financial statements. The individual fund schedules for the year ended June 30, 2024 as listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements for the year ended June 30, 2024, 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 supplementary information are fairly stated in all material respects, in relation to the basic financial statements as a whole for the year ended June 30, 2024.

We also previously audited, in accordance with auditing standards generally accepted in the United States of America, the basic financial statements of Chicago Public Schools as of and for the year ended June 30, 2023 (not presented herein), and have issued our report thereon dated February 14, 2024, which contained unmodified opinions on the respective financial statements of the governmental activities and each major fund. The individual fund schedules for the year ended June 30, 2023 are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2023 basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the 2023 basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare those basic financial statements or to those 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 individual fund schedules are fairly stated in all material respects in relation to the basic financial statements as a whole for the year ended June 30, 2023.

**Other Information**

Management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory section and the statistical section but does not include the basic financial statements and our auditors' 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 January 23, 2025 on our consideration of Chicago Public Schools' 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 Chicago Public Schools' 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 Chicago Public Schools' internal control over financial reporting and compliance.

Baker Tilly US, LLP

Chicago, Illinois
January 23, 2025

Chicago
Public
Schools

**CHICAGO PUBLIC SCHOOLS**

**Management's Discussion and Analysis (Unaudited)**
**June 30, 2024**

Our discussion and analysis of the financial performance of Chicago Public Schools (CPS) provides an overview of financial activities for the fiscal year ended June 30, 2024. Because the intent of this management discussion and analysis is to look at the District's financial performance as a whole, readers should also review the transmittal letter, financial statements and notes to the basic financial statements to further enhance their understanding of CPS' financial performance.

## FINANCIAL HIGHLIGHTS

The government-wide financial statements and Statement of Net Position shows liabilities and deferred inflows totaling $32.2 billion, a decrease of $0.3 billion from fiscal year 2023, while assets and deferred outflows equaled $13.5 billion, with a decrease of $0.4 billion. The overall decrease in total liabilities and deferred inflows is primarily driven by decrease in deferred pension inflows of $0.7 billion. Deferred lease inflows of $58 million were recorded according to the GASB 87 Leases. SBITA liabilities of $25 million were recorded according to GASB 96 SBITAs pronouncement. The overall decrease in total assets and deferred outflows is mostly derived from a decrease in deferred outflow of resources of $851 million including a $690 million decrease in deferred pension outflows and $151 million decrease in deferred OPEB outflows from fiscal year 2023. CPS ended fiscal year 2024 with a deficit in net position of $18.7 billion, an increase in the deficit of $0.2 billion or 1.0% from the prior year. The Statement of Activities presents an increase in total expenses from fiscal year 2023 in governmental activities of $436 million, an increase of property tax revenues of $216 million, a decrease of replacement taxes of $252 million, a net increase of $613 million in grants and contributions and a decrease in other general revenues of $11 million.

CPS ended fiscal year 2024 with a combined fund balance for its governmental funds of $2.6 billion, an increase of $267 million, or 11.7%, from fiscal year 2023. Out of that increase, 97 million was the increase for FY24, and $70 million was due to a restatement of the beginning fund balance The fund balance increased by $7 million in the General Operating Fund, increased by $35 million in the Capital Project Fund, and increased by $155 million in the Debt Service Fund. Total revenues in the General Fund for fiscal year 2024 were $8.4 billion, which were $453 million or 5.7% higher than the prior year amount of $7.9 billion. Total expenses in the General Operating Fund for fiscal year 2024 were $8.4 billion, which increased by $639 million or 8.3% from the fiscal year 2023 amount of $7.7 billion. The General Operating Fund ended fiscal year 2024 with a positive fund balance of $1.4 billion.

In November 2023, CPS issued fixed-rate $575 million of Unlimited Tax General Obligation (Dedicated Alternate Revenue) Bonds Series 2023A (the "Series 2023A Bonds") with an original issue discount of $8 million. As of June 30, 2024, CPS had $10.3 billion in total debt, including accreted interest outstanding, versus $10.0 billion last year, an increase of 3.0%

## OVERVIEW OF THE FINANCIAL STATEMENTS

ACFR consists of Management's Discussion and Analysis and a series of financial statements and accompanying notes, both primarily focusing on the school district as a whole.

The government-wide financial statements including the Statement of Net Position and the Statement of Activities provide both short-term and long-term information about CPS' financial status. The fund financial statements provide a greater level of detail of how services are financed in the short-term as well as the remaining available resources for future spending. The accompanying notes provide essential information that is not disclosed on the face of the financial statements, and as such, are an integral part of the basic financial statements.

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the School District's finances in a manner similar to a private sector business. The Statement of Net Position and the

Statement of Activities provide information about the activities of the school district as a whole, presenting both an aggregate and long-term view of the finances. These statements include all assets and liabilities using the accrual basis of accounting. This basis of accounting includes all of the current year's revenues and expenses regardless of when cash is received or paid.

The ***Statement of Net Position*** presents information on all of CPS' assets, plus deferred outflows of resources, less liabilities, less deferred inflows of resources, for the resulting net position. Increases or decreases in net position may serve as a useful indicator of whether the financial position is improving or deteriorating.

The ***Statement of Activities*** presents information showing the details of change in net position during the fiscal year. All changes in the net position are reported as soon as the underlying event giving rise to the change occurs regardless of the timing of the related cash flows. Thus, revenues and expenses are reported in the statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of CPS that are principally supported by taxes and inter-governmental revenues (governmental activities).

All of CPS' services are reported in the government-wide financial statements, including instruction, pupil support services, administrative support services, facility support services, instructional support services, food services and community services. Property taxes, replacement taxes, state aid, and interest and investment earnings finance most of these activities. Additionally, capital assets and debt-financing activities are reported here.

***Condensed Statement of Net Position***

***(Millions of Dollars)***

| | Governmental Activities | | | |
|---|---|---|---|---|
| | 2024 | 2023 | Difference | % Change |
| Current Assets | $ 3,698 | $ 3,719 | $ (21) | -0.6% |
| Capital Assets, net | 7,378 | 7,214 | 164 | 2.3% |
| Non-current Assets | 388 | 124 | 264 | 212.9% |
| Total Assets | $ 11,464 | $ 11,057 | $ 407 | 3.7% |
| Total deferred outflows of resources | $ 2,048 | $ 2,899 | $ (851) | -29.4% |
| Current Liabilities | $ 1,497 | $ 1,520 | $ (23) | -1.5% |
| Long-term liabilities | 28,666 | 28,610 | 56 | 0.2% |
| Total Liabilities | $ 30,163 | $ 30,130 | $ 33 | 0.1% |
| Total deferred inflows of resources | $ 2,035 | $ 2,336 | $ (301) | -12.9% |
| Net Position (deficit): | | | | |
| Net investment in capital assets | $ (2,109) | $ (2,050) | $ (59) | -2.9% |
| Restricted for: | | | | |
| Capital projects | 92 | 81 | 11 | 13.6% |
| Debt service | 965 | 833 | 132 | 15.8% |
| Grants and donations | — | 13 | (13) | -100.0% |
| Teacher's pension contributions | — | 30 | (30) | -100.0% |
| School Internal Accounts | 73 | 54 | 19 | 35.2% |
| Unrestricted | (17,707) | (17,471) | (236) | -1.4% |
| Total net position (deficit) | $ (18,686) | $ (18,510) | $ (176) | -1.0% |

Current assets decreased by $21 million, mainly due to current cash and investments decreasing by $41 million, current cash and investments in escrow decreasing by $174 million and property taxes receivable increasing by $43 million from fiscal year 2023. Refer to Note 3 to the basic financial statements for more detailed information on property taxes and state aid.

Capital assets, net of depreciation, increased by $164 million due to an increase in land, buildings, building improvements and equipment, net of accumulated depreciation. Refer to Note 6 to the basic financial statements for more detailed information on capital assets.

Non-current assets increased by $264 million. Refer to Note 4 to the basic financial statements for more detailed information on cash and investments.

Deferred outflows of resources showed a decrease of $851 million, which was directly attributable to the decrease in deferred pension of $690 million and the decrease in other postemployment benefit outflows of $151 million. Refer to Note 12 and Note 13 to the basic financial statements for more information on CPS' pension and other postemployment benefit liabilities.

Current liabilities decreased by $23 million primarily due to a decrease in accounts payable of $118 million and increase in current portion of OPEB liability by $77 million. Refer to Note 8 to the basic financial statements for more detailed information on short-term debt.

Long-term liabilities increased by $56 million, mainly as a result of the increase in long-term debt totaling $302 million, the decrease in the total OPEB liability of $57 million, the decrease in the net pension liability of $178 million and the decrease in lease and other liabilities by $24 million. Refer to Note 9 to the basic financial statements for more detailed information on long-term debt.

Deferred inflows of resources, composed of deferred pension and other postemployment benefit inflows and deferred lease inflows ended with a net decrease of $301 million.

Net position (deficit) decreased by $0.2 billion to $18.7 billion (deficit). Of this amount, CPS recorded a net investment in capital assets of negative $2.1 billion, combined restricted net position of $1.1 billion, including $92 million for capital assets, $965 million for debt service and $73 million for school internal accounts, and $7 million restricted for grants. Restricted net position represents legal constraints from debt covenants and enabling legislation.

The $17.7 billion of unrestricted deficit represents the shortfall CPS would experience if it had to liquidate all of its non-capital liabilities as of June 30, 2024.

The following table presents the changes in net position to fiscal year 2024 from fiscal year 2023:

***Changes in Net Position***
***(In Millions)***

| | Governmental Activities | | | |
|---|---|---|---|---|
| | 2024 | 2023 | Difference | % Change |
| Revenues: | | | | |
| Program revenues: | | | | |
| Charges for services | $ 3 | $ 3 | $ — | —% |
| Operating grants and contributions | 2,997 | 2,472 | 525 | 21.2% |
| Capital grants and contributions | 111 | 23 | 88 | 382.6% |
| Total program revenues | $ 3,111 | $ 2,498 | $ 613 | 24.5% |
| General revenues: | | | | |
| Property taxes | $ 3,762 | $ 3,546 | $ 216 | 6.1% |
| Replacement taxes (PPRT) | 384 | 636 | (252) | -39.6% |
| Non-program state aid | 1,730 | 1,716 | 14 | 0.8% |
| Interest and investment earnings (losses) | 77 | 32 | 45 | 140.6% |
| Lease income | 6 | 5 | 1 | 20.0% |
| Other | 401 | 412 | (11) | -2.7% |
| Total general revenues | $ 6,360 | $ 6,347 | $ 13 | 0.2% |
| Total revenues | $ 9,471 | $ 8,845 | $ 626 | 7.1% |
| Expenses: | | | | |
| Instruction | $ 5,810 | $ 5,517 | $ 293 | 5.3% |
| Support Services: | | | | |
| Pupil Support Services | 891 | 879 | 12 | 1.4% |
| Administrative Support Services | 541 | 473 | 68 | 14.4% |
| Facilities Support Services | 791 | 798 | (7) | -0.9% |
| Instructional Support Services | 728 | 724 | 4 | 0.6% |
| Food Services | 256 | 238 | 18 | 7.6% |
| Community Services | 85 | 64 | 21 | 32.8% |
| Interest expense | 545 | 518 | 27 | 5.2% |
| Total expenses | $ 9,647 | $ 9,211 | $ 436 | 4.7% |
| Change in net position | $ (176) | $ (366) | $ 190 | 51.9% |
| Beginning net position (deficit) | (18,510) | (18,144) | (366) | -2.0% |
| Ending net position (deficit) | $ (18,686) | $ (18,510) | $ (176) | -1.0% |

### Pension Funding

Employees of CPS participate in either the Public School Teachers' Pension and Retirement Fund of Chicago (Pension Fund), or the Municipal Employees Annuity and Benefit Fund of Chicago (Annuity Fund). As of June 30, 2023, the Pension Fund reported $12.4 billion in actuarial assets and $26.2 billion in actuarial liabilities, for a funded ratio of 47.2%, in the Pension Fund's FY2023 actuarial evaluation report. CPS has recorded a net pension liability of $15.8 billion in the accompanying financial statements. For the reasons discussed in Note 12, CPS recorded 100% of the net pension liability for the Pension Fund and does not recognize any proportionate share of the net pension liability for the Annuity Fund. The CTPF property tax levy, in conjunction with the state funding of normal cost, provides two dedicated sources of revenues to fund pensions. In fiscal year 2024, CPS funded 83% of the pension contribution from these two dedicated revenue sources, significantly reducing the burden of the pension contribution on the operating fund.

### Capital Assets

At June 30, 2024, CPS had $7.4 billion invested in a broad range of capital assets, including land, buildings, improvements and equipment. This amount represents a net increase of $164 million or 2.3% over the prior fiscal year. Refer to Note 6 of the basic financial statements for more detailed information on capital assets.

***Capital Assets***

| ***(In Millions)*** | 2024 | 2023 | Difference | % Change |
|---|---|---|---|---|
| Land | $ 583 | $ 507 | $ 76 | 15.0% |
| Construction in progress | 1,583 | 1,623 | (40) | -2.5% |
| Buildings and improvements | 10,816 | 10,504 | 312 | 3.0% |
| Equipment and administrative software | 246 | 199 | 47 | 23.6% |
| Internally developed software | 3 | 3 | — | —% |
| Intangible right to use leased buildings | 140 | 143 | (3) | -2.1% |
| Intangible right to use leased equipment | 2 | 1 | 1 | 100.0% |
| Intangible right to use subscription based software | 43 | 35 | 8 | 22.9% |
| Total capital assets | $ 13,416 | $ 13,015 | $ 401 | 3.1% |
| Less: accumulated depreciation | (6,038) | (5,801) | (237) | -4.1% |
| Total capital assets, net | $ 7,378 | $ 7,214 | $ 164 | 2.3% |

### Debt Obligations

In November 2023, CPS issued fixed-rate $575 million Unlimited Tax General Obligation (Dedicated Alternate Revenue) Bonds Series 2023A (the "Series 2023A Bonds") with an original issue discount of $8 million.

The debt service on the GO Bonds will be paid from a combination of Evidence Based Funding and Intergovernmental Agreement Revenues. As of June 30, 2024, CPS had $10.3 billion in total debt, including accreted interest outstanding versus $10.0 billion last year, an increase of 3.0%. For more detailed information, please refer to Note 9 to the basic financial statements.

### Overview of Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. CPS, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All CPS funds are reported in the governmental funds.

***Governmental Funds***

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental-fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year for spending in future years. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of CPS' near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

CPS' fund financial statements provide detailed information about the most significant funds. CPS' governmental funds use the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. All of CPS' services are reported in governmental funds, showing how money flows into and out of funds and the balances left at year-end that are available for spending. The governmental fund statements provide a detailed short-term view of CPS' operations and the services it provides.

CPS maintains three governmental funds: General Operating, Capital Projects, and Debt Service. The following schedules present a summary of the General Operating Fund, Capital Projects Fund and Debt Service Fund revenues, and other financing sources by type and expenditures by program for the period ended June 30, 2024, as compared with June 30, 2023. They also depict the amount and percentage increases and decreases in relation to prior year revenues and other financing resources.

***Governmental Funds***
***Total Revenues, Other Financing Sources (Uses) and Expenditures***
***(In Millions)***

| | 2024 Amount | 2023 Amount * | 2024 Percent of Total | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 3,731 | $ 3,532 | 37.7 % | $ 199 | 5.6% |
| Replacement taxes | 384 | 636 | 3.9 % | (252) | -39.6% |
| State aid | 2,511 | 2,376 | 25.4 % | 135 | 5.7% |
| Federal aid | 1,706 | 1,495 | 17.3 % | 211 | 14.1% |
| Interest and investment earnings (loss) | 77 | 32 | 0.8 % | 45 | 140.6% |
| Lease income | 6 | 5 | 0.1 % | 1 | 20.0% |
| Other | 896 | 690 | 9.1 % | 206 | 29.9% |
| Subtotal | $ 9,311 | $ 8,766 | 94.2 % | $ 545 | 6.2% |
| Other financing sources | 575 | 577 | 5.8 % | (2) | -0.3% |
| Total | $ 9,886 | $ 9,343 | 100.0 % | $ 543 | 5.8% |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | $ 4,385 | $ 4,031 | 45.3 % | $ 354 | 8.8% |
| Pupil support services | 847 | 840 | 8.7 % | 7 | 0.8% |
| General support services | 1,708 | 1,643 | 17.6 % | 65 | 4.0% |
| Food services | 243 | 227 | 2.5 % | 16 | 7.0% |
| Community services | 85 | 64 | 0.9 % | 21 | 32.8% |
| Teachers' pension and retirement benefits | 981 | 813 | 10.1 % | 168 | 20.7% |
| Other | 28 | 17 | 0.3 % | 11 | 64.7% |
| Capital outlay | 602 | 757 | 6.2 % | (155) | -20.5% |
| Debt service | 810 | 779 | 8.4 % | 31 | 4.0% |
| Subtotal | $ 9,689 | $ 9,171 | 100.0 % | $ 518 | 5.6% |
| Other financing uses | — | — | — % | — | —% |
| Total | $ 9,689 | $ 9,171 | 100.0 % | $ 518 | 5.6% |
| Net change in fund balances | **$ 197** | **$ 172** | | | |

Note: The beginning fund balance of FY24 has been restated due to change in accounting policy regarding extended grant revenue recognition period. Please see details in Note 1.

**General Operating Fund**

The general operating fund supports the day-to-day operation of educational and related activities.

***Revenues and Other Financing Sources***
***(In Millions)***

| | 2024 Amount | 2023 Amount | 2024 Percent of Total | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|---|
| Property taxes | $ 3,640 | $ 3,444 | 43.5% | $ 196 | 5.7% |
| Replacement taxes (PPRT) | 343 | 597 | 4.1% | (254) | -42.5% |
| State aid | 1,988 | 1,860 | 23.8% | 128 | 6.9% |
| Federal aid | 1,682 | 1,462 | 20.1% | 220 | 15.0% |
| Interest and Investment earnings | 20 | 14 | 0.2% | 6 | 42.9% |
| Lease income | 6 | 5 | 0.1% | 1 | 20.0% |
| Other | 682 | 526 | 8.2% | 156 | 29.7% |
| Subtotal | $ 8,361 | $ 7,908 | 100.0% | $ 453 | 5.7% |
| Other financing sources | — | 4 | —% | (4) | -100.0% |
| Total | $ 8,361 | $ 7,912 | 100.0% | $ 449 | 5.7% |

Note: The beginning fund balance of FY24 has been restated due to change in accounting policy regarding extended grant revenue recognition period. Please see details in Note 1.

**Property tax** revenues increased by $196 million in fiscal year 2024 as collections from the existing levies were higher due to growth in the Consumer Price Index for All Urban Consumers (CPI-U) of 5% and new property added to the tax base. In FY2024, the Cook County Treasurer's Office experienced technical system difficulties and was unable to send CPS the remaining property tax funds until mid-October. Therefore, under this highly unusual circumstance, CPS extended its revenue recognition period for fiscal year 2024 from August 29, 2024 (60 days after year end) to October 28, 2024 (120 days after year end) for property taxes. See the detailed justification and disclosure in Note 1 Summary of Accounting Policies.

**Personal property replacement tax (PPRT)** revenues are primarily composed of additional State income taxes on corporations and partnerships. These revenues decreased by $254 million in fiscal year 2024. The main reason for this decrease was several legislative changes in corporate income tax laws, specifically in PA 102-658, This law changed the way S-Corporations submit their personal property replacement tax and the allocation of this revenue to CPS.

**State aid** revenues increased by $128 million due to new funding based on the state' tier funding in the Evidence-Based Funding allocation. See the detailed justification and disclosure in Note 1 Summary of Accounting Policies. The Grant Revenue Recognition period was increased from 60 days to 120 days after June 30, 2024.

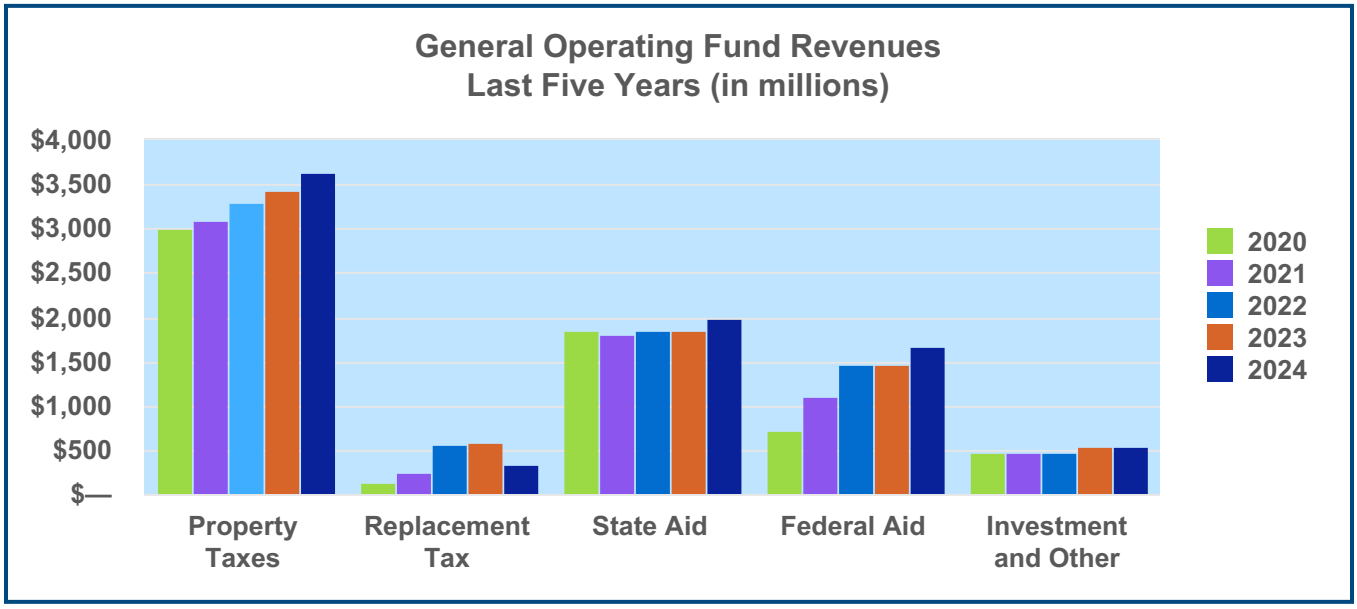
**Federal aid** increased by $220 million, or 15.0%, in fiscal year 2024 due to a significant increase in qualifying grant expenditures reimbursed this year. See the detailed justification and disclosure in Note 1 Summary of Accounting Policies.The Grant Revenue Recognition period was increased from 60 days to 120 days after June 30, 2024.

**Interest and investment earnings** totaled $20 million for fiscal year 2024. The CPS investment policy dictates that investments in the operating fund are to be shorter in duration in order to maintain liquidity.

**Lease income** total of $6 million was recorded for fiscal year 2024 due various leases CPS holds as the lessor.

**Other** revenues are derived from local sources such as intergovernmental revenues, Tax Increment Financing (TIF) surplus funds and other miscellaneous revenues. TIF surplus funds received from the City of Chicago, accounted for $225.6 million of the $682 million in other revenues recorded in fiscal year 2024. City of Chicago pension contributions to MEABF made on behalf of administrative CPS personnel, were recorded as on-behalf revenue of $181.4 million.

**Other financing sources** decreased by $4 million due to decrease in lease value in fiscal year 2024.




***Expenditures***
***(In Millions)***

| | 2024 Amount | 2023 Amount | 2024 Percent of Total | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|---|
| Salaries | $ 3,595 | $ 3,313 | 43.0% | $ 282 | 8.5% |
| Benefits | 2,078 | 1,855 | 24.9% | 223 | 12.0% |
| Services | 2,002 | 1,881 | 24.0% | 121 | 6.4% |
| Commodities | 435 | 425 | 5.2% | 10 | 2.4% |
| Other | 243 | 240 | 2.9% | 3 | 1.3% |
| Total | $ 8,353 | $ 7,714 | 100.0% | $ 639 | 8.3% |

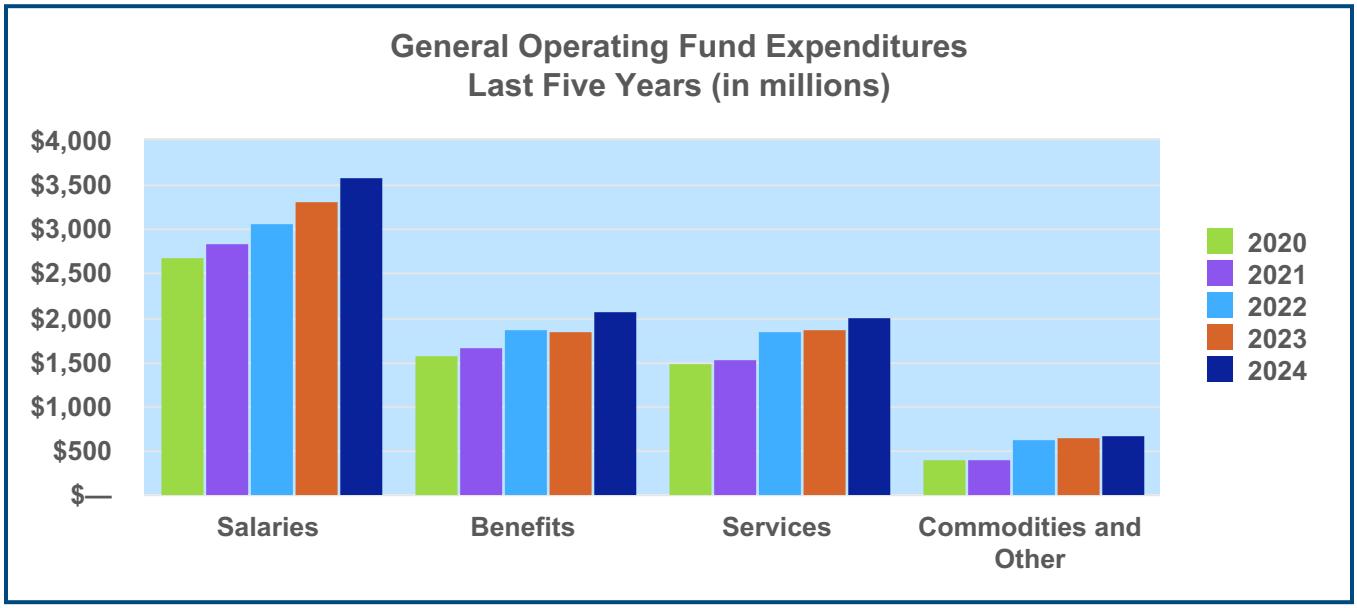
**Salaries** increased by $282 million or 8.5% mainly due to cost of living adjustments included in new union agreements with union staff and an investment in school-based staff.

**Benefits** expenses increased by $223 million or 12.0% in fiscal year 2024 due to an increase of pension payments.

**Services** expenses increased by $121 million or 6.4%, driven mostly by $75 million in increased payments for professional services and $32 million for charter schools.

**Commodities** expenses increased by $10 million or 2.4%, driven mostly by $17 million in increased payments in food, and $29 million in textbooks and a decrease of $45 million in supplies.

**Other expenditures** increased by $3 million or 1.3%, mainly due to an increase in other fixed charges.




**Capital Projects Fund**

The Capital Projects Fund accounts for financial resources to be used for the acquisition or construction of major capital facilities. The use of Capital Projects Funds is required for major capital acquisition and construction activities financed through borrowing or other financing agreements.

***Revenues and Other Financing Sources***
***(In Millions)***

| | 2024 Amount | 2023 Amount | 2024 Percent of Total | Increase (Decrease) from 2023 | Increase (Decrease) from 2023 |
|---|---|---|---|---|---|
| Property Taxes | $ 18 | $ 40 | 3.0% | $ (22) | -55.0% |
| State aid | 20 | 15 | 3.3% | 5 | 33.3% |
| Federal aid | 5 | 3 | 0.8% | 2 | 66.7% |
| Interest and investment earnings | 10 | 4 | 1.6% | 6 | 150.0% |
| Other | 4 | 9 | 0.7% | (5) | -55.6% |
| Subtotal | $ 57 | $ 71 | 9.4% | $ (14) | -19.7% |
| Other financing sources | $ 551 | $ 541 | 90.6% | $ 10 | 1.8% |
| Total | $ 608 | $ 612 | 100.0% | $ (4) | -0.7% |

Note: The beginning fund balance of FY24 has been restated due to change in accounting policy regarding extended grant revenue recognition period. Please see details in Note 1.

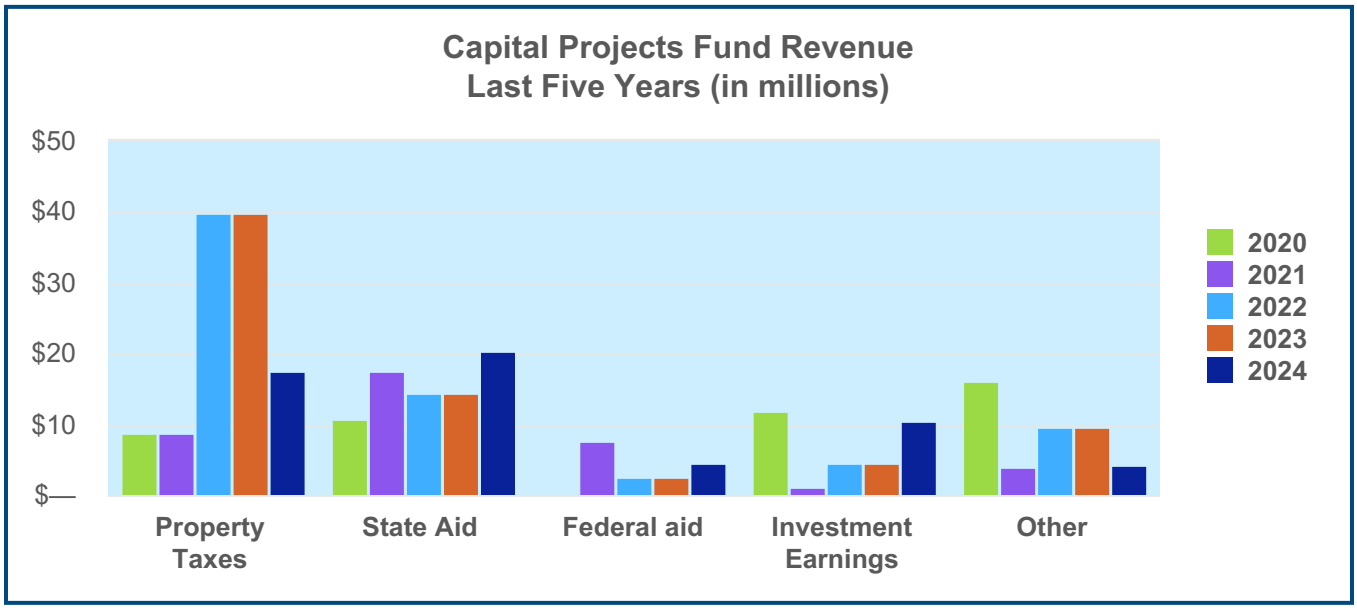
**Property tax** revenues were collected in the Capital Projects Fund in fiscal year 2024, as a result of the Capital Improvement Tax levy. Net collections received were $18 million, $22 million lower than the $40 million collected in fiscal year 2023, The primary reason for this significant decline is CIP Levy decreased from $38M in 2023 to $18M in FY2024.

**State aid** revenues slightly increased by $5 million in 2024 from fiscal year 2023, due to an increased allocation for repairs and replacements.

**Federal aid** revenues in fiscal year 2024 increased by $2 million due to several large E-rate (telecommunication infrastructure) projects being completed during the year.

**Other** revenues were $5 million or 55.6% lower in fiscal year 2024 from 2023, due to a decrease capital project related cash reimbursements from Intergovernmental Agreement (IGA) revenues from the City of Chicago.

**Other financing sources** increased $10 million or 1.8% CPS issued $539 million of GO Bonds in FY24, but these bonds were sold at a discount of $7.9 million versus the $15 million of premium we received in FY23. Market interest rates rose during FY24, resulting in a discount. In addition, new leases signed in FY24 and Subscription-based IT arrangements (SBITAs) CPS included in capital project fund. The implementation of GASB 96 resulted in a Other financing sources $8.3 million this fiscal year.

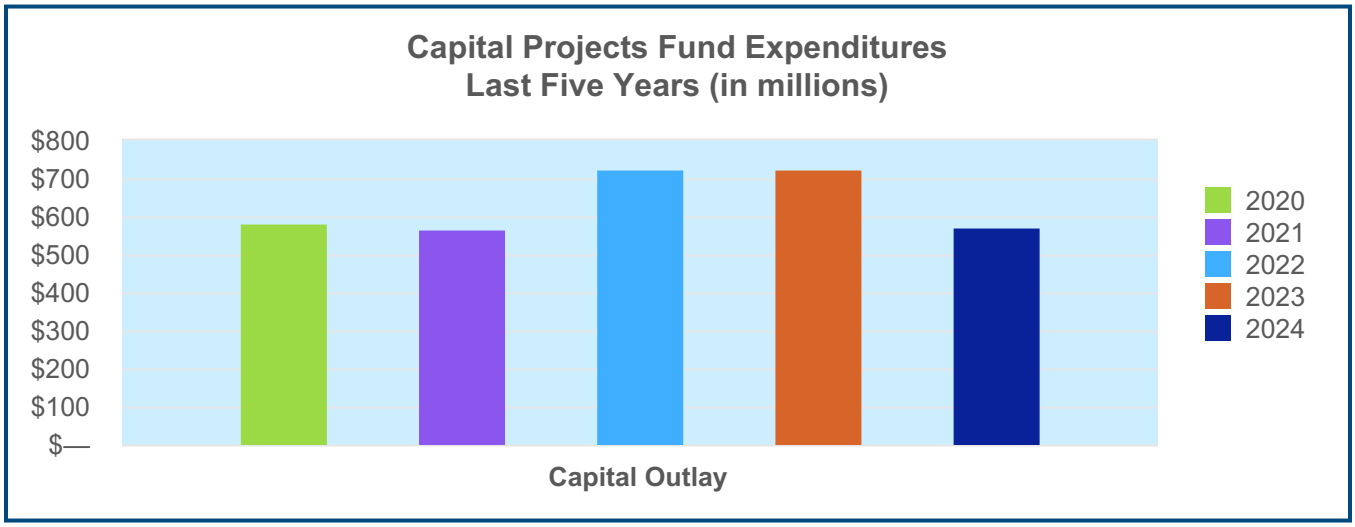



***Expenditures***
***(In Millions)***

| | 2024 Amount | 2023 Amount | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|
| Capital Outlay | $ 573 | $ 728 | $ (155) | -21.3% |

**Capital outlay**

The actual spending on capital outlay decreased $155 million in 2024, mainly from the expenditure of bond proceeds and other capital financing sources for approved capital projects. In addition, the $0.2 million Capital outlay related to building rental recorded in the capital project fund according to GASB 87 Leases; and $8 million of capital outlay is related to Subscription-Based IT Arrangements (SBITAs) related to GASB 96.

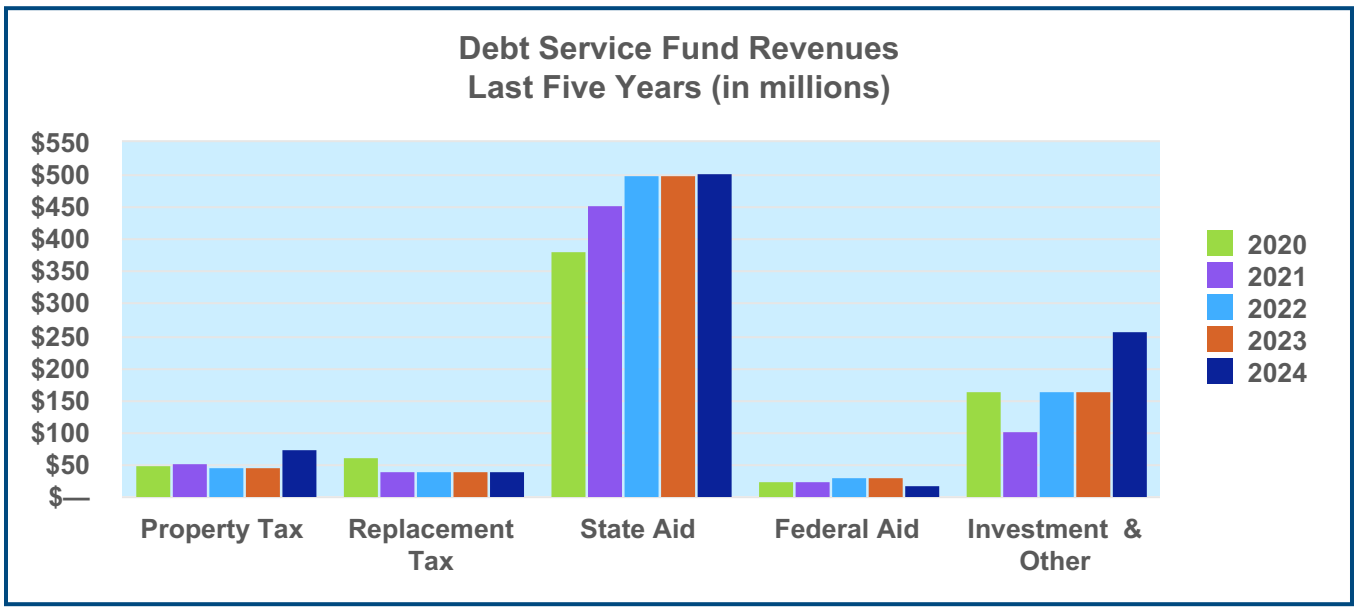


**Debt Service Fund**

The Debt Service Fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest on bonds and lease obligations.

***Revenues and Other Financing Sources***
***(In Millions)***

| | 2024 Amount | 2023 Amount | 2024 Percent of Total | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|---|
| Property taxes | $ 74 | $ 48 | 7.9% | $ 26 | 54.2% |
| Replacement taxes (PPRT) | 40 | 39 | 4.3% | 1 | 2.6% |
| State aid | 503 | 502 | 54.0% | 1 | 0.2% |
| Federal aid | 20 | 31 | 2.1% | (11) | -35.5% |
| Interest and investment earnings | 47 | 13 | 5.0% | 34 | 261.5% |
| Other | 211 | 153 | 22.7% | 58 | 37.9% |
| Subtotal | $ 895 | $ 786 | 96.1% | $ 109 | 13.9% |
| Other financing sources | 36 | 36 | 3.9% | — | 0.0% |
| Total | $ 931 | $ 822 | 100.0% | $ 109 | 13.3% |




**Property tax** revenues from the receipt of property tax collections from the CIT Levy being used for debt service payments in fiscal year 2024.

**Personal property replacement tax (PPRT)** revenues were basically unchanged in fiscal year 2024 due to the related debt service remaining level for the life of the bonds.

**State aid** revenues related to debt service for fiscal year 2024 are comprised of Evidence-Based Funding (EBF) revenues. A total of $503 million in revenues from was allocated to support outstanding debt, an increase of $1 million from fiscal year 2023.

**Federal aid** totaled $20 million in fiscal year 2024, versus $31 million in fiscal year 2023 a decrease of $11 million, or 35.5%, due to an increase in unavailable grant revenues for 2024.

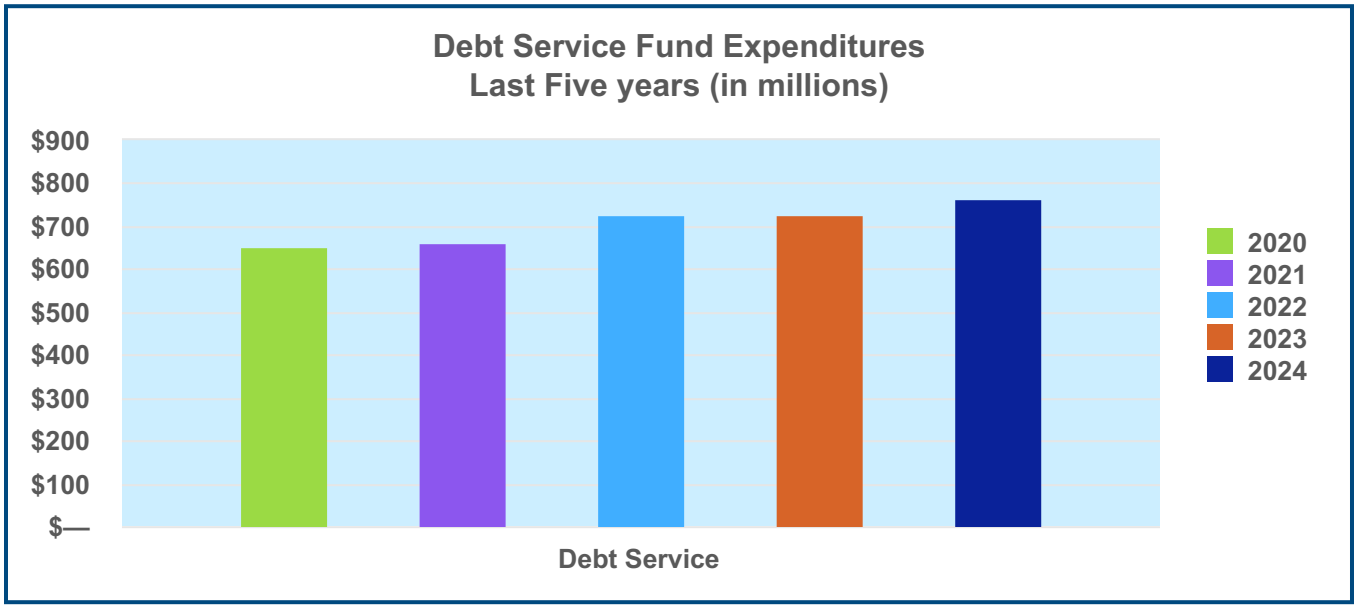
**Interest and investment earnings or loss** totaled $47 million in 2024, an increase of $34 million over last fiscal year. Changes in the fair value of securities in compliance with applicable GASB standards are recorded here also.

**Other** revenues account for one-time local revenues and/or the disbursement of property tax revenues from the City of Chicago (based on specific IGAs) allocated for debt service increased to $211 million in fiscal year 2024, versus $153 million in fiscal year 2023.

**Other financing sources** reflect no change in fiscal year 2024 due to net proceeds received from debt issuances (new money and refunded debt) of $36 million in the current year and $36 million in the prior year.

***Expenditures***
***(In Millions)***

| | 2024 Amount | 2023 Amount | Increase (Decrease) from 2023 | Percent Increase (Decrease) from 2023 |
|---|---|---|---|---|
| Debt Service | $ 764 | $ 729 | $ 35 | 4.8% |
| Total expenditures | $ 764 | $ 729 | $ 35 | 4.8% |
| Other financing uses | $ 11 | $ 4 | $ 7 | 175.0% |
| Total | $ 775 | $ 733 | $ 42 | 5.7% |




**Debt service costs**

The overall debt service cost for fiscal year 2024 increased by $35 million, primarily due to principal repayments made for new bond issues.

**Other Financial Source uses** increased by $7 million in fiscal year 2024. This was mainly due to a transfer in of $10.9M in Capital Improvement taxes which were reallocated to Debt Service from the Capital Projects fund.

**Notes to the Basic Financial Statements**

The notes to the basic financial statements follow the statements in the report and complement the financial statements by describing qualifying factors and changes throughout the fiscal year.

**Comparative Budgets for General Operating Fund**

On June 28th, 2023, the Board adopted a balanced operating budget for fiscal year 2024 that reflected total resources/appropriations of $8.490 billion.

**General Operating Fund Budget and Actual**

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating Fund. All annual unencumbered appropriations lapse at fiscal year-end.

The General Operating Fund ended fiscal year 2024 with a surplus of $7 million, which compares favorably with the budget.

The following schedule presents a summary of the operating fund revenues, expenditures, and other financing sources in comparison with the final budget for the period ended June 30, 2024.

***Revenues, Other Financing Sources & Expenditures***
***General Operating Fund***
***Budget to Actual Comparison***
***(In millions)***

| | Fiscal Year 2024 Original Budget | Supplemental Appropriations & Transfers In/ (Out) | Final Appropriations | Fiscal Year 2024 Actual | Over (under) Budget |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 3,641 | $ — | $ 3,641 | $ 3,640 | $ (1) |
| Replacement taxes | 539 | — | 539 | 343 | (196) |
| State aid | 1,971 | — | 1,971 | 1,988 | 17 |
| Federal aid | 1,671 | — | 1,671 | 1,682 | 11 |
| Interest and investment earnings | 7 | — | 7 | 20 | 13 |
| Lease income | — | — | — | 6 | 6 |
| Other | 661 | — | 661 | 682 | 21 |
| Subtotal | $ 8,490 | $ — | $ 8,490 | $ 8,361 | $ (129) |
| Other financing sources (uses) | — | — | — | — | — |
| Total | $ 8,490 | $ — | $ 8,490 | $ 8,361 | $ (129) |
| | | | | | |
| Expenditures: | | | | | |
| Current: | | | | | |
| Salaries | $ 3,512 | $ — | $ 3,512 | $ 3,595 | $ 83 |
| Benefits | 2,112 | — | 2,112 | 2,078 | (34) |
| Services | 1,696 | — | 1,696 | 2,002 | 306 |
| Commodities | 358 | — | 358 | 435 | 77 |
| Other | 812 | — | 812 | 243 | (569) |
| Total | $ 8,490 | $ — | $ 8,490 | $ 8,353 | $ (137) |
| Change in fund balances | **$ —** | | **$ —** | **$ 8** | |

**Revenues**

Total actual General Operating Fund revenues were $129 million under budget. The variance is due to the following:

**Property tax** revenues generated a negative variance of $1 million in fiscal year 2024. This is mainly due to the $992.2 million from the Red-Purple Modernization phase One Transit Tax Increment Financing (Transit TIF). Under the budget, Transit TIF is classified under property tax, however, under the actual amount, Transit TIF is under Other Revenues.

**Personal property replacement taxes (PPRT)** revenues received by CPS were $196 million lower than budgeted in fiscal year 2024. This was driven largely by a statewide decrease in the corporate income tax around the State of Illinois versus expectations from a year ago. The corporate income tax laws changed. This change resulted in a significant decrease in PPRT revenue.

**State aid** received by CPS in fiscal year 2024 was $17 million greater than anticipated.

**Federal aid** revenues were $11 million above budget due to increased use of ESSER funding.

**Other local revenues** are comprised of miscellaneous or one-time receipts such as appropriated fund-balance, TIF surplus funds, rental income, daycare fees, private foundation grants, and school internal account fund transfers, and flow-through employer contributions to the Municipal Employees' Annuity and Benefit Fund of Chicago. Other local revenues were $21 million higher than budget for fiscal year, driven mainly by an increase in facility rental revenue and a legal settlement of $7.2M from a health-related lawsuit.

**Expenditures**

Total actual General Operating Fund expenditures were $137 million under budget. This underspend was driven primarily by lower than budgeted spending of CPS' contingency budget for relief funding, offset by greater than budgeted expenditures for curriculum design, computing devices, school maintenance and repairs, and Federal funds allocated to charter schools.

**Salaries** expenses for the fiscal year 2024 totaled $3.6 billion, $83 million over budget due to an increase in the number of FTEs in 2024 of 2,925 positions and salary increases under new union agreements. These new positions were mostly for additional school-based staff primarily for special education.

**Benefits** costs are composed of health care (medical, dental, other), unemployment compensation, workers compensation, and pension costs. Benefit costs for fiscal year 2024 were $2.1 billion, $34 million under budget. This is due to several expenditures for benefits being under budget, such as being $11 million under budget in teacher pension, $22 million under budget in hospitalization, $4 million under budget in unemployment compensation, offset by being $5 million over budget in career service pension.

**Services** related to student transportation, tuition for charter schools and special education purposes including contractual and professional services, telephone, printing and equipment rental, were budgeted at $1.7 billion for fiscal year 2024. CPS ended the fiscal year $306 million above budget in this category. CPS spent additonal funds on building maintenance and services and student transportation, as well as federal funding for charter schools.

**Commodities** expenditures are derived from utilities, food for school breakfast/lunch, textbooks, and general supplies. Fiscal year 2024 spending on commodities was higher than budgeted by $77 million. This is due to spending $128 million on textbooks and $110 million on supplies, for a total of $238 million, or $94 million more than the budgeted amount of $144 million for these two basic commodities. This overspend of $94 million was offset by savings in food of $9 million and energy of $12 million. Schools typically transfer funds from contingency to commodities spending accounts over the course of the school year as needs are identified.

**Other expenditures** include equipment, facility rental, insurance, repairs, and for budgetary purposes, contingencies for new Federal and State grants. In total, spending for the "other" category ended the year at $569 million under budget.

***Requests for Information***

This financial report is designed to provide citizens, taxpayers, parents, students, investors and creditors with a general overview of CPS' finances and to show CPS' accountability for the money it receives. Additional details can be requested by mail at the following address:

The Chicago Public Schools Department of Finance
42 West Madison Street, 2nd Floor Chicago, Illinois 60602

Or visit our website at: https://www.cps.edu/about/finance/annual-financial-report/ for a complete copy of this report and other financial information.

*(Please note that some amounts may not tie to the financial statements due to rounding.)*

Chicago
Public
Schools

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**STATEMENT OF NET POSITION**
**June 30, 2024**
**(Thousands of Dollars)**

| | GOVERNMENTAL ACTIVITIES |
|---|---|
| Assets: | |
| Current Assets: | |
| Cash and investments | $ 115,083 |
| Cash and investments in escrow | 824,620 |
| Cash and investments held in school internal accounts | 57,183 |
| Property taxes receivable, net of allowance | 1,820,177 |
| Other receivables: | |
| Replacement taxes | 64,956 |
| State aid, net of allowance | 180,706 |
| Federal aid, net of allowance | 417,036 |
| Current portion of lease receivable | 3,547 |
| Other, net of allowance | 213,650 |
| Prepaid expense | 1,150 |
| Total current assets | $ 3,698,108 |
| Non-current Assets: | |
| Cash and investments in escrow | $ 320,967 |
| Prepaid Item | 8,911 |
| Lease receivable | 58,007 |
| Land and construction in progress | 2,166,482 |
| Buildings, building improvements and equipment, net of accumulated depreciation | 5,085,520 |
| Right to use leased asset, net of accumulated amortization | 101,910 |
| Right to use subscription IT asset, net of accumulated amortization | 24,522 |
| Total non-current assets | $ 7,766,319 |
| Total assets | $ 11,464,427 |
| Deferred Outflows of Resources: | |
| Deferred charge on refunding | $ 59,321 |
| Deferred OPEB outflows | 285,818 |
| Deferred pension outflows | 1,702,852 |
| Total deferred outflow of resources | $ 2,047,991 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**STATEMENT OF NET POSITION (continued)**
**June 30, 2024**
**(Thousands of Dollars)**

| | GOVERNMENTAL ACTIVITIES |
|---|---|
| Liabilities: | |
| Current Liabilities: | |
| Accounts payable | $ 622,762 |
| Accrued payroll and benefits | 159,011 |
| Due to Teacher's Pension Fund | 253,272 |
| Other accrued liabilities | 6,581 |
| Unearned revenue | 7,395 |
| Interest payable | 54,517 |
| Current portion of long-term debt, lease and subscription IT liabilities | 317,448 |
| Current portion of Total OPEB liability | 77,345 |
| Total current liabilities | $ 1,498,331 |
| Long-term liabilities, net of current portion: | |
| Debt, net of premiums and discounts | $ 9,826,752 |
| Lease liabilities | 96,184 |
| Subscription IT liabilities | 14,794 |
| Net pension liability | 15,833,604 |
| Total OPEB liability | 2,385,768 |
| Other benefits and claims | 454,088 |
| Other liability | 54,696 |
| Total long-term liabilities | $ 28,665,886 |
| Total liabilities | $ 30,164,217 |
| Deferred Inflows of Resources: | |
| Deferred OPEB inflows | $ 899,894 |
| Deferred pension inflows | 1,077,176 |
| Deferred lease inflows | 57,582 |
| Total deferred inflow of resources | $ 2,034,652 |
| Net position (deficit): | |
| Net investment in capital assets | $ (2,109,311) |
| Restricted for: | |
| Debt service | 965,496 |
| Capital projects | 91,857 |
| Grants and donations | 7 |
| School internal accounts | 72,971 |
| Unrestricted | (17,707,471) |
| Total Net Position (deficit) | $ (18,686,451) |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**STATEMENT OF ACTIVITIES**
**For the Year Ended June 30, 2024**
**(Thousands of Dollars)**

| FUNCTIONS/PROGRAMS | Expenses | Program Revenues: Charges for Services | Program Revenues: Operating Grants and Contributions | Program Revenues: Capital Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|---|---|---|---|---|---|
| *Governmental activities:* | | | | | |
| Instruction | $ 5,809,532 | $ 1,123 | $ 1,770,077 | $ 70,837 | $ (3,967,495) |
| Support services: | | | | | |
| Pupil support services | 890,788 | — | 224,080 | 10,862 | (655,846) |
| Administrative support services | 541,556 | — | 317,674 | 6,603 | (217,279) |
| Facilities support services | 791,361 | — | 199,069 | 9,649 | (582,643) |
| Instructional support services | 728,050 | — | 183,143 | 8,877 | (536,030) |
| Food services | 255,790 | 1,523 | 281,756 | 3,119 | 30,608 |
| Community services | 84,791 | — | 21,329 | 1,034 | (62,428) |
| Interest expense | 545,110 | — | — | — | (545,110) |
| Total governmental activities | $ 9,646,978 | $ 2,646 | $ 2,997,128 | $ 110,981 | $ (6,536,223) |
| General revenues: | | | | | |
| Taxes: | | | | | |
| Property taxes | | | | | $ 3,761,550 |
| Replacement taxes | | | | | 383,522 |
| Non-program state aid | | | | | 1,730,094 |
| Interest and investment earnings | | | | | 76,721 |
| Lease Income | | | | | 5,506 |
| Other | | | | | 402,845 |
| Total general revenues | | | | | $ 6,360,238 |
| Change in net position | | | | | (175,985) |
| Net position - beginning (deficit) | | | | | (18,510,466) |
| Net position - ending (deficit) | | | | | $ (18,686,451) |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**BALANCE SHEET — GOVERNMENTAL FUNDS**
**June 30, 2024**
**(Thousands of Dollars)**

| | General Operating Fund | Capital Projects Fund | Debt Service Fund | Totals |
|---|---|---|---|---|
| Assets: | | | | |
| Cash and investments | $ 8,265 | $ — | $ 106,818 | $ 115,083 |
| Cash and investments in escrow | 742 | 213,937 | 930,908 | 1,145,587 |
| Cash and investments held in school internal accounts | 57,183 | — | — | 57,183 |
| Receivables: | | | | |
| Property taxes, net of allowance | 1,758,477 | 17,179 | 44,521 | 1,820,177 |
| Replacement taxes | 64,956 | — | — | 64,956 |
| State aid, net of allowance | 171,022 | 9,684 | — | 180,706 |
| Federal aid, net of allowance | 413,699 | 269 | 3,068 | 417,036 |
| Lease receivable, net of allowance | 61,554 | — | — | 61,554 |
| Other, net of allowance | 67,340 | 87,387 | 58,923 | 213,650 |
| Prepaid items | 1,150 | — | — | 1,150 |
| Due from other funds | 81,417 | — | — | 81,417 |
| Total assets | $ 2,685,805 | $ 328,456 | $ 1,144,238 | $ 4,158,499 |
| Liabilities, deferred inflows of resources and fund balances: | | | | |
| Liabilities: | | | | |
| Accounts payable | $ 534,139 | $ 88,623 | $ — | $ 622,762 |
| Accrued payroll and benefits | 97,693 | — | — | 97,693 |
| Due to other funds | — | 61,029 | 20,388 | 81,417 |
| Due to Teacher's Pension Fund | 253,272 | — | — | 253,272 |
| Unearned revenue | 5,967 | 1,429 | — | 7,396 |
| Interest payable | 1,545 | — | — | 1,545 |
| Total liabilities | $ 892,616 | $ 151,081 | $ 20,388 | $ 1,064,085 |
| Deferred inflows of resources: | | | | |
| Unavailable property tax revenue | $ 41,236 | $ — | $ 7,573 | $ 48,809 |
| Other unavailable revenue | 339,292 | 93,994 | 3,067 | 436,353 |
| Deferred lease inflows | 57,582 | — | — | 57,582 |
| Total deferred inflows | $ 438,110 | $ 93,994 | $ 10,640 | $ 542,744 |
| Fund balances: | | | | |
| Nonspendable | $ 1,578 | $ — | $ — | $ 1,578 |
| Restricted for grants and donations | 7 | — | — | 7 |
| Restricted for capital improvement program | — | 83,381 | — | 83,381 |
| Restricted for debt service | — | — | 1,006,927 | 1,006,927 |
| Restricted for school internal accounts | 72,971 | — | — | 72,971 |
| Assigned for debt service | — | — | 106,283 | 106,283 |
| Assigned for commitments and contracts | 103,107 | — | — | 103,107 |
| Unassigned | 1,177,416 | — | — | 1,177,416 |
| Total fund balances | $ 1,355,079 | $ 83,381 | $ 1,113,210 | $ 2,551,670 |
| Total liabilities, deferred inflows of resources and fund balances | $ 2,685,805 | $ 328,456 | $ 1,144,238 | $ 4,158,499 |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**RECONCILIATION OF THE BALANCE SHEET — GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION**
**June 30, 2024**
**(Thousands of Dollars)**

| | | |
|---|---|---|
| Total fund balances - governmental funds | | $ 2,551,670 |
| Certain items that are recorded as expenditures in the governmental funds are treated as assets in the Statement of Net Position. These items include: | | |
| Prepaid bond insurance costs | | 8,911 |
| Deferred outflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements | | 2,047,991 |
| The cost of capital assets (land, buildings and improvements, equipment and software) purchased or constructed is reported as an expenditure in the governmental funds. The Statement of Net Position includes those capital assets among the assets of CPS as a whole. The cost of those capital assets are allocated over their estimated useful lives (as depreciation expense) to the various programs reported as governmental activities in the Statement of Activities. Because depreciation expense does not affect financial resources, it is not reported in the governmental funds. | | |
| Cost of capital assets | | 13,416,503 |
| Accumulated depreciation | | (6,038,069) |
| Liabilities applicable to CPS' governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Debt, interest payable on debt and other long-term obligations are not recorded in the governmental funds but they are reported in the Statement of Net Position. All liabilities, both current and long-term, are reported in the Statement of Net Position. | | |
| Other accrued liabilities | $ (6,581) | |
| Debt, net of premiums and discounts | (10,120,702) | |
| Lease liability | (109,975) | |
| Subscription-based IT arrangement liability | (24,500) | |
| Net pension liability | (15,833,604) | |
| Total OPEB liability | (2,463,113) | |
| Other benefits and claims | (515,406) | |
| Interest payable | (52,972) | |
| Other liability | (54,696) | |
| | | (29,181,549) |
| Certain revenues are deferred inflows of resources in the governmental funds because they are not available but are recognized as revenue in the government-wide financial statements. | | |
| Property tax revenue | | 48,809 |
| Other | | 436,353 |
| Deferred inflows of resources applicable to CPS' governmental activities do not involve available financial resources and accordingly are not reported on the fund financial statements including the net effect of termination of leases | | (1,977,070) |
| Net position (deficit) | | $(18,686,451) |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | General Operating Fund | Capital Projects Fund | Debt Service Fund | Total Fiscal Year Ended Jun 30, 2024 | Total Fiscal Year Ended June 30, 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 3,639,553 | $ 17,578 | $ 73,923 | $ 3,731,054 | $ 3,531,593 |
| Replacement taxes | 343,080 | — | 40,442 | 383,522 | 636,467 |
| State aid | 1,988,253 | 20,391 | 502,654 | 2,511,298 | 2,376,451 |
| Federal aid | 1,681,641 | 4,502 | 19,825 | 1,705,968 | 1,495,405 |
| Interest and investment earnings | 19,583 | 10,385 | 46,753 | 76,721 | 31,904 |
| Lease income | 5,506 | — | — | 5,506 | 5,290 |
| Other | 682,084 | 4,211 | 211,151 | 897,446 | 688,150 |
| Total revenues | $ 8,359,700 | $ 57,067 | $ 894,748 | $ 9,311,515 | $ 8,765,260 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Instruction | $ 4,385,311 | $ — | $ — | $ 4,385,311 | $ 4,031,155 |
| Pupil support services | 847,040 | — | — | 847,040 | 840,088 |
| Administrative support services | 488,620 | — | — | 488,620 | 435,820 |
| Facilities support services | 670,041 | — | — | 670,041 | 677,864 |
| Instructional support services | 549,567 | — | — | 549,567 | 529,089 |
| Food services | 243,227 | — | — | 243,227 | 227,307 |
| Community services | 84,551 | — | — | 84,551 | 64,420 |
| Teachers' pension and retirement benefits | 981,228 | — | — | 981,228 | 812,586 |
| Other | 27,699 | — | — | 27,699 | 16,903 |
| Capital outlay: | | | | | |
| Capital outlay - Lease | — | 236 | — | 236 | 31,991 |
| Capital outlay - Subscription-based IT arrangements | — | 8,090 | — | 8,090 | 9,335 |
| Capital outlay - Other | 29,357 | 564,184 | — | 593,541 | 715,430 |
| Total capital outlay | 29,357 | 572,510 | — | 601,867 | 756,756 |
| Debt service | 46,220 | — | 764,279 | 810,499 | 778,605 |
| Total expenditures | $ 8,352,861 | $ 572,510 | $ 764,279 | $ 9,689,650 | $ 9,170,593 |
| Revenues in excess of (less than) expenditures | $ 6,839 | $ (515,443) | $ 130,469 | $ (378,135) | $ (405,333) |
| Other financing sources (uses): | | | | | |
| Gross amounts from debt issuances | $ — | $ 539,197 | $ 35,803 | $ 575,000 | $ 520,835 |
| Premiums (Discounts) | — | (7,920) | — | (7,920) | 15,055 |
| Lease value | — | 236 | — | 236 | 31,991 |
| Subscription-based IT arrangement value | — | 8,090 | — | 8,090 | 9,335 |
| Gain and loss from termination of lease as lessor | — | — | — | — | (41) |
| Transfers in / (out) | 102 | 10,899 | (11,001) | — | — |
| Total other financing sources (uses) | $ 102 | $ 550,502 | $ 24,802 | $ 575,406 | $ 577,175 |
| Net change in fund balances | $ 6,941 | $ 35,059 | $ 155,271 | $ 197,271 | $ 171,842 |
| Fund balances, beginning of period ( as previously reported) | 1,278,280 | 48,042 | 957,939 | 2,284,261 | 2,112,419 |
| Restatement for Change in Accounting Principle | 69,858 | 280 | — | 70,138 | — |
| Fund balances, beginning of period (restated) | 1,348,138 | 48,322 | 957,939 | 2,354,399 | 2,112,419 |
| Fund balances, end of period | $ 1,355,079 | $ 83,381 | $1,113,210 | $ 2,551,670 | $ 2,284,261 |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

## RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCES — GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
**For the Fiscal Year Ended 2024**
**(Thousands of Dollars)**

| | | |
|---|---|---|
| Total net change in fund balances - governmental funds | | $ 197,271 |
| Capital outlays to purchase or build capital assets and subscription-based IT assets are reported in governmental funds as expenditures. However, for governmental activities those costs are shown in the Statement of Net Position and allocated over their estimated useful lives as annual depreciation or amortization expenses in the Statement of Activities. This is the amount by which capital outlays exceed the depreciation in the period. | | |
| Capital outlay/equipment | $ 515,154 | |
| Depreciation and amortization expense | (343,311) | |
| | | 171,843 |
| In the Statement of Activities, gain or loss on disposal of capital assets is reported, whereas in the governmental funds, the entire proceeds are recorded | | (7,364) |
| Proceeds from sales of bonds and lease agreement as leasee are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Position. | | (575,236) |
| Proceeds from subscription-based IT arrangements are reported in the governmental funds as a source of financing, whereas they are recorded as long-term liabilities in the Statement of Net Position. | | (8,090) |
| Repayment of debt principal is an expenditure in the governmental funds, but it reduces long-term liabilities in the Statement of Net Position | | 216,717 |
| Payment of lease is an expenditure in the governmental funds, but it reduces long term liabilities in the Statement of Net Position | | 12,708 |
| Payment of IT subscription is an expenditure in the governmental funds, but it reduces long term liabilities in the Statement of Net Position | | 10,495 |
| Interest on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recorded as an expenditure in the governmental funds when it is due, and thus requires the use of current financial resources. In the Statement of Activities however, interest cost is recognized as the interest accrues, regardless of when it is due | | 19,180 |
| Governmental funds report the effect of premiums, discounts,gain and loss and similar items when debt is first issued or refunded, whereas these amounts are deferred and amortized in the Statement of Activities | | 14,209 |
| Since some property taxes and intergovernmental amounts will not be collected for several months after CPS' fiscal year end, they are not considered as "available" revenues in the governmental funds and are instead recorded as unavailable revenues. They are, however, recorded as revenues in the Statement of Activities. The following represents the change in related unavailable revenue balances. | | |
| Property taxes | | 30,496 |
| Federal grants | | 40,453 |
| State grants and other revenues | | 91,628 |
| In the Statement of Activities, pollution remediation obligation, legal settlements, sick pay, vacation pay, workers' compensation and unemployment insurance, general and automobile liability, net pension liability, and other postemployment benefits, including any related related deferred inflows or outflows are measured by the amount accrued during the year. In the governmental funds, expenditures for these items are paid when the amounts become due. The following represents the change during the year for these obligations. | | |
| Pollution remediation obligation | | 10,737 |
| Intergovernmental refund due | | 10,939 |
| Tort liabilities and other claims | | (24,999) |
| Sick pay | | (889) |
| Vacation pay and other compensation | | (1,324) |
| Workers' compensation and unemployment insurance | | 2,868 |
| General and automobile liability | | (6,995) |
| Net pension liability | | (456,183) |
| Total OPEB Liability | | 75,551 |
| Change in net position | | $ (175,985) |

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

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**NOTES TO BASIC FINANCIAL STATEMENTS**

**June 30, 2024**

## NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### Reporting Entity

The Board of Education of the City of Chicago, or the Chicago Public Schools (CPS), is a body politic and corporate, and a school district of the State of Illinois having boundaries coterminous with the boundaries of the City of Chicago. The Board of Education of the City of Chicago (the Board) is established under and governed by the Illinois School Code and maintains a system of schools primarily for kindergarten through twelfth grade.

As a result of legislation passed by the Illinois General Assembly, which became effective on June 30, 1995, the Mayor of the City of Chicago appoints the members of the Board. CPS is excluded from the City's reporting entity because it does not meet the financial accountability criteria for inclusion established by the Governmental Accounting Standards Board (GASB).

The City of Chicago, the Public Building Commission of Chicago and the Public School Teachers' Pension and Retirement Fund of Chicago are deemed to be related organizations, but separate entities, and are not included as part of the CPS reporting entity. No fiscal dependency exists between these organizations. These units are excluded from the CPS reporting entity because they do not meet the criteria for inclusion as established by GASB.

### New Accounting Standards

During fiscal year 2024, CPS adopted the following GASB Statement:

- GASB 100, *Accounting Changes and Error Corrections-an Amendment of GASB 62*. Statement issued in June 2022. The primary objective of this Statement is to enhance accounting and financial reporting requirements by providing more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability; however, accounting changes are defined as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes.

Other accounting standards that CPS is currently reviewing for applicability and potential impact on future financial statements include:

- GASB 101, *Compensated Absences*. Statement issued in June 2022. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. This objective is achieved by (1) aligning the recognition and measurement guidance under a unified model and (2) amending certain previously required disclosures. For financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. This Statement also amends the existing note disclosure requirement to disclose the gross increases and decreases in a liability for compensated absences. Now, Governments entities are allowed to disclose only the net change in the liability, as long as they identify it as a net change, and they are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences.

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through non cash means. GASB 101 also establishes guidance for measuring a liability for leave that (1) has not been used, generally using an employee's pay rate as of the date of the financial statement and (2) has been used but not yet paid or settled measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

- For a leave that has not been used, a liability should be recognized, when the (a) leave is attributable to services already rendered when an employee has performed the services required to earn the leave, and (b) leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled.

- For leave that has been used but not yet paid in cash or settled through non-cash means, a liability should be recognized, and the governmental entity should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences, in estimating the leave that is more likely than not to be used or otherwise paid or settled.

This Statement requires that “No” liabilities for compensated absences be recognized for (3) leave that is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means.

- For leave that is more likely than not to be used for time off, paid in cash, settled through noncash means or conversion to defined benefit postemployment benefits, a liability should not be included for compensated absences.

GASB 101 also requires that a liability for (1) certain types of compensated absences, including parental leave, military leave, and jury duty leave not be recognized until the leave commences (2) specific types of compensated absences not be recognized until the leave is used.

This Statement is effective for fiscal years beginning after June 15, 2024. Management has not determined what impact, if any, this Statement will have on its financial statements.

- GASB 102, *Certain Risk Disclosures*. Statement issued in December 2023. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints that is currently not provided; as such, users will have better information with which to understand and anticipate certain risks to a government’s financial condition.

This Statement defines a concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government’s highest level of decision-making authority. Concentrations and constraints may limit a government’s ability to acquire resources or control spending.

This Statement requires a government to assess the following criteria:

- Whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact.

- Whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within twelve months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint,

GASB 102 requires the government to disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the government’s vulnerability to the risk of a substantial impact. The disclosure should include descriptions of the following:

- The concentration or constraint

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

- Each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements
- Actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

This Statement is effective for fiscal years beginning after December 15, 2023. Management has not determined what impact, if any, this Statement will have on its financial statements.

- GASB 103, *Financial Reporting Model Improvements*. Statement issued in April 2024.The objective of this Statement is to improve key components of the financial reporting model; thereby enhancing its effectiveness in providing information essential for decision making and assessment of a government's accountability. Also, GASB 103 outlines how certain application issues are to be addressed below:

  This Statement establishes new accounting and financial reporting requirements or modifies existing requirements or modified existing requirements related to the following:

  **Management Discussion and Analysis (MD&A):**

  This Statement continues the requirement that the basic financial statements be preceded by management's discussion and analysis (MD&A), which is presented as required supplementary information (RSI). MD&A provides an objective and easily readable analysis of the government's financial activities based on currently known facts, decisions, or conditions and presents comparisons between the current year and the prior year, with emphasis on the current year. In addition, GASB 103 continues the requirement that information included in MD&A distinguish between the primary government and its discretely presented component units.

  Secondly, GASB 103 requires that the information presented in the MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements, (2) Financial Summary, (3) Detailed Analyses, (4) Significant Capital Asset and Long-Term Financing Activity, and (5) Currently Known Facts, Decisions, or Conditions.

  This Statement highlights that the detailed analyses should explain why balances and results of operations changed rather than simply presenting the amounts or percentages by which they changed, and stresses that the analysis provided in the MD&A should avoid unnecessary duplication by not repeating explanations that may be relevant to multiple sections; however, explanations may be repeated after they have been presented initially, but they are not required. Determining whether to repeat explanations within multiple sections of MD&A is a matter of professional judgment; thereby, avoiding "boilerplate" discussions by presenting only the most relevant information, focused on the primary government entity.

  **Unusual or Infrequent Items:**

  GASB 103 describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. As such, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows.

  **Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position:**

  This Statement requires the proprietary fund statement of revenues, expenses, and changes in fund net position to continue to make distinctions between operating and non-operating revenues and expenses. GASB 103 defines Operating revenues and expenses as revenues and expenses other than non-operating revenues and expenses; whereas, Non-operating revenues and expenses are defined as (1) subsidies received and provided, (2) contributions to permanent and term endowments, (3) revenues and expenses related to financing, (4) resources from the disposal of capital assets and inventory, and (5) investment income and expenses.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

In addition to the subtotals currently being required in a proprietary fund statement of revenues, expenses, and changes in fund net position, GASB 103 requires that a subtotal for operating income (loss) and non-capital subsidies be presented before reporting other non-operating revenues and expenses. In This Statement, subsidies are defined as follows:

(1) Resources received from another party or fund (a) for which the proprietary fund does not provide goods and services to the other party or fund and (b) that directly or indirectly keep the proprietary fund's current or future fees and charges lower than they would be otherwise.

(2) Resources provided to another party or fund (a) for which the other party or fund does not provide goods and services to the proprietary fund and (b) that are recoverable through the proprietary fund's current or future pricing policies.

(3) All other transfers

**Major Component Units:**

This Statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. If the readability of those statements would be reduced, combining statements of major component units should be presented after the fund financial statements.

**Budgetary Comparison Information:**

Governments are required to present budgetary comparison information using a single method of communication in the required supplementary Information (RSI), and present (1) variances between original and final budget amounts and (2) variances between final budget and actual amounts. Significant variances are required to be explained and presented in the notes to the RSI.

**Financial Trends Information in the Statistical Section:**

GASB 103 denotes that governments engaged only in business-type activities or only in business-type and fiduciary activities should present revenues by major source for their business-type activities, distinguishing between operating, non-capital subsidy, and other non-operating revenues and expenses in the statistical section of separately issued financial reports.

This Statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined what impact, if any, this Statement will have on its financial statements

- GASB 104*, Disclosure of Certain Capital Assets*. Statement issued in September 2024.The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. GASB 34, Basic Financial Statements and Management's Discussion and Analysis (MD&A) for State and Local Governments, requires State and Local government to provide detailed information about capital assets in notes to financial statements, and certain information regarding capital assets to be presented by major class.

  This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by GASB 34. Lease Assets recognized in accordance with GASB 87, Leases, Intangible Right-To-Use Assets recognized in accordance with GASB 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and Subscription Assets recognized in accordance with GASB 96, Subscription-Based Information Technology Arrangements should all be disclosed separately by major classes of underlying assets in the capital assets note disclosures. In addition, this Statement requires Intangible Assets other than the three types listed above to be disclosed separately by major class, as well.

  GASB 104 also requires additional disclosures for capital assets held for sale. A capital asset is a capital asset held for sale if any of the following conditions exist:

  (a) The government has decided to pursue the sale of the capital asset

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(b) It is probable that the sale will be finalized within one year of the financial statement date.

To evaluate the likelihood of the capital asset being sold within the established time frame, Governments should consider relevant factors.

This Statement requires that capital assets held for sale be evaluated each reporting period.

Governments should disclose (1) the ending balance of capital assets held for sale, with separate disclosure for historical cost and accumulated depreciation by major class of asset, and (2) the carrying amount of debt for which the capital assets held for sale are pledged as collateral for each major class of asset.

This Statement is effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. Management has not determined what impact, if any, this Statement will have on its financial statements

**Description of Government-Wide Financial Statements**

The Statement of Net Position and the Statement of Activities display information about the government-wide entity as a whole. The Statement of Net Position and the Statement of Activities were prepared using the *economic resources measurement focus* and *the accrual basis of accounting*. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the GASB requirements of accounting and financial reporting for non-exchange transactions. Deferred outflows of resources represent consumption of resources that is applicable to future reporting periods and is reported in a separate section after assets. Deferred inflows of resources represent acquisition of resources that is applicable to future reporting periods and is reported in a separate section after liabilities.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not identified as program revenues are reported as general revenues.

Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside CPS' taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from general revenues.

CPS reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Indirect expenses of other functions are not allocated to those functions but are reported separately in the Statement of Activities. Depreciation expense is specifically identified by function and is included in the direct expense to each function. Interest on general long-term debt is considered an indirect expense and is reported separately on the Statement of Activities.

**Government-Wide and Fund Financial Statements**

The government-wide financial statements report information on all of the activities of CPS. Interfund balances have been removed from these statements.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as separate columns in the fund financial statements.

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

the year for which they are levied. State and Federal grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Measurable means that the amount of the transaction can be determined. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, State aid, Federal aid, replacement taxes, IGA, and other revenue are considered to be available if collected within 60 days of fiscal year end, except for the following:

- During fiscal year 2024, Cook County's property tax collection rate fell to its lowest level in over a decade, with only 95.1% of property taxes billed for tax year 2023 collected by September 1, 2024. This marked the highest delinquency since 2012. This delay resulted in a significant number of taxpayers paying their taxes after CPS's traditional 60-day revenue recognition period ending August 29, 2024, leading to a decline in recognized property tax revenues for fiscal year 2024. In addition to the delay in collections, the Cook County Treasurer's Office experienced technical system difficulties and was unable to send CPS the remaining property tax funds until mid-October. Therefore, under this highly unusual circumstance, CPS extended its revenue recognition period for fiscal year 2024 from August 29, 2024 (60 days after year end) to October 28, 2024 (120 days after year end) for property taxes.

- In Fiscal year 2024, CPS adopted a revised accounting policy which changed the revenue recognition period for grants from 60 days to four months after the fiscal year end. This extended revenue recognition period will make the revenue from grant claims better match the corresponding expenditures incurred in the current fiscal year. Under the current 60 day revenue recognition period for grants, due to the long processes to receive the payment for the grant claims after the fiscal year end, a lot of claims became unavailable revenue, which skewed the financial status under fund financial statements for governmental funds. As result of this change of accounting policy, related grants' beginning fund balances of FY24 have been restated. The restatement is necessary to present all revenue related activity amounts within the governmental funds. This change in accounting policy for extended revenue recognition has no effect on government wide financial statement. The schedules below reflects the restatement of fund balances for FY2024 beginning balance under governmental funds ($000's):

| | Reporting Units Affected By Adjustments To and Restatements of Beginning Balances | | | |
|---|---|---|---|---|
| | Governmental Funds | | | |
| | General Operating Fund | Capital Project Fund | Debt Service Fund | Total |
| As previously reported, July 1, 2023 | $1,278,280 | $48,042 | $957,939 | $2,284,261 |
| Adjustment due to change in revenue recognition period | 69,858 | 280 | — | 70,138 |
| As restated, July 1, 2023 | $1,348,138 | $48,322 | $957,939 | $2,354,399 |

In addition, due to complexity of CPS' federal aid and state aid, it is not practical to restate the beginning fund balance FY23 in comparative schedules. CPS was only able to restate the beginning fund balance for FY2024.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to derivatives, compensated absences, claims and

judgments, other postemployment benefits, pension benefits and pollution remediation obligations, are recorded only when payment is due.

**Funds**

CPS reports its financial activities through the use of "fund accounting". This is a system of accounting wherein transactions are reported in self-balancing sets of accounts to reflect results of activities. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained, consistent with legal and managerial requirements. A description of the activities of the various funds is provided below.

**Governmental Funds**

*a. General Operating Fund*

The General Operating Fund is established in compliance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. This fund is the primary operating fund of CPS and is made up of the following programs:

Educational Program
School Lunch Program
Elementary and Secondary Education Act (ESEA) Program
Individuals with Disabilities Education Act (IDEA) Program
Workers' and Unemployment Compensation/Tort Immunity Program
Public Building Commission Operations and Maintenance Program
Chicago Teacher's Pension Fund (CTPF) Pension Levy Program
School Internal Account Program
Elementary and Secondary School Emergency Relief Program
Other Government-Funded Programs

*b. Capital Projects Fund*

The Capital Projects Fund includes the following programs:

*Capital Asset Program* — This program is for the receipt and expenditure of the proceeds from the sale of certain Board real estate and other miscellaneous capital projects revenues from various sources as designated by the Board.

*Capital Improvement Program* — This program is for the receipt and expenditure of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission (PBC) Building Revenue Bonds, Dedicated Revenue Capital Improvement Tax Bonds, State of Illinois Construction Grants, Federal E-rate capital subsidies and other revenues for the purpose of building and improving schools as designated by the Board. The bonds are being repaid in the Debt Service Fund.

*c. Debt Service Fund*

The Debt Service Fund includes the following program:

*Bond Redemption and Interest Program* — This program is for the receipt and expenditure of Replacement Taxes, City of Chicago Intergovernmental Agreement revenue, State of Illinois Construction Grants, General State Aid and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balances**

*Deposits and Investments*

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

CPS' cash and cash equivalents consist of cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition. In addition, State statutes authorize CPS to invest in obligations of the U.S. Treasury, commercial paper, repurchase agreements and the State Treasurer's Investment Pool. CPS' investments are reported at fair value.

*Cash and Investments in Escrow*

Certain proceeds of CPS' bond issuances, as well as certain assets set aside for their repayment, are classified as cash and investments in escrow on the balance sheet because they are maintained in separate bank accounts and their use is limited by applicable bond covenants.

*Property Tax Receivable*

CPS records its property tax receivable amounts equal to the current year tax levy net of an allowance for estimated uncollectible amounts. The allowance is recorded at 3.5% of the gross levy.

A calendar year's property tax levies are billed (extended) in two installments in the subsequent calendar year. Calendar year 2023 property taxes were levied for fiscal year 2024 in October 2023 and were billed in fiscal year 2024. In 2024, the installment due dates were March 1 and August 1. Property taxes unpaid after these dates accrue interest at the rate of 6.5% per diem. The treasurers of Cook and DuPage counties, who distribute such receipts to CPS, receive collections of property tax installments. CPS' property tax becomes a lien on real property on January 1 of the year for which it is levied. CPS does not record a receivable nor related deferred inflows of resources until the Board passes the levy for the current fiscal year.

*Prepaid expense*

Prepaid expense include payments made to vendors for services that will benefit periods beyond the end of fiscal year. In governmental funds, fund balance equivalent to the year-end prepaid value is classified as nonspendable to indicate that portion of fund balance which is not available in a spendable form.

*Interfund Activity*

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e. the current portion of interfund loans) or "advances to/from other funds" (i.e. the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds".

*Leases*

CPS will record leases for both lessee and lessor based on a single model lease accounting format, with the premise that leases are a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction.

For all subsequent reporting period after the initial implementation, CPS will apply the key requirements for lease accounting as listed below:

As a lessee, CPS will:

- Amortize the intangible asset over the shorter of useful life or lease term.
- Reduce liability by lease payments (less amount for interest expense).

As a lessor, CPS will:

- Continue to depreciate leased asset (unless indefinite life or required to be returned in its original or enhanced condition).
- Reduce receivable by lease payments (less payment needed to cover accrued interest).
- Recognize revenue over the lease term in a systematic and rational manner.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Lease Modifications:

- When existing leases are modified, such as changes in lease term or estimated payment amounts, As a lessee, CPS will remeasure the lease liability and adjust the right of use lease asset by the difference between modified liability and the liability immediately before the modification. As a lessor, CPS will remeasure the lease receivable on the effective date of modification and adjust the deferred inflow of resources by the difference of the two lease receivables.
- If new underlying assets are added and not unreasonably priced, lessor and lessee should report as new lease.

Lease Term Evaluation for Calculation Assessment :

- Non-cancelable period during which lessee has right to use the underlying asset
- Any periods in which the lessee or the lessor has the sole option to extend lease, if reasonably certain the option will be exercised by that party
- Any periods in which the lessee or the lessor has the sole option to terminate lease, if reasonably certain the option will not be exercised by that party
- Cancellable periods during which both lessee and lessor each have the option to terminate, or both parties must agree to extend are excluded.
- Fiscal funding/Cancellation clauses" will be ignored unless it's reasonably certain the clause will be exercised.

Reassessment of lease terms will occur only if one or more of the following conditions exist:

- Lessee/lessor decides to exercise option that was not originally deemed reasonably certain to be exercised
- Lessee/lessor decides not to exercise option that was originally deemed reasonably certain to be exercised
- An event specified in contract that requires an extension or termination has taken place

*Subscription Based Information Technology Arrangements (SBITAs)*

CPS will record SBITAs per the guidance provided in GASB 96, with the premise that SBITAs are a contract that conveys control of the right to use another entity's IT software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction. For all subsequent reporting periods after the initial implementation, CPS will apply the key requirements for SBITA accounting as listed below:

- Recognize a right-to-use intangible asset that is amortized over the shorter of the useful life or lease term. The right-to-use asset will appropriately include or exclude costs related to the stages of implementation, as provided by GASB 96, and
- Recognize a subscription liability that is reduced by subscription payments (less amount for interest expense)

SBITA Subscription Term:

- Non-cancelable period during which CPS has the right to use the underlying IT assets
- Any periods in which CPS or the vendor has the sole option to extend the agreement, if reasonably certain the option will be exercised by that party
- Any periods in which CPS or the vendor has the sole option to terminate the agreement, if reasonably certain the option will not be exercised by that party
- Cancellable periods during which CPS and the vendor each have the option to terminate, or both parties must agree to extend are excluded.
- Fiscal funding/Cancellation clauses will be ignored unless it's reasonably certain the clause will be exercised

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

SBITA Modifications:

- When existing SBITA agreements are modified, such as changes in the contract term or estimated payment amounts, CPS will remeasure the subscription liability and adjust the right-to-use intangible asset by the different between the modified liability and the liability immediately before the modification.

Reassessment of SBITA terms will occur only if one or more of the following conditions exist:

- CPS receives an additional subscription asset by adding access to more underlying IT assets that were not included in the original SBITA contract and the increase in subscription payments does appear unreasonable based on the terms of the amended contract and professional judgment SBITA contract is amended during the reporting period resulting in a decrease of CPS' right to use the underlying IT asset (for example, the subscription term is shortened or the underlying IT assets are reduced).

*Public-Private and Public-Public Partnerships and Availability Pay Arrangements*

CPS will record Public-Private and Public-Public Partnerships (PPP's) and Availability Pay Arrangements (APA's) per the guidance provided in GASB 94. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction.

*Capital Assets*

Capital assets, which include land, construction in progress, buildings, building improvements and equipment, are reported in the governmental activities columns in the government-wide financial statements. Land, buildings and building improvements are recorded at historical cost or estimated historical cost if purchased or constructed. The capitalization threshold for equipment is a unit cost of $25,000 or more. CPS also capitalizes internally developed software with a capitalization threshold of $75,000 or more. Donated capital assets are recorded at acquisition value.

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

Beginning in fiscal year 2005, CPS implemented procedures related to impaired assets. Generally, a capital asset is considered impaired when its service utility has declined significantly and the events or changes in the circumstances are unexpected or outside the normal life cycle. See Note 6 for additional information on impairments.

Starting in fiscal year 2024, CPS adopted GASB Implementation Guide No. 2021-1, Implementation Guidance Update – 2021, Question 5.1 which allows governments to adopt capitalization policies to aggregate and capitalize the cost of groups of individual assets where the individualized costs were less than the capitalization threshold for that individual assets, if those costs were significant in the aggregate. The implementation guide specifically identifies several asset types i.e. computers, classroom furniture and library books that could be subject to aggregation and capitalization under the guidance. In FY25 and future periods, CPS will aggregate and capitalize costs related to all electronic devices (iPads, laptops, tablets, etc.) that are purchased on an annual basis, in accordance with the Information Technology Department (ITS) process for the distribution of devices. Asset Management in coordination with the ITS Department will maintain inventory details related to these

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

devices, and complete annual procedures and protocols to determine obsolescence, impairment and replacement.

Depreciation of buildings and building improvements of CPS is calculated using the straight-line method. Equipment is depreciated using the straight-line method. CPS' capital assets have the following estimated useful lives:

| Assets | Years |
|---|---|
| Buildings and building improvements | 25-50 |
| Administrative software/systems | 20 |
| Internally developed software | 3 |
| Equipment | 5 |

Depreciation of buildings and building improvements placed in service prior to fiscal year 2002 was calculated using a composite rate that CPS estimated to be 32 years. For items placed in service subsequent to fiscal year 2001, CPS utilizes the estimated useful lives for specific components within the range noted above.

*Vacation and Sick Pay*

CPS provides vacation and sick pay benefits for substantially all of its employees. Accrued sick pay benefits were computed using the termination payment method. The liability for accrued vacation pay benefits was computed using the employees' actual daily wages.

*Long-term Obligations*

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts, as well as prepaid insurance, are deferred and amortized over the life of the bonds using the straight line method. Bonds payable as reported includes the unamortized balances of bond premiums and discounts. Prepaid insurance costs are reported as other assets and amortized over the term of the related debt.

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

*Pensions* – In the government-wide financial statements, for purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago and the Municipal Employees' Annuity and Benefit Fund of Chicago. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

*OPEB* – In the government-wide financial statements, for purposes of measuring the total OPEB liability, deferred outflows and inflows of resources related to OPEB, and OPEB expense and additions to/deductions from the Public School Teachers' Pension and Retirement Fund of Chicago fiduciary net position have been determined on the same basis as they are reported by the Public School Teachers' Pension and Retirement Fund of Chicago.

*Fund Balances*

Within the governmental fund types, CPS' fund balances are reported in one of the following classifications:

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Nonspendable* – 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.

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

*Committed* – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of CPS' highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless CPS removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. CPS' highest level of decision-making authority rests with CPS' Board of Education. CPS passes formal resolutions to commit their fund balances. There are no committed fund balances as of June 30, 2024.

*Assigned* – includes amounts that are constrained by CPS' *intent* to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) CPS' Board of Education itself or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. As of June 30, 2024, CPS' Board has delegated the authority to assign amounts to be used for specific purposes to the Chief Financial Officer. Within the other governmental fund types (debt service and capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

*Unassigned* – includes the residual fund balance that has not been restricted, committed, or assigned within the general fund and deficit fund balances of other governmental funds.

In the General Operating Fund and other governmental funds (capital projects and debt service fund types), it is CPS' policy to consider restricted resources to have been spent first when an expenditure is incurred for purposes for which both restricted and unrestricted (i.e. committed, assigned or unassigned) fund balances are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

*Net Position*

The Statement of Net Position includes the following:

*Net investment in capital assets* — the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt, excluding unexpended proceeds, that is directly attributable to the acquisition, construction or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position.

*Restricted for debt service* — the component of net position with constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Restricted for capital projects* — the component of net position with constraints placed on the use of capital project resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Restricted for grants and donations* — the component of net position that reports the difference between assets and liabilities of the certain programs that consists of assets with constraints placed on the use of resources are either: a) externally imposed by creditors, (such as through debt covenants) grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

*Restricted for teacher's pension contributions* — the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on the use of resources are either: a) externally imposed by creditors, (such as through debt covenants) grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Restricted for school internal accounts* — the component of net position that reports the difference between assets and liabilities of the certain programs that consist of assets with constraints placed on the use of resources are either: a) externally imposed by creditors, (such as through debt covenants) grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation.

*Unrestricted* — consists of net position that does not meet the criteria of the preceding categories.

*Comparative Data*

The basic financial statements include certain prior-year summarized comparative information in total but not at the level of detail required for presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with CPS' financial statements for the year ending June 30, 2023, from which the summarized information was derived.

*Management's Use of Estimates*

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

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## NOTE 2. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

### Budgets

Annual budgets are prepared on a basis consistent with accounting principles generally accepted in the United States for the General Operating, Capital Projects and Debt Service funds. Unencumbered appropriations, in General Operating and Debt Service funds, lapse at fiscal year-end.

Certain funding allocations (primarily Federal and State programs) are made to schools but may not be budgeted by account by the schools at the time the budget is adopted. These allocations are included in other fixed charges for budget purposes. During the fiscal year, upon receiving the appropriate approvals from the Office of Budget and Grants Management, transfers are made to the appropriate accounts. Actual expenditures are reflected in the appropriate accounts.

The appropriated budget is prepared by fund, account and, unit. The legal level of budgetary control is at the account level except for school-based discretionary programs. School-based discretionary program expenditures are governed by specific program policies and procedures. Board approval is required for all funding transfers. In addition, an amended budget is required for increases in total appropriation.

The Capital Projects Fund is budgeted on a project-by-project basis. Budgeted amounts in the Capital Projects Fund represent the entire project budget for projects that were expected to commence in fiscal year 2024. Actual expenditures in the Capital Projects Fund include expenditures on projects that were budgeted in the current and prior fiscal years.

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## NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

*a. Property Taxes* — CPS levies property taxes using tax levy rates established by statute and an equalized assessed valuation (EAV) estimated by CPS. The maximum billing (extension) of property taxes for the rate-limited Educational Levy in any calendar year is limited to the lesser of the tax rate established by statute multiplied by the EAV known at the time the final calendar year tax bills are calculated by the Cook and DuPage County Clerks, or the tax rates established by statute multiplied by the prior year EAV. Property taxes for the levies that are not rate-limited are levied based on the estimated requirements for such funds.

As part of the annual budgetary process, CPS adopts a resolution each December in which it is determined to levy real estate taxes. In fiscal year 2024, CPS adopted a resolution for tax levy in October 2023. This tax levy resolution imposes property taxes in terms of a dollar amount. The Truth in Taxation Law requires that notice in prescribed form must be published and a public hearing must be held if the aggregate annual levy exceeds 105% of the levy of the preceding year.

Since the 1994 levy year, CPS has been subject to the Property Tax Extension Limitation Law (PTELL). The PTELL, commonly known as the property-tax cap, is designed to limit the increases in property taxes billed for non-home rule taxing districts. The growth in a taxing district's aggregate extension base is limited to the lesser of 5% or the increase in the national Consumer Price Index (CPI) for the year preceding the levy year. The CPI used is for all urban consumers for all items as published by the U.S. Department of Labor, Bureau of Labor Statistics. This limitation can be increased for a taxing body with voter approval. The PTELL allows a taxing district to receive a limited annual increase in tax extensions on existing property, plus an additional amount for new construction. This limit slows the growth of revenues to taxing districts when property values and assessments are increasing faster than the rate of inflation.

Legal limitations on tax rates and the rates extended in calendar years 2024 and 2023 are shown below:

| | Maximum 2024 Legal Limit | Tax Rates Extended Per $100 of EAV | |
|---|---|---|---|
| | | 2024 | 2023 |
| General Operating Fund: | | | |
| Educational | **(A)** | $ 3.046 | $ 2.959 |
| Teachers' Pension | **(B)** | 0.555 | 0.567 |
| Workers' and Unemployment/Tort Immunity | **(C)** | 0.084 | 0.084 |
| Levy Adjustment | **(F)** | 0.042 | 0.052 |
| Debt Service Fund: | | | |
| Public Building Commission Leases Program | **(D)** | — | — |
| Capital Fund: | | | |
| Capital Improvement | **(E)** | 0.018 | 0.039 |
| Bonds & Interest | **(D)** | 0.083 | 0.055 |
| | | $ 3.829 | $ 3.757 |

A. The maximum legal limit for educational purposes under PTELL cannot exceed $5.00 per $100 of EAV (105 ILCS 5/34-53), and the total amount billed (extended) under the General Operating Fund is subject to the PTELL as described above.

B. The tax cap limitation contained in the PTELL does not apply to the taxes levies by CPS for the Teacher Pension. The law creating the Teacher Pension levy became effective in 2016 (105 ILCS 5/34-53). For calendar years 2023 and 2024, the Teacher Pension levy tax rate cannot exceed $0.567 per $100 of EAV. Property tax collections for the Teacher Pension levy are paid directly to the Chicago Teacher Pension Fund by the County Treasurer.

C. These tax rates are not limited by law, but are subject to the PTELL as described above.

## NOTE 3. PROPERTY TAXES AND STATE AID REVENUE

D. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS to make its lease payments related to the certificates of participation debt obligations.

E. The tax cap limitation contained in the PTELL does not apply to the taxes levied by CPS for the Capital Improvement Tax (CIT). Per (105 ILCS 5/34-53.5), the CIT act became effective in 2002 and requires the initial levy of the CIT made by the Board to be authorized by a one-time approval of the Chicago City Council, which approved the CIT in 2015. The CIT Act establishes maximum authorized amounts of the CIT that can be levied each calendar year equal to the cumulative inflationary growth on a base of $142.5 million starting in 2003.

F. The tax cap limitation contained in the PTELL does not apply to the fund for Levy Adjustment. Starting in Tax Year 2021, CPS received an additional Levy Adjustment consisting of refunds that should have been received in prior years.

**Note:** The City of Chicago established a Transit TIF levy to provide a portion of the matching funds required to leverage more than $1 billion in federal funding for Chicago Transit Authority capital projects. The City received its first Transit TIF distribution on July 11, 2017. A portion of the levy was distributed to various taxing districts within the City including Chicago Public Schools. CPS' portion of the Transit TIF was received in one identifiable agency (091). No levy has been mandated or established by CPS for these funds. The incremental revenue generated by the Transit TIF was $113.5 million at gross. The tax cap limitation contained in the PTELL does not apply to the taxes received by CPS for the Transit TIF.

*b. State Aid* — the components of State Aid as reported in the financial statements are as follows ($000's):

| | Fund Financial Statements | Government-wide Financial Statements |
|---|---|---|
| **Revenues:** | | |
| Evidence based funding unrestricted revenue | $1,719,155 | $1,730,094 |
| State pension contribution revenue | 322,711 | 308,673 |
| Other restricted state revenue | 469,432 | 485,595 |
| Total state aid | $2,511,298 | $2,524,362 |
| **Program revenue:** | | |
| Benefit payments | | (794,268) |
| Non-program general state aid | | $1,730,094 |

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## NOTE 4. CASH DEPOSITS AND INVESTMENTS

Cash and investments held in the name of CPS are controlled and managed by CPS' Office of the Treasurer. The Office of the Treasurer provides each individual CPS school with a separate segregated internal account that is controlled and managed by each school principal. All cash and investments in escrow in the General Fund represent deposits for the repayment of short-term borrowing held by an escrow agent. Any cash and investments in escrow in the Debt Service Fund represent the amount available for debt service payments on the Unlimited Tax General Obligation Bonds and Capital Improvement Tax Bonds. The cash and investments in escrow in the Capital Projects Fund represent the unspent proceeds from the Unlimited Tax General Obligation Bonds, Capital Improvement Tax Bonds and all other sources of revenues.

### Cash and Deposits

With the exception of school internal accounts as designated by the Board, the Municipal Code of Chicago requires that cash be deposited only in chartered banks or savings and loan associations that are on the City of Chicago's approved depository listing. The ordinances allow only regularly organized State or national banks insured by the Federal Deposit Insurance Corporation, and Federal and State savings and loan associations insured by the Savings Association Insurance Fund of the Federal Deposit Insurance Corporation located within the City of Chicago, to be designated depositories.

*Custodial Credit Risk* – Custodial credit risk for deposits is the risk that in the event of a financial institution failure, CPS deposits may not be returned. The CPS Investment Policy requires collateral with an aggregate fair value of not less than 110% of the original acquisition price, including principal and accrued interest, on depository account balances, banker's acceptances and certificates of deposit unless the bank meets certain rating requirements and or asset unless either: 1) the bank has assets exceeding $500,000,000; or 2) the applicable instrument is insured at the time of purchase by an entity with long-term ratings in one of the highest two classifications without regard to gradation, in which case collateralization is not required. Collateral for the CPS' bank accounts are held by a third-party custodian in the name of the City of Chicago Treasurer for the benefit of CPS. Collateral shall be only those securities authorized as allowable investments.

As of June 30, 2024, the book amount of CPS' deposit accounts was $79.7 million and the bank balances totaled $98.1 million as of June 30, 2024. The difference between the book and bank balances primarily represents checks that have been issued but have not yet cleared as of June 30, 2024. The bank balance was covered by Federal depository insurance and by collateral held by third-party custodians.

Cash and Investments Held in School Internal Accounts represents the book balance for checking and investments for individual schools.

### Investments

CPS' investments are authorized under the Illinois Compiled Statutes Finance Investment Act. CPS' Investment Policy is derived from this Act. The CPS Investment Policy authorizes CPS to invest in obligations guaranteed by the full faith and credit of the U.S. Government, certificates of deposit constituting direct obligations of banks, commercial paper, money market mutual funds, repurchase agreements that mature within 330 days, certain U.S. Government agency securities, and certain State and municipal securities that are rated at the time of purchase at A1/A+ or better by a rating service of nationally recognized expertise in rating bonds of states and their political subdivision. All mutual funds purchased invest in eligible securities outlined in the parameters of the CPS Investment Policy and meet certain other regulatory requirements.

The CPS Investment Policy contains the following stated objectives:

- Safety of Principal. Investments shall be undertaken in a manner that provides for the preservation of principal in the overall portfolio.
- Liquidity. The investment portfolio shall be sufficiently liquid to meet all reasonably anticipated operating and cash flow requirements.

**NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)**

- Rate of Return. The investment portfolio shall be constructed with the objective of attaining a market rate of return through budgetary and economic cycles, taking into account investment risk constraints and liquidity needs.

- Diversification. The investment portfolio shall be diversified to avoid incurring unreasonable risks associated with specific securities or financial institutions.

*Custodial Credit Risk* — All CPS investment securities shall be held by a third party custodian in accordance with municipal ordinances to the extent required by state statute. The CPS treasurer shall periodically review the approved depositories to evaluate counterparty risk. In order to further reduce custodial risk, investments are registered and held in the name of CPS. The collateral requirements for investments with depository balances is the same as those for cash and deposits (disclosed above). Repurchase agreement investments are required to have collateral not less than 102% of the acquisition price.

At June 30, 2024, CPS had the following cash, investments and maturities ($000's):

| | Ratings | Carrying Amount | Maturities Less Than 1 Year | Maturities 1 to 5 Years | Maturities 5 to 10 Years |
|---|---|---|---|---|---|
| U.S. Government Treasury Notes | AA+/Aaa | $ 354,155 | $ 33,188 | $ 320,967 | $ — |
| Commercial Paper | A1+/A1/P-1 | 128,840 | 128,840 | — | — |
| Money Market Mutual Funds | AAAm/Aaa-mf | 755,163 | 755,163 | — | — |
| Total Investments | | $ 1,238,158 | $ 917,191 | $ 320,967 | $ — |
| Cash and CDs | | 79,695 | | | |
| Total Cash and Investments | | $ 1,317,853 | | | |

*Interest Rate Risk* — The CPS Investment Policy requires maintenance of a two-tiered portfolio which limits the average maturity of the Liquidity Cash Management tier of the portfolio to six months, limits the average maturity of the Enhanced Cash Management tier of the portfolio to five years and limits the maturity of any single issue in the Enhanced Cash Management tier of the portfolio to ten years.

*Credit Risk* — CPS' Investment Policy limits investment in commercial paper to the top two ratings issued by at least two standard rating services. As of June 30, 2024, Moody's Investment Service rated CPS' investments in banker's acceptances and commercial paper A1+ or A1 by Standard and Poor's, and P-1 by Moody's. As of June 30, 2024, Standard and Poor's rated CPS' investments in money market mutual funds AAAm/Aaa-mf and municipal securities as A1/A+ or better as required by the CPS Investment Policy.

*Concentration of Credit Risk* — As of June 30, 2024, no issuer represented over 5% of total investments. Investments issued by the U.S. government and government agencies and investments in mutual funds are excluded from the concentration of credit risk.

CPS categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. CPS has the following recurring fair value measurements ($000's) as of June 30, 2024:

| | June 30, 2024 | Fair Value Measurement Using | | |
|---|---|---|---|---|
| | | Level 1 | Level 2 | Level 3 |
| Investments by fair value: | | | | |
| Debt securities: | | | | |
| U.S. Government Treasury Notes | $ 354,155 | $ 289,113 | $ 65,042 | $ — |
| Total Cash and Investments | $ 354,155 | $ 289,113 | $ 65,042 | $ — |

**NOTE 4. CASH DEPOSITS AND INVESTMENTS (continued)**

CPS uses the Market Approach to value its Level 2 investments at fair value.The Market Approach method uses prices and other relevant information generated by market transactions involving identical or comparable (that is, similar) assets, liabilities, or a group of assets and liabilities, such as a business. Level 2 assets must be valued using market data obtained from an external, independent source. The prices CPS uses to determine fair value are quoted prices for similar assets and liabilities in active markets.

Money market investments and participating interest-earning investment contracts that have a remaining maturity at the time of purchase of one year or less and are held by governments other than external investment pools are measured at amortized cost and therefore excluded from the above fair value table. This exclusion includes money market funds and commercial paper held by CPS in the amount of $884.0 million.

The following table provides a summary of CPS' total cash and investments by fund type as of June 30, 2024 ($000's):

| Fund | Totals |
|---|---|
| General Operating Fund | $ 66,190 |
| Capital Projects Funds | 213,937 |
| Debt Service Funds | 1,037,726 |
| Total Cash and Investments | $ 1,317,853 |

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## NOTE 5. RECEIVABLES AND DEFERRED INFLOWS OF RESOURCES

Receivables as of June 30, 2024 for CPS, net of the applicable allowance for uncollectible accounts, are as follows ($000's):

| | General Operating Fund | Capital Projects Fund | Debt Service Fund | Total Fund Financial Statements | Government - Wide Financial Statements |
|---|---|---|---|---|---|
| Property taxes | $ 1,888,495 | $ 17,802 | $ 47,412 | $ 1,953,709 | $ 1,953,709 |
| Replacement taxes | 64,956 | — | — | 64,956 | 64,956 |
| State aid | 171,022 | 10,396 | — | 181,418 | 181,418 |
| Federal aid | 413,699 | 269 | 3,068 | 417,036 | 417,036 |
| Lease Receivable | 61,554 | — | — | 61,554 | 61,554 |
| Other | 73,432 | 122,198 | 58,923 | 254,553 | 254,553 |
| Total receivables | $ 2,673,158 | $ 150,665 | $ 109,403 | $ 2,933,226 | $ 2,933,226 |
| Less: Allowance for uncollectibles – property tax | (130,018) | (623) | (2,891) | (133,532) | (133,532) |
| Less: Allowance for uncollectibles – state aid | — | (712) | — | (712) | (712) |
| Less: Allowance for uncollectibles – other | (6,092) | (34,811) | — | (40,903) | (40,903) |
| Total receivables, net | $ 2,537,048 | $ 114,519 | $ 106,512 | $ 2,758,079 | $ 2,758,079 |

Governmental funds report deferred inflows of resources in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period.

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## NOTE 6. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024 was as follows ($000's):

| Government-wide activities: | Beginning Balance | Increases | Decreases and Transfers to In-Service | Ending Balance |
|---|---|---|---|---|
| Capital assets, not being depreciated: | | | | |
| Land* | $ 507,372 | $ 76,186 | $ (92) | $ 583,466 |
| Construction in progress | 1,622,405 | 363,485 | (402,874) | 1,583,016 |
| Total capital assets not being depreciated | $ 2,129,777 | $ 439,671 | $ (402,966) | $ 2,166,482 |
| Capital assets being depreciated or amortized: | | | | |
| Buildings and improvements* | $ 10,504,108 | $ 421,965 | $ (110,563) | $ 10,815,510 |
| Equipment and administrative software** | 198,532 | 47,913 | (779) | 245,666 |
| Internally developed software | 2,984 | — | — | 2,984 |
| Intangible right to use leased buildings | 142,515 | 236 | (2,282) | 140,469 |
| Intangible right to use leased equipment | 883 | 1,207 | — | 2,090 |
| Intangible right to use subscription based software | 35,059 | 8,243 | — | 43,302 |
| Total capital assets being depreciated or amortized | $ 10,884,081 | $ 479,564 | $ (113,624) | $ 11,250,021 |
| Total capital assets | $ 13,013,858 | $ 919,235 | $ (516,590) | $ 13,416,503 |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements* | $ (5,597,610) | $ (308,041) | $ 102,942 | $ (5,802,709) |
| Equipment and administrative software** | (164,959) | (8,729) | 741 | (172,947) |
| Internally developed software | (2,984) | — | — | (2,984) |
| Intangible right to use leased buildings | (26,141) | (14,841) | 1,819 | (39,163) |
| Intangible right to use leased equipment | (883) | (603) | — | (1,486) |
| Intangible right to use subscription based software | (7,683) | (11,097) | — | (18,780) |
| Total accumulated depreciation and amortized | $ (5,800,260) | $ (343,311) | $ 105,502 | $ (6,038,069) |
| Capital assets, net of depreciation and amortization | $ 7,213,598 | $ 575,924 | $ (411,088) | $ 7,378,434 |

*Note: In FY24, CPS identified one PPP arrangement subject to GASB 94. CPS entered into a 50-year lease for a parcel of land for the purpose of constructing and operating a turf soccer field for education activities and public recreation. The project was completed in FY24 on two adjacent parcels of land including a parcel of land already owned by CPS and the parcel of land related to the PPP arrangement. CPS identified two assets related to this agreement – a leasehold improvement asset related to the PPP arrangement valued at $0.4 million and a CPS owned land improvement asset valued at $3.8 million which were placed into service in FY24. The value for the PPP leasehold improvement asset is included within the Buildings and Improvements line on Note 6 above and the CPS owned land improvement asset is included within the Land line on Note 6 above.

**Note: In FY24, CPS adopted GASB Implementation Guide No. 2021-1, Implementation Guidance Update – 2021, Question 5.1. In FY24, CPS aggregated and capitalized $35.5 million of assets under the guidance with the majority of that amount being related to the purchase of various electronic devices to be used for educational purposes including iPads, various laptops and interactive screens for classrooms, equipment and furniture. These items are included in the Equipment and administrative software line in the table above.

**NOTE 6. CAPITAL ASSETS (continued)**

Depreciation/amortization and impairment expense were charged to functions/programs of CPS as follows ($000's):

| | Depreciation and Amortization Expenses | Impairment Expenses |
|---|---|---|
| **Governmental activities:** | | |
| Instruction | $ 209,517 | $ 4,730 |
| Pupil support services | 40,348 | 911 |
| Administrative support services | 23,341 | 527 |
| Facilities support services | 31,967 | 722 |
| Instructional support services | 26,511 | 598 |
| Food services | 11,627 | 262 |
| Total depreciation expense | $ 343,311 | $ 7,750 |

**Asset Impairment**

In accordance with GASB Statement No. 42, *Accounting and Financial Reporting for Impairment of Capital Assets and for Insurance Recoveries*, impaired capital assets that will no longer be used are reported at the lower of carrying value or fair value. In the absence of a property appraisal, the book values were adjusted to zero. Management reviews capital assets at year-end for impairment.

During fiscal year 2024, as CPS reviewed pending real estate transactions related to school actions for closed schools or schools to be closed, CPS recognized impairments totaling $7.75 million related to various properties.

**Construction Commitments**

CPS had active construction projects as of June 30, 2024. These projects include new construction and renovations of schools. At fiscal year-end, CPS had approximately $67.8 million in outstanding construction commitments.

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## NOTE 7. INTERFUND TRANSFERS AND BALANCES

### Interfund Balances

Interfund transfers are defined as the flow of assets, such as cash or goods, without equivalent flows of assets in return. Interfund borrowings are reflected as “Due to/from Other Funds” on the accompanying governmental fund financial statements ($000’s):

| | | |
|---|---|---|
| **General Operating Fund:** | | |
| Due From Capital Improvement Program | $ | 61,029 |
| Due From Bond Redemption and Interest Program | | 20,388 |
| Total — Net due from (to) other funds | $ | 81,417 |
| **Capital Projects Fund:** | | |
| Capital Improvement Program — Due To General Operating Fund | $ | (61,029) |
| Total — Net due from (to) other funds | $ | (61,029) |
| **Debt Service Fund:** | | |
| Bond Redemption and Interest Program — Due to General Operating Fund | $ | (20,388) |

The purpose of interfund balances is to present transactions that are to be repaid between major programs at year-end. The balances result from operating transactions between funds and are repaid during the fiscal year within the normal course of business.

The interfund balance due from the Capital Improvement Program to the General Operating Fund is expected to be repaid through a future bond issue.

### Interfund Transfers

In fiscal year 2024, CPS transferred $102 thousand of excess debt service funds From the Debt Service Fund to the General Operating Fund. CPS also transferred $10.9 million of excess Capital Improvement Tax revenues from the Debt Service Fund to the Capital Projects Fund.

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## NOTE 8. SHORT-TERM DEBT

### 2022 Tax Anticipation Notes

During fiscal year 2024, CPS closed on issuances of 2022 Educational Purposes Tax Anticipation Notes (2022 TANS) with a total par amount of $1.186 billion. The 2022 TANS were issued as follows ($000s):

| Description | Issuance Date | Amount |
|---|---|---|
| Series 2022B-3 | July 7, 2023 | $ 200,000 |
| Series 2022B-4 | July 21, 2023 | $ 200,000 |
| Series 2022B-5 | August 18, 2023 | $ 119,000 |
| Series 2022A-4 | September 8, 2023 | $ 150,000 |
| Series 2022A-5 | September 25, 2023 | $ 300,000 |
| Series 2022B-6 | September 25, 2023 | $ 17,000 |
| Series 2022A-6 | October 3, 2023 | $ 100,000 |
| Series 2022B-7 | October 3, 2023 | $ 100,000 |

The 2022 TANS were backed by the second installment of CPS' 2022 Education Property Tax Levy. The tax levy collected by the counties was disbursed to a trustee and used to repay the TANS. When balances of the issues were fully repaid, all remaining levy monies were disbursed to CPS. The repayment date for the Series 2022 TANS was December 12, 2023.

### 2023 Tax Anticipation Notes

During fiscal year 2024, CPS closed on two lines of 2023 Educational Purposes Tax Anticipation Notes (2023 TANS) with a total par amount of $800 million for working capital purposes. The Series 2023 TANS were issued as direct placements with investors. The TANS provided liquidity support within the fiscal year.

The 2023 TANs were issued as follows ($000s):

| Description | Issuance Date | Amount |
|---|---|---|
| Series 2023A-1 | January 11, 2024 | $ 100,000 |
| Series 2023B-1 | January 11, 2024 | $ 50,000 |
| Series 2023A-2 | February 9, 2024 | $ 500,000 |
| Series 2023B-2 | February 14, 2024 | $ 150,000 |

Each of the 2023 TANS are backed by CPS' 2023 Education Property Tax Levy collected in two installments in 2024. The tax levy collected by the counties are disbursed to a trustee and used to repay the TANS. When balances of the issues are fully repaid, all remaining levy monies are disbursed to CPS. The first installment property tax collections for tax year 2023 were used to repay $800 million of the 2023 TANS by the end of fiscal year 2024.

### Outstanding Short-Term Notes Balances

As of June 30, 2024, no short-term notes were outstanding. The total amount drawn on the issues is reported as a separate line item on the statement of net position and therefore, none of the issues are included in Note 9 summarizing the changes in long-term debt. Any amount of short-term notes drawn and paid off subsequent to year-end is discussed further in Note 17.

Short-term debt activity for the year ended June 30, 2024 was as follows ($000's):

| Short-Term Debt | Balance June 30, 2023 | Draws | Repayments | Balance June 30, 2024 |
|---|---|---|---|---|
| Tax Anticipation Notes | $ — | $ 1,986,000 | $ (1,986,000) | $ — |

## NOTE 9. LONG-TERM DEBT

### Long-term Obligations

Long-term debt activity for the fiscal year ended June 30, 2024 was as follows ($000's):

| | Balance July 1, 2023 | Additions | Reductions | Balance June 30, 2024 | Amounts Due within One Year |
|---|---|---|---|---|---|
| **Governmental activities:** | | | | | |
| General obligation long-term debt | $ 7,550,116 | $ 575,000 | $ (216,717) | $ 7,908,399 | $ 225,908 |
| Capital improvement tax long-term debt | 1,401,315 | — | — | 1,401,315 | — |
| Add unamortized premium (discount) | 213,902 | (7,920) | (17,585) | 188,397 | — |
| Add accretion of capital appreciation bonds | 643,104 | 46,225 | (66,738) | 622,591 | 68,042 |
| Subtotal of debt, including premiums and discounts | $ 9,808,437 | $ 613,305 | $ (301,040) | $10,120,702 | $ 293,950 |
| Lease Liability* | 122,090 | 1,080 | (13,195) | 109,975 | 13,792 |
| IT Subscription Liability* | 26,904 | 8,090 | (10,494) | 24,500 | 9,706 |
| Total debt and lease liabilities | $ 9,957,431 | $ 622,475 | $ (324,729) | $10,255,177 | $ 317,448 |
| Other liabilities: | | | | | |
| Other accrued liabilities | $ 17,319 | $ 6,581 | $ (17,319) | $ 6,581 | $ 6,581 |
| Net pension liability * | 16,011,800 | 1,400,592 | (1,578,788) | 15,833,604 | — |
| Total other postemployment benefits liability* | 2,442,467 | 96,626 | (75,980) | 2,463,113 | 77,345 |
| Other benefits and claims* | 484,066 | 84,745 | (53,405) | 515,406 | 61,318 |
| Other liability* | 76,574 | — | (10,939) | 65,635 | 10,939 |
| Total other liabilities | $19,032,226 | $ 1,588,544 | $(1,736,431) | $18,884,339 | $ 156,183 |
| Total long-term obligations | $28,989,657 | $ 2,211,019 | $(2,061,160) | $29,139,516 | $ 473,631 |

*Note: Other benefits and claims due within one year were included under Accrued payroll and benefits, Other liability due within one year included under Accounts Payable; IT Subscription Liability and Lease Liabilities due within one year were included under Current portion of long-term debt, lease and subscription in the Statement of Net Position. General Operating funds are mainly used to liquidate pension and OPEB liabilities.

### General Obligation and Capital Improvement Tax Bonds

CPS issued the following long-term debt in fiscal year 2024:

Unlimited Tax General Obligation Bonds (Dedicated Alternate Revenue) Series 2023A

In November 2023, CPS issued fixed-rate $575 million Unlimited Tax General Obligation (Dedicated Alternate Revenue) Bonds Series 2023A (the "Series 2023A Bonds") with an original issue discount of $7.9 million.

The proceeds of the Series 2023A Bonds were used to finance continued implementation of the Board's Capital Improvement Program, fund capitalized interest, and pay the costs of issuance.

The Series 2023A Bonds are general obligations of the Board. The full faith and credit and the taxing power of the Board are pledged to the punctual payment of the principal and interest on the Series 2023A Bonds. The debt service on the Series 2023A Bonds will be paid from Evidence Based Funding.

**NOTE 9. LONG-TERM DEBT (continued)**

The current portion of long-term debt and long-term lease liability is comprised of the following ($000's):

| | |
|---|---|
| Bonds | $ 225,908 |
| Accreted Interest | 68,042 |
| Lease liability | 13,792 |
| IT Subscription Liabilities | 9,706 |
| Total Current Portion | $ 317,448 |

The Unlimited Tax General Obligation Bonds are being repaid in the Debt Service Fund from Evidence Based Funding, Replacement Tax revenue, revenue from Intergovernmental Agreements with the City of Chicago, and subsidies from the federal government, and then from a separate tax levy associated with each series of bonds.

Interest rates on fixed rate bonds range from 1.75% to 7.00%. As of June 30, 2024, there were no variable rate bonds outstanding.

Debt service requirements for the fixed rate Unlimited Tax General Obligation Bonds are scheduled as follows ($000's):

| Fiscal Year(s) | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ 225,908 | $ 470,819 | $ 696,727 |
| 2026 | 494,481 | 465,659 | 960,140 |
| 2027 | 308,865 | 453,502 | 762,367 |
| 2028 | 259,819 | 434,980 | 694,799 |
| 2029 | 248,717 | 476,252 | 724,969 |
| 2030-2034 | 1,614,392 | 1,920,759 | 3,535,151 |
| 2035-2039 | 1,473,425 | 1,120,475 | 2,593,900 |
| 2040-2044 | 1,618,845 | 699,366 | 2,318,211 |
| 2045-2049 | 1,545,640 | 205,948 | 1,751,588 |
| 2050 | 118,307 | 3,550 | 121,857 |
| Total | $ 7,908,399 | $ 6,251,310 | $ 14,159,709 |

**Accreted Interest**

Interest and maturities include acceptable interest on the Capital Appreciation Bonds as follows ($000's):

| Series | Accreted Interest June 30, 2023 | Increase | Payment | Accreted Interest June 30, 2024 |
|---|---|---|---|---|
| 1998B-1 | $ 389,782 | $ 26,841 | $ (42,767) | $ 373,856 |
| 1999A | 247,144 | 17,394 | (23,971) | 240,567 |
| 2019A | 6,178 | 1,990 | — | 8,168 |
| Total | $ 643,104 | $ 46,225 | $ (66,738) | $ 622,591 |

**Dedicated Revenue Capital Improvement Tax Bonds**

Dedicated Revenue Capital Improvement Tax Bonds (CIT Bonds) issued by the Board are limited obligations payable from and secured by a levy of Capital Improvement Taxes. The CIT Bonds are not general obligations of the Board and neither the full faith and credit nor the general taxing power of the Board is pledged to, or otherwise available for, the payment of the principal of or interest on the CIT Bonds. The CIT bonds were issued at a fixed rated and designated as Dedicated Revenue Unlimited Tax General Obligation Bonds. The proceeds of all series of issued bonds were used to finance permitted capital improvement projects, make a deposit into a consolidated reserve account, fund capitalized interest, and pay costs of issuance.

**NOTE 9. LONG-TERM DEBT (continued)**

Debt service requirements for the CIT Bonds are as follows ($000's):

| Fiscal Year(s) | Principal | Interest | Total |
|---|---|---|---|
| 2025 | $ — | $ 79,703 | $ 79,703 |
| 2026 | — | 79,702 | 79,702 |
| 2027 | — | 79,703 | 79,703 |
| 2028 | — | 79,702 | 79,702 |
| 2029 | — | 79,703 | 79,703 |
| 2030-2034 | 115,535 | 395,406 | 510,941 |
| 2035-2039 | 350,330 | 329,253 | 679,583 |
| 2040-2044 | 461,805 | 217,787 | 679,592 |
| 2045-2048 | 473,645 | 70,021 | 543,666 |
| Total | $ 1,401,315 | $ 1,410,980 | $ 2,812,295 |

**Defeased Debt**

There was no defeased debt outstanding as of June 30, 2024.

**Legal Debt Limit**

Per Illinois school code (105 ILCS, Sec.19-1 heading), the legal debt limit of the District was $13.8 billion based upon 13.8 percent of its 2023 equalized assessed valuation of $99.7 billion. The District has no outstanding debt subject to the legal debt margin as of June 30, 2024.

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## NOTE 9. LONG-TERM DEBT (continued)

The following is a summary of changes in Long-term debt outstanding ($000's):

| Series | Original Amount Issued | Debt Purpose | Interest Rate | Final Maturity | Principal Outstanding June 30, 2023 |
|---|---|---|---|---|---|
| 2023A | 575,000 | Capital Improvement | 5.00% to 6.00% | 12/1/2049 | $ — |
| 2023CIT | 520,835 | Capital Improvement | 5.00% to 5.75% | 04/1/2048 | 520,835 |
| 2022B | 372,170 | Refunding | 4.00% | 12/1/2041 | 363,450 |
| 2022A | 500,000 | Capital Improvement | 4.00% to 5.00% | 12/1/2047 | 500,000 |
| 2021B | 107,505 | Refunding | 5.00% | 12/1/2033 | 93,740 |
| 2021A | 450,000 | Capital Improvement | 5.00% | 12/1/2046 | 450,000 |
| 2019B | 123,795 | Refunding | 5.00% | 12/1/2041 | 116,395 |
| 2019A | 225,284 | Refunding | 2.89% to 5.00% | 12/1/2030 | 225,284 |
| 2018D | 313,280 | Capital Improvement | 5.00% | 12/1/2046 | 313,280 |
| 2018C | 450,115 | Refunding | 5.00% | 12/1/2046 | 377,560 |
| 2018CIT | 86,000 | Capital Improvement | 5.00% | 4/1/2046 | 86,000 |
| 2018A | 552,030 | Refunding | 4.00% to 5.00% | 12/1/2035 | 483,380 |
| 2017H | 280,000 | Capital Improvement | 5.00% | 12/1/2046 | 280,000 |
| 2017G | 126,500 | Refunding | 5.00% | 12/1/2044 | 126,500 |
| 2017F | 165,510 | Refunding | 5.00% | 12/1/2024 | 69,395 |
| 2017D | 79,325 | Refunding | 5.00% | 12/1/2031 | 57,185 |
| 2017C | 351,485 | Refunding | 5.00% | 12/1/2034 | 258,890 |
| 2017B | 215,000 | Refunding | 6.75% to 7.00% | 12/1/2042 | 215,000 |
| 2017A | 285,000 | Capital Improvement/Working Capital | 7.00% | 12/1/2046 | 285,000 |
| 2017CIT | 64,900 | Capital Improvement | 5.00% | 4/1/2046 | 64,900 |
| 2016CIT | 729,580 | Capital Improvement | 5.75% to 6.10% | 4/1/2046 | 729,580 |
| 2016B | 150,000 | Capital Improvement | 6.50% | 12/1/2046 | 150,000 |
| 2016A | 725,000 | Capital Improvement/Refunding | 7.00% | 12/1/2044 | 725,000 |
| 2015E | 20,000 | Capital Improvement | 5.13% | 12/1/2032 | 20,000 |
| 2015C | 280,000 | Capital Improvement | 5.25% | 12/1/2039 | 280,000 |
| 2012B | 109,825 | Refunding | 5.00% | 12/1/2034 | 109,825 |
| 2012A | 468,915 | Capital Improvement | 5.00% | 12/1/2042 | 468,915 |
| 2010D | 125,000 | Capital Improvement | 6.52% | 3/1/2036 | 125,000 |
| 2010C | 257,125 | Capital Improvement | 6.32% | 11/1/2029 | 257,125 |
| 2009G | 254,240 | Capital Improvement | 1.75% | 12/15/2025 | 254,240 |
| 2009E | 518,210 | Capital Improvement | 4.682% to 6.14% | 12/1/2039 | 474,760 |
| 2005A | 193,585 | Refunding | 5.00% to 5.50% | 12/1/2031 | 115,920 |
| 1999A | 532,553 | Capital Improvement/Refunding | 4.30% to 5.30% | 12/1/2031 | 202,343 |
| 1998B-1 | 328,714 | Capital Improvement | 4.55% to 5.22% | 12/1/2031 | 151,929 |
| Total Bonds | | | | | $ 8,951,431 |

**NOTE 9. LONG-TERM DEBT (continued)**

| Series | Accreted Interest | Principal and Accreted Interest June 30, 2023 | Issuances | Retirements | Principal Outstanding June 30, 2024 | Accreted Interest | Principal and Accreted Interest June 30, 2024 |
|---|---|---|---|---|---|---|---|
| 2023A | $ — | $ — | $ 575,000 | — | $ 575,000 | $ — | $ 575,000 |
| 2023CIT | — | 520,835 | — | — | 520,835 | — | 520,835 |
| 2022B | — | 363,450 | — | — | 363,450 | — | 363,450 |
| 2022A | — | 500,000 | — | — | 500,000 | — | 500,000 |
| 2021B | — | 93,740 | — | — | 93,740 | — | 93,740 |
| 2021A | — | 450,000 | — | — | 450,000 | — | 450,000 |
| 2019B | — | 116,395 | — | (7,665) | 108,730 | — | 108,730 |
| 2019A | 6,178 | 231,462 | — | — | 225,284 | 8,168 | 233,452 |
| 2018D | — | 313,280 | — | — | 313,280 | — | 313,280 |
| 2018C | — | 377,560 | — | (44,135) | 333,425 | — | 333,425 |
| 2018CIT | — | 86,000 | — | — | 86,000 | — | 86,000 |
| 2018A | — | 483,380 | — | (24,770) | 458,610 | — | 458,610 |
| 2017H | — | 280,000 | — | — | 280,000 | — | 280,000 |
| 2017G | — | 126,500 | — | — | 126,500 | — | 126,500 |
| 2017F | — | 69,395 | — | (33,855) | 35,540 | — | 35,540 |
| 2017D | — | 57,185 | — | (5,920) | 51,265 | — | 51,265 |
| 2017C | — | 258,890 | — | (32,125) | 226,765 | — | 226,765 |
| 2017B | — | 215,000 | — | — | 215,000 | — | 215,000 |
| 2017A | — | 285,000 | — | — | 285,000 | — | 285,000 |
| 2017CIT | — | 64,900 | — | — | 64,900 | — | 64,900 |
| 2016CIT | — | 729,580 | — | — | 729,580 | — | 729,580 |
| 2016B | — | 150,000 | — | — | 150,000 | — | 150,000 |
| 2016A | — | 725,000 | — | — | 725,000 | — | 725,000 |
| 2015E | — | 20,000 | — | — | 20,000 | — | 20,000 |
| 2015C | — | 280,000 | — | — | 280,000 | — | 280,000 |
| 2012B | — | 109,825 | — | — | 109,825 | — | 109,825 |
| 2012A | — | 468,915 | — | — | 468,915 | — | 468,915 |
| 2010D | — | 125,000 | — | — | 125,000 | — | 125,000 |
| 2010C | — | 257,125 | — | — | 257,125 | — | 257,125 |
| 2009G | — | 254,240 | — | — | 254,240 | — | 254,240 |
| 2009E | — | 474,760 | — | (8,130) | 466,630 | — | 466,630 |
| 2005A | — | 115,920 | — | (10,290) | 105,630 | — | 105,630 |
| 1999A | 247,142 | 449,485 | — | (33,595) | 168,748 | 240,567 | 409,315 |
| 1998B-1 | 389,784 | 541,713 | — | (16,232) | 135,697 | 373,856 | 509,553 |
| Total Bonds | $ 643,104 | $ 9,594,535 | $ 575,000 | $ (216,717) | $ 9,309,714 | $622,591 | $ 9,932,305 |
| Less Current Portion | | (283,455) | | | | | (293,950) |
| For Net Premium/(Discount) | | 213,902 | | | | | 188,397 |
| Total Long-term Debit, net of current portion and premium/ (discount) | | $ 9,524,982 | | | | | $ 9,826,752 |

## NOTE 10. LEASE/SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs)

### Lessee

*Real Property*

CPS has entered into agreements with various property owners to lease space used for school facilities, office space, storage space, and parking lots. In fiscal year 2024, CPS had 32 agreements in place with real property landlords. At June 30, 2024, CPS recorded $109.2 million in lease liabilities related to these agreements.

During fiscal year 2024, CPS recognized $12.3 million in lease payments and $3.2 million in interest expenditures related to the lease agreements. For each lease agreement, CPS used an interest rate that ranged from 0.95% to 4.94% depending on the lease term. The interest rates were determined based on an internal analysis performed of CPS's incremental borrowing rates, taking into consideration the interest rates of U.S. Treasury securities as well as the interest rates of recent CPS bond issuances.

The property with the largest lease obligation is for CPS's main office located at One North Dearborn Street, Chicago, Illinois. CPS leases premises in the property from OND Property LLC. The lease agreement took effect on February 11, 2014, and has been amended three (3) times to extend the term and to increase the area of the premises rented. The lease agreement's term ends on November 30, 2034. At June 30, 2024, CPS recorded $61.1 million in lease liabilities related to this agreement with OND Property LLC. During fiscal year 2024, CPS recorded $5.9 million in lease payments which included $4.4 million in principal payments and $1.5 million in interest expenditures related to this lease agreement.

Schedule lease payments for the years ending June 30 beginning in fiscal year 2025 are as follows:

| Fiscal Year | Leased Real Property | | |
|---|---|---|---|
| Ending June 30 | Principal ('000) | Interest ('000) | Total ('000) |
| 2025 | $ 13,011 | $ 2,784 | $ 15,795 |
| 2026 | 8,770 | 2,529 | 11,299 |
| 2027 | 8,831 | 2,310 | 11,141 |
| 2028 | 9,016 | 2,084 | 11,100 |
| 2029 | 9,182 | 1,851 | 11,033 |
| 2030-2034 | 43,319 | 5,747 | 49,066 |
| 2035-2039 | 11,164 | 1,953 | 13,117 |
| 2040-2043 | 5,902 | 364 | 6,266 |
| Total | $ 109,195 | $ 19,622 | $ 128,817 |

*Office Equipment*

CPS has a master lease agreement with Ricoh USA, Inc. for the purchase or lease of output devices in schools and offices throughout CPS. The master lease agreement took effect on July 1, 2020 and had an original term that ended on June 30, 2022. The agreement also includes two renewal periods of one (1) year each. CPS elected to exercise the first and second options to renew the lease for the option periods commencing July 1, 2023 through June 30, 2025. The lease was remeasured in FY24 to include the extension periods.

The master lease agreement provides for variable pricing throughout the course of the lease as the various locations add or remove devices from service and the total compensation for the remaining renewal periods is capped at $20 million. Upon termination, CPS has the option to purchase equipment or the equipment will be collected and returned to the vendor.

During fiscal year 2024, CPS recognized $0.98 million in lease payments, including $0.43 million in principal payments and $0.55 million in interest expenditures related to the Ricoh master lease agreement. CPS remeasured the lease in fiscal year 2024. As of June 30, 2024, CPS recorded $0.78 million in lease liabilities

**NOTE 10. LEASE /SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)**

related to the agreement. CPS used an interest rate of 4.94% for this lease. The interest rate was determined based on an internal analysis performed of CPS's incremental borrowing rates, taking into consideration the interest rates of U.S. Treasury securities as well as the interest rates of recent CPS bond issuances.

The remaining lease payments are as follows:

| Fiscal Year | Leased Equipment | | |
|---|---|---|---|
| Ending June 30 | Principal ('000) | Interest ('000) | Total ('000) |
| 2025 | $ 780 | $ 254 | $ 1,034 |
| Total | $ 780 | $ 254 | $ 1,034 |

**Lessor**

*Real Property*

CPS has entered into agreements to lease CPS real properties to various organizations for the use of CPS premises as office space, storage space, and parking lots. Each agreement was negotiated and modified, as appropriate, based on the individual tenant's requirements and the availability of the properties. The term of each agreement, together with all renewals, normally does not exceed 10 years. In fiscal year 2024, CPS had 8 agreements in place with real property tenants. At June 30, 2024, CPS recorded $0.6 million in lease receivable related to these agreements.

During the fiscal year, CPS collected $0.558 million in lease receipts which included $0.5 million in principal payments. CPS recognized $0.014 million in interest revenue related to the lease agreements. For each agreement, CPS used an annual interest rate that ranged from 0.952% to 2.429% depending on the lease term. The interest rates were determined based on an internal analysis performed of CPS's incremental borrowing rates, taking into consideration the interest rates of U.S. Treasury securities as well as the interest rates of recent CPS bond issuances.

In 2002, CPS entered into a lease agreement with Perspectives Charter School, an Illinois not-for-profit corporation, for premises located at 1915 South Federal Street, Chicago, Illinois. The term of the lease started on August 1, 2002 and will end on June 30, 2042. From August 1, 2002 until June 30, 2034, rent payments amount to $1.00 per year or portion thereof. Starting July 1, 2034 until the end of the lease term, rent payments will amount to $250,000 per year. As the rent paid in fiscal year 2024 was a nominal amount, this lease agreement did not constitute an exchange or exchange-like transaction during the fiscal year. Thus, it was not treated as GASB 87 eligible in fiscal year 2024.

CPS recorded the following at June 30, 2024:

| | Real Property Lease Receivable | | | |
|---|---|---|---|---|
| | Balance at July 01, 2023 ('000) | Additions ('000) | Deletions* ('000) | Balance at June 30, 2024 ('000) |
| Lease Receivable | $ 1,150 | $ — | $ (544) | $ 606 |
| Total leases receivable | $ 1,150 | $ — | $ (544) | $ 606 |

*Deletions pertain to the amount of lease payments applicable to the principal made in FY24 and the lease principal amounts for lessor contracts that were terminated in FY24, if applicable.

**NOTE 10. LEASE /SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)**

*Telecommunications*

CPS has entered into lease agreements with various telecommunications carriers for the use of CPS properties, including school sites, for placement of telecommunications equipment. Each agreement was negotiated and modified, as appropriate, based on individual carrier requirements. There are instances in which school sites have multiple agreements with different carriers. The term for each agreement may be comprised of an initial term and renewal terms. The initial term of each agreement, together with all renewals, does not exceed 25 years. The license fees are paid by the carriers to CPS annually at the beginning of each term. In fiscal year 2024, CPS had 109 agreements in place with telecommunication carriers. At June 30, 2024, CPS recorded $60.9 million in lease receivable related to the agreements.

During the fiscal year, CPS recognized $5.0 million in lease receipts which included $3.5 million in principal payment. CPS recognized $1.5 million in interest revenue related to the lease agreements. For each lease agreement, CPS used an annual interest rate that ranged from 1.172% to 5.366% depending on the lease term. The interest rates were determined based on an internal analysis performed of CPS's incremental borrowing rates, taking into consideration the interest rates of U.S. Treasury securities as well as the interest rates of recent CPS bond issuances.

CPS recorded the following at June 30, 2024:

| | Telecommunication Lease Receivable | | | |
|---|---|---|---|---|
| | Balance at July 01, 2023 ('000) | Additions ('000) | Deletions* ('000) | Balance at June 30, 2024 ('000) |
| Lease Receivable | $ 58,127 | $ 6,330 | $ (3,510) | $ 60,947 |
| Total leases receivable | $ 58,127 | $ 6,330 | $ (3,510) | $ 60,947 |

*Deletions pertain to the amount of lease payments applicable to the principal made in FY24 and the lease principal amounts for lessor contracts that were terminated in FY24, if applicable.

**Subscription-Based Information Technology Arrangements (SBITAs)**

*Information Systems Agreements*

CPS has entered into agreements with various vendors for the use of software systems that are used to gather, process, store and communicate operating data throughout the District. As of June 30, 2024 CPS has recorded an initial subscription asset of $43.3 million and liability of $24.5 million for SBITA agreements that have a fixed subscription cost. These fixed-cost SBITA agreements have an accumulated amortization of $18.8 million of the subscription assets as of June 30, 2024.

The SBITA contracts range in terms from over one year to up to 10 years.

Scheduled subscription payments for the years ending June 30 beginning in fiscal year 2025 are as follows:

| Fiscal Year | Subscription-Based IT Assets | | |
|---|---|---|---|
| Ending June 30 | Principal ('000) | Interest ('000) | Total ('000) |
| 2025 | $ 9,706 | $ 797 | $ 10,503 |
| 2026 | 9,309 | 488 | 9,797 |
| 2027 | 1,734 | 180 | 1,914 |
| 2028 | 2,452 | 162 | 2,614 |
| 2029 | 1,299 | 45 | 1,344 |
| Total | $ 24,500 | $ 1,672 | $ 26,172 |

**NOTE 10. LEASE /SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITAs) (continued)**

Outside of fixed-cost SBITAs, CPS also has entered into SBITA agreements that include variable payment terms and conditions. For these agreements, payments are based, among others, on the number of users on the platform, the amount of storage used by CPS and the number of calculations performed by the platform in the service period. As of June 30, 2024, these variable-cost SBITA agreements amounted to a total subscription liability of $11.5 million.

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## NOTE 11. OTHER BENEFITS AND CLAIMS

Sick Pay Benefits

CPS provides sick pay benefits for substantially all of its employees. Eligible employees were able to accumulate a maximum of 325 sick days granted before July 1, 2012. If an employee either reaches age 65, has a minimum of 20 years of service at the time of resignation or retirement, or dies, the employee is entitled to receive, as additional compensation, all or a portion of their accumulated sick leave days. CPS budgets an amount each year in the General Operating Fund for these estimated payments to employees terminated in the current fiscal year. Effective July 1, 2012 any sick days granted that remain unused at the end of the fiscal year will not be carried over to the next fiscal year, except under the new contract between the Chicago Teacher Union and CPS Article 37-3. The Board shall not pay out to any employee the value or any part of the value of any sick days granted on and after July 1, 2012 that are unused at the time the employee separates from the Board employment for any reason. Under the union contract Article 37-3, sick days awarded on and after July 1, 2012 that remain unused at the end of the fiscal year may be rolled over for future use up to a maximum of two hundred forty-four (244) days and may be used for three purposes: (a) as sick days or for purposes of leave under the Family and Medical Leave Act; (b) to supplement the short-term disability pay in days 31 through 90 to reach 100% income during such period or (c) for pension service credit upon retirement.

Vacation Pay Benefits

At the beginning of fiscal year 2021, for eligible employees, the maximum number of accumulated unused vacation days permitted was 20 days for those employees with up to 10 years of service; 25 days for those with 11 to 20 years of service; and 30 days for those with more than 20 years of service. As of April 28, 2021, the maximum carryover was increased for eligible employees to 10 days. As a result, the maximum number of accumulated unused vacation days permitted is now 25 days for those employees with up to 10 years of service; 30 days for those with 10 to 20 years of service; and 35 days for those with more than 20 years of service. Eligible employees are entitled to receive 100% of accumulated vacation days at their current salary rate. These amounts will be liquidated from the General Operating Fund.

Workers' Compensation, General and Automobile and Tort Liabilities and Other Claims

CPS is substantially self-insured and assumes risk of loss in accordance with the following parameters:

CPS maintains commercial excess property insurance for "all risks" of physical loss or damage with limits of $200.0 million and Boiler and Machinery Insurance with limits of $100.0 million. CPS maintains commercial excess liability insurance with limits of $45.0 million in excess of a $10.0 million self-insured retention per loss for claims arising from commercial general, automobile, school board legal, and miscellaneous professional liability. Policy prices and coverage change each year based on market and economic factors. Additional liability coverage includes special events, fiduciary, foreign travel package, cyber liability, and catastrophic student accident insurance (under Public Act 98-0166, also known as "Rocky's Law"). During fiscal years 2024, 2023, 2019, 2018, and 2017 there were no casualty claims made in excess of the self-insured retention.

For fiscal year 2024, the CPS had the following deductibles/retentions:

| | |
|---|---|
| Property | $ 5,000,000 |
| Boiler and HVAC | $ 50,000 |
| General Liability | $ 10,000,000 |
| Student Catastrophic Insurance (Rocky's Law) | $ 25,000 |
| Fiduciary | $ 100,000 |
| Cyber | $ 1,000,000 |

As discussed in Note 15, there are pending workers' compensation and tort claims involving CPS which have arisen out of the ordinary conduct of business. CPS budgets an amount each year in the Workers' and Unemployment Compensation/Tort Immunity Program for the estimated claims, of which the expenditures are met through an annual tax levy.

**NOTE 11. OTHER BENEFITS AND CLAIMS (continued)**

CPS' estimate of liabilities for workers' compensation claims and general and automobile claims are actuarially determined based on loss estimates established by the respective claim administrators. Tort liabilities are based on loss estimates established by the respective trial attorneys. CPS accrues for the estimated workers' compensation, general and automobile claims and tort claims in the General Operating Fund when there is likelihood that an unfavorable outcome is probable and those expenditures will be liquidated with expendable available financial resources. Total expenditures reported in the fund financial statements amounted to $22.4 million for claims paid during the fiscal year. No liabilities have been recorded at the fund level for unpaid claims as unpaid claims are not expected to be paid with available financial resources.

The following is a summary of changes to other long-term liabilities ($000's) at the government-wide level:

| | Balance July 1, 2023 | Increase/ (Decrease) | Payments | Balance June 30, 2024 |
|---|---|---|---|---|
| Accrued sick pay benefits | $ 304,989 | $ 17,227 | $ (16,338) | $ 305,878 |
| Accrued vacation pay benefits | 58,374 | 6,905 | (5,581) | 59,698 |
| Accrued workers' compensation claims | 80,109 | 19,571 | (22,438) | 77,242 |
| Accrued general and automobile claims | 22,884 | 16,043 | (9,048) | 29,879 |
| Tort liabilities and other claims | 17,710 | 24,999 | — | 42,709 |
| Total | $ 484,066 | $ 84,745 | $ (53,405) | $ 515,406 |

| | |
|---|---|
| Less: Current portion of accrued sick pay benefits | (17,934) |
| Less: Current portion of accrued vacation pay benefits | (6,561) |
| Less: Current portion of accrued workers' compensation claims | (15,481) |
| Less: Current portion of accrued general and automobile claims | (7,134) |
| Less: Current portion of accrued tort liabilities and other claims | (14,208) |
| Total long-term other benefits and claims | $ 454,088 |

CPS is self-insured for certain employee health insurance costs (reimbursed to a provider on a cost plus fees basis). A net liability of $90.9 million has been recorded for health insurance costs and is reported as part of accounts payable and accrued payroll and benefits in the General Operating Fund, which includes $40.3 million for estimated medical claims incurred but not reported as of June 30, 2024.

The following are the activities related to all claims including medical claims for which CPS is self-insured ($000's):

| | Workers' Compensation Claims | General and Automobile Claims | Tort Liabilities and Other Claims | Medical Claims |
|---|---|---|---|---|
| Balance July 1, 2022 | $ 88,063 | $ 22,227 | $ 30,300 | $ 87,206 |
| Increase/(Decrease) | 12,973 | 4,116 | (12,590) | 588,407 |
| Payments | (20,927) | (3,459) | — | (577,904) |
| Balance July 1, 2023 | $ 80,109 | $ 22,884 | $ 17,710 | $ 97,709 |
| Increase/(Decrease) | 19,571 | 16,043 | 24,999 | 609,642 |
| Payments | (22,438) | (9,048) | — | (616,471) |
| Balance June 30, 2024 | $ 77,242 | $ 29,879 | $ 42,709 | $ 90,880 |

## NOTE 12. PENSION BENEFITS

Pension legislation (Public Act 96-0889) was approved in April 2010 and established two distinct classes of membership with different retirement eligibility conditions and benefit provisions. For convenience, the Illinois pension funds use a tier concept to distinguish these groups: Tier 1 members are participants that became members before January 1, 2011 and Tier 2 members are participants that became members on or after January 1, 2011. The pension code created a Tier 3 effective August 31, 2017, but due to the uncertainty of whether a resolution or ordinance will be passed, the actuarial valuation only uses Tier 1 and Tier 2.

The net pension liability is calculated as the difference between the actuarially calculated value of the projected benefit payments attributed to past periods of service and the plans' fiduciary net position. The total pension expense is comprised of the service cost or actuarial present value of projected benefit payments attributed to the valuation year, interest on the total pension liability, plan administrative expenses, current year benefit changes, and other changes in plan fiduciary net position less employee contributions and projected earnings on plan investments. Additionally, the total pension expense includes the annual recognition of outflows and inflows of resources due to pension assets and liabilities.

For purposes of measuring the net pension liability, deferred outflows of resources, deferred inflows of resources, pension expense and expenditures associated with CPS' contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value.

### Pension — Certified Teachers and Administrators

Plan Description: Pension benefits for certified teachers and administrators are provided under a defined benefit cost-sharing multiple employer plan administered by the Public-School Teachers' Pension and Retirement Fund of Chicago (CTPF) in which CPS is the major contributor. Copies of the Pension Fund Annual Report are available on the website of the Public-School Teachers' Pension & Retirement Fund of Chicago at http://www.ctpf.org.

Article 17 of the Illinois Pension Code governs the retirement, survivor and disability benefits provided by the CTPF. Participation in the CTPF is mandatory for all certified members of the teaching force, including those employed by charter schools, and employees of the Pension Fund. As of the June 30, 2023, per the CTPF Annual report, there were 27,474 active participants in the Pension Fund, substantially all of whom were employees of CPS.

Benefits Provided: An employee hired before January 1, 2011 (Tier 1) may retire at age 55 with at least 20 years of service or at age 62 with 5 years of service. If retirement occurs before age 60, the service retirement pension is reduced 1/2 of 1% for each month that the age of the member is below 60. However, there is no reduction if the employee has at least 34 years of service or at least 20 years of service and attained 60 years of age,

For service earned before July 1, 1998, the amount of the monthly service retirement pension is 1.67% of highest average salary for the first 10 years, 1.90% for each of the next 10 years, 2.10% for each of the following 10 years, and 2.30% for each year above 30. For service earned after June 30, 1998, the amount of the monthly service retirement pension is 2.2% of highest average salary for each year of service. Service earned before July 1, 1998 can be upgraded to the 2.2% formula through the payment of additional employee contributions of 1% of the teacher's highest salary within the last four years for each year of prior service, up to a maximum of 20%, which upgrades all service years. The number of years for which contributions are required is reduced by one for each three full years of service after June 30, 1998. No contribution is required if the employee has at least 30 years of service. The highest average salary is the average of the 4 highest consecutive years of salary within the last 10 years. The maximum pension payable is 75% of the highest annual salary or $1,500 per month, whichever is greater.

Pension legislation (Public Act 96-0889) created a second tier of benefits for teachers who first become participants under the fund on or after January 1, 2011. Under this act, such a member is entitled to a pension after attainment of age 67 with at least 10 years of service. However, such a member can elect to retire at age 62 with at least 10 years of service and receive a retirement annuity reduced by 0.5% for each month that his or her age is under 67. In addition, the annual final average salary may not exceed $123,489 for calendar year 2023.

**NOTE 12. PENSION BENEFITS (continued)**

The final average salary limit is calculated annually as the Social Security Wage Base at the time Public Act 96-0889 was created, $106,800, increased by the lesser of 3% or one-half of the annual increase in the Consumer Price Index-U during the preceding calendar year.

Contributions: Participating members contribute 9% of salary, allocated as follows: 7.5% for retirement pension, 0.5% for automatic annual increases and 1% for survivor's pension. In fiscal year 2024, total employee contributions were $151.9 million, as in previous fiscal years, CPS paid a portion (7% or $118.0 million) of the required employees' contribution. For employees hired on or after January 1, 2017, there is no employer pickup. A portion of grant funds from the Federal government and General Fund revenues provides the funding for the portion not picked up. The remaining portion is withheld from teachers' salaries.

State law requires statutorily determined employer contributions. Under the Illinois Pension Code, required employer contributions — with the exception of federal funds — are calculated by the Pension Fund's actuary; however, the formula set forth in the Pension Code is not the same as the Annual Required Contribution or the Actuarially Determined Contribution as those terms are defined by GASB. During the fiscal year ended June 30, 2024, total employer contributions to the plan were $699.8 million. Of this amount, $34.3 million were Charter School contributions and $41.6 million were paid from federally-funded programs. On June 30, 2016, PA 99-0521 was signed into law and reinstates the ability of the Board of Education to levy a property tax dedicated to paying teacher pensions. As of June 30, 2024, $253.3 million of levy funds was owed to the CTPF for a fiscal year 2024 statutorily required contribution. This amount was recorded in the Statement of Net Position as an account payable and a deferred outflow of resources by CPS. These funds are included in CPS' contribution to increase the funded ratio to 90%. CPS' employer contributions towards the cost of retirement benefits, and their related sources of funding, including the allocation to health insurance fund $68.0 million in FY2024, are as follows ($000's):

| **Retirement Benefit Contributions:** | | |
|---|---|---|
| A contribution to increase funded ratio to 90% | $ | 623,960 |
| A portion of grant funds from the Federal government for teachers paid from certain Federally-funded program | | 41,600 |
| Charter school contributions | | 34,275 |
| Total CPS Contributions | $ | 699,835 |
| Contributions from the State of Illinois | | 322,711 |
| CPS contributions on-behalf of employees | | 118,181 |
| Total CTPF Contributions | $ | 1,140,727 |

Employer Proportionate Share of Net Pension Liability: The amount of the proportionate share of the net pension liability recognized by CPS is $15.834 billion or 100%. Further discussions with the State and Pension Fund related to the overall net pension liability will occur to determine a reasonable allocation of future plan costs between the entities that contribute to the plan. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. Total pension expense for the 2024 fiscal year was $1.40 billion.

Employer Deferral of Fiscal Year 2024 Pension Contributions: CPS paid $699.8 million in contributions for the fiscal year ended June 30, 2024. These contributions were made subsequent to the pension liability measurement date as of June 30, 2023. These contributions were reflected as Deferred Outflows of Resources in the Statement of Net Position as of June 30, 2024.

**NOTE 12. PENSION BENEFITS (continued)**

As June 30, 2024, CPS reported deferred outflows of resources and deferred inflows of resources related to CTPF from the following sources ($000's)

| | Deferred Inflow of Resources | Deferred Outflow of Resources |
|---|---|---|
| Difference between expected and actual experience | $ 45,023 | $ 320,286 |
| Net difference between projected and actual investment earnings on pension plan investments | — | 174,081 |
| Changes in assumptions | 1,032,153 | 508,650 |
| Contributions after the measurement date | — | 699,835 |
| Totals | $ 1,077,176 | $ 1,702,852 |

The $699.8 million reported as deferred outflows of resources related to pensions resulting from CPS contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2025. The annual difference between expected and actual experience is amortized into pension expense over the average expected remaining service lives of active and inactive members calculated at the beginning of the year in which the difference occurs. The difference between projected and actual investment earnings on pension plan investments is amortized over a five-year closed period beginning in the year in which the difference occurs. The amounts of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows ($000's):

| Years Ended June 30: | Amount |
|---|---|
| 2025 | $ 54,933 |
| 2026 | (240,957) |
| 2027 | 184,202 |
| 2028 | (72,337) |
| Totals | $ (74,159) |

**Assumptions and Other Inputs**

Actuarial Assumptions: The total pension liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2023, using the following actuarial assumptions and methods:

**Actuarial Methods and Assumptions**

| | |
|---|---|
| Actuarial valuation date | June 30, 2023 |
| Actuarial cost method | Entry Age Normal |
| Actuarial assumptions: | |
| Investment rate of return | 6.50%, net of investment expense |
| Projected salary increases | 2.75% to 12.75%, varying by age |
| Inflation | 2.25%, general inflation rate<br>2.75%, wage inflation rate |
| Cost-of-living adjustments | 3% compound for Tier 1 members; the lesser of 3% or one-half of CPI-U, simple, for Tier 2 members |

For healthy participants, mortality rates were based on the Pub-2010 General Employee, sex distinct. For disabled participants, mortality rates were based on the Pub-2010 Disabled Retiree, sex distinct. Future mortality improvements are reflected by projecting the base mortality tables from the year 2010 using the Society of Actuaries MP-2021 projection scale. The assumptions are generational mortality tables and include a margin for improvement.

**NOTE 12. PENSION BENEFITS (continued)**

Most of the actuarial assumptions used for the June 30, 2023 funding actuarial valuation were adopted by the Board of Trustees during the September 21, 2023 Board meeting, and were based on the recommendations from an experience review for the five-year period from July 1, 2017 through June 30, 2022.

The long-term expected rate of return on pension plan investments was determined under a building-block method by using the current risk-free rate and historical risk premium for each major asset class to develop the best estimate ranges of expected future real rates of return (net of pension plan investment expense and inflation) for each major asset class. Best estimates of geometrically determined real rates of return for each major asset class included in the pension plan's target asset allocation as of June 30, 2023 are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Equities | 61.0% | 5.52% |
| Fixed Income | 23.0% | 2.80% |
| Real Estate | 9.0% | 4.00% |
| Private Equity | 5.0% | 7.88% |
| Infrastructure | 2.0% | 4.81% |
| Total | 100% | |

Discount Rate: For fiscal year 2023, a single discount rate of 6.33% was used to measure the total pension liability. This single discount rate was based on cash flows (employee contributions, employer contributions, benefits, and administrative expenses) using the results of the funding actuarial valuation using an expected rate of return on pension plan investments of 6.50% and a municipal bond rate of 3.86%.

The projection of cash flows used to determine this single discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at the current statutory contributions rates under the Fund's funding policy. Based on these assumptions, the pension plan's fiduciary net position and future contribution were sufficient to finance the benefit payments through the year 2079. As a result, the long-term expected rate of return on pension plan investments was applied to projected benefit payments through the year 2079, and the municipal bond rate was applied to all benefit payments after that date.

Sensitivity of Net Pension Liability to Changes in the Discount Rate: The following presents CPS' net pension liability, calculated using a single discount rate of 6.33%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher ($000's):

| 1% Decrease 5.33% | Current Discount 6.33% | 1% Increase 7.33% |
|---|---|---|
| $19,400,443 | $15,833,604 | $12,877,690 |

Additional information regarding the CTPF basic financial statements including the Plan Net Position can be found in the CTPF Annual Comprehensive financial report by accessing the website at www.ctpf.org

**Pension — Other Personnel**

Plan Description: All career service employees of CPS, except CPS employees who are members of the Public School Teachers' Pension and Retirement Fund, participate in the Municipal Employees' Annuity and Benefit Fund of Chicago (the "MEABF" or the "Annuity Fund"). The Plan is administered under Chapter 40, Act 5, Article 8 of the Illinois Compiled Statutes. Benefit and contribution provisions are established by the Statutes and may be amended only by the Illinois state legislature. MEABF is a defined benefit single employer plan. As of December 31, 2023, CPS employed approximately 23,166 of the 36,968 active participants in MEABF.

Benefits Provided: If an employee leaves covered employment without qualifying for an annuity, accumulated contributions are refunded with interest at 3% per annum, subject to certain exceptions.

**NOTE 12. PENSION BENEFITS (continued)**

Tier 1 employees age 55 or more with at least 10 years of service are entitled to receive a money purchase annuity with partial City contributions if under age 60 with less than 20 years of service. Employees age 60 or more with at least 10 years of service or age 55 or more with at least 20 years of service or age 50 or more with at least 30 years of service are entitled to receive a minimum formula annuity of 2.4% per each year of service times the final average salary (highest average annual salary for any 4 consecutive years within the last 10 years of service immediately preceding the date of retirement). If the employee retires prior to age 60, the annuity shall be reduced by ¼ of 1% for each month the employee is under age 60 if the employee has less than 25 years of service. The annuity is not discounted if the employee is age 50 with at least 30 years of service. An employee with at least 10, 20, or 30 years of service can withdraw and receive a minimum annuity formula at 60, 55, or 50, respectively. The original annuity is limited to 80% of the highest average annual salary, adjusted for annual Internal Revenue Code (IRC) §401(a)(17) and §415 limitations. Employees withdrawing from service at age 60 or older with at least 10 years of service are entitled to a minimum annuity of $850 per month.

Tier 2 employees age 67 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 62 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 67. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

Tier 3 employees age 65 or more with at least 10 years of service are entitled to receive an unreduced annuity benefit or a reduced annuity benefit at age 60 with 10 years of service. The annuity is discounted ½ percent for each full month the employee is under age 65. Final average salary is calculated using salary from the 8 highest consecutive years within the last 10 years of service prior to retirement.

The highest salary for annuity purposes may not exceed the base of $106,800 beginning in 2011 and shall be adjusted annually by the lesser of a) 3% of that amount, including all prior adjustments, or b) ½ of the annual unadjusted percentage increase in the Consumer Price Index-U for the 12 months ending with the September preceding November 1, including all prior adjustments. Under Tier 2 and Tier 3, pensionable salary rate limitations for fiscal year 2023 and fiscal year 2022 were $123,489 and $119,892, respectively.

Contributions: Except as described below, CPS makes no direct contributions to MEABF, which receives its income from three primary sources: a City of Chicago tax levy; income from investments; and deductions from participating employees' salaries.

Tier 1 and Tier 2 employees are required by Article 8, Chapter 40 of the Illinois Compiled Statutes to contribute 8.5% of their pensionable salary. Tier 3 employees are required to contribute 11.5% of their pensionable salary. The pensionable salary for Tier 1 members has no limitation while Tier 2 and Tier 3 employees' pensionable salary may not exceed the social security wage base of $116,740 adjusted by inflation. In fiscal year 2024, as in previous fiscal years, CPS agreed to pay a portion (7% for union and 5% for non-union members or $47.2 million) of the required employees' contribution for most employees. CPS also receives a portion of the cost of providing pension benefits from grants by the federal government for career service employees paid from certain federally-funded programs. The amount reflected as career service pension expenditures in the accompanying governmental fund financial statements is $286.4 million; $274.7 million is contributed by the City of Chicago through its specific tax levies for pension plans and the remaining $11.7 million is funded under federally-funded programs. The portion funded by the City of Chicago and the Federal government is also reflected as revenue in the General Operating Fund.

Employer Proportionate Share of Net Pension Liability: At December 31, 2023, the MEABF reported a net pension liability (NPL) of $15.7 billion. The amount of the proportionate share of the net pension liability recognized for CPS is $0. The proportionate share of the City's net pension liability associated with CPS is $7.381 billion or 47.0%. The net pension liability was measured as of December 31, 2023. The basis of allocation used in the proportionate share of net pension liability was CPS' proportionate share of covered payroll to the plan's total covered payroll for the 2023 calendar year, which approximates CPS' 2024 fiscal year.

Employer Proportionate Share of Pension Expense: The employer's proportionate share of collective pension expense is recognized as on-behalf payments as both revenue and expenditure/expense in CPS' financial statements. The basis of allocation used in the proportionate share of collective pension expense is the actual

**NOTE 12. PENSION BENEFITS (continued)**

reported employee contributions made to MEABF during fiscal year 2024. As a result, CPS recognized on-behalf revenue of $181.4 million and on-behalf pension expense of $181.4 million for fiscal year 2024.

Employer Deferral of Fiscal Year 2024 Pension Contributions: CPS paid $11.7 million in federal, trust or grant contributions for the fiscal year ended June 30, 2024. Some contributions were made subsequent to the pension liability measurement date of December 31, 2023. However, the amount is immaterial to the financial statements and has not been recorded as Deferred Outflows of Resources as of June 30, 2024. Total pension expense for fiscal year 2024 was $286.4 million.

**Assumptions and Other Inputs**

Actuarial assumptions: The actuarial assumptions used in the December 31, 2023 valuation were based on the results of an actuarial experience study for the period January 1, 2017 — December 31, 2021. The total pension liability in the December 31, 2023 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

**Actuarial Methods and Assumptions**

| | |
|---|---|
| Actuarial valuation date | December 31, 2023 |
| Actuarial assumptions: | |
| Investment rate of return | 6.75%, net of investment expense |
| Projected salary increases | 2.50% - 14.00%<br>varying by years of service and employer |
| Inflation | 2.50% |
| Municipal bond index | 3.26% based on the Bond Buyer 20-Bond Index of general obligation |
| Cost of living adjustments. | Tier 1: 3.0% compound<br>Tier 2 & 3: the lesser of 3.0% or one-half the change in CPI, simple |

Post-retirement mortality rates were based on PubG-2010 Retiree Amount-weighted Below Median mortality tables, using 117% of the rates for females and 111% of the rates for males and projected generationally using scale MP- 2021. The mortality rates for pre-retirement were based on the same tables above, using 92% of the rates for females and 90% of the rate for males, projected generationally 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 by the target asset allocation percentage and by adding expected inflation.

Best estimates of arithmetic real rates of return for each major asset class included in the pension plan's target asset allocation as of December 31, 2023 are summarized in the following tables:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|---|---|---|
| Domestic Equities | 26% | 7.3% |
| International Equity | 17% | 7.6% |
| Global Equity | 5% | 6.2% |
| Fixed Income | 22% | 4.4% |
| Real Estate | 9% | 6.2% |
| Private Equity | 4% | 10.6% |
| Private Debt | 4% | 9.5% |
| Hedge Funds | 10% | 5.5% |
| Infrastructure | 3% | 6.8% |
| **Total** | **100%** | |

**NOTE 12. PENSION BENEFITS (continued)**

Discount Rate: The discount rate used to measure the total pension liability was 6.38% for December 31, 2023. The projection of cash flows used to determine the discount rate assumed that member contributions will be made according to the contribution rate applicable for each member's tier and that employer contributions will be made as specified by Public Act 100-0023 with an additional supplemental contribution of $178.1 million during 2024. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Projected employer contributions and contributions from future plan members that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments 6.75% was applied to all periods through 2074 of projected benefit payments to determine the total pension liability and the municipal bond rate of 3.26% was applied thereafter to determine the total pension liability. This results in single equivalent discount rate of 6.38%.

Sensitivity of MEABF's Net Pension Liability to Changes in the Discount Rate: The amount of the proportionate share of the net pension liability recognized for CPS is $0. Therefore, changes in the discount rate would not affect CPS. However, regarding the sensitivity of MEABF's net pension liability to changes in the single discount rate, the following presents the Plan's net pension liability, calculated using a single discount rate of 6.38%, as well as what the Plan's net pension liability would be if it were calculated using a single discount rate that is 1-percentage-point lower or 1-percentage-point higher ($000's):

| 1% Decrease 5.38% | Current Discount 6.38% | 1% Increase 7.38% |
|---|---|---|
| $18,161,462 | $15,688,109 | $13,623,809 |

Additional information regarding the MEABF basic financial statements including the Plan Net Position can be found in the MEABF Annual Comprehensive Financial Report by accessing the website at www.meabf.org.

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## NOTE 13. OTHER POSTEMPLOYMENT BENEFITS

### Other Postemployment Benefits (OPEB)

Plan Description: Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple employer plan administered by the Pension Fund. The actuarial analysis is contained in the Pension Fund Annual Report and is available via the website of the Public School Teachers' Pension & Retirement Fund at http://www.ctpf.org/. Only CPS and the State of Illinois (a non-employer contributor) make direct contributions to the Pension Fund and a special funding situation is deemed not to exist with the State. Therefore, 100% of the collective net OPEB liability, deferred outflows of resources, deferred inflows of resources and OPEB expense is allocated to CPS.

Benefits Provided: The Pension Fund administers a health insurance program that includes three external health insurance providers. A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in a health insurance program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance.

Funding Policy and Annual Other Postemployment Benefit Cost: The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers. Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The rebate percentage for fiscal year 2023 and 2022 was 50%. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed $65.0 million plus any previous year amounts authorized but not yet expended. The Pension Fund has total discretion over the program, and no direct contributions are made for the subsidy. In fiscal year 2024, the Pension Fund allocated $68 million to the Health Insurance Fund. Although CPS does not contribute directly to retirees' health care premiums, the impact does require increased contributions by CPS to build assets to the 90% requirement. This provision reduces the net position of the Pension Fund. As of June 30, 2022, the Chicago Teachers' Pension Fund Retiree Health Insurance Program had 15,548 retirees and beneficiaries currently receiving health benefits and 12,090 retirees and beneficiaries entitled to but not yet receiving health benefits. The assets in the Health Insurance Program are not in a qualifying trust nor are those amounts restricted legally or otherwise required to be used solely to pay OPEB benefits. Therefore there are no assets accumulated in a trust.

### Total OPEB liability, deferred outflows of resources, deferred inflows of resources and expense related to OPEB

The total OPEB liability, as reported at June 30, 2024, was measured as of June 30, 2023, with an actuarial valuation as of June 30, 2022. At June 30, 2024, CPS recorded a total OPEB liability of $2.4 billion.

Schedule of Changes in Total OPEB Liability: Below is the schedule of changes in the total OPEB liability, as reported by at June 30, 2024 ($000's):

| | |
|---|---|
| Beginning Balance, OPEB Liability | $ 2,442,467 |
| Service cost | 75,447 |
| Interest on total OPEB Liability | 90,268 |
| Changes of benefit terms | — |
| Differences between expected and actual experience | (8,239) |
| Changes in assumptions | (69,089) |
| Benefit payments | (67,741) |
| Ending Balance, OPEB Liability | $ 2,463,113 |

**NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)**

Employer Deferral of Fiscal Year 2024 OPEB Contributions: CPS recognized OPEB expense for the year ended June 30, 2024, of $6.97 million. At June 30, 2024, CPS reported deferred outflows and deferred inflows of resources, from the following sources ($000's):

| **Deferred outflows of resources** | **Amount** |
|---|---|
| Changes in assumptions | $ 285,818 |
| **Total deferred outflows of resources** | $ 285,818 |

| **Deferred inflows of resources** | **Amount** |
|---|---|
| Changes in assumptions | $ 550,762 |
| Differences between expected and actual experience | 349,132 |
| **Total deferred inflows of resources** | $ 899,894 |

Amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows ($000's):

| **Years Ended June 30:** | **Amount** |
|---|---|
| 2025 | $ (154,120) |
| 2026 | (154,883) |
| 2027 | (149,477) |
| 2028 | (145,274) |
| 2029 | (10,322) |
| Thereafter | — |
| Totals | $ (614,076) |

Actuarial Methods and Assumptions: The total OPEB liability was determined by an actuarial valuation using the following actuarial assumptions, applied to all periods included in the measurement unless otherwise specified.

| | |
|---|---|
| Valuation date | June 30, 2022 |
| Measurement date | June 30, 2023 |
| Actuarial cost method | Entry Age Normal |
| Inflation rate | 2.25% |
| Projected salary increases | 2.75% - 12.60%, varying by age |
| Discount rate | 3.86% |
| Experience Study | An experience study of the 5 year period 2012 – 2017. |
| Mortality | Healthy (Non-Disabled) Post-Retirement Mortality: RP-2014 White Collar Healthy Annuitant mortality table, sex distinct, scaled at 108% for males and 94% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP- 2017. Disabled Post-Retirement Mortality: RP-2014 Disabled Annuitant mortality table, sex distinct, scaled at 103% for males and 106% for women, with rates projected back from 2014 to 2006 using the MP-2014 projection scale and projected from 2006 using scale MP-2017. |
| Healthcare cost trend rate | The trend rates applicable July 1, 2023 are 7.00% and 8.00% for pre- and post-Medicare, respectively, and decrease by 0.25% each year to an ultimate trend rate of 4.25%. Medicare Part A and Part B premiums are assumed to increase by 4.50% each year. |

Discount rate: A single discount rate of 3.86% at June 30, 2023, and 3.69% at June 30, 2022, was used to measure the total OPEB liability. Because plan benefits are financed on a pay-as-you-go basis, the single discount rate is based on a tax-exempt municipal bond rate index of 20-year general obligation bonds with an

**NOTE 13. OTHER POSTEMPLOYMENT BENEFITS (continued)**

average AA credit rating as of the measurement date. The rates at June 30, 2023 and June 30, 2022 were based on Fidelity Index's 20-year Municipal GO AA Index.

Sensitivity of the Total OPEB Liability to Changes in the Single Discount Rate: The following presents the plan's total OPEB liability, calculated using a Single Discount Rate of 3.86%, as well as what the plan's total OPEB liability would be if it were calculated using a Single Discount Rate that is one percentage point higher (4.86%) or lower (2.86%) than the current rate ($000's):

| 1% Decrease 2.86% | Current Single Discount Rate Assumption 3.86% | 1% Increase 4.86% |
|---|---|---|
| $2,913,692 | $2,463,113 | $2,108,252 |

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate: The following presents the plan's total OPEB liability, calculated using the assumed trend rates as well as what the plan's total OPEB liability would be if it were calculated using a trend rate that is one percentage point higher or lower than the current healthcare cost trend rates ($000's):

| 1% Decrease | Current Healthcare Cost Trend Rates Assumption | 1% Increase |
|---|---|---|
| $2,053,898 | $2,463,113 | $3,005,866 |

The summary of current assumed health care cost trend rates applicable July 1, 2023 from Actuarial Methods and Assumptions above and used in the above analysis are as follow:

| | Initial | Ultimate |
|---|---|---|
| Pre-Medicare | 7.00% | 4.25% |
| Post-Medicare | 8.00% | 4.25% |
| Medicare Part A | 4.50% | 4.50% |
| Medicare Part B | 4.50% | 4.50% |

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## NOTE 14. FUND BALANCE CLASSIFICATIONS AND NET POSITION

*a. Fund Balance Classifications*

1) At the end of the 2024 fiscal year, the General Operating Fund reported:

- $1.6 million of non-spendable fund balance for donations and prepaid expense in which the principal may not be spent.
- Restricted fund balance consists of $7 thousand for grants and donations and $73.0 million for school internal accounts.
- Assigned fund balance consisted of $103.1 million for commitments and contracts. Those commitments and contracts support multiple functions including $92.3 million for Instruction, the rest of $10.8 million for other miscellaneous functions.

2) At the end of the 2024 fiscal year, the Debt Service Fund reported assigned fund balance of $106.3 million for debt service stabilization and restricted fund balance of $1,006.9 million for debt service.

3) At the end of the 2024 fiscal year, the Capital Projects Fund reported restricted fund balance of $83.4 million for capital improvement program.

*b. Statement of Net Position*

The Statement of Net Position reports $1,130.3 million of restricted net position, of which $965.5 million is restricted for debt service, $91.9 million is restricted for capital projects, $7 thousand is restricted for programs funded by grants and donations, and $73.0 million is restricted for school internal accounts.

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## NOTE 15. LITIGATION AND CONTINGENCIES

*a. State and Federal Aid Receipts*

State and Federal aid is generally subject to review by the responsible governmental agencies for compliance with the agencies' regulations governing the aid. In the opinion of CPS management any potential adjustments to the Federal or State aid recorded by CPS through June 30, 2024 resulting from a review by a responsible government agency will not have a material effect on CPS' financial statements at June 30, 2024.

b. *Pollution Remediation Obligation*

In fiscal year 2024 CPS recorded a pollution remediation obligation of $6.6 million as current year expense in the Statement of Activities.

Several CPS facilities contain hazardous contaminates such as lead and asbestos, which is continually monitored by the school district. CPS' pollution remediation obligation is primarily related to the removal of lead and asbestos during the remodeling and/or expansion of CPS facilities. The pollution remediation obligation is derived from construction contracts and the amount assumes no unexpected change orders.

c. *Other Litigation and Claims*

There are four (4) lawsuits that represent issues in which the financial loss to CPS has been determined to be a potential liability by CPS' law department in fiscal year 2024.

There are numerous other claims and pending legal actions involving CPS, including actions concerned with civil rights of employees, workers' compensation, torts and other matters, arising out of CPS' ordinary conduct of its business. Certain actions involve alleged damages in substantial amounts. The amounts of liability, if any, on these claims as of June 30, 2024, in excess of related insurance coverage with respect to certain claims, are not determinable at this time. However in fiscal year 2016, CPS had recorded a general accrual not specific to any pending legal action for these amounts and it remains in fiscal year 2024. In the opinion of CPS management and legal counsel, the final resolution of these claims and legal actions will not be material to CPS' financial statements as of June 30, 2024.

The liability for other litigation and claims, not including workers' compensation and general liability, increased by $25.0 million from $17.7 million in fiscal year 2023 to $42.7 million in fiscal year 2024.

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## NOTE 16. TAX ABATEMENT

Tax abatements are a reduction in tax revenue that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Various tax incentive programs exist between Cook County and local businesses and developers that effect tax revenues received by CPS. These programs are Class 6b, Class 7a, Class 7b, Class 8 and Class 9 and are subject to approval by Cook County's Assessor Office based on applicable criteria. Businesses and developers are granted these incentives based on property classification.

The purpose of the Class 6b program is to encourage industrial development throughout Cook County by offering a real estate tax incentive for the development of new industrial facilities, the rehabilitation of existing industrial structures, and the industrial re-utilization of abandoned buildings. Properties receiving a Class 6b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2023, there were 385 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 7a and Class 7b programs are to encourage commercial development throughout Cook County in need of commercial development, which would not be economically feasible without the incentive. Properties receiving a Class 7a or 7b incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2023, there were 158 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 8 programs are to encourage commercial and industrial development throughout Cook County, in areas of severe economic stagnation. Properties receiving a Class 8 incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, 20% in the 12th year and 25% in subsequent years. In calendar year 2023, there were 12 parcels receiving this incentive in the City of Chicago.

The purpose of the Class 9 programs is to reduce the assessment rate on rental projects for low-income multifamily rental buildings that involve substantial rehab or new construction, and where at least 35% of the units have 'affordable rents.' Properties receiving a Class 9 incentive are assessed at 10% of market value for an initial 10 year period, renewable upon application for additional 10 year periods. In calendar year 2023, there were 794 parcels receiving this incentive in the City of Chicago.

The goals of these programs are to attract new industry, commercial and real estate entities, stimulate expansion and retention of existing businesses, and increase employment opportunities.

In the absence of these incentives, the property tax would be assessed at 25% of its market value. These incentives constitutes a substantial reduction in the level of assessment and results in significant tax savings for eligible applicants. For the 2024 fiscal year, the total estimated impact of these incentives to the District is a reduction in property taxes for those properties in the amount of $47 million.

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## NOTE 17. SUBSEQUENT EVENTS

Repayment of 2023 Tax Anticipation Notes

To finance cash flow deficits in fiscal year 2024, CPS issued and repaid multiple series of 2023 Tax Anticipation Notes (the 2023 TANS). At the end of fiscal year 2024, CPS had no outstanding 2023 TANS. During fiscal year 2025 in July through August 2024, CPS issued an additional $500 million. As of August 5, 2024 CPS has repaid all 2023 TANS.

Issuance of 2024 Tax Anticipation Notes

After the end of fiscal year 2024, for fiscal year 2025 the Board approved a levy of ad valorem property taxes of approximately $3.17 billion for educational purposes (2024 Tax Levy) to be collected in calendar year 2025 and authorized the issuance of an aggregate principal amount outstanding from time to time of not to exceed $1.25 billion of 2024 Tax Anticipation Notes (2024 TANS) in anticipation of the collection of the 2024 Tax Levy.

As of January 8, 2025, CPS has issued and has outstanding 2024 TANS in the total aggregate amount of $400.0 million. CPS expects to issue additional TANS throughout fiscal year 2025 to fund its cash flow needs in an amount up to the authorized amount of $1.25 billion.

The Series 2024 TANS series designations are as follows: (1) $600 million Series 2024A tax anticipation notes closed on January 8, 2025. The Series 2024A TANS were privately placed with Bank of America and carry a variable interest rate of 80% of the sum of 0.10% and the Secured Overnight Financing Rate (SOFR), plus 0.47%. (2) $600 million Series 2024B tax anticipation notes closed on January 8, 2025. The Series 2024B TANS were privately placed with PNC Bank and carry a variable interest rate of 79% of the sum of 0.10% and SOFR, plus 0.55%.

Principal of and interest on the 2024 TANS is payable on the respective sub-series maturity date of each series of the 2024 TANS from the revenues from the 2024 Tax Levy. The 2024 Tax Levy will be intercepted by a trustee, and it will be used to repay all issuances of 2024 TANS. Property taxes are payable in two installments, the first traditionally due on March 1 and the second traditionally due on August 1. The first installment is an estimated bill calculated at 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill. The maturity date of the 2024A and 2024B TANS is the earlier of 60 days past the second installment tax penalty date or December 31, 2025.

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Chicago
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**CHICAGO PUBLIC SCHOOLS**

Chicago Board of Education

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Required Supplementary Information

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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT, OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**(Thousands of Dollars)**

| | Original Budget | Supplemental Appropriations Transfers In/(Out) | Final Budget | Fiscal Year 2024 Actual | Over (Under) Budget |
|---|---|---|---|---|---|
| **Revenues:** | | | | | |
| Property taxes | $ 3,640,896 | $ — | $ 3,640,896 | $ 3,639,553 | $ (1,343) |
| Replacement taxes | 538,697 | — | 538,697 | 343,080 | (195,617) |
| State aid | 1,971,271 | — | 1,971,271 | 1,988,253 | 16,982 |
| Federal aid | 1,670,634 | — | 1,670,634 | 1,681,641 | 11,007 |
| Interest and investment earnings | 7,000 | — | 7,000 | 19,583 | 12,583 |
| Lease income | — | — | — | 5,506 | 5,506 |
| Other | 661,016 | — | 661,016 | 682,084 | 21,068 |
| **Total revenues** | $ 8,489,514 | $ — | $ 8,489,514 | $ 8,359,700 | $ (129,814) |
| **Expenditures:** | | | | | |
| **Salaries** | | | | | |
| Teachers' salaries | $ 2,555,830 | $ — | $ 2,555,830 | $ 2,578,904 | $ 23,074 |
| Career service salaries | 956,523 | — | 956,523 | 1,015,917 | 59,394 |
| **Commodities** | | | | | |
| Energy | 93,139 | — | 93,139 | 81,255 | (11,884) |
| Food | 120,587 | — | 120,587 | 111,357 | (9,230) |
| Textbook | 61,329 | — | 61,329 | 127,917 | 66,588 |
| Supplies | 82,485 | — | 82,485 | 109,805 | 27,320 |
| Other | 539 | — | 539 | 4,798 | 4,259 |
| **Services** | | | | | |
| Professional and special services | 570,710 | — | 570,710 | 736,684 | 165,974 |
| Charter Schools | 854,608 | — | 854,608 | 954,254 | 99,646 |
| Transportation | 132,637 | — | 132,637 | 176,087 | 43,450 |
| Tuition | 75,798 | — | 75,798 | 76,009 | 211 |
| Telephone and telecommunications | 14,885 | — | 14,885 | 19,269 | 4,384 |
| Other | 47,505 | — | 47,505 | 40,447 | (7,058) |
| **Equipment - educational** | 28,150 | — | 28,150 | 66,739 | 38,589 |
| **Building and Sites** | | | | | |
| Repair and replacements | 45,179 | — | 45,179 | 99,321 | 54,142 |
| Capital outlay | — | — | — | 94 | 94 |
| **Benefits** | | | | | |
| Teachers' pension | 1,151,923 | — | 1,151,923 | 1,140,734 | (11,189) |
| Career service pension | 328,690 | — | 328,690 | 333,406 | 4,716 |
| Hospitalization and dental insurance | 547,976 | — | 547,976 | 525,550 | (22,426) |
| Medicare | 52,417 | — | 52,417 | 51,220 | (1,197) |
| Unemployment compensation | 8,002 | — | 8,002 | 3,619 | (4,383) |
| Workers compensation | 23,005 | — | 23,005 | 23,138 | 133 |
| **Rent** | 23,402 | — | 23,402 | 5,825 | (17,577) |
| **Debt service** | 19,500 | — | 19,500 | 54,306 | 34,806 |
| **Other** | 694,695 | — | 694,695 | 16,206 | (678,489) |
| **Total expenditures** | $ 8,489,514 | $ — | $ 8,489,514 | $ 8,352,861 | $ (136,653) |
| **Revenues in excess of (less than) expenditures** | $ — | $ — | $ — | $ 6,839 | $ 6,839 |
| **Other financing sources (uses):** | | | | | |
| Transfers in / (out) | — | — | — | 102 | 102 |
| **Total other financing sources (uses)** | $ — | $ — | $ — | $ 102 | $ 102 |
| **Net change in fund balances** | $ — | $ — | $ — | $ 6,941 | $ 6,941 |
| **Fund balances, beginning of period ( as previously reported)** | 1,278,280 | — | 1,278,280 | 1,278,280 | — |
| **Restatement for Change in Accounting Principle** | 69,858 | — | 69,858 | 69,858 | — |
| **Fund balances, beginning of period (restated)** | 1,348,138 | — | 1,348,138 | 1,348,138 | — |
| **Fund balances, end of period** | $ 1,348,138 | $ — | $ 1,348,138 | $ 1,355,079 | $ 6,941 |

**Note:**

See Independent Auditor's Report.

Chicago
Public
Schools

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

## SCHEDULE OF CPS' PROPORTIONATE SHARE OF NET PENSION LIABILITY
**For the Ten Fiscal Years Ended June 30, 2024**
**(Thousands of Dollars)**

**Public School Teachers' Pension and Retirement Fund of Chicago:**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| CPS' Proportion of the Net Pension Liability | 100.00% | 100.00% | 100.00% | 100.00% |
| CPS' Proportionate Share of the Net Pension Liability | $ 9,501,206 | $ 10,023,263 | $ 11,011,400 | $ 12,382,417 |
| State of Illinois' Proportionate Share of the Net Pension Liability associated with CPS | — | — | — | — |
| Total | $ 9,501,206 | $ 10,023,263 | $ 11,011,400 | $ 12,382,417 |
| CPS' Covered Payroll | $ 2,233,281 | $ 2,273,551 | $ 2,281,269 | $ 2,030,175 |
| CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 425.44% | 440.86% | 482.69% | 609.92% |
| CTPF Plan Net Position as a Percentage of Total Pension Liability | 53.23% | 51.61% | 47.78% | 49.46% |

**Notes:**
1) In CTPF's Actuarial valuation of June 30, 2023, the assumptions for investment return was 6.50% and the discount rate was reduced from 6.34% to 6.33%.
2) The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| 100.00% | 100.00% | 100.00% | 100.00% | 100.00% | 100.00% |
| $ 13,442,717 | $ 14,127,342 | $15,440,803 | $ 14,727,410 | $ 16,011,800 | $ 15,833,604 |
| — | — | — | — | — | — |
| $ 13,442,717 | $ 14,127,342 | $15,440,803 | $ 14,727,410 | $ 16,011,800 | $ 15,833,604 |
| $ 2,111,982 | $ 2,179,055 | $2,249,491 | $ 2,372,167 | $ 2,522,166 | $ 2,649,728 |
| 636.50% | 648.32 % | 686.41 % | 620.84 % | 634.84 % | 597.56 % |
| 45.23% | 43.86 % | 41.46 % | 47.59 % | 42.36 % | 43.35 % |

**Municipal Employees' Annuity and Benefit Fund of Chicago:**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| CPS' portion of the Net Pension Liability | 0.00% | 0.00% | 0.00% | 0.00% |
| CPS' Proportionate Share of the Net Pension Liability | $ — | $ — | $ — | $ — |
| Nonemployer Contributing Entities' Proportionate Share of the Net Pension Liability associated with CPS | 2,779,767 | 7,829,700 | 7,529,116 | 4,848,718 |
| Total | $ 2,779,767 | $ 7,829,700 | $ 7,529,116 | $ 4,848,718 |
| Covered Payroll | $ 625,161 | $ 691,178 | $ 657,649 | $ 697,242 |
| CPS' Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 0.00% | 0.00% | 0.00% | 0.00% |
| MEABF Plan Net Position as a Percentage of Total Pension Liability | 42.09% | 20.30% | 19.05% | 27.97% |

**Note:**
1) The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

See Independent Auditors' Report

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| $ — | $ — | $ — | $ — | $ — | $ — |
| 5,132,885 | 5,372,904 | 5,826,081 | 6,427,959 | 7,284,631 | 7,380,690 |
| $ 5,132,885 | $ 5,372,904 | $ 5,826,081 | $ 6,427,959 | $ 7,284,631 | $ 7,380,690 |
| $ 690,490 | $ 734,934 | $ 790,323 | $ 912,739 | $ 1,041,154 | $ 1,121,211 |
| 0.00% | 0.00% | 0.00% | 0.00% | 0.00% | 0.00% |
| 23.29% | 23.64% | 22.96% | 23.41% | 20.68 % | 22.22 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF CPS' CONTRIBUTIONS TO DEFINED BENEFIT PENSION PLANS**
**For the Ten Fiscal Years Ended June 30, 2024**
**(Thousands of Dollars)**

### Public School Teachers' Pension and Retirement Fund of Chicago

| Year Ended | CPS' Contractually Required Contributions | Contributions made on behalf of CPS by the State of Illinois | CPS Contributions related to the Contractually required contributions | Total Contributions | Contribution Deficiency (Excess) | CPS' Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|---|
| June 30, 2024 | $ 1,022,546 | $ 322,711 | $ 699,835 | $ 1,022,546 | $ — | $ 2,824,539 | 36.20% |
| June 30, 2023 | 860,325 | 308,673 | 551,652 | 860,325 | — | 2,649,728 | 32.47% |
| June 30, 2022 | 944,677 | 277,497 | 667,180 | 944,677 | — | 2,522,166 | 37.45% |
| June 30, 2021 | 885,894 | 266,893 | 619,001 | 885,894 | — | 2,372,167 | 37.35% |
| June 30, 2020 | 854,500 | 257,349 | 597,151 | 854,500 | — | 2,249,491 | 37.99% |
| June 30, 2019 | 808,570 | 238,869 | 569,701 | 808,570 | — | 2,196,918 | 36.80% |
| June 30, 2018 | 784,402 | 232,992 | 551,410 | 784,402 | — | 2,111,982 | 37.14% |
| June 30, 2017 | 745,386 | 1,016 | 733,200 | 734,216 | 11,170 | 2,030,175 | 36.17% |
| June 30, 2016 | 687,965 | 12,105 | 675,860 | 687,965 | — | 2,281,269 | 30.16% |
| June 30, 2015 | 696,522 | 62,145 | 634,377 | 696,522 | — | 2,273,551 | 30.64% |

### Municipal Employees' Annuity and Benefit Fund of Chicago

| Year Ended | Contractually Required Contributions | Contributions made on behalf of CPS by the City of Chicago | Total Contributions | Contribution Deficiency (Excess) | Covered Payroll | Contributions as a Percentage of Covered Payroll |
|---|---|---|---|---|---|---|
| June 30, 2024 | $ 437,689 | $ 286,444 | $ 286,444 | $ 151,245 | $ 1,121,211 | 25.55% |
| June 30, 2023 | 489,553 | 261,038 | 261,038 | 228,515 | 1,041,154 | 25.07% |
| June 30, 2022 | 525,576 | 221,807 | 221,807 | 303,768 | 912,739 | 24.30% |
| June 30, 2021 | 475,508 | 156,278 | 156,278 | 319,230 | 790,323 | 19.77% |
| June 30, 2020 | 436,749 | 147,107 | 147,107 | 289,642 | 734,934 | 20.02% |
| June 30, 2019 | 417,940 | 106,278 | 106,278 | 311,662 | 690,490 | 15.39% |
| June 30, 2018 | 415,674 | 76,700 | 76,700 | 338,974 | 697,242 | 11.00% |
| June 30, 2017 | 387,381 | 61,382 | 61,382 | 325,999 | 657,649 | 9.33% |
| June 30, 2016 | 288,660 | 61,885 | 61,885 | 226,775 | 691,178 | 8.95% |
| June 30, 2015 | 327,225 | 58,200 | 58,200 | 269,025 | 625,161 | 9.31% |

**Note:**
See independent Auditors' report

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF CPS' PROPORTIONATE SHARE OF TOTAL OTHER POSTEMPLOYMENT BENEFITS LIABILITY AND SCHEDULE OF OTHER POSTEMPLOYMENT BENEFITS CONTRIBUTIONS**

**For the Seven Fiscal Years Ended June 30, 2024**
**(Thousands of Dollars)**

**Public School Teachers' Pension and Retirement Fund of Chicago**

| Year Ended | District's Proportion of the Total OPEB Liability | District's Proportionate Share of the Collective Total OPEB Liability | Total | Covered Employee Payroll | District's proportionate share of the Total OPEB liability as a percentage of covered employee payroll | Plan fiduciary net position as a percentage of the total OPEB liability |
|---|---|---|---|---|---|---|
| 2024 | 100.00% | $ 2,463,113 | $ 2,463,113 | $ 2,649,728 | 92.96 % | 0.00% |
| 2023 | 100.00% | 2,442,467 | 2,442,467 | 2,522,166 | 96.84 % | 0.00% |
| 2022 | 100.00% | 3,304,981 | 3,304,981 | 2,372,167 | 139.32 % | 0.00% |
| 2021 | 100.00% | 2,908,390 | 2,908,390 | 2,249,491 | 129.29 % | 0.00% |
| 2020 | 100.00% | 2,554,892 | 2,554,892 | 2,179,055 | 117.25 % | 0.00% |
| 2019 | 100.00% | 2,272,125 | 2,272,125 | 2,111,982 | 107.58% | 0.00% |
| 2018 | 100.00% | 2,270,891 | 2,270,891 | 2,030,176 | 111.86 % | 0.00% |

**Public School Teachers' Pension and Retirement Fund of Chicago**

| Year Ended | Contractually required contribution | Contributions in relation to the contractually required contribution | Contribution Deficiency (Excess) | Covered Employee payroll | Contributions as a Percentage of covered Employee payroll |
|---|---|---|---|---|---|
| 2024 | $ 68,023 | $ 68,023 | $ — | $ 2,824,539 | 2.41% |
| 2023 | 68,578 | 68,578 | — | 2,649,728 | 2.59% |
| 2022 | 62,017 | 62,017 | — | 2,522,166 | 2.46% |
| 2021 | 51,351 | 51,351 | — | 2,372,167 | 2.16% |
| 2020 | 51,963 | 51,963 | — | 2,249,491 | 2.31% |
| 2019 | 59,089 | 59,089 | — | 2,179,055 | 2.71% |
| 2018 | 66,868 | 66,868 | — | 2,111,982 | 3.17% |

**Notes:**
CPS implemented GASB No. 75 in fiscal year 2018. The information above is presented for as many years as available. The Schedule is intended to show information for 10 years.

The amounts presented for each fiscal year were determined as of the year-end that occurred one year prior.

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for this OPEB plan.

See Independent Auditors' Report.

**CHICAGO PUBLIC SCHOOLS**

Chicago Board of Education

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## General Operating Fund

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The General Operating Fund is the primary operating fund of the Board. It was created in response to the provisions of P.A. 89-15 which consolidated all of the rate-limited tax levies into the Board's general education tax levy. All information in this fund is presented in accordance with the provisions of the Illinois Program Accounting Manual for Local Education Agencies. The General Operating Fund includes all the revenues and expenditures of the following programs: Educational Program; Supplementary General State Aid Program; Chicago Teacher's Pension Program; School Lunch Program; Elementary and Secondary Education Act Program; Individuals with Disabilities Education Act Program; Workers' and Unemployment Compensation/Tort Immunity Program; Public Building Commission Operations and Maintenance Program, ARRA American Recovery and Reinvestment Act Program, Elementary and Secondary School Relief Program, and Other Government-funded Programs.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**
**GENERAL OPERATING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Final Budget | Fiscal Year 2024 Actual | Over (Under) Budget | Fiscal Year 2023 Actual | 2024 Over (Under) 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 3,640,896 | $ 3,639,553 | $ (1,343) | $ 3,443,950 | $ 195,603 |
| Replacement taxes | 538,697 | 343,080 | (195,617) | 597,048 | (253,968) |
| State aid | 1,971,271 | 1,988,253 | 16,982 | 1,860,250 | 128,003 |
| Federal aid | 1,670,634 | 1,681,641 | 11,007 | 1,461,830 | 219,811 |
| Interest and investment earnings | 7,000 | 19,583 | 12,583 | 13,911 | 5,672 |
| Lease income | — | 5,506 | 5,506 | 5,290 | 216 |
| Other | 661,016 | 682,084 | 21,068 | 526,109 | 155,975 |
| Total revenues | $ 8,489,514 | $ 8,359,700 | $ (129,814) | $ 7,908,388 | $ 451,312 |
| Expenditures: | | | | | |
| Teachers' salaries | $ 2,555,830 | $ 2,578,904 | $ 23,074 | $ 2,405,708 | $ 173,196 |
| Career service salaries | 956,523 | 1,015,917 | 59,394 | 906,595 | 109,322 |
| Energy | 93,139 | 81,255 | (11,884) | 76,520 | 4,735 |
| Food | 120,587 | 111,357 | (9,230) | 93,719 | 17,638 |
| Textbook | 61,329 | 127,917 | 66,588 | 99,490 | 28,427 |
| Supplies | 82,485 | 109,805 | 27,320 | 154,534 | (44,729) |
| Other commodities | 539 | 4,798 | 4,259 | 264 | 4,534 |
| Professional and special services | 570,710 | 736,684 | 165,974 | 662,143 | 74,541 |
| Charter Schools | 854,608 | 954,254 | 99,646 | 922,190 | 32,064 |
| Transportation | 132,637 | 176,087 | 43,450 | 163,169 | 12,918 |
| Tuition | 75,798 | 76,009 | 211 | 72,663 | 3,346 |
| Telephone and telecommunications | 14,885 | 19,269 | 4,384 | 18,475 | 794 |
| Other services | 47,505 | 40,447 | (7,058) | 43,343 | (2,896) |
| Equipment - educational | 28,150 | 66,739 | 38,589 | 62,661 | 4,078 |
| Repair and replacements | 45,179 | 99,321 | 54,142 | 113,080 | (13,759) |
| Capital outlay | — | 94 | 94 | 133 | (39) |
| Teachers' pension | 1,151,923 | 1,140,734 | (11,189) | 977,397 | 163,337 |
| Career service pension | 328,690 | 333,406 | 4,716 | 303,338 | 30,068 |
| Hospitalization and dental insurance | 547,976 | 525,550 | (22,426) | 502,425 | 23,125 |
| Medicare | 52,417 | 51,220 | (1,197) | 47,287 | 3,933 |
| Unemployment compensation | 8,002 | 3,619 | (4,383) | 4,353 | (734) |
| Workers compensation | 23,005 | 23,138 | 133 | 21,112 | 2,026 |
| Rent | 23,402 | 5,825 | (17,577) | 8,120 | (2,295) |
| Debt service | 19,500 | 54,306 | 34,806 | 49,606 | 4,700 |
| Other fixed charges | 694,695 | 16,206 | (678,489) | 5,682 | 10,524 |
| Total expenditures | $ 8,489,514 | $ 8,352,861 | $ (136,653) | $ 7,714,007 | $ 638,854 |
| Revenues in excess of expenditures | $ — | $ 6,839 | $ 6,839 | $ 194,381 | $ (187,542) |
| Other financing sources (uses): | | | | | |
| Gain and loss from termination of lease as lessor | — | — | — | (41) | 41 |
| Transfers in (out) | — | 102 | 102 | 4,272 | (4,170) |
| Total other financing sources (uses) | $ — | $ 102 | $ 102 | $ 4,231 | $ (4,129) |
| Net change in fund balances | $ — | $ 6,941 | $ 6,941 | $ 198,612 | $ (191,671) |
| Fund balances, beginning of period ( as previously reported) | 1,278,280 | 1,278,280 | — | 1,079,668 | 198,612 |
| Restatement for Change in Accounting Principle | 69,858 | 69,858 | — | — | 69,858 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**
**GENERAL OPERATING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL (Continued)**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Final Budget | Fiscal Year 2024 Actual | Over (Under) Budget | Fiscal Year 2023 Actual | 2024 Over (Under) 2023 |
|---|---|---|---|---|---|
| Fund balances, beginning of period as restated | 1,348,138 | 1,348,138 | — | 1,079,668 | 268,470 |
| Fund balances, end of period | $ 1,348,138 | $ 1,355,079 | $ 6,941 | $ 1,278,280 | $ 76,799 |

**CHICAGO PUBLIC SCHOOLS**

Chicago Board of Education

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Capital Projects Fund

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The Capital Projects Fund is for the receipts and expenditures of revenues for Board capital projects. This fund includes the Capital Asset Program and the Capital Improvement Program.

**Capital Asset Program:**

This program is for the receipts and expenditures of proceeds from the sale of certain Board real estate, and other miscellaneous capital project revenues from various sources as designated by the Board.

**Capital Improvement Program:**

This program is for the receipts and expenditures of proceeds from the sale of Unlimited Tax General Obligation Bonds, Public Building Commission Building Revenue Bonds, State of Illinois construction grant receipts and federal E-rate capital subsidies for the purpose of building and improving schools at the designation of the Board.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CAPITAL PROJECTS FUND**
**SCHEDULE OF REVENUES, EXPENDITURES,**
**OTHER FINANCING SOURCES AND NET CHANGES IN FUND BALANCES**
**For the Fiscal Year Ended June 30, 2024**
**(Thousands of Dollars)**

| | Capital Asset Program | Capital Improvement Program | Total |
|---|---|---|---|
| Revenues: | | | |
| Property taxes | $ — | $ 17,578 | $ 17,578 |
| State aid | — | 20,391 | 20,391 |
| Federal aid | — | 4,502 | 4,502 |
| Interest and investment earnings | — | 10,385 | 10,385 |
| Other | — | 4,211 | 4,211 |
| Total revenues | $ — | $ 57,067 | $ 57,067 |
| Expenditures: | | | |
| Capital outlay | | $ 572,510 | $ 572,510 |
| Total expenditures | $ — | $ 572,510 | $ 572,510 |
| Revenues in excess of (less than) expenditures | $ — | $ (515,443) | $ (515,443) |
| Other financing sources (uses): | | | |
| Gross amounts from debt issuances | $ — | $ 539,197 | $ 539,197 |
| Premiums (Discounts) | — | (7,920) | (7,920) |
| Lease value… | — | 236 | 236 |
| Subscription IT arrangement value… | — | 8,090 | 8,090 |
| Transfers in / (out) | — | 10,899 | 10,899 |
| Total other financing sources (uses) | $ — | $ 550,502 | $ 550,502 |
| Net change in fund balances | $ — | $ 35,059 | $ 35,059 |
| Fund balances, beginning of period ( as previously reported) | 57,598 | (9,556) | 48,042 |
| Restatement for Change in Accounting Principle | — | 280 | 280 |
| Fund balances, beginning of period as restated | 57,598 | (9,276) | 48,322 |
| Fund balances (deficits), end of period | $ 57,598 | $ 25,783 | $ 83,381 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CAPITAL ASSET PROGRAM**
**SCHEDULE OF REVENUES, EXPENDITURES,**
**OTHER FINANCING SOURCES AND NET CHANGE IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Final Appropriations | Fiscal Year 2024 | Variance | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Other | $ — | $ — | $ — | $ 26 | $ (26) |
| Total revenues | $ — | $ — | $ — | $ 26 | $ (26) |
| Expenditures: | | | | | |
| Services | $ — | $ — | $ — | $ 43 | $ (43) |
| Total expenditures | $ — | $ — | $ — | $ 43 | $ (43) |
| Revenues in excess of (less than) expenditures | $ — | $ — | $ — | $ (17) | $ 17 |
| Other financing sources: | | | | | |
| Sales of general capital assets | $ — | $ — | $ — | $ — | $ — |
| Total other financing sources | $ — | $ — | $ — | $ — | $ — |
| Net change in fund balance | $ — | $ — | $ — | $ (17) | $ 17 |
| Fund balances, beginning of period ( as previously reported) | 57,598 | 57,598 | — | 57,615 | $ (17) |
| Restatement for Change in Accounting Principle | — | — | — | — | $ — |
| Fund balance, beginning of period as restated | 57,598 | 57,598 | — | 57,615 | (17) |
| Fund balance, end of period | $ 57,598 | $ 57,598 | $ — | $ 57,598 | $ — |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CAPITAL IMPROVEMENT PROGRAM**
**SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,**
**OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Final Appropriations | Fiscal Year 2024 | Variance | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 5,500 | $ 17,578 | $ 12,078 | $ 39,718 | $ (22,140) |
| State aid | 28,272 | 20,391 | (7,881) | 14,521 | 5,870 |
| Federal aid | — | 4,502 | 4,502 | 2,582 | 1,920 |
| Interest and investment earnings | — | 10,385 | 10,385 | 4,439 | 5,946 |
| Lease income | — | — | — | — | — |
| Other | 54,000 | 4,211 | (49,789) | 9,439 | (5,228) |
| Total revenues | $ 87,772 | $ 57,067 | $ (30,705) | $ 70,699 | $ (13,632) |
| Expenditures: | | | | | |
| Salaries | $ 1,454 | $ 1,425 | $ (29) | $ 1,210 | $ 215 |
| Services | — | 38,990 | 38,990 | 14,070 | 24,920 |
| Capital outlay | 642,743 | 521,879 | (120,864) | 698,307 | (176,428) |
| Pension | 153 | 222 | 69 | 212 | 10 |
| Hospitalization and dental insurance | 132 | 150 | 18 | 140 | 10 |
| Medicare | 21 | 20 | (1) | 17 | 3 |
| Unemployment compensation | 5 | 2 | (3) | 2 | — |
| Workers compensation | 14 | 10 | (4) | 9 | 1 |
| Other | — | (4,870) | (4,870) | 13,577 | (18,447) |
| Total expenditures | $ 644,522 | $ 572,510 | $ (72,012) | $ 727,544 | $ (155,034) |
| Revenues in excess of (less than) expenditures | $ (556,750) | $ (515,443) | $ 41,307 | $ (656,845) | $ 141,402 |
| Other financing sources (uses): | | | | | |
| Gross amounts from debt issuances | $ 450,000 | $ 539,197 | $ 89,197 | $ 485,822 | $ 53,375 |
| Premiums | — | (7,920) | (7,920) | 14,043 | (21,963) |
| Lease value… | — | 236 | 236 | 31,991 | (31,755) |
| Subscription IT arrangement value… | — | 8,090 | 8,090 | 9,335 | (1,245) |
| Transfers in | — | 10,899 | 10,899 | — | 10,899 |
| Total other financing sources (uses) | $ 450,000 | $ 550,502 | $ 100,502 | $ 541,191 | $ 9,311 |
| Net change in fund balance | $ (106,750) | $ 35,059 | $ 141,809 | $ (115,654) | $ 150,713 |
| Fund balances, beginning of period ( as previously reported) | (9,556) | (9,556) | — | 106,098 | (115,654) |
| Restatement for Change in Accounting Principle | 280 | 280 | — | — | 280 |
| Fund balance, beginning of period | (9,276) | (9,276) | — | 106,098 | (115,374) |
| Fund balance (deficit), end of period | $ (116,026) | $ 25,783 | $ 141,809 | $ (9,556) | $ 35,339 |

**CHICAGO PUBLIC SCHOOLS**

Chicago Board of Education

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Debt Service Fund

The Debt Service Fund is established to account for annual property tax levies and other revenues that are used for the payment of principal and interest and redemption for general obligation bonds by the Board and for lease payments to the Public Building Commission. The fund includes the Bond Redemption and Interest Program.

**Bond Redemption and Interest Program:**

This program is for the receipt and expenditure of replacement taxes, City of Chicago Intergovernmental Agreement Revenue, State of Illinois construction grant receipts and other revenues as designated by the Board for the payment of interest and principal on specific bond issues.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**DEBT SERVICE FUND**
**SCHEDULE OF REVENUES, EXPENDITURES, OTHER**
**FINANCING SOURCES (USES) AND NET CHANGES IN FUND BALANCES**
**For the Fiscal Year Ended June 30, 2024**
**(Thousands of Dollars)**

| | Bond Redemption and Interest Program |
|---|---|
| Revenues: | |
| Property taxes | $ 73,923 |
| Replacement taxes | 40,442 |
| State aid | 502,654 |
| Federal aid | 19,825 |
| Interest and investment earnings (losses) | 46,753 |
| Other | 211,151 |
| Total revenues | $ 894,748 |
| Expenditures: | |
| Debt service | $ 764,279 |
| Total expenditures | $ 764,279 |
| Revenues in excess of expenditures | $ 130,469 |
| Other financing sources (uses): | |
| Gross amounts from debt issuances | $ 35,803 |
| Transfers in (out) | (11,001) |
| Total other financing sources (uses) | 24,802 |
| Net change in fund balances | $ 155,271 |
| Fund balances, beginning of period | 957,939 |
| Fund balances, end of period | $ 1,113,210 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**BOND REDEMPTION AND INTEREST PROGRAM**
**SCHEDULE OF REVENUES, EXPENDITURES BY OBJECT,**
**OTHER FINANCING SOURCES (USES) AND NET CHANGE IN FUND BALANCE**
**FINAL APPROPRIATIONS VS. ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Final Appropriations | Fiscal Year 2024 | Variance | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 51,084 | $ 73,923 | $ 22,839 | $ 47,925 | $ 25,998 |
| Replacement taxes | 39,419 | 40,442 | 1,023 | 39,419 | 1,023 |
| State aid | 502,063 | 502,654 | 591 | 501,680 | 974 |
| Federal aid | 24,594 | 19,825 | (4,769) | 30,993 | (11,168) |
| Interest and investment earnings (loss) | — | 46,753 | 46,753 | 13,554 | 33,199 |
| Other | 142,300 | 211,151 | 68,851 | 152,576 | 58,575 |
| Total revenues | $ 759,460 | $ 894,748 | $ 135,288 | $ 786,147 | $ 108,601 |
| Expenditures: | | | | | |
| Debt Service | $ 769,396 | $ 764,279 | $ (5,117) | $ 728,999 | $ 35,280 |
| Total expenditures | $ 769,396 | $ 764,279 | $ (5,117) | $ 728,999 | $ 35,280 |
| Revenues in excess of (less than) expenditures | $ (9,936) | $ 130,469 | $ 140,405 | $ 57,148 | $ 73,321 |
| Other financing sources (uses): | | | | | |
| Gross amounts from debt issuances | $ — | $ 35,803 | $ 35,803 | $ 35,013 | $ 790 |
| Premiums | — | — | — | 1,012 | (1,012) |
| Transfers in (out) | — | (11,001) | (11,001) | (4,272) | (6,729) |
| Total other financing sources (uses) | $ — | $ 24,802 | $ 24,802 | $ 31,753 | $ (6,951) |
| Net change in fund balance | $ (9,936) | $ 155,271 | $ 165,207 | $ 88,901 | $ 66,370 |
| Fund balance, beginning of period | 957,939 | 957,939 | — | 869,038 | 88,901 |
| Fund balance, end of period | $ 948,003 | $ 1,113,210 | $ 165,207 | $ 957,939 | $ 155,271 |

Chicago Public Schools

# Statistical Section

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANNUAL COMPREHENSIVE FINANCIAL REPORT**
**STATISTICAL SECTION**

This part of CPS' ACFR presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about CPS' overall financial position.

**Contents:**

***Financial Trends***

These schedules contain trend information to help the reader understand how CPS' financial performance has changed over time.

***Revenue Capacity***

These schedules contain information to help the reader assess CPS' major revenue sources.

***Debt Capacity***

These schedules present information to help the reader assess the affordability of CPS' current levels of outstanding debt and CPS' ability to issue additional debt in the future.

***Demographic and Economic Information***

These schedules offer demographic and economic indicators to help the reader understand the environment within which CPS' financial activities take place.

***Operating Information***

These schedules contain service and infrastructure data to help the reader understand how the information in CPS' financial report relates to the services CPS provides and the activities it performs.

***Sources:***

Unless otherwise noted, the information contained herein is derived from ACFR for the relevant year.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**COMPONENTS OF NET POSITION**
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 (1) (as restated) | 2017 (2) (as restated) | 2018 |
|---|---|---|---|---|
| Net investment in capital assets | $ (159,007) | $ (342,529) | $ (644,224) | $ (743,406) |
| Restricted for: | | | | |
| Capital projects | — | — | 125,516 | 167,172 |
| Debt service | 445,663 | 510,743 | 630,308 | 744,517 |
| Restricted for school internal accounts | — | — | — | — |
| Grants and donations | 64,584 | 65,282 | 52,287 | 52,333 |
| Workers' comp/tort immunity | 41,373 | 35,116 | 27,344 | — |
| Teacher's Pension Contributions | — | — | — | 9,287 |
| Unrestricted | (11,604,516) | (12,362,437) | (13,497,487) | (14,286,782) |
| Total net position (deficit) | $ (11,211,903) | $ (12,093,825) | $ (13,306,256) | $ (14,056,879) |

**Notes:**
1) Certain items in the FY2016 financial statements were restated to reflect the effects of GASB 82 adopted in FY2017.
2) Certain items in the FY2017 financial statements were restated to reflect the effects of GASB 75 adopted in FY2018.
3) Certain items in the FY2020 financial statements were restated to reflect the effects of GASB 84 adopted in FY2020.

| 2019 | 2020 (3) (as restated) | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| $ (1,425,566) | $ (1,560,713) | $ (1,757,203) | $ (1,870,346) | $ (2,050,422) | $ (2,109,311) |
| 106,701 | 62,028 | 47,925 | 14,343 | 80,915 | 91,857 |
| 715,845 | 706,872 | 718,477 | 751,841 | 832,630 | 965,496 |
| — | — | 48,230 | 51,696 | 54,063 | 72,971 |
| 16,183 | 13,553 | 12,143 | 16,712 | 13,021 | 7 |
| — | — | — | — | — | — |
| 14,125 | 14,323 | 4,217 | — | 29,912 | — |
| (14,223,061) | (15,112,632) | (16,451,536) | (17,107,788) | (17,470,585) | (17,707,471) |
| $ (14,795,773) | $ (15,876,569) | $ (17,377,747) | $ (18,143,542) | $ (18,510,466) | $ (18,686,451) |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CHANGES IN NET POSITION**
**Last Ten Fiscal Years**
**(Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Governmental Activities: | | | | |
| Expenses: | | | | |
| Instruction | $ 4,217,996 | $ 3,870,330 | $ 4,024,653 | $ 4,449,069 |
| Pupil support services | 484,745 | 470,316 | 472,176 | 481,371 |
| Administrative support services | 249,662 | 318,736 | 301,053 | 171,493 |
| Facilities support services | 477,892 | 454,652 | 465,170 | 455,563 |
| Instructional support services | 492,232 | 468,999 | 460,568 | 496,199 |
| Food services | 207,834 | 211,288 | 213,920 | 219,809 |
| Community services | 37,997 | 36,967 | 39,625 | 39,863 |
| Interest expense | 332,023 | 365,136 | 448,126 | 544,857 |
| Other | 6,319 | 7,388 | 12,691 | 10,015 |
| Total governmental activities | $ 6,506,700 | $ 6,203,812 | $ 6,437,982 | $ 6,868,239 |
| Program revenues: | | | | |
| Charges for services | | | | |
| Instruction | $ 571 | $ 612 | $ 647 | $ 698 |
| Food services | 1,303 | 1,336 | 1,522 | 3,356 |
| Operating grants and contributions | 1,051,655 | 1,147,750 | 1,156,382 | 1,322,703 |
| Capital grants and contributions | 356,189 | 109,766 | 57,658 | 60,896 |
| Total program revenues | $ 1,409,718 | $ 1,259,464 | $ 1,216,209 | $ 1,387,653 |
| Revenues in access of (less than) expenditures | $ (5,096,982) | $ (4,944,348) | $ (5,221,773) | $ (5,480,586) |
| General revenues and other changes in net position: | | | | |
| Taxes: | | | | |
| Property taxes | $ 2,302,881 | $ 2,399,287 | $ 2,696,046 | $ 2,889,401 |
| Replacement taxes | 202,148 | 161,535 | 227,921 | 168,254 |
| Non-program state aid | 1,492,019 | 1,442,822 | 1,212,143 | 1,451,897 |
| Interest and investment earnings (loss) | (47,720) | (18,706) | 5,442 | 19,022 |
| Gain on sale of capital assets | — | 10,058 | 7,008 | 8,674 |
| Lease Income | — | — | — | — |
| Other | 125,638 | 190,480 | 156,369 | 192,715 |
| Total general revenues | $ 4,074,966 | $ 4,185,476 | $ 4,304,929 | $ 4,729,963 |
| Change in net position | $ (1,022,016) | $ (758,872) | $ (916,844) | $ (750,623) |

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| $ 4,770,114 | $ 5,036,763 | $ 5,831,771 | $ 5,616,791 | $ 5,516,630 | $ 5,809,532 |
| 513,667 | 564,302 | 582,704 | 852,701 | 878,912 | 890,788 |
| 215,700 | 353,496 | 443,736 | 460,219 | 472,864 | 541,556 |
| 536,053 | 668,369 | 700,399 | 741,900 | 798,052 | 791,361 |
| 585,280 | 606,146 | 742,780 | 698,053 | 724,058 | 728,050 |
| 231,401 | 238,660 | 184,966 | 233,879 | 237,812 | 255,790 |
| 42,641 | 43,691 | 63,151 | 59,766 | 64,244 | 84,791 |
| 504,458 | 505,157 | 485,888 | 496,619 | 518,517 | 545,110 |
| 15,322 | 17,690 | — | — | — | — |
| $ 7,414,636 | $ 8,034,274 | $ 9,035,395 | $ 9,159,928 | $ 9,211,089 | $ 9,646,978 |
| | | | | | |
| $ 734 | $ 452 | $ 501 | $ 621 | $ 1,353 | $ 1,123 |
| 2,698 | 1,808 | 358 | 1,357 | 1,465 | 1,523 |
| 1,553,775 | 1,612,177 | 2,043,353 | 2,496,947 | 2,471,524 | 2,997,128 |
| 49,773 | 18,307 | 34,706 | 38,317 | 22,595 | 110,981 |
| $ 1,606,980 | $ 1,632,744 | $ 2,078,918 | $ 2,537,241 | $ 2,496,938 | $ 3,110,755 |
| | | | | | |
| $ (5,807,656) | $ (6,401,530) | $ (6,956,477) | $ (6,622,687) | $ (6,714,151) | $ (6,536,223) |
| | | | | | |
| $ 3,041,009 | $ 3,075,049 | $ 3,155,962 | $ 3,341,851 | $ 3,545,625 | $ 3,761,550 |
| 187,232 | 202,452 | 282,075 | 609,896 | 636,467 | 383,522 |
| 1,605,783 | 1,666,153 | 1,658,276 | 1,651,473 | 1,716,020 | 1,730,094 |
| 47,250 | 47,514 | 2,883 | (12,890) | 31,904 | 76,721 |
| — | — | — | — | — | — |
| — | — | — | 5,315 | 5,290 | 5,506 |
| 187,488 | 329,566 | 306,080 | 261,246 | 411,922 | 402,845 |
| $ 5,068,762 | $ 5,320,734 | $ 5,405,276 | $ 5,856,891 | $ 6,347,228 | $ 6,360,238 |
| $ (738,894) | $ (1,080,796) | $ (1,551,201) | $ (765,796) | $ (366,923) | $ (175,985) |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**COMPONENTS OF FUND BALANCE**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| General operating fund | | | | |
| Nonspendable | $ 429 | $ 429 | $ 429 | $ 429 |
| Restricted for grants and donations | 64,155 | 64,854 | 51,858 | 52,333 |
| Restricted for workers' comp/tort immunity | 41,373 | 35,116 | 27,344 | — |
| Restricted for teacher's pension contributions | — | — | — | 9,287 |
| Restricted for school internal accounts | — | — | — | — |
| Assigned for appropriated fund balance | 79,225 | — | — | — |
| Assigned for commitments and contracts | 73,101 | — | — | 18,044 |
| Unassigned | 102,002 | (227,031) | (354,861) | 243,671 |
| Total general operating fund | $ 360,285 | $ (126,632) | $ (275,230) | $ 323,764 |
| All other governmental funds | | | | |
| Nonspendable | $ — | $ — | $ 2,356,000 | $ — |
| Restricted for capital improvement program | — | 107,248 | 792,586 | 895,111 |
| Restricted for debt service | 545,383 | 535,116 | 660,501 | 785,176 |
| Assigned for debt service | 57,057 | — | — | 341 |
| Unassigned (deficit) | (131,111) | (65,809) | (85,691) | — |
| Total all other governmental funds | $ 471,329 | $ 576,555 | $ 3,723,396 | $ 1,680,628 |

**Note:**
1) Certain items in the FY2020 financial statements were restated to reflect the effects of GASB 84 adopted in FY2020.
2) In FY2024, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2019 | 2020 (1) | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| $ 429 | $ 429 | $ 429 | $ 12,162 | $ 873 | $ 1,578 |
| 16,183 | 13,518 | 12,143 | 16,719 | 13,028 | 7 |
| — | — | — | — | — | — |
| 14,125 | 14,324 | 4,217 | — | 29,912 | — |
| — | 50,023 | 48,230 | 51,696 | 54,063 | 72,971 |
| — | — | — | — | — | — |
| 94,733 | 109,944 | 135,314 | 92,186 | 121,283 | 103,107 |
| 346,296 | 378,855 | 603,435 | 906,905 | 1,059,121 | 1,177,416 |
| $ 471,766 | $ 567,093 | $ 803,768 | $ 1,079,668 | $ 1,278,280 | $ 1,355,079 |
| | | | | | |
| $ — | $ — | $ — | $ — | $ — | $ — |
| 716,747 | 182,101 | 188,819 | 163,713 | 48,042 | 83,381 |
| 753,962 | 747,627 | 769,537 | 787,570 | 875,358 | 1,006,927 |
| 20,080 | 45,913 | 64,055 | 81,468 | 82,581 | 106,283 |
| — | — | — | — | — | — |
| $ 1,490,789 | $ 975,641 | $ 1,022,411 | $ 1,032,751 | $ 1,005,981 | $ 1,196,591 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CHANGES IN FUND BALANCES**
**OF GOVERNMENTAL FUNDS**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| Revenues: | | | | |
| Property taxes | $ 2,304,656 | $ 2,408,416 | $ 2,714,956 | $ 2,897,870 |
| Replacement taxes | 202,148 | 161,535 | 227,921 | 168,254 |
| State aid | 1,847,069 | 1,552,325 | 1,708,865 | 2,196,956 |
| Federal aid | 798,931 | 808,999 | 783,943 | 767,928 |
| Interest and investment earnings (loss) | (92,825) | (95,650) | 5,442 | 19,022 |
| Lease Income | — | — | — | — |
| Other | 377,286 | 437,042 | 387,045 | 461,692 |
| Total revenues | $ 5,437,265 | $ 5,272,667 | $ 5,828,172 | $ 6,511,722 |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | $ 3,253,484 | $ 2,970,553 | $ 2,859,105 | $ 3,108,443 |
| Pupil support services | 459,672 | 448,254 | 441,324 | 453,389 |
| General support services | 972,526 | 1,044,740 | 948,943 | 888,314 |
| Food services | 197,084 | 201,377 | 199,944 | 207,042 |
| Community services | 38,003 | 37,497 | 39,607 | 40,047 |
| Teachers' pension and retirement benefits | 676,078 | 664,123 | 708,941 | 762,816 |
| Other | 6,319 | 7,388 | 12,691 | 10,016 |
| Capital outlay | 391,953 | 308,091 | 217,303 | 352,028 |
| Debt service: | | | | |
| Principal | 214,707 | 139,096 | 152,638 | 144,717 |
| Interest | 310,923 | 310,778 | 375,679 | 443,886 |
| Other charges | 7,863 | 31,545 | 77,377 | 62,802 |
| Total expenditures | $ 6,528,612 | $ 6,163,442 | $ 6,033,552 | $ 6,473,500 |
| Revenues (less than) expenditures | $ (1,091,347) | $ (890,775) | $ (205,380) | $ 38,222 |
| Other financing sources (uses): | | | | |
| Gross amounts from debt issuances | $ 561,880 | $ 724,999 | $ 879,580 | $ 2,152,150 |
| Premiums on bonds issued | — | — | — | 65,353 |
| Insurance proceeds | — | — | 224 | — |
| Lease value | — | — | — | — |
| Subscribtion-based IT asset value | — | — | — | — |
| Sales of general capital assets | 37,504 | 15,012 | 6,272 | 9,442 |
| Payment to refunded bond escrow agent | (386,710) | (120,856) | — | (1,321,865) |
| Gain and loss from termination of lease as lessor | — | — | — | — |
| Discounts on bonds issued | (12,502) | (110,071) | (36,097) | (33,432) |
| Total other financing sources (uses) | $ 200,172 | $ 509,084 | $ 849,979 | $ 871,648 |
| Net changes in fund balances | $ (891,175) | $ (381,691) | $ 644,599 | $ 909,870 |
| Debt service as a percentage of noncapital expenditures | 8.47% | 7.61% | 8.97% | 9.48% |

**Note:**
(A) In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 (A) |
|---|---|---|---|---|---|
| $ 2,984,026 | $ 3,074,091 | $ 3,157,474 | $ 3,367,969 | $ 3,531,593 | $ 3,731,054 |
| 187,232 | 202,451 | 282,075 | 609,896 | 636,467 | 383,522 |
| 2,182,942 | 2,239,807 | 2,289,188 | 2,344,633 | 2,376,451 | 2,511,298 |
| 705,355 | 747,356 | 1,148,945 | 1,503,648 | 1,495,405 | 1,705,968 |
| 47,250 | 47,514 | 2,883 | (12,890) | 31,904 | 76,721 |
| — | — | — | 5,315 | 5,290 | 5,506 |
| 536,349 | 622,101 | 573,898 | 626,129 | 688,150 | 897,446 |
| $ 6,643,154 | $ 6,933,320 | $ 7,454,463 | $ 8,444,700 | $ 8,765,260 | $ 9,311,515 |
| | | | | | |
| $ 3,263,334 | $ 3,247,193 | $ 3,444,901 | $ 3,839,806 | $ 4,031,155 | $ 4,385,311 |
| 486,490 | 537,732 | 551,884 | 804,631 | 840,088 | 847,040 |
| 1,025,546 | 1,231,120 | 1,387,216 | 1,497,077 | 1,642,773 | 1,708,228 |
| 219,159 | 227,422 | 175,183 | 220,694 | 227,307 | 243,227 |
| 42,919 | 43,985 | 62,993 | 59,165 | 64,420 | 84,551 |
| 787,183 | 835,399 | 844,054 | 907,040 | 812,586 | 981,228 |
| 15,322 | 17,689 | 12,304 | 16,172 | 16,903 | 27,699 |
| 625,306 | 599,122 | 592,336 | 662,023 | 756,756 | 601,867 |
| | | | | | |
| 144,542 | 171,755 | 176,315 | 198,568 | 219,153 | 216,717 |
| 428,290 | 483,474 | 486,019 | 489,139 | 536,834 | 536,834 |
| 63,382 | 5,953 | 1,890 | 42,425 | 22,618 | 56,948 |
| $ 7,101,473 | $ 7,400,844 | $ 7,735,095 | $ 8,736,740 | $ 9,170,593 | $ 9,689,650 |
| $ (458,319) | $ (467,524) | $ (280,632) | $ (292,040) | $ (405,333) | $ (378,135) |
| | | | | | |
| $ 849,395 | $ 349,079 | $ 557,505 | $ 872,170 | $ 520,835 | $ 575,000 |
| 33,399 | 50,391 | 139,132 | 100,240 | 15,055 | (7,920) |
| — | — | — | — | — | — |
| — | — | — | 12,613 | 31,991 | 236 |
| — | — | — | — | 9,335 | 8,090 |
| 1,251 | 166 | — | 10 | — | — |
| (457,035) | (401,956) | (132,560) | (406,753) | — | — |
| — | — | — | — | (41) | — |
| (10,528) | — | — | — | — | — |
| $ 416,482 | $ (2,320) | $ 564,077 | $ 578,280 | $ 577,175 | $ 575,406 |
| $ (41,837) | $ (469,844) | $ 283,445 | $ 286,240 | $ 171,842 | $ 197,271 |
| | | | | | |
| 8.72% | 9.44% | 9.11% | 8.41% | 8.89% | 7.78% |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**REVENUES BY SOURCE — ALL PROGRAMS**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | 2015 | | 2016 | |
|---|---|---|---|---|
| | Amount | Percent of Total | Amount | Percent of Total |
| Revenues: | | | | |
| Property taxes | $ 2,304,656 | 42.4% | $ 2,408,416 | 45.7% |
| Replacement taxes | 202,148 | 3.7% | 161,535 | 3.1% |
| State aid | 1,847,069 | 34.0% | 1,552,325 | 29.4% |
| Federal aid | 798,931 | 14.7% | 808,999 | 15.3% |
| Interest and investment earnings (loss) | (92,825) | (1.7%) | (95,650) | (1.8%) |
| Lease Income | — | —% | — | —% |
| Other | 377,286 | 6.9% | 437,042 | 8.3% |
| Total revenues | $ 5,437,265 | 100.0% | $ 5,272,667 | 100.0% |

| | 2020 | | 2021 | |
|---|---|---|---|---|
| | Amount | Percent of Total | Amount | Percent of Total |
| Revenues: | | | | |
| Property taxes | $ 3,074,091 | 44.3% | $ 3,157,474 | 42.4% |
| Replacement taxes | 202,451 | 2.9% | 282,075 | 3.8% |
| State aid | 2,239,807 | 32.3% | 2,289,188 | 30.7% |
| Federal aid | 747,356 | 10.8% | 1,148,945 | 15.4% |
| Interest and investment earnings (loss) | 47,514 | 0.7% | 2,883 | —% |
| Lease Income | — | —% | — | —% |
| Other | 622,101 | 9.0% | 573,898 | 7.7% |
| Total revenues | $ 6,933,320 | 100.0% | $ 7,454,463 | 100.0% |

**Notes:**
This schedule was prepared using the modified accrual basis of accounting.
(A) In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2017 | | 2018 | | 2019 | |
|---|---|---|---|---|---|
| Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| $ 2,714,956 | 46.6% | $ 2,897,870 | 44.5% | $ 2,984,026 | 44.9% |
| 227,920 | 3.9% | 168,254 | 2.6% | 187,232 | 2.8% |
| 1,708,865 | 29.3% | 2,196,956 | 33.7% | 2,182,942 | 32.9% |
| 783,943 | 13.5% | 767,928 | 11.8% | 705,355 | 10.6% |
| 5,443 | 0.1% | 19,022 | 0.3% | 47,250 | 0.7% |
| — | —% | — | —% | — | —% |
| 387,045 | 6.6% | 461,692 | 7.1% | 536,349 | 8.1% |
| $ 5,828,172 | 100.0% | $ 6,511,722 | 100.0% | $ 6,643,154 | 100.0% |

| 2022 | | 2023 | | 2024 (A) | |
|---|---|---|---|---|---|
| Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| $ 3,367,969 | 39.9% | $ 3,531,593 | 40.3% | $ 3,731,054 | 40.1% |
| 609,896 | 7.2% | 636,467 | 7.3% | 383,522 | 4.1% |
| 2,344,633 | 27.8% | 2,376,451 | 27.1% | 2,511,298 | 27.0% |
| 1,503,648 | 17.8% | 1,495,405 | 17.1% | 1,705,968 | 18.3% |
| (12,890) | (0.2%) | 31,904 | 0.4% | 76,721 | 0.8% |
| 5,315 | 0.1% | 5,290 | 0.1% | 5,506 | 0.1% |
| 626,129 | 7.4% | 688,150 | 7.9% | 897,446 | 9.6% |
| $ 8,444,700 | 100.0% | $ 8,765,260 | 100.0% | $ 9,311,515 | 100.0% |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**EXPENDITURES BY FUNCTION — ALL PROGRAMS**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | | 2016 | |
|---|---|---|---|---|
| | Amount | Percent of Total | Amount | Percent of Total |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | $ 3,253,484 | 49.9% | $ 2,970,553 | 48.1% |
| Pupil support services | 459,672 | 7.1% | 448,254 | 7.3% |
| General support services | 972,526 | 14.9% | 1,044,740 | 17.0% |
| Food services | 197,084 | 3.0% | 201,377 | 3.3% |
| Community services | 38,003 | 0.6% | 37,497 | 0.6% |
| Teachers' pension and retirement benefits | 676,078 | 10.4% | 664,123 | 10.8% |
| Other | 6,319 | 0.1% | 7,388 | 0.1% |
| Capital outlay | 391,953 | 6.0% | 308,091 | 5.0% |
| Debt service | 533,493 | 8.0% | 481,419 | 7.8% |
| Total expenditures | $ 6,528,612 | 100.0% | $ 6,163,442 | 100.0% |

| | 2020 | | 2021 | |
|---|---|---|---|---|
| | Amount | Percent of Total | Amount | Percent of Total |
| Expenditures: | | | | |
| Current: | | | | |
| Instruction | $ 3,247,193 | 43.8% | $ 3,444,901 | 44.5% |
| Pupil support services | 537,732 | 7.3% | 551,884 | 7.1% |
| General support services | 1,231,120 | 16.5% | 1,387,216 | 17.9% |
| Food services | 227,422 | 3.1% | 175,183 | 2.3% |
| Community services | 43,985 | 0.6% | 62,993 | 0.8% |
| Teachers' pension and retirement benefits | 835,399 | 11.3% | 844,054 | 10.9% |
| Other | 17,689 | 0.2% | 12,304 | 0.2% |
| Capital outlay | 599,122 | 8.3% | 592,336 | 7.7% |
| Debt service | 661,182 | 8.9% | 664,224 | 8.6% |
| Total expenditures | $ 7,400,844 | 100.0% | $ 7,735,095 | 100.0% |

| 2017 | | 2018 | | 2019 | |
|---|---|---|---|---|---|
| Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| $ 2,859,105 | 47.5% | $ 3,108,443 | 48.0% | $ 3,263,334 | 45.9% |
| 441,324 | 7.3% | 453,389 | 7.0% | 486,490 | 6.9% |
| 984,943 | 16.3% | 888,314 | 13.7% | 1,025,546 | 14.4% |
| 199,944 | 3.3% | 207,042 | 3.2% | 219,159 | 3.1% |
| 39,607 | 0.7% | 40,047 | 0.6% | 42,919 | 0.6% |
| 708,941 | 11.7% | 762,816 | 11.8% | 787,183 | 11.1% |
| 12,691 | 0.2% | 10,016 | 0.2% | 15,322 | 0.2% |
| 217,303 | 3.6% | 352,028 | 5.4% | 625,306 | 8.8% |
| 569,694 | 9.4% | 651,405 | 10.1% | 636,214 | 9.0% |
| $ 6,033,552 | 100.0% | $ 6,473,500 | 100.0% | $ 7,101,473 | 100.0% |

| 2022 | | 2023 | | 2024 | |
|---|---|---|---|---|---|
| Amount | Percent of Total | Amount | Percent of Total | Amount | Percent of Total |
| $ 3,839,806 | 44.0% | $ 4,031,155 | 44.0% | $ 4,385,311 | 45.3% |
| 804,631 | 9.2% | 840,088 | 9.2% | 847,040 | 8.7% |
| 1,497,077 | 17.1% | 1,642,773 | 17.9% | 1,708,228 | 17.6% |
| 220,694 | 2.5% | 227,307 | 2.5% | 243,227 | 2.5% |
| 59,165 | 0.7% | 64,420 | 0.7% | 84,551 | 0.9% |
| 907,040 | 10.4% | 812,586 | 8.9% | 981,228 | 10.1% |
| 16,172 | 0.2% | 16,903 | 0.2% | 27,699 | 0.3% |
| 662,023 | 7.6% | 756,756 | 8.3% | 601,867 | 6.2% |
| 730,132 | 8.4% | 778,605 | 8.5% | 810,499 | 8.4% |
| $ 8,736,740 | 100.0% | $ 9,170,593 | 100.0% | $ 9,689,650 | 100.0% |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**DETAILED SCHEDULE OF REVENUE AND EXPENDITURES**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Fiscal Year 2024 (A) | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|
| Revenues: | | | |
| Local taxes: | | | |
| Property taxes | $ 3,639,553 | $ 3,443,950 | $ 195,603 |
| Replacement taxes | 343,080 | 597,048 | (253,968) |
| Total revenue from local taxes | $ 3,982,633 | $ 4,040,998 | $ (58,365) |
| Local nontax revenues: | | | |
| Interest and investment earnings | $ 19,583 | $ 13,911 | $ 5,672 |
| Lunchroom operations | 1,345 | 1,207 | 138 |
| Other | 686,245 | 530,192 | 156,053 |
| Total nontax revenues | $ 707,173 | $ 545,310 | 161,863 |
| Total local revenues | $ 4,689,806 | $ 4,586,308 | $ 103,498 |
| State grants and subsidies: | | | |
| Evidence based funding | $ 1,216,501 | $ 1,203,401 | $ 13,100 |
| Other | 417,852 | 348,176 | 69,676 |
| CTPF - Pension contribution | 353,900 | 308,673 | 45,227 |
| Total state grants & subsidies | $ 1,988,253 | $ 1,860,250 | $ 128,003 |
| Federal grants and subsidies: | | | |
| Elementary and Secondary Education Act (ESEA) | $ 323,144 | $ 295,824 | $ 27,320 |
| Elementary and Secondary School Emergency Relief Fund | 797,404 | 746,672 | 50,732 |
| School lunch program | 209,637 | 202,127 | 7,510 |
| Individuals with Disabilities Education Act (IDEA) | 100,196 | 99,592 | 604 |
| Other | 251,260 | 117,615 | 133,645 |
| Total federal grants and subsidies | $ 1,681,641 | $ 1,461,830 | $ 219,811 |
| Total revenues | $ 8,359,700 | $ 7,908,388 | $ 451,312 |

**Note:**
(A) In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Fiscal Year 2024 | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|
| Expenditures: | | | |
| Instruction: | | | |
| Salaries | $ 2,516,867 | $ 2,301,928 | $ 214,939 |
| Commodities | 122,365 | 116,900 | 5,465 |
| Services | 983,401 | 916,854 | 66,547 |
| Equipment - educational | 45,732 | 39,761 | 5,971 |
| Building and sites | 2,150 | 1,661 | 489 |
| Fixed charges | 714,796 | 654,051 | 60,745 |
| Total instruction | $ 4,385,311 | $ 4,031,155 | $ 354,156 |
| Pupil support services: | | | |
| Salaries | $ 414,648 | $ 384,742 | $ 29,906 |
| Commodities | 20,581 | 62,986 | (42,405) |
| Services | 256,360 | 247,599 | 8,761 |
| Equipment - educational | 2,453 | 2,704 | (251) |
| Building and sites | 2,770 | 1,513 | 1,257 |
| Fixed charges | 150,228 | 140,544 | 9,684 |
| Total pupil support services | $ 847,040 | $ 840,088 | $ 6,952 |
| Administrative support services: | | | |
| Salaries | $ 159,110 | $ 150,335 | $ 8,775 |
| Commodities | 41,187 | 30,047 | 11,140 |
| Services | 247,126 | 211,544 | 35,582 |
| Equipment - educational | 970 | 3,001 | (2,031) |
| Building and sites | 718 | 463 | 255 |
| Fixed charges | 39,509 | 40,430 | (921) |
| Total administrative support services | $ 488,620 | $ 435,820 | $ 52,800 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Fiscal Year 2024 | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|
| Facilities support services: | | | |
| Salaries | $ 53,109 | $ 48,884 | $ 4,225 |
| Commodities | 113,919 | 107,810 | 6,109 |
| Services | 377,431 | 387,406 | (9,975) |
| Equipment - educational | 11,561 | 3,703 | 7,858 |
| Building and sites | 72,488 | 88,934 | (16,446) |
| Fixed charges | 41,533 | 41,127 | 406 |
| Total facilities support services | $ 670,041 | $ 677,864 | $ (7,823) |
| Instructional support services: | | | |
| Salaries | $ 353,972 | $ 333,630 | $ 20,342 |
| Commodities | 22,177 | 19,284 | 2,893 |
| Services | 69,014 | 68,750 | 264 |
| Equipment - educational | 4,096 | 11,074 | (6,978) |
| Building and sites | 2,675 | 2,187 | 488 |
| Fixed charges | 97,633 | 94,164 | 3,469 |
| Total instructional support services | $ 549,567 | $ 529,089 | $ 20,478 |
| Food services: | | | |
| Salaries | $ 74,802 | $ 73,020 | $ 1,782 |
| Commodities | 104,617 | 89,484 | 15,133 |
| Services | 4,368 | 3,881 | 487 |
| Equipment - educational | 739 | 1,507 | (768) |
| Fixed charges | 58,701 | 59,415 | (714) |
| Total food services | $ 243,227 | $ 227,307 | $ 15,920 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Fiscal Year 2024 | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|
| Community services: | | | |
| Salaries | $ 17,004 | $ 16,214 | $ 790 |
| Commodities | 2,601 | 2,214 | 387 |
| Services | 58,894 | 40,154 | 18,740 |
| Equipment - educational | 415 | 532 | (117) |
| Building and sites | 115 | — | 115 |
| Fixed charges | 5,522 | 5,306 | 216 |
| Total community services | $ 84,551 | $ 64,420 | $ 20,131 |
| Teacher's Pension: | | | |
| Fixed charges | $ 981,228 | $ 812,586 | $ 168,642 |
| Total teachers' pension | $ 981,228 | $ 812,586 | $ 168,642 |
| Capital outlay: | | | |
| Salaries | $ 3,932 | $ 3,334 | $ 598 |
| Commodities | 1,911 | 2,958 | (1,047) |
| Services | 3,081 | 3,400 | (319) |
| Equipment - educational | 286 | 316 | (30) |
| Building and sites | 18,491 | 18,455 | 36 |
| Fixed charges | 1,656 | 706 | 950 |
| Total capital outlay | $ 29,357 | $ 29,169 | $ 188 |
| Debt service: | | | |
| Fixed charges | $ 46,220 | $ 49,606 | $ (3,386) |
| Total debt service | $ 46,220 | $ 49,606 | $ (3,386) |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**DETAILED SCHEDULE OF REVENUE AND EXPENDITURES (continued)**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Fiscal Year 2024 | Fiscal Year 2023 | 2024 Over (Under) 2023 |
|---|---|---|---|
| Other: | | | |
| Fixed charges | $ 27,699 | $ 16,903 | $ 10,796 |
| Total other | $ 27,699 | $ 16,903 | $ 10,796 |
| Total expenditures | $ 8,352,861 | $ 7,714,007 | $ 638,854 |

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Chicago
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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**OTHER FINANCING SOURCES AND (USES)**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| General operating fund: | | | | |
| Insurance proceeds | $ — | $ — | $ 224 | $ — |
| Lease value | — | — | — | — |
| Gain and loss from termination of lease as lessor | — | — | — | — |
| Transfers in/(out) | (12,915) | 50,162 | 58,350 | 286,828 |
| Total general operating fund | $ (12,915) | $ 50,162 | $ 58,574 | $ 286,828 |
| All other governmental funds: | | | | |
| Gross amounts from debt issuances | $ 561,880 | $ 724,999 | $ 879,580 | $ 2,152,150 |
| Premiums on bonds issued | — | — | — | 65,353 |
| Issuance of refunding debt | — | — | — | — |
| Premiums on refunding bonds issued | — | — | — | — |
| Sales of general capital assets | 37,504 | 15,012 | 6,273 | 9,442 |
| Payment to refunded bond escrow agent | (386,710) | (120,856) | — | (1,321,865) |
| Lease value | — | — | — | — |
| Subscription-based IT asset value | — | — | — | — |
| Transfers in/(out) | 12,915 | (50,162) | (58,350) | (286,828) |
| Discounts on bonds issued | (12,502) | (110,071) | (36,097) | (33,432) |
| Total all other governmental funds | $ 213,087 | $ 458,922 | $ 791,406 | $ 584,820 |

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| $ 33 | $ — | $ — | $ — | $ — | $ — |
| — | — | — | 12,613 | — | — |
| — | — | — | — | (41) | — |
| 475 | 11,010 | — | (10) | 4,272 | 102 |
| $ 508 | $ 11,010 | $ — | $ 12,603 | $ 4,231 | $ 102 |
| | | | | | |
| $ 849,395 | $ — | $ 450,000 | $ 480,857 | $ 520,835 | $ 575,000 |
| 33,366 | — | 113,020 | 62,668 | 15,055 | (7,920) |
| — | 349,079 | 107,505 | 391,313 | — | — |
| — | 50,391 | 26,112 | 37,572 | — | — |
| 1,251 | 166 | — | 10 | — | — |
| (457,035) | (401,956) | (132,560) | (406,753) | — | — |
| — | — | — | — | 31,991 | 236 |
| — | — | — | — | 9,335 | 8,090 |
| (475) | (11,010) | — | 10 | (4,272) | (102) |
| (10,528) | — | — | — | — | — |
| $ 415,974 | $ (13,330) | $ 564,077 | $ 565,677 | $ 572,944 | $ 575,304 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**RATIO OF DEBT SERVICE TO NON-CAPITAL EXPENDITURES**
**Last Ten Fiscal Years**
**(Modified Accrual Basis of Accounting)**
**(Thousands of dollars)**

| Fiscal Year | Debt Service | Non-Capital | Ratio (1) |
|---|---|---|---|
| 2015 | $ 533,493 | $ 6,208,609 | 0.09 : 1 |
| 2016 | 481,419 | 5,910,440 | 0.08 : 1 |
| 2017 | 569,694 | 5,886,744 | 0.10 : 1 |
| 2018 | 651,405 | 6,208,226 | 0.10 : 1 |
| 2019 | 636,214 | 6,870,816 | 0.09 : 1 |
| 2020 | 661,182 | 6,941,728 | 0.10 : 1 |
| 2021 | 664,224 | 7,273,175 | 0.09 : 1 |
| 2022 | 730,132 | 8,179,868 | 0.09 : 1 |
| 2023 | 778,605 | 8,502,697 | 0.09 : 1 |
| 2024 | 810,499 | 9,174,496 | 0.09 : 1 |

**Note:**
1) Ratio of total debt service is calculated as Total Debt Service Expenditures, calculated as the sum of principal and interest expenditures, divided by total non-capital expenditures which are calculated as the difference between total expenditures and capitalized capital outlay expenditures, as per GASB S44; 12b.

Chicago
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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**DIRECT AND OVERLAPPING PROPERTY TAX RATES**
**Last Ten Fiscal Years**
**(Rate per $100 of equalized assessed valuation)**

| School Direct Rates | 2015 | 2016 | 2017 | 2018(A) |
|---|---|---|---|---|
| Education | 3.409 | 3.205 | 3.115 | 3.161 |
| Worker's and Unemployment Compensation/Tort Immunity | 0.169 | 0.111 | 0.107 | 0.039 |
| Public Building Commission | 0.082 | 0.075 | 0.072 | 0.069 |
| Capital Improvement | 0.000 | 0.064 | 0.065 | 0.011 |
| Teacher Pension | 0.000 | 0.000 | 0.367 | 0.551 |
| Bonds & Interest (A) | 0.000 | 0.000 | 0.000 | 0.059 |
| Levy Adjustment (B) | 0.000 | 0.000 | 0.000 | 0.000 |
| Total direct rate | 3.660 | 3.455 | 3.726 | 3.890 |
| City of Chicago | 1.473 | 1.806 | 1.880 | 1.894 |
| Chicago City Colleges | 0.193 | 0.177 | 0.169 | 0.164 |
| Chicago Park District | 0.415 | 0.382 | 0.368 | 0.358 |
| Metropolitan Water Reclamation District | 0.430 | 0.426 | 0.406 | 0.402 |
| Cook County | 0.568 | 0.552 | 0.533 | 0.496 |
| Cook County Forest Preserve | 0.069 | 0.069 | 0.063 | 0.062 |
| Total for all governments | 6.808 | 6.867 | 7.145 | 7.266 |

Source: Cook County Clerk's Office

**Notes:**
A) Beginning in fiscal year 2018, CPS issued a Bond Resolution Series Levy.
B) Beginning in fiscal year 2022, CPS received a new fund named Levy Adjustment consisting of refunds that should have been received in prior years.

| 2019 | 2020 | 2021 | 2022(B) | 2023 | 2024 |
|---|---|---|---|---|---|
| 2.845 | 2.893 | 2.929 | 2.786 | 2.959 | 3.046 |
| | | | | | |
| 0.093 | 0.090 | 0.094 | 0.089 | 0.084 | 0.084 |
| 0.036 | 0.000 | 0.000 | 0.000 | 0.000 | 0.000 |
| 0.011 | 0.011 | 0.011 | 0.021 | 0.039 | 0.018 |
| 0.511 | 0.565 | 0.562 | 0.532 | 0.567 | 0.555 |
| 0.056 | 0.060 | 0.060 | 0.055 | 0.055 | 0.083 |
| 0.000 | 0.000 | 0.000 | 0.033 | 0.052 | 0.042 |
| 3.552 | 3.620 | 3.656 | 3.517 | 3.757 | 3.828 |
| | | | | | |
| 1.812 | 1.893 | 1.886 | 1.838 | 1.628 | 1.884 |
| 0.147 | 0.149 | 0.151 | 0.145 | 0.155 | 0.158 |
| 0.330 | 0.326 | 0.329 | 0.311 | 0.323 | 0.318 |
| 0.396 | 0.389 | 0.378 | 0.382 | 0.374 | 0.345 |
| 0.489 | 0.454 | 0.453 | 0.446 | 0.431 | 0.386 |
| 0.060 | 0.059 | 0.058 | 0.058 | 0.081 | 0.075 |
| 6.786 | 6.890 | 6.911 | 6.697 | 6.749 | 6.994 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**PROPERTY TAX LEVIES AND COLLECTIONS**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | | | Collected within the Fiscal Year of Extension (A) | | | Total Collections to Date (B) | |
|---|---|---|---|---|---|---|---|
| Tax Year of Levy (C/D) | Fiscal Year of Extension | Total Tax Extension (E) | Amount | Percentage of Extension | Collections in Subsequent Years | Amount | Percentage of Extension |
| 2014 | 2015 | $ 2,375,822 | $ 1,177,370 | 49.56% | $ 1,134,538 | $ 2,311,908 | 97.31% |
| 2015 | 2016 | 2,451,566 | 1,230,423 | 50.19% | 1,110,836 | 2,341,259 | 95.50% |
| 2016 | 2017 | 2,757,651 | 1,242,377 | 42.05% | 1,449,481 | 2,691,858 | 97.61% |
| 2017 | 2018 | 2,988,432 | 1,453,350 | 48.63% | 1,469,218 | 2,922,568 | 97.80% |
| 2018 | 2019 | 3,066,309 | 1,574,691 | 51.35% | 1,446,735 | 3,021,426 | 98.54% |
| 2019 | 2020 | 3,178,626 | 1,600,502 | 50.35% | 1,545,905 | 3,146,407 | 98.99% |
| 2020 | 2021 | 3,272,336 | 1,687,838 | 51.58% | 1,680,232 | 3,368,070 | 102.93% |
| 2021 | 2022 | 3,408,762 | 1,790,288 | 52.52% | 1,595,276 | 3,385,564 | 99.32% |
| 2022 | 2023 | 3,640,230 | 1,736,550 | 47.70% | 1,839,402 | 3,575,952 | 98.23% |
| 2023 | 2024 | 3,815,190 | 1,861,481 | 48.79% | — | — | |

**Notes:**
A) The amount does not represent a full year's tax collection.
B) The total amount collected to date is net of refunds.
C) Tax Year 2015 contains Capital Improvement Tax amounts that were not levied in prior years.
D) Tax Year 2016 contains CTPF (Chicago Teacher Pension Fund) amounts that were not levied in prior years.
E) Adjustment was made to Tax Year 2021 Total Tax Extension due to the delay in receiving the Cook County Extension in FY2022.

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**CHICAGO PUBLIC SCHOOLS**
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**ASSESSED VALUE AND ESTIMATED VALUE OF TAXABLE PROPERTY**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | | Assessed Values (A) | | | | |
|---|---|---|---|---|---|---|
| **Tax Year Levy** | **Fiscal Year** | **Class 2 (B)** | **Class 3 (C)** | **Class 5 (D)** | **Other (E)** | **Total** |
| 2014 | 2015 | $ 15,416,908 | $ 1,345,482 | $ 10,096,651 | $ 487,529 | $ 27,346,570 |
| 2015 | 2016 | 17,319,503 | 1,589,995 | 11,240,864 | 541,183 | 30,691,545 |
| 2016 | 2017 | 17,219,809 | 1,863,312 | 11,316,868 | 562,402 | 30,962,391 |
| 2017 | 2018 | 17,196,902 | 1,905,033 | 11,370,329 | 497,856 | 30,970,120 |
| 2018 | 2019 | 19,759,176 | 2,329,709 | 13,321,105 | 626,755 | 36,036,745 |
| 2019 | 2020 | 19,705,845 | 2,552,750 | 13,908,306 | 666,850 | 36,833,751 |
| 2020 | 2021 | 17,874,896 | 2,657,697 | 13,139,430 | 660,097 | 34,332,120 |
| 2021 | 2022 | 21,394,731 | 3,284,731 | 15,064,489 | 774,983 | 40,518,934 |
| 2022 | 2023 | 21,281,457 | 3,512,465 | 15,809,938 | 784,594 | 41,388,454 |
| 2023 | 2024 | 21,188,366 | 3,644,312 | 15,771,105 | 756,315 | 41,360,098 |

**Notes:**
A. *Source*: Cook County Assessor's Office
B. Residential, six units and under
C. Residential, seven units and over and mixed-use
D. Industrial/Commercial
E. Vacant, not-for-profit and industrial/commercial incentive class
F. *Source*: Cook County Clerk's Office
G. *Source*: Cook County Clerk's Office - Total equalized assessed value is net of exemptions and includes assessment of pollution control facilities. Excludes DuPage County Valuation.
H. *Source:* Cook County Clerk's Office - Property in the City of Chicago is reassessed once every three years. Tax rates are per $100 of equalized assessed value.
I. Source: The Civic Federation - Excludes railroad property. This data was delayed for fiscal year 2020 and was unavailable at the time of publishing.

N/A: Not available at publishing.

| State Equalization Factor (F) | Total Equalized Assessed Value (G) | Total Direct Tax Rate (H) | Total Estimated Fair Cash Value (I) | Total Equalized Assessed Value as a Percentage of Total Estimated Fair Cash Value (%) |
|---|---|---|---|---|
| 2.7253 | $ 64,908,057 | 3.660 | $ 255,639,792 | 25.39% |
| 2.6685 | 70,963,289 | 3.455 | 278,076,449 | 25.52% |
| 2.8032 | 74,016,506 | 3.726 | 293,121,793 | 25.25% |
| 2.9627 | 76,765,303 | 3.890 | 306,074,351 | 25.08% |
| 2.9109 | 86,326,179 | 3.552 | 323,128,274 | 26.72% |
| 2.9160 | 87,816,177 | 3.620 | 335,856,711 | 26.15% |
| 3.2234 | 89,514,969 | 3.656 | 334,792,009 | 26.74% |
| 3.0027 | 96,913,881 | 3.517 | 358,461,809 | 27.04% |
| 2.9237 | 96,891,179 | 3.757 | 388,365,020 | 24.95% |
| 3.0163 | 99,645,245 | 3.829 | N/A | N/A |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**PRINCIPAL PROPERTY TAX PAYERS, BASED ON EQUALIZED ASSESSED VALUATION**
**Prior Fiscal Year and Nine Years Ago**
**(Thousands of Dollars)**

| | 2023 | | |
|---|---|---|---|
| **Property** | **Equalized Assessed Valuation** | **Rank** | **Percentage of Total Equalized Assessed Valuation** |
| Wanxiang Sterling LLC | $ 373,271 | 1 | 0.37% |
| 110 North Wacker Title | 369,316 | 2 | 0.37% |
| CBRE Suite 2530 | 349,246 | 3 | 0.35% |
| 601 W Companies LLC | 349,289 | 4 | 0.35% |
| 227 Monroe Street LLC | 314,720 | 5 | 0.32% |
| HCSC Blue Cross J Kaye | 312,645 | 6 | 0.31% |
| River Point LLC | 287,914 | 7 | 0.29% |
| 300 Lasalle LLC | 274,578 | 8 | 0.28% |
| Merchandise Mart - 222 Mer Mart Plaza | 266,932 | 9 | 0.27% |
| Merchandise Mart - 320 N Wells | 265,384 | 10 | 0.27% |
| Willis Tower | — | — | — |
| Water Tower Place | — | — | — |
| Chase Tower | — | — | — |
| Three First National Plaza | — | — | — |
| Citadel Center | — | — | — |
| | $ 3,163,295 | | 3.18% |

| | 2014 | | |
|---|---|---|---|
| **Property** | **Equalized Assessed Valuation** | **Rank** | **Percentage of Total Equalized Assessed Valuation** |
| Wanxiang Sterling LLC | $ 184,101 | 7 | 0.28% |
| 110 North Wacker Title | — | — | 0.00% |
| CBRE Suite 2530 | — | — | 0.00% |
| 601 W Companies LLC | 241,081 | 2 | 0.37% |
| 227 Monroe Street LLC | — | — | 0.00% |
| HCSC Blue Cross J Kaye | 206,782 | 3 | 0.32% |
| River Point LLC | — | — | — |
| 300 Lasalle LLC | — | — | — |
| Merchandise Mart - 222 Mer Mart Plaza | 195,486 | 4 | 0.30% |
| Merchandise Mart - 320 N Wells | 183,764 | 8 | 0.28% |
| Willis Tower | 364,455 | 1 | 0.56% |
| Water Tower Place | 187,461 | 6 | 0.29% |
| Chase Tower | 194,963 | 5 | 0.30% |
| Three First National Plaza | 181,210 | 10 | 0.28% |
| Citadel Center | 182,084 | 9 | 0.28% |
| | $ 1,993,676 | | 3.42% |

*Source*: Cook County Treasurer's Office and Cook County Assessor's Office

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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF REPLACEMENT TAX DATA**
**Last Ten Fiscal Years**

| Calendar Year | Statewide Replacement Tax Data (A) | | | | Board Percent (E) |
|---|---|---|---|---|---|
| | Invested Capital Tax Collections | Business Income Tax Collections (Net of Refunds) | Net Adjustments (C) | Total Replacement Tax Allocations to Local Govts. | |
| 2015 (A)(F) | $ 257,022,234 | $ 1,483,335,576 | $ (279,011,561) | $ 1,461,346,249 | 14.00% |
| 2016 (F) (H) (I) | 201,320,237 | 1,273,378,669 | (179,819,398) | 1,294,879,508 | 14.00% |
| 2017 (F) (H) (I) | 225,978,196 | 1,313,576,023 | (213,645,696) | 1,325,908,524 | 14.00% |
| 2018(F) | 215,967,153 | 1,329,867,705 | (302,697,315) | 1,243,137,542 | 14.00% |
| 2019(F) | 252,232,576 | 1,574,405,797 | (281,114,723) | 1,545,523,650 | 14.00% |
| 2020 (F) | 177,854,220 | 1,253,192,231 | (99,726,402) | 1,331,320,048 | 14.00% |
| 2021 (F) | 182,659,103 | 1,990,655,391 | 121,294,116 | 2,294,608,610 | 14.00% |
| 2022 (F) | 214,369,226 | 4,030,422,115 | (226,348,133) | 4,018,443,208 | 14.00% |
| 2023 | 1,237,950,400 | 5,684,106,669 | (2,380,303,018) | 4,541,754,051 | 14.00% |
| 2024 | 1,267,236,611 | 5,114,919,128 | (3,390,654,120) | 2,991,501,619 | 14.00% |

**Notes:**

A) Source: Illinois Department of Revenue

B) Source: Board of Education of the City of Chicago

C) Consists of adjustments for administrative fees, interest earned on deposits, interfund transfers, timing of collections and payments and related items.

D) Reflects reductions to pay applicable Statutory Claims. All Statutory Claims with respect to debt service have been paid and, under the Statute Revenue Sharing Act, no future Statutory Claims with respect to the debt service will paid and, under the Statute Revenue Sharing Act, no future Statutory Claims with respect to the debt service will arise or need to be paid.

E) Percentage rounded.

F) Replacement tax collection for calendar year indicated within chart, beginning January 1, 20XX – December 31, 20XX, respectively. Note that these amounts may change over time as taxes are collected subsequent to issuance of this report. As such, tax collection is finalized and updated by the Illinois Department of Revenues and the table is updated, as required.

G) Total allocations to the Board of Education in the month of December are unavailable at the time of issuance for each calendar year provided. As the total allocations are not available, an estimate is calculated for this value, based upon historic allocations over the prior 9 years. As this amount is an estimate, updates to these values may occur over time.

H) The Statewide Replacement Tax Data for calendar years 2016 and 2017 was not made available from the Illinois Department of Revenue (IDOR) at time of publishing; Data is obtained from the Illinois' Office of the Comptroller online ledger. The data for total distributions to local governments is retrieved from IDOR monthly tax distributions online database.

I) As noted above, the values within this table relate to payments made on statutory claims. As such, some values may require periodic update as statutory claims relating to previous calendar years are settled and paid.

**Board Replacement Tax Data (B)**

| Allocations To Board | Pro-Forma Pledged Revenues (D) | Fiscal Year Recorded Revenue |
|---|---|---|
| $ 204,647,028 | $ 204,647,028 | $ 202,147,157 |
| 181,335,025 | 181,335,025 | 161,535,119 |
| 191,493,223 | 191,493,223 | 227,920,163 |
| 174,089,034 | 174,089,034 | 168,253,658 |
| 216,435,135 | 216,435,135 | 187,232,486 |
| 194,276,084 | 194,276,084 | 202,451,572 |
| 329,393,479 | 329,393,479 | 282,074,815 |
| 567,429,274 | 567,429,274 | 609,895,866 |
| 577,504,778 | 577,504,778 | 636,467,133 |
| 335,801,007 | 335,801,007 | 383,522,036 |

**Monthly Summary of the Total Allocations to the Board of Education**

| Year | January | March | April | May | July | August | October | December (G) | Total |
|---|---|---|---|---|---|---|---|---|---|
| 2015 | $28,059,669 | $ 8,010,311 | $49,024,542 | $40,392,319 | $33,183,298 | $ 4,472,067 | $33,357,743 | $ 8,147,079 | $204,647,028 |
| 2016 | 26,524,204 | 10,652,765 | 37,937,134 | 30,650,698 | 33,320,166 | 3,878,948 | 30,306,843 | 8,064,267 | 181,335,025 |
| 2017 | 29,970,202 | 19,251,991 | 49,042,057 | 31,582,995 | 32,296,122 | 1,489,085 | 22,047,768 | 5,813,003 | 191,493,223 |
| 2018 | 19,792,771 | 17,558,226 | 36,093,602 | 36,791,094 | 28,668,109 | 2,897,394 | 25,943,635 | 6,344,203 | 174,089,034 |
| 2019 | 21,270,279 | 8,389,907 | 41,715,300 | 50,715,636 | 29,956,132 | 3,593,551 | 52,136,107 | 8,658,223 | 216,435,135 |
| 2020 | 31,659,279 | 6,293,914 | 43,458,906 | 27,784,353 | 28,867,239 | 21,331,766 | 27,042,714 | 7,837,913 | 194,276,084 |
| 2021 | 33,287,342 | 12,026,626 | 56,195,179 | 72,420,237 | 52,771,907 | 6,710,885 | 87,925,010 | 8,056,293 | 329,393,479 |
| 2022 | 55,294,647 | 72,415,799 | 85,610,204 | 114,619,591 | 82,523,378 | 9,421,668 | 111,145,972 | 36,398,015 | 567,429,274 |
| 2023 | 97,221,253 | 48,161,168 | 76,514,036 | 124,142,776 | 100,363,922 | 16,181,330 | 83,187,714 | 31,732,579 | 577,504,778 |
| 2024 | 57,090,078 | 33,666,080 | 30,027,941 | 72,595,787 | 64,955,731 | 12,115,532 | 49,535,858 | 15,814,000 | 335,801,007 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS**
**For the Fiscal Year Ended June 30, 2024**

| TIF District | Date TIF Initiated | Date TIF Matures | Initial EAV $ | 2023 EAV $ | % Change in EAV (for 2023) |
|---|---|---|---|---|---|
| Addison South | 5/9/2007 | 2031 | $ 70,940,232 | $ 200,467,039 | 182.6 % |
| Archer/Central | 5/17/2000 | 2024 | 37,646,911 | 48,003,301 | 27.5 % |
| Archer/Western | 2/11/2009 | 2033 | 117,506,250 | 174,742,881 | 48.7 % |
| Armitage/Pulaski | 6/13/2007 | 2031 | 17,643,508 | 22,783,242 | 29.1 % |
| Austin/Commercial | 9/27/2007 | 2031 | 72,287,864 | 107,814,917 | 49.1 % |
| Avalon Park/South Shore | 7/31/2002 | 2026 | 22,180,151 | 34,236,791 | 54.4 % |
| Avondale | 7/29/2009 | 2033 | 40,425,634 | 46,438,159 | 14.9 % |
| Belmont/Central | 1/12/2000 | 2024 | 137,304,682 | 238,593,960 | 73.8 % |
| Belmont/Cicero | 1/12/2000 | 2024 | 33,673,880 | 57,136,049 | 69.7 % |
| Bronzeville | 11/4/1998 | 2034 | 96,590,381 | 218,854,536 | 126.6 % |
| Bryn Mawr/Broadway | 12/11/1996 | 2032 | 17,829,852 | 68,040,835 | 281.6 % |
| Canal/Congress | 11/12/1998 | 2034 | 36,872,487 | 950,651,628 | 2,478.2 % |
| Central West | 2/16/2000 | 2024 | 85,481,254 | 758,152,886 | 786.9 % |
| Chicago/Central Park | 2/27/2002 | 2026 | 84,789,947 | 243,847,382 | 187.6 % |
| Chicago/Kingsbury | 4/12/2000 | 2024 | 38,520,706 | 601,386,336 | 1,461.2 % |
| Cicero/Archer | 5/17/2000 | 2024 | 19,629,324 | 34,059,717 | 73.5 % |
| Clark/Montrose | 7/7/1999 | 2035 | 23,433,096 | 105,885,259 | 351.9 % |
| Cortland/Chicago River | 4/10/2019 | 2043 | 87,383,901 | 168,499,054 | 92.8 % |
| Commercial Ave. | 11/13/2002 | 2026 | 40,748,652 | 63,483,812 | 55.8 % |
| Devon/Sheridan | 3/31/2004 | 2028 | 45,541,834 | 93,200,568 | 104.6 % |
| Diversey/Narragansett | 2/5/2003 | 2027 | 34,746,231 | 79,368,642 | 128.4 % |
| Diversey/Chicago River | 10/5/2016 | 2040 | — | 2,147,210 | — % |
| Division/Homan | 6/27/2001 | 2025 | 24,683,716 | 75,715,055 | 206.7 % |
| Edgewater/Ashland | 10/1/2003 | 2027 | 1,875,282 | 18,037,518 | 861.9 % |
| Elston/Armstrong Industrial Corridor | 7/19/2007 | 2031 | 45,742,226 | 70,451,542 | 54.0 % |
| Englewood Mall | 11/29/1989 | 2025 | 3,868,736 | 15,989,646 | 313.3 % |
| Englewood Neighborhood | 6/27/2001 | 2025 | 59,541,040 | 107,992,479 | 81.4 % |
| Ewing Avenue | 3/10/2010 | 2034 | 52,994,264 | 49,635,747 | (6.3)% |
| Foster/California | 4/2/2014 | 2038 | 15,399,717 | 13,960,977 | (9.3)% |
| Foster/Edens | 2/28/2018 | 2042 | 25,904,768 | 61,111,153 | 135.9 % |
| Fullerton/Milwaukee | 2/16/2000 | 2027 | 85,157,390 | 385,811,362 | 353.1 % |
| Galewood/Armitage Industrial | 7/7/1999 | 2035 | 48,056,697 | 165,508,780 | 244.4 % |
| Goose Island | 7/10/1996 | 2032 | 13,676,187 | 139,013,226 | 916.5 % |
| Greater Southwest (West) | 4/12/2000 | 2024 | 115,603,413 | 112,848,169 | (2.4)% |
| Harrison/Central | 7/26/2006 | 2030 | 43,430,700 | 72,783,110 | 67.6 % |
| Hollywood/Sheridan | 11/7/2007 | 2031 | 158,696,916 | 210,168,108 | 32.4 % |
| Homan/Arthington | 2/5/1998 | 2034 | 2,658,362 | 16,139,121 | 507.1 % |
| Humbolt Park Commercial | 6/27/2001 | 2025 | 32,161,252 | 135,049,919 | 319.9 % |
| Jefferson Park | 9/9/1998 | 2022 | 23,970,085 | 52,740,661 | 120.0 % |
| Jefferson/Roosevelt | 8/30/2000 | 2024 | 52,292,656 | 292,424,738 | 459.2 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)**
**For the Fiscal Year Ended June 30, 2024**

| TIF District | Date TIF Initiated | Date TIF Matures | Initial EAV $ | 2023 EAV $ | % Change in EAV (for 2023) |
|---|---|---|---|---|---|
| Kennedy/Kimball | 3/12/2008 | 2032 | $ 72,841,679 | $ 105,289,314 | 44.5 % |
| Kinzie Industrial Corridor | 6/10/1998 | 2034 | 144,961,719 | 2,294,310,659 | 1,482.7 % |
| Lake Calumet Area Industrial | 12/13/2000 | 2024 | 172,789,519 | 235,781,192 | 36.5 % |
| Lakefront | 3/27/2002 | 2026 | — | 7,048,645 | — % |
| LaSalle/Central | 11/15/2006 | 2030 | 4,192,597,468 | 6,354,556,775 | 51.6 % |
| Lawrence/Broadway | 6/27/2001 | 2025 | 38,499,977 | 155,698,995 | 304.4 % |
| Lawrence/Kedzie | 2/16/2000 | 2024 | 110,395,843 | 287,699,055 | 160.6 % |
| Lawrence/Pulaski | 2/27/2002 | 2026 | 43,705,743 | 81,124,366 | 85.6 % |
| Lincoln Avenue | 11/3/1999 | 2035 | 63,741,191 | 126,299,541 | 98.1 % |
| Little Village East | 4/22/2009 | 2033 | 44,751,945 | 53,105,816 | 18.7 % |
| Little Village Industrial Corridor | 6/13/2007 | 2031 | 88,054,895 | 149,512,368 | 69.8 % |
| Madden/Wells | 11/6/2002 | 2038 | 1,333,582 | 31,404,891 | 2,254.9 % |
| Madison/Austin Corridor | 9/29/1999 | 2035 | 48,748,259 | 121,455,907 | 149.1 % |
| Michigan Ave/Cermak | 9/13/1989 | 2025 | 5,858,634 | 74,425,632 | 1,170.4 % |
| Midway Industrial Corridor | 2/16/2000 | 2024 | 48,652,950 | 120,664,246 | 148.0 % |
| Midwest | 5/17/2000 | 2036 | 216,733,898 | 525,476,520 | 142.5 % |
| Montrose/Clarendon | 6/30/2010 | 2034 | — | 22,842,107 | — % |
| Near North | 7/30/1997 | 2033 | 41,373,938 | 655,418,280 | 1,484.1 % |
| North Branch/South | 2/5/1998 | 2022 | 27,606,885 | 222,188,782 | 704.8 % |
| North Pullman | 6/30/2009 | 2033 | 44,582,869 | 83,581,369 | 87.5 % |
| NW Industrial Corridor | 12/2/1998 | 2034 | 156,955,229 | 413,043,315 | 163.2 % |
| Ogden/Pulaski | 4/9/2008 | 2032 | 221,709,034 | 205,348,653 | (7.4)% |
| Ohio/Wabash | 6/7/2000 | 2024 | 1,278,143 | 42,337,100 | 3,212.4 % |
| Peterson/Pulaski | 2/16/2000 | 2024 | 40,112,395 | 69,324,840 | 72.8 % |
| Pilsen Industrial Corridor | 6/10/1998 | 2034 | 111,394,217 | 648,312,683 | 482.0 % |
| Portage Park | 9/9/1998 | 2022 | 65,084,552 | 148,138,472 | 127.6 % |
| Pratt/Ridge Industrial Park Conservation Area | 6/23/2004 | 2028 | 16,414,897 | 28,654,063 | 74.6 % |
| Pulaski Industrial Corridor | 6/9/1999 | 2035 | 83,553,515 | 253,616,963 | 203.5 % |
| Randolph/Wells | 6/9/2010 | 2034 | 72,140,805 | 298,972,197 | 314.4 % |
| River West | 1/10/2001 | 2025 | 50,463,240 | 696,615,677 | 1,280.4 % |
| Roosevelt/Cicero Industrial Corridor | 2/5/1998 | 2034 | 45,179,428 | 163,428,754 | 261.7 % |
| Roosevelt/Racine | 11/4/1998 | 2034 | 6,992,428 | 72,838,334 | 941.7 % |
| Roosevelt/Clark | 4/10/2019 | 2043 | 83,232,427 | 144,749,442 | 73.9 % |
| Roseland/Michigan | 1/16/2002 | 2026 | 29,627,768 | 34,767,978 | 17.3 % |
| Sanitary Drain & Ship | 7/24/1991 | 2027 | 10,722,329 | 39,155,444 | 265.2 % |
| South Chicago | 4/12/2000 | 2024 | 14,775,992 | 28,899,816 | 95.6 % |
| Stevenson/Brighton Park | 4/11/2007 | 2031 | 216,330,994 | 346,154,180 | 60.0 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)**
**For the Fiscal Year Ended June 30, 2024**

| TIF District | Date TIF Initiated | Date TIF Matures | Initial EAV $ | 2023 EAV $ | % Change in EAV (for 2023) |
|---|---|---|---|---|---|
| Stockyards-Southeast Quadrant Industrial | 2/26/1992 | 2028 | $ 27,527,305 | $ 79,105,018 | 187.4 % |
| Stony Island Commercial/ Burnside Industrial | 6/10/1998 | 2034 | 46,058,038 | 108,632,107 | 135.9 % |
| Southwest Ind. Corridor | 3/10/1999 | 2023 | 17,662,923 | 38,759,584 | 119.4 % |
| Touhy/Western | 9/13/2006 | 2030 | 55,187,828 | 69,111,537 | 25.2 % |
| Washington Park | 10/8/2014 | 2038 | 72,073,855 | 100,834,040 | 39.9 % |
| West Irving Park | 1/12/2000 | 2024 | 36,446,831 | 67,848,168 | 86.2 % |
| West Woodlawn | 5/12/2010 | 2034 | 127,750,505 | 103,883,647 | (18.7)% |
| Western Ave. South | 1/12/2000 | 2024 | 69,504,372 | 283,515,022 | 307.9 % |
| Western Ave. North | 1/12/2000 | 2024 | 71,260,546 | 258,757,416 | 263.1 % |
| Western/Ogden | 2/5/1998 | 2034 | 41,536,306 | 292,047,678 | 603.1 % |
| Western/Rock Island | 2/8/2006 | 2030 | 102,358,411 | 126,525,678 | 23.6 % |
| Wilson Yard | 6/27/2001 | 2025 | 56,194,225 | 269,599,952 | 379.8 % |
| Woodlawn | 1/20/1999 | 2035 | 28,865,833 | 117,707,730 | 307.8 % |
| 105th/Vincennes | 10/3/2001 | 2025 | 108,828,811 | 138,387,922 | 27.2 % |
| 107th/Halsted | 4/2/2014 | 2038 | 122,435,316 | 117,849,512 | (3.7)% |
| 111th/Kedzie | 9/29/1999 | 2035 | 14,456,141 | 31,594,573 | 118.6 % |
| 116th/Avenue O | 10/31/2018 | 2042 | 3,144,479 | 32,415,331 | 930.9 % |
| 119th/Halsted | 2/6/2002 | 2026 | 63,231,728 | 68,085,557 | 7.7 % |
| 119th/I-57 | 11/6/2002 | 2026 | 100,669,561 | 136,419,457 | 35.5 % |
| 24th/Michigan | 7/21/1999 | 2035 | 15,897,585 | 108,552,953 | 582.8 % |
| 26th/King Drive | 1/11/2006 | 2030 | — | 72,284,524 | — % |
| 35th/Halsted | 1/14/1997 | 2033 | 81,212,182 | 341,782,989 | 320.9 % |
| 35th/State | 1/14/2004 | 2028 | 3,978,955 | 45,991,806 | 1,055.9 % |
| 43rd/Cottage Grove | 7/8/1998 | 2034 | 18,462,859 | 96,613,851 | 423.3 % |
| 47th/Ashland | 3/27/2002 | 2026 | 53,606,185 | 104,073,818 | 94.1 % |
| 47th/Halsted | 5/29/2002 | 2026 | 39,164,012 | 104,271,015 | 166.2 % |
| 47th/King Drive | 3/27/2002 | 2026 | 61,269,066 | 263,907,271 | 330.7 % |
| 47th/State | 7/21/2004 | 2028 | 19,279,360 | 71,202,962 | 269.3 % |
| 51st/Archer | 5/17/2000 | 2024 | 29,522,751 | 55,062,978 | 86.5 % |
| 51st/Lake Park | 11/15/2012 | 2036 | 2,320,971 | 20,787,359 | 795.6 % |
| 53rd St. | 1/10/2001 | 2025 | 20,916,553 | 109,415,556 | 423.1 % |
| 63rd/Ashland | 3/29/2006 | 2030 | 47,496,362 | 54,979,773 | 15.8 % |
| 63rd/Pulaski | 5/17/2000 | 2024 | 56,171,856 | 93,222,849 | 66.0 % |
| 67th/Cicero | 10/2/2002 | 2026 | — | 6,569,076 | — % |
| 67th/Wentworth | 5/4/2011 | 2035 | 210,005,927 | 157,661,105 | (24.9)% |
| 71st/Stony Island | 10/7/1998 | 2034 | 53,336,063 | 114,916,271 | 115.5 % |
| 73rd/University | 9/13/2006 | 2030 | 16,998,947 | 17,899,418 | 5.3 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CITY OF CHICAGO TAX INCREMENT FINANCING (TIF) DISTRICTS (continued)**
**For the Fiscal Year Ended June 30, 2024**

| TIF District | Date TIF Initiated | Date TIF Matures | Initial EAV $ | 2023 EAV $ | % Change in EAV (for 2023) |
|---|---|---|---|---|---|
| 79th Street Corridor | 7/8/1998 | 2034 | $ 21,576,305 | $ 44,409,289 | 105.8 % |
| 79th/Cicero | 6/8/2005 | 2029 | 8,018,405 | 17,422,607 | 117.3 % |
| 79th/SW Highway | 10/3/2001 | 2025 | 36,347,823 | 79,944,895 | 119.9 % |
| 79th/Vincennes | 9/27/2007 | 2031 | 32,132,472 | 35,435,025 | 10.3 % |
| 83rd/Stewart | 3/31/2004 | 2028 | 10,618,689 | 28,674,469 | 170.0 % |
| 87th/Cottage Grove | 11/13/2002 | 2026 | 53,959,824 | 81,595,955 | 51.2 % |
| 95th/Western | 7/13/1995 | 2031 | 16,035,773 | 39,969,706 | 149.3 % |
| | | | $10,673,610,510 | $26,674,888,276 | |

**Notes**:
State law empowers cities to create Tax Increment Financing Districts (TIFs) to finance redevelopment of blighted areas or areas at risk of blight. Taxes subsequently generated by new development and increases in property valuesin TIF districts are reinvested for further development. Increased tax revenues pay for general improvements such as roadways, viaducts, sewers, and sidewalk replacements or for financial assistance for developers.

State law requires the City to call a meeting of the Joint Review Board in order for the City to legally create any TIF.

The Chicago Public Schools serves on this committee.

Source: Office of The County Clerk Tax Increment Agency

Total 2023 EAV for the City of Chicago is $99,645,244,903 - Source: The Cook County Report

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF NEW PROPERTY EAV AS A PERCENTAGE OF OVERALL EAV**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | | | Components of New Property by Tax Levy Year (B) | | | | |
|---|---|---|---|---|---|---|---|
| Tax Year Levy | Fiscal Year | Agency Overall Equalized Assessed Value (A) | New Property | Recovered Tax Increment Value | Expired Incentives | Total New Property (A) | New Property Percentage Of Overall EAV |
| 2014 | 2015 | $64,913,774 | $ 414,558 | $ 1,040,246 | $ 9,912 | $ 1,464,716 | 2.26% |
| 2015 | 2016 | 70,968,533 | 339,649 | 21,038 | 16,432 | 377,119 | 0.53% |
| 2016 | 2017 | 74,020,998 | 397,527 | 39,040 | 10,667 | 447,234 | 0.60% |
| 2017 | 2018 | 76,768,955 | 624,331 | 17,836 | 9,144 | 651,311 | 0.85% |
| 2018 | 2019 | 86,335,882 | 555,209 | 320,198 | 82,544 | 957,952 | 1.11% |
| 2019 | 2020 | 87,825,670 | 848,073 | 307,773 | 11,780 | 1,167,627 | 1.33% |
| 2020 | 2021 | 89,524,130 | 712,787 | 74,752 | 71,657 | 859,196 | 0.96% |
| 2021 | 2022 | 94,918,460 | 699,107 | 708,076 | 42,237 | 1,449,420 | 1.53% |
| 2022 | 2023 | 96,895,516 | 544,927 | 131,047 | 51,072 | 727,046 | 0.75% |
| 2023 | 2024 | 99,651,574 | 536,478 | 188,149 | 10,559 | 735,186 | 0.74% |

**Notes:**
A) Source: Cook County Clerk's Office - Agency Tax Rate Report.
B) Source: Cook County Clerk's Office - PTELL New Property, Annexed Property, Disconnected Property, Recovered Tax Increment Report by Town Within Agency.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TAX INCREMENT FINANCING (TIF) AGREEMENTS IN SUPPORT OF CHICAGO PUBLIC SCHOOLS**
**Capital Intergovernmental Agreements as of June 30, 2024**

| School | Total Benefit To CPS From IGA with Interest | Total Benefit Received By CPS | Amounts Pending To Be Paid To CPS | Parent TIF |
|---|---|---|---|---|
| **Modern Schools Across Chicago Program Additional Agreements** | | | | |
| Al Raby | $ 631,434 | $ — | $ — | Chicago/ Central Park |
| Brighton Park II Elementary | 25,420,000 | 7,737,740 | 17,682,260 | Stevenson/ Brighton |
| Laura Ward Project (Westinghouse High School) | 9,181,143 | — | 2,924,670 | Chicago/ Central Park |
| **MSAC Subtotal** | **$ 35,232,577** | **$ 7,737,740** | **$ 20,606,930** | |
| **Other Capital Intergovernmental Agreements** | | | | |
| Amundsen Athletic Field | $ 1,400,000 | $ 1,400,000 | $ — | Western Ave. North |
| Whitney Young Magnet H.S. Improvements | 8,000,000 | — | 8,000,000 | Laflin |
| Friedrich L Jahn Public School OSIF Project | 322,000 | 322,000 | — | Walcott |
| Foreman Renovation and Improvements | 1,842,000 | 1,379,177 | — | Belmont/Cicero |
| Hibbard/Albany Park/Edison Regional Gifted Playground and Improvements | 2,678,854 | — | 2,678,854 | Lawrence/Kedzie |
| Jones/NTA Turf Field | 4,600,000 | 4,116,907 | — | Michigan/Cermak |
| McClellan Rehabilitation and Improvements | 4,000,000 | 1,277,567 | — | 35th/Wallace |
| New South Loop School Escrow | 48,333,000 | 48,333,000 | — | River South |
| New South Loop School | 10,667,000 | 9,136,000 | — | River South |
| Peterson Athletic Field | 1,000,000 | 127,176 | — | Lawrence/Kedzie |
| Schurz Athletic Field | 2,700,000 | 1,860,678 | — | Portage Park |
| Hawthrone Playground OSIF | 350,000 | 350,000 | — | Clifton |
| Pritzker Site Improvement OSIF | 500,000 | 500,000 | — | West Irving Park |
| Whitney Young Athletic Field | 4,300,000 | 4,300,000 | — | Central West |
| **Other Capital IGA Subtotal** | **$ 90,692,854** | **$ 73,102,505** | **$ 10,678,854** | |
| **Grand Total** | **$ 125,925,431** | **$ 80,840,245** | **$ 31,285,784** | |

**Notes:**
Based on intergovernmental agreements approved by City Council and executed by the City of Chicago and Chicago Public Schools as of June 30, 2024.
*City of Chicago refunded bonds to cover future principal and interest payments, no additional amounts to be paid to CPS.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS**
**For the Fiscal Year Ended June 30, 2024**
**(Thousands of dollars)**

| Series | Debt Type | Pledged Revenue Source | Issued |
|---|---|---|---|
| 1998 B-1 | Unlimited Tax G.O. Bonds | IGA | 10/28/1998 |
| 1999A | Unlimited Tax G.O. Bonds | PPRT/IGA | 2/25/1999 |
| 2005A | Unlimited Tax G.O. Bonds | State Aid | 6/27/2005 |
| 2009E | Unlimited Tax G.O. Build America Bonds | State Aid/Federal Subsidy | 9/24/2009 |
| 2009G | Qualified School Construction G.O. Bonds | State Aid | 12/17/2009 |
| 2010C | Qualified School Construction G.O. Bonds | State Aid/Federal Subsidy | 11/2/2010 |
| 2010D | Unlimited Tax G.O. Build America Bonds | State Aid/Federal Subsidy | 11/2/2010 |
| 2012A | Unlimited Tax G.O. Bonds | State Aid | 8/21/2012 |
| 2012B | Unlimited Tax G.O. Bonds | State Aid | 12/21/2012 |
| 2015C | Unlimited Tax G.O. Bonds | State Aid | 4/29/2015 |
| 2015E | Unlimited Tax G.O. Bonds | State Aid | 4/29/2015 |
| 2016A | Unlimited Tax G.O. Bonds | State Aid | 2/8/2016 |
| 2016B | Unlimited Tax G.O. Bonds | State Aid | 7/29/2016 |
| 2016CIT | Capital Improvement Tax | CIT Levy | 1/4/2017 |
| 2017CIT | Capital Improvement Tax | CIT Levy | 11/30/2017 |
| 2017A | Unlimited Tax G.O. Bonds | State Aid | 11/30/2017 |
| 2017B | Unlimited Tax G.O. Bonds | State Aid | 11/30/2017 |
| 2017C | Unlimited Tax G.O. Bonds | State Aid | 11/30/2017 |
| 2017D | Unlimited Tax G.O. Bonds | State Aid | 11/30/2017 |
| 2017F | Unlimited Tax G.O. Bonds | IGA | 11/30/2017 |
| 2017G | Unlimited Tax G.O. Bonds | PPRT/State Aid | 11/30/2017 |
| 2017H | Unlimited Tax G.O. Bonds | PPRT/IGA/State Aid | 11/30/2017 |
| 2018A | Unlimited Tax G.O. Bonds | State Aid | 6/1/2018 |
| 2018C | Unlimited Tax G.O. Bonds | State Aid | 12/13/2018 |
| 2018D | Unlimited Tax G.O. Bonds | PPRT/State Aid | 12/13/2018 |
| 2018CIT | Capital Improvement Tax | CIT Levy | 12/13/2018 |
| 2019A | Unlimited Tax G.O. Bonds | IGA | 9/12/2019 |
| 2019B | Unlimited Tax G.O. Bonds | State Aid | 9/12/2019 |
| 2021A | Unlimited Tax G.O. Bonds | State Aid/IGA | 2/11/2021 |
| 2021B | Unlimited Tax G.O. Bonds | State Aid | 2/11/2021 |
| 2022A | Unlimited Tax G.O. Bonds | State Aid | 2/1/2022 |
| 2022B | Unlimited Tax G.O. Bonds | State Aid | 2/1/2022 |
| 2023CIT | Capital Improvement Tax | CIT Levy | 3/9/2023 |
| 2023A | Unlimited Tax G.O. Bonds | State Aid | 11/9/2023 |
| | **Grand Total Direct Debt** | | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**BOND ISSUES OUTSTANDING RELATED TO THE CHICAGO PUBLIC SCHOOLS**
**For the Fiscal Year Ended June 30, 2024**
**(Thousands of Dollars)**

| Final Maturity | Interest Rate | Outstanding at June 30, 2023 (A) | Issued or (Redeemed) | Outstanding at June 30, 2024 (A) |
|---|---|---|---|---|
| 12/1/2031 | 4.55%-5.22% | $ 151,929 | $ (16,232) | $ 135,697 |
| 12/1/2031 | 4.30%-5.3% | 202,343 | (33,595) | 168,748 |
| 12/1/2031 | 5.00%-5.50% | 115,920 | (10,290) | 105,630 |
| 12/1/2039 | 4.682%-6.14% | 474,760 | (8,130) | 466,630 |
| 12/15/2025 | 1.75% | 254,240 | — | 254,240 |
| 11/1/2029 | 6.32% | 257,125 | — | 257,125 |
| 3/1/2036 | 6.52% | 125,000 | — | 125,000 |
| 12/1/2042 | 5.00% | 468,915 | — | 468,915 |
| 12/1/2034 | 5.00% | 109,825 | — | 109,825 |
| 12/1/2039 | 5.25%-6.00% | 280,000 | — | 280,000 |
| 12/1/2039 | 5.13% | 20,000 | — | 20,000 |
| 12/1/2044 | 7.00% | 725,000 | — | 725,000 |
| 12/1/2046 | 6.50% | 150,000 | — | 150,000 |
| 4/1/2046 | 5.75%-6.10% | 729,580 | — | 729,580 |
| 4/1/2046 | 5.00% | 64,900 | — | 64,900 |
| 12/1/2046 | 7.00% | 285,000 | — | 285,000 |
| 12/1/2042 | 6.75%-7.00% | 215,000 | — | 215,000 |
| 12/1/2034 | 5.00% | 258,890 | (32,125) | 226,765 |
| 12/1/2031 | 5.00% | 57,185 | (5,920) | 51,265 |
| 12/1/2024 | 5.00% | 69,395 | (33,855) | 35,540 |
| 12/1/2044 | 5.00% | 126,500 | — | 126,500 |
| 12/1/2046 | 5.00% | 280,000 | — | 280,000 |
| 12/1/2035 | 4.00%-5.00% | 483,380 | (24,770) | 458,610 |
| 12/1/2032 | 5.00% | 377,560 | (44,135) | 333,425 |
| 12/1/2046 | 5.00% | 313,280 | — | 313,280 |
| 4/1/2046 | 5.00% | 86,000 | — | 86,000 |
| 12/1/2030 | 2.89%-5.00% | 225,284 | — | 225,284 |
| 12/1/2033 | 5.00% | 116,395 | (7,665) | 108,730 |
| 12/1/2041 | 5.00% | 450,000 | — | 450,000 |
| 12/1/2036 | 5.00% | 93,740 | — | 93,740 |
| 12/1/2047 | 4.00%-5.00% | 500,000 | — | 500,000 |
| 12/1/2041 | 5.00% | 363,450 | — | 363,450 |
| 4/1/2048 | 5.00%-5.75% | 520,835 | — | 520,835 |
| 12/1/2049 | 5.00%-6.00% | — | 575,000 | 575,000 |
| | | **$ 8,951,431** | **$ 358,283** | **$ 9,309,714** |

NOTES:

A. Excludes total accreted interest in the following series:

| Series | Accreted Interest |
|---|---|
| 1998B-1 | $ 373,856 |
| 1999A | 240,567 |
| 2019A | 8,168 |
| **Total** | **$ 622,591** |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TOTAL AUTHORIZED BOND ISSUANCES**
**As of June 30, 2024**
**(Thousands of Dollars)**

| Bond Authorization | Amount Authorized | Amount Issued | Retired | Principal Outstanding June 30, 2024[1] | | Remaining Authorization[2] |
|---|---|---|---|---|---|---|
| 1997 Alternate Bond Authorization | $ 1,500,000 | $ 1,497,703 | $1,193,258 | $ 304,445 | (A) | $ 2,297 |
| 2008 Alternate Bond Authorization | 1,900,000 | 1,899,990 | 1,179,120 | 720,870 | (B) | 10 |
| 2009 Alternate Bond Authorization | 2,300,000 | 1,906,180 | 1,055,140 | 851,040 | (C) | 393,820 |
| 2012 Alternate Bond Authorization | 750,000 | 709,825 | 300,000 | 409,825 | (D) | 40,175 |
| 2015 Alternate Bond Authorization | 1,160,000 | 1,160,000 | — | 1,160,000 | (E) | — |
| 2016 Alternate Bond Authorization | 945,000 | 945,000 | 10,220 | 934,780 | (F) | — |
| 2019 Alternate Bond Authorization | 1,900,000 | 1,057,505 | 13,765 | 1,043,740 | (G) | 842,495 |
| 2022 Alternate Bond Authorization | 1,800,000 | 575,000 | — | 575,000 | (H) | 1,225,000 |
| Alternate Refunding Bond Series Authorized by Statute[1] | N/A | 2,513,299 | 604,600 | 1,908,699 | (I) | n/a |
| **TOTAL** | **$12,255,000** | **$12,264,502** | **$4,356,103** | **$ 7,908,399** | | **$ 2,503,797** |

[1] Debt Reform Act Section 15 of the State of Illinois states that Alternate bonds may, upon meeting certain requirements of the Debt Reform Act, be issued to refund previously issued Alternate Bonds without utilizing additional authorization.
[2] Remaining authorization not used to issue alternate bonds within three years expires and is no longer available.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TOTAL AUTHORIZED BOND ISSUANCES (continued)**
**As of June 30, 2024**
**(Thousands of Dollars)**

**NOTES:**

A. The total issued and outstanding debt for the 1997 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Bonds Series 1997A | 12/3/1997 | $ 499,995 | $ — |
| Unlimited Tax GO Bonds Series 1998 | 9/24/1998 | 14,000 | — |
| Unlimited Tax GO Bonds Series 1998 B-1 | 10/28/1998 | 328,714 | 135,697 |
| Unlimited Tax GO Bonds Series 1999A | 2/25/1999 | 532,554 | 168,748 |
| Unlimited Tax GO Bonds, IDFA Series 1999A | 12/22/1999 | 12,000 | — |
| Unlimited Tax GO Bonds, Series 2000D | 9/7/2000 | 101,000 | — |
| Unlimited Tax GO Bonds, Series 2001B | 10/24/2001 | 9,440 | — |
| | | $ 1,497,703 | $ 304,445 |

B. The total issued and outstanding debt for the 2008 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Refunding Bonds, Series 2008A | 5/13/2008 | $ 262,785 | $ — |
| Unlimited Tax GO Refunding Bonds, Series 2008B | 5/13/2008 | 240,975 | — |
| Unlimited Tax GO Refunding Bonds, Series 2008C | 5/1/2008 | 464,655 | — |
| Unlimited Tax GO Refunding Bonds, Series 2009A | 3/18/2009 | 130,000 | — |
| Unlimited Taxable GO Bonds, Series 2009E | 9/24/2009 | 518,210 | 466,630 |
| Unlimited Tax GO Bonds, Series 2009F | 9/24/2009 | 29,125 | — |
| Unlimited Tax GO Bonds, Series 2009G | 12/17/2009 | 254,240 | 254,240 |
| | | $ 1,899,990 | $ 720,870 |

C. The total issue and outstanding debt for the 2009 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Refunding Bonds, Series 2010A | 2/17/2010 | $ 48,910 | $ — |
| Unlimited Tax GO Refunding Bonds, Series 2010B | 2/17/2010 | 157,055 | — |
| Unlimited Tax GO Bonds, Series 2010C | 11/2/2010 | 257,125 | 257,125 |
| Unlimited Tax GO Bonds, Series 2010D | 11/2/2010 | 125,000 | 125,000 |
| Unlimited Tax GO Refunding Bonds, Series 2010F | 11/2/2010 | 183,750 | — |
| Unlimited Tax GO Refunding Bonds, Series 2010G | 11/2/2010 | 72,915 | — |
| Unlimited Tax GO Bonds, Series 2011A | 11/1/2011 | 402,410 | — |
| Unlimited Tax GO Refunding Bonds, Series 2011C | 12/20/2012 | 95,100 | — |
| Unlimited Tax GO Refunding Bonds, Series 2011D | 12/16/2011 | 95,000 | — |
| Unlimited Tax GO Bonds, Series 2012A | 8/21/2012 | 468,915 | 468,915 |
| | | $ 1,906,180 | $ 851,040 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TOTAL AUTHORIZED BOND ISSUANCES (continued)**
**As of June 30, 2024**
**(Thousands of Dollars)**

D. The total issued and outstanding debt for the 2012 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Refunding Bonds, Series 2012B | 12/21/2012 | $ 109,825 | $ 109,825 |
| Unlimited Tax GO Short-term Line of Credit, Series 2013B | 12/20/2013 | 150,000 | — |
| Unlimited Tax GO Short-term Line of Credit, Series 2013C | 12/20/2013 | 150,000 | — |
| Unlimited Tax GO Bonds, Series 2015C | 4/29/2015 | 280,000 | 280,000 |
| Unlimited Tax GO Bonds, Series 2015E | 4/29/2015 | 20,000 | 20,000 |
| | | $ 709,825 | $ 409,825 |

E. The total issued and outstanding debt for the 2015 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Bonds, Series 2016A | 2/8/2016 | $ 725,000 | $ 725,000 |
| Unlimited Tax GO Bonds, Series 2016B | 7/29/2016 | 150,000 | 150,000 |
| Unlimited Tax GO Bonds, Series 2017A | 7/11/2017 | 285,000 | 285,000 |
| | | $ 1,160,000 | $ 1,160,000 |

F. The total issued and outstanding debt for the 2016 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Bonds, Series 2017B | 11/30/2017 | $ 215,000 | $ 215,000 |
| Unlimited Tax GO Bonds, Series 2017G | 11/30/2017 | 126,500 | 126,500 |
| Unlimited Tax GO Bonds, Series 2017H | 11/30/2017 | 280,000 | 280,000 |
| Unlimited Tax GO Bonds, Series 2018B | 6/1/2018 | 10,220 | — |
| Unlimited Tax GO Bonds, Series 2018D | 12/13/2018 | 313,280 | 313,280 |
| | | $ 945,000 | $ 934,780 |

G. The total issued and outstanding debt for the 2019 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax G.O. Bonds, Series 2021A | 2/11/2021 | $ 450,000 | $ 450,000 |
| Unlimited Tax G.O. Bonds, Series 2021B | 2/11/2021 | 107,505 | 93,740 |
| Unlimited Tax G.O. Bonds, Series 2022A | 2/1/2022 | 500,000 | 500,000 |
| | | $ 1,057,505 | $ 1,043,740 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TOTAL AUTHORIZED BOND ISSUANCES (continued)**
**As of June 30, 2024**
**(Thousands of Dollars)**

H. The total issued and outstanding debt for the 2022 Authorization is the issuance as outlined below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Bonds, Series 2023A | 11/9/2023 | $ 575,000 | $ 575,000 |
| | | $ 575,000 | $ 575,000 |

I. The total issued and outstanding debt for series refunding previously authorized bonds is below:

| | Date Issued | Amount Issued | Principal Outstanding |
|---|---|---|---|
| Unlimited Tax GO Bonds, Series 2005A | 6/27/2005 | $ 193,585 | $ 105,630 |
| Unlimited Tax GO Bonds, Series 2017C | 11/30/2017 | 351,485 | 226,765 |
| Unlimited Tax GO Bonds, Series 2017D | 11/30/2017 | 79,325 | 51,265 |
| Unlimited Tax GO Bonds, Series 2017F | 11/30/2017 | 165,510 | 35,540 |
| Unlimited Tax GO Bonds, Series 2018A | 6/1/2018 | 552,030 | 458,610 |
| Unlimited Tax GO Bonds, Series 2018C | 12/13/2018 | 450,115 | 333,425 |
| Unlimited Tax GO Bonds, Series 2019A | 9/12/2019 | 225,284 | 225,284 |
| Unlimited Tax GO Bonds, Series 2019B | 9/12/2019 | 123,795 | 108,730 |
| Unlimited Tax GO Bonds, Series 2022B | 2/1/2022 | 372,170 | 363,450 |
| | | $ 2,513,299 | $ 1,908,699 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**OUTSTANDING DEBT PER CAPITA**
**Last Ten Fiscal Years**
**As of June 30, 2024**
**(Thousands of Dollars, except per capita)**

| Fiscal Year | General Obligation Bonds | Premium/ (Discount) | Capital Improvement Tax Bonds | Accretion of Capital Improvement Tax Bonds | Leases Securing PBC Bonds | Leases and SBITAs (B/C) | Total Primary Government Debt |
|---|---|---|---|---|---|---|---|
| 2015 | $ 6,073,049 | $ 93,117 | $ — | $ 619,171 | $ 196,470 | $ 1,400 | $ 6,983,207 |
| 2016 | 6,578,983 | (26,250) | — | 634,157 | 157,780 | 1,225 | 7,345,895 |
| 2017 | 7,198,734 | (65,492) | 729,580 | 646,787 | 116,850 | 1,050 | 8,627,509 |
| 2018 | 7,281,448 | (46,486) | 794,480 | 667,795 | 73,520 | 875 | 8,771,632 |
| 2019 | 7,475,068 | (36,309) | 880,480 | 687,718 | 27,675 | 700 | 9,035,332 |
| 2020 | 7,247,856 | 8,187 | 880,480 | 692,306 | — | 525 | 8,829,354 |
| 2021 | 7,498,076 | 131,674 | 880,480 | 679,899 | — | — | 9,190,129 |
| 2022 | 7,769,268 | 216,274 | 880,480 | 663,486 | — | 102,118 | 9,631,626 |
| 2023 | 7,550,116 | 213,902 | 1,401,315 | 643,104 | — | 148,994 | 9,957,431 |
| 2024 | 7,908,399 | 188,397 | 1,401,315 | 622,591 | — | 134,475 | 10,255,177 |

**Notes:**
(A) CPS includes information about accumulated resources that are restricted to repaying the principal of outstanding general bonded debt. These accumulated resources will be subtracted from the total primary government amount in order to calculate a total net primary amount.
(B) CPS implemented the GASB 87 leases in FY2022, the prior year balance was not restated due to this implementation.
(C) CPS implemented the GASB 96 subscription-based information technology arrangements (SBITAs) in FY2023, the prior year balance was not restated due to the implementation.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**OUTSTANDING DEBT PER CAPITA**
**Last Ten Fiscal Years**
**As of June 30, 2024**
**(Thousands of Dollars, except per capita)**

| Resources Restricted to Repaying the Principal of General Bonded Debt (A) | Total Net Primary Government Debt | Percentage of Personal Income | Percentage of Actual Taxable Value of Property | Population | Total Net Primary Government Debt Per Capita |
|---|---|---|---|---|---|
| $ 167,270 | $ 6,815,937 | 4.01% | 19.89% | 2,695,598 | $ 2,528.54 |
| 97,695 | 7,248,200 | 4.30% | 21.45% | 2,695,598 | 2,688.90 |
| 124,217 | 8,503,292 | 4.92% | 25.58% | 2,716,450 | 3,130.30 |
| 158,585 | 8,613,047 | 4.75% | 26.61% | 2,705,994 | 3,182.95 |
| 171,755 | 8,863,577 | 4.67% | 22.30% | 2,693,976 | 3,290.15 |
| 169,462 | 8,659,892 | 4.14% | 23.18% | 2,746,388 | 3,153.19 |
| 190,553 | 8,999,576 | 4.13% | 20.21% | 2,696,555 | 3,337.43 |
| 205,807 | 9,425,819 | 4.04% | 22.77% | 2,665,039 | 3,536.84 |
| 207,355 | 9,750,076 | 5.11% | 23.56% | 2,664,452 | 3,659.32 |
| 218,218 | 10,036,959 | 5.25% | 24.23% | N/A | N/A |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**LEGAL DEBT MARGIN INFORMATION**
**Last Ten Fiscal Years**
**As of June 30, 2024**
**(Thousands of Dollars)**

| | Fiscal Year | | | |
|---|---|---|---|---|
| | **2015** | **2016** | **2017** | **2018** |
| Debt limit | $ 8,958,101 | $ 9,793,658 | $ 10,214,898 | $ 10,594,116 |
| General obligation | 238,820 | 186,823 | 134,803 | 82,734 |
| Less: amount set aside for repayment of bonds | (34,684) | (34,866) | (32,761) | (35,452) |
| Total net debt applicable to limit (A) | $ 204,136 | $ 151,957 | $ 102,042 | $ 47,282 |
| Legal debt margin | $ 8,753,965 | $ 9,641,701 | $ 10,112,856 | $ 10,546,834 |
| Total net debt applicable to the limit as a percentage of debt limit | 2.28 % | 1.55 % | 1.00 % | 0.45 % |

**Notes:**

(A) Pursuant to Section 15 of the Debt Reform Act, this table does not reflect the following alternate bonds because these bond series do not count against the debt limit until the tax levy supporting them is extended for collection:

| | |
|---|---|
| $328.7 million Series 1998B-1 | $351.5 million Series 2017C |
| $532.5 million Series 1999A | $79.3 million Series 2017D |
| $193.5 million Series 2005A | $165.5 million Series 2017F |
| $547.3 million Series 2009E | $126.5 million Series 2017G |
| $254.2 million Series 2009G | $280.0 million Series 2017H |
| $257.1 million Series 2010C | $552.0 million Series 2018A |
| $125.0 million Series 2010D | $450.1 million Series 2018C |
| $468.9 million Series 2012A | $313.3 million Series 2018D |
| $109.8 million Series 2012B | $225.3 million Series 2019A |
| $280.0 million Series 2015C | $123.8 million Series 2019B |
| $20.0 million Series 2015E | $450.0 million Series 2021A |
| $725.0 million Series 2016A | $107.5 million Series 2021B |
| $150.0 million Series 2016B | $500.0 million Series 2022A |
| $285.0 million Series 2017A | $372.2 million Series 2022B |
| $215.0 million Series 2017B | $575.0 million Series 2023A |

(B) Per Illinois School Code Section 19-1, no school districts maintaining grades K through 12 shall become indebted in any manner or for any purpose to an amount, including existing indebtedness, in the a taxable property aggregate exceeding 13.8% on the value of the taxable property therein to be incurring of such indebtedness.ascertained by the last assessment for State and county taxes or, until January 1, 1983, if greater, the sum that is produced by incurred by such indebtedness.

| Fiscal Year | | | | | | |
|---|---|---|---|---|---|---|
| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
| $ 11,914,352 | $ 12,119,942 | $ 12,354,330 | $ 13,374,748 | $ 13,371,581 | $ 13,751,917 |
| 30,636 | — | — | — | — | — |
| (23,173) | — | — | — | — | — |
| $ 7,463 | $ — | $ — | $ — | $ — | $ — |
| $ 11,906,889 | $ 12,119,942 | $ 12,354,330 | $ 13,374,748 | $ 13,371,581 | $ 13,751,917 |
| 0.06 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % | 0.00 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**
**As of June 30, 2024**
**(Thousands of Dollars)**

| Governmental Unit | Debt Outstanding (A) | Estimated Percentage Applicable (B) | Estimated Share of Overlapping Debt |
|---|---|---|---|
| Debt repaid with property taxes | | | |
| City of Chicago | $ 5,213,461 | 100.00 % | $ 5,213,461 |
| City Colleges of Chicago | 291,497 | 100.00 % | 291,497 |
| Chicago Park District | 864,390 | 100.00 % | 864,390 |
| Cook County | 2,783,732 | 50.03 % | 1,392,701 |
| Forest Preserve District | 87,340 | 50.03 % | 43,696 |
| Water Reclamation District | 2,477,600 | 50.92 % | 1,261,594 |
| Subtotal, overlapping debt | | | $ 9,067,340 |
| Chicago Public School Direct Debt | | | $ 10,255,177 |
| Total Direct and Overlapping Debt | | | $ 19,322,517 |

**Notes:**
(A) Debt outstanding data provided by each governmental unit.
(B) Assessed value data used to estimate applicable percentage is provided by the Office of the Cook County Clerk. Percentages are calculated by dividing each taxing district's 2023 tax extension within the City of Chicago by the total 2023 Cook County extension for the district.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CPS' DEBT RATING HISTORY**
**Fiscal Year Ending June 30, 2024**

**General Obligation Bonds**

The following table presents the changes in general obligation credit rating for Chicago Board of Education for the last ten years:

| | July 2015 | Dec. 2016 | Oct. 2017 | July 2018 | June 2019 | June 2020 | June 2021 | June 2022 | June 2023 | June 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| **S&P** | BBB | B | B | B+ | B+ | BB- | BB | BB | BB+ | BB+ |
| **Moody's** | Ba3 | B3 | B3 | B2 | B2 | B1 | Ba3 | Ba2 | Ba2 | Ba1 |
| **Fitch** | BB+ | B+ | BB- | BB- | BB- | BB | BB | BB+ | BB+ | BB+ |
| **Kroll*** | BBB+ | BBB- | BBB- | BBB- | BBB- | BBB- | BBB- | BBB | BBB | BBB |

***Security Structure:*** All of CPS' general obligation debt that has been issued as alternate revenue bonds are secured by at least one other revenue stream in addition to the Board's unlimited tax general obligation pledge. CPS has pledged revenues from Personal Property Replacement Taxes (PPRT), revenues from an Intergovernmental Agreement (IGA) with the City of Chicago, revenues from City Notes and Intergovernmental Agreements with the City of Chicago, federal subsidies, and both State Aid and State Grant revenues as alternate revenue sources.

*NOTES: *The rating provided by Kroll for CPS general obligation series issued from 2016 through 2019 is BBB+. The underlying rating for all other issues is BBB.*

**Capital Improvement Tax Bonds**

The following table presents the changes in the dedicated revenue capital improvement tax credit rating for Chicago Board of Education since June 2017:

| | June 2017 | June 2018 | June 2019 | June 2020 | June 2021 | June 2022 | June 2023 | June 2024 |
|---|---|---|---|---|---|---|---|---|
| **Fitch** | A | A | A | A | A- | A | A | A |
| **Kroll** | BBB | BBB | BBB | BBB | BBB | BBB+ | BBB+ | BBB+ |

***Security Structure:*** In Fiscal Year 2017, CPS structured an entirely new capital improvement tax (CIT) long term bond credit that is separate from the existing CPS general obligation credit. The CIT Bonds are limited obligations of the Board payable from and secured by a revenues derived and to be derived by the Board from the levy of a capital improvement tax. The Capital Improvement Tax Levy is outside of the Board's property tax cap limitation and may increase by the rate of inflation in future years. The statute authorizing the CIT allows the levy to be used for either expenditures on capital projects or to pay for debt service on bonds that are used to finance capital projects such as the CIT Bonds issued in fiscal year 2017 and 2018.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**CITY OF CHICAGO PRINCIPAL EMPLOYERS (NON-GOVERNMENT)**
**Prior Year and Nine Years Ago**

| | 2023 (1) | | | 2014 | | |
|---|---|---|---|---|---|---|
| **Employer** | **Number of Employees** | **Rank** | **Percentage of Total City Employment (2)** | **Number of Employees** | **Rank** | **Percentage of Total City Employment** |
| Advocate Health (3) | 38,679 | 1 | 2.95% | 18,556 | 1 | 1.47% |
| Amazon.com Inc. | 30,100 | 2 | 2.30% | — | — | —% |
| Northwestern Memorial Healthcare | 25,386 | 3 | 1.94% | 14,550 | 4 | 1.15% |
| University of Chicago | 22,395 | 4 | 1.71% | 16,025 | 2 | 1.27% |
| Endeavor Health (4) | 20,251 | 5 | 1.55% | | | |
| Walmart Inc. | 17,400 | 6 | 1.33% | — | — | —% |
| United Airlines Holdings Inc. (5) | 16,937 | 7 | 1.29% | 14,000 | 5 | 1.11% |
| Walgreens Boots Alliance Inc. (6) | 16,486 | 8 | 1.26% | 13,797 | 6 | 1.09% |
| JPMorgan Chase & Co. (7) | 15,382 | 9 | 1.17% | 15,015 | 3 | 1% |
| Health Care Service Corporation | 14,771 | 10 | 1.13% | — | — | —% |
| AT&T | — | — | —% | 13,000 | 7 | 1.03% |
| Presence Health | — | — | —% | 11,279 | 8 | 0.89% |
| University of Illinois at Chicago | — | — | —% | 10,100 | 9 | 0.80% |
| Abbot Laboratories | — | — | —% | 10,000 | 10 | 0.79% |

**Notes:**
1) Source: Reprinted with permission from the February 26, 2024 issue of Crain's Chicago Business. © 2024 Crain Communications, Inc. All Rights Reserved. Further duplication is prohibited.
2) Source: Bureau of Labor Statistics data used in calculation of Total City Employment..
3) Advocate Health formerly known as Advocate Aurora Health.
4) Endeavor Health formerly known as Northshore - Edward-Elmhurst Health.
5) United Airlines Holdings Inc. formerly known as United Continental Holdings Inc.
6) In 2014, Walgreens purchased Alliance Boots forming Walgreens Boots Alliance, Inc.
7) JP Morgan & Co. formerly known as J.P. Morgan Chase.

Chicago
Public
Schools

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**DEMOGRAPHIC AND ECONOMIC STATISTICS**
**Last Ten Calendar Years**

| Year | City of Chicago Population (A) | Personal Income ($000's) | Per Capita Income (B) | Median Age (C) | Number of Households (C) |
|---|---|---|---|---|---|
| 2014 | 2,695,598 | $138,230,265 | $51,280 | 33.40 | 1,028,829 |
| 2015 | 2,695,598 | 152,220,419 | 56,470 | 33.70 | 1,035,436 |
| 2016 | 2,695,598 | 154,417,331 | 57,285 | 33.90 | 1,042,579 |
| 2017 | 2,716,450 | 160,917,065 | 59,238 | 34.10 | 1,046,789 |
| 2018 | 2,705,994 | 168,326,357 | 62,205 | 34.90 | 1,077,886 |
| 2019 | 2,693,976 | 175,932,797 | 65,306 | 35.20 | 1,080,345 |
| 2020 | 2,746,388 | 192,068,645 | 69,935 | 34.80 | 1,081,143 |
| 2021 | 2,696,555 | 198,350,496 | 73,557 | 35.80 | 1,139,537 |
| 2022 | 2,665,039 | 194,140,096 | 72,847 | 35.80 | 1,159,424 |
| 2023 | 2,664,452 | 207,659,396 | 77,937 | 36.40 | 1,179,081 |

**Notes:**
A) *Source* : U.S. Census Bureau. The census is conducted on a decennial basis at the start of each decade.
B) *Source* : Bureau of Economic Analysis. These rates are for Cook County.
C) *Source* : World Business Chicago Website.
D) *Source* : Illinois Workforce Info Center Website

| Civilian Labor Force (D) | | Employment (D) | | |
|---|---|---|---|---|
| Number | Percent of Population | Number | Percent of Population | Unemployment Rate |
| 1,369,656 | 50.81% | 1,264,234 | 46.90% | 7.70% |
| 1,361,418 | 50.51% | 1,273,727 | 47.25% | 6.40% |
| 1,374,148 | 50.98% | 1,285,806 | 47.70% | 6.40% |
| 1,364,817 | 50.24% | 1,289,325 | 47.46% | 5.50% |
| 1,345,740 | 49.73% | 1,288,755 | 47.63% | 4.20% |
| 1,339,469 | 49.72% | 1,286,484 | 47.75% | 4.00% |
| 1,324,384 | 48.22% | 1,165,441 | 42.44% | 12.00% |
| 1,350,133 | 50.07% | 1,247,060 | 46.25% | 7.60% |
| 1,393,527 | 52.29% | 1,319,764 | 49.52% | 5.30% |
| 1,374,990 | 51.60% | 1,310,713 | 49.19% | 4.70% |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**METROPOLITAN CHICAGO TOP PUBLIC COMPANIES RANKED BY 2023 NET REVENUES**
**(Millions of Dollars)**

| Company Name | 2023 Net Revenues | Number of Employees (1) |
|---|---|---|
| Walgreens Boots Alliance Inc. | $ 139,081 | $ 268,500 |
| Archer-Daniels-Midland Co. | 93,935 | 41,008 |
| Deere & Co. | 61,222 | 83,000 |
| Allstate Corp. | 57,094 | 53,200 |
| Abbvie Inc. | 54,318 | 50,000 |
| United Airlines Holdings Inc. | 53,717 | 103,300 |
| Abbott Laboratories | 40,109 | 114,000 |
| Mondelez International Inc. | 36,016 | 91,000 |
| US Foods Holdings Corp. | 35,597 | 30,000 |
| Kraft Heinz Co. | 26,640 | 36,000 |
| McDonald's Corp. | 25,494 | 100,000 |
| Exelon Corp. | 21,727 | 19,962 |
| CDW Corp. | 21,376 | 15,100 |
| Jones Lang LaSalle Inc., (JLL) | 20,761 | 106,100 |
| GE Healthcare Technologies Inc. | 19,552 | 51,000 |
| W.W. Grainger Inc. | 16,478 | 24,650 |
| Illinois Tool Works Inc. | 16,107 | 45,000 |
| Baxter International Inc. | 14,813 | 60,000 |
| LKQ Corp. | 13,866 | 49,000 |
| CNA Financial Corp. | 13,299 | 6,300 |

Source: Crain's Chicago Business, "Chicago's Largest Public Companies", from May 13, 2024 issue. Copyright 2024 Crain Communications Inc.

**Notes:**
1) Most recent employee count available

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**SCHEDULE OF REVENUES, EXPENDITURES AND NET CHANGES IN FUND BALANCE**
**FINAL APPROPRIATIONS AND ACTUAL**
**For the Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Fiscal Year Ended June 30, 2023**
**(Thousands of Dollars)**

| | Approved Budget | Transfers In/(Out) | Final Appropriations | Fiscal Year 2024 Actual | Over/ (Under) Budget | Fiscal Year 2023 Actual | 2024 Over (under) 2023 |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Property taxes | $ 3,640,896 | $ — | $ 3,640,896 | $ 3,639,553 | $ (1,343) | $ 3,443,950 | $ 195,603 |
| Replacement taxes | 538,697 | — | 538,697 | 343,080 | (195,617) | 597,048 | (253,968) |
| State aid | 1,971,271 | — | 1,971,271 | 1,988,253 | 16,982 | 1,860,250 | 128,003 |
| Federal aid | 1,670,634 | — | 1,670,634 | 1,681,641 | 11,007 | 1,461,830 | 219,811 |
| Interest and investment earnings | 7,000 | — | 7,000 | 19,583 | 12,583 | 13,911 | 5,672 |
| Lease income | — | — | — | 5,506 | 5,506 | 5,290 | 216 |
| Other | 661,016 | — | 661,016 | 682,084 | 21,068 | 526,109 | 155,975 |
| Total revenues | $ 8,489,514 | $ — | $ 8,489,514 | $ 8,359,700 | $ (129,814) | $ 7,908,388 | $ 451,312 |
| Expenditures: | | | | | | | |
| Teachers' salaries | $ 2,555,830 | $ — | $ 2,555,830 | $ 2,578,904 | $ 23,074 | $ 2,405,708 | $ 173,195 |
| Career service salaries | 956,523 | — | 956,523 | 1,015,917 | 59,394 | 906,595 | 109,322 |
| Energy | 93,139 | — | 93,139 | 81,255 | (11,884) | 76,520 | 4,735 |
| Food | 120,587 | — | 120,587 | 111,357 | (9,230) | 93,719 | 17,639 |
| Textbook | 61,329 | — | 61,329 | 127,917 | 66,588 | 99,490 | 28,427 |
| Supplies | 82,485 | — | 82,485 | 109,805 | 27,320 | 154,534 | (44,729) |
| Other | 539 | — | 539 | 4,798 | 4,259 | 264 | 4,534 |
| Professional and special services | 570,710 | — | 570,710 | 736,684 | 165,974 | 662,143 | 74,541 |
| Charter Schools | 854,608 | — | 854,608 | 954,254 | 99,646 | 922,190 | 32,064 |
| Transportation | 132,637 | — | 132,637 | 176,087 | 43,450 | 163,169 | 12,918 |
| Tuition | 75,798 | — | 75,798 | 76,009 | 211 | 72,663 | 3,346 |
| Telephone and telecommunications | 14,885 | — | 14,885 | 19,269 | 4,384 | 18,475 | 794 |
| Other | 47,505 | — | 47,505 | 40,447 | (7,058) | 43,343 | (2,896) |
| Equipment - educational | 28,150 | — | 28,150 | 66,739 | 38,589 | 62,661 | 4,077 |
| Repair and replacements | 45,179 | — | 45,179 | 99,321 | 54,142 | 113,080 | (13,759) |
| Capital outlay | — | — | — | 94 | 94 | 133 | (39) |
| Teachers' pension | 1,151,923 | — | 1,151,923 | 1,140,734 | (11,189) | 977,397 | 163,337 |
| Career service pension | 328,690 | — | 328,690 | 333,406 | 4,716 | 303,338 | 30,069 |
| Hospitalization and dental insurance | 547,976 | — | 547,976 | 525,550 | (22,426) | 502,425 | 23,125 |
| Medicare | 52,417 | — | 52,417 | 51,220 | (1,197) | 47,287 | 3,933 |
| Unemployment compensation | 8,002 | — | 8,002 | 3,619 | (4,383) | 4,353 | (734) |
| Workers compensation | 23,005 | — | 23,005 | 23,138 | 133 | 21,112 | 2,026 |
| Rent | 23,402 | — | 23,402 | 5,825 | (17,577) | 8,120 | (2,296) |
| Debt service | 19,500 | — | 19,500 | 54,306 | 34,806 | 49,606 | 4,700 |
| Other | 694,695 | — | 694,695 | 16,206 | (678,489) | 5,682 | 10,524 |
| Total expenditures | $ 8,489,514 | $ — | $ 8,489,514 | $ 8,352,861 | $ (136,653) | $ 7,714,007 | $ 638,853 |
| Revenues in excess of (less than) expenditures | $ — | $ — | $ — | $ 6,839 | $ 6,839 | $ 194,381 | $ (187,541) |
| Other financing sources (uses): | | | | | | | |
| Gain and loss from termination of lease as lessor | $ — | $ — | $ — | $ — | $ — | $ (41) | $ 41 |
| Transfers in / (out) | — | — | — | 102 | 102 | 4,272 | (4,170) |
| Total other financing sources (uses) | $ — | $ — | $ — | $ 102 | $ 102 | $ 4,231 | $ (4,129) |
| Net change in fund balances | $ — | $ — | $ — | $ 6,941 | $ 6,941 | $ 198,612 | $ (191,671) |
| Fund balances, beginning of period ( as previously reported) | 1,278,280 | — | 1,278,280 | 1,278,280 | — | 1,079,668 | 198,612 |
| Restatement for Change in Accounting Principle | 69,858 | — | 69,858 | 69,858 | — | — | 69,858 |
| Fund balances, beginning of period (restated) | 1,348,138 | — | 1,348,138 | 1,348,138 | — | 1,079,668 | 268,470 |
| Fund balances, end of period | $ 1,348,138 | $ — | $ 1,348,138 | $ 1,355,079 | $ 6,941 | $ 1,278,280 | $ 76,799 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**SCHEDULE OF REVENUES - BY PROGRAM**
**For the Fiscal Year Ended June 30, 2024**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Educational Program | CTPF Pension Levy | School Internal Accounts | Individuals with Disabilities Education Act (IDEA) Program | Other Government Funded Program |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Property taxes | $ 2,982,026 | $ 538,665 | $ — | $ — | $ — |
| Replacement taxes | 283,649 | — | — | — | — |
| State aid | 947,419 | — | — | — | 440,172 |
| Federal aid | 186,521 | — | — | 100,196 | 64,737 |
| Interest and investment income | 19,421 | 138 | — | — | — |
| Lease Income | 5,506 | — | — | — | — |
| Other | 579,892 | 35,513 | 45,593 | — | 10,864 |
| Total revenues | $ 5,004,435 | $ 574,316 | $ 45,593 | $ 100,196 | $ 515,773 |

| Elementary and Secondary Education Act (ESEA) Program | School Lunch Program | Workers' and Unemployment Compensation/ Tort Immunity Program | Public Building Commission Operations and Maintenance Program | Elementary and Secondary School Emergency Relief | Total |
|---|---|---|---|---|---|
| $ — | $ — | $ 118,862 | $ — | $ — | $ 3,639,553 |
| — | 59,431 | — | — | — | 343,080 |
| — | 4,270 | — | 596,392 | — | 1,988,253 |
| 323,144 | 209,637 | — | — | 797,404 | 1,681,640 |
| — | — | 24 | — | — | 19,583 |
| — | — | — | — | — | 5,506 |
| (1) | 1,345 | — | 8,877 | — | 682,084 |
| $ 323,143 | $ 274,684 | $ 118,886 | $ 605,269 | $ 797,404 | $ 8,359,700 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND**
**SCHEDULE OF EXPENDITURES - BY PROGRAM**
**For the Fiscal Year Ended June 30, 2024**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | Educational Program | CTPF Pension Levy | Internal School Accounts | Workers' Unemployment Comp / Tort Program |
|---|---|---|---|---|
| Teachers' salaries | $ 1,924,430 | $ — | $ — | $ 118 |
| Career service salaries | 687,361 | — | — | 64,308 |
| Energy | 226 | — | — | — |
| Food | 5,891 | — | — | — |
| Textbooks | 71,905 | — | — | — |
| Supplies | 62,286 | — | — | 102 |
| Other commodities | 318 | — | — | — |
| Professional fees | 201,818 | — | 26,685 | 1,931 |
| Charter schools | 860,561 | — | — | — |
| Transportation | 169,932 | — | — | 31 |
| Tuition | 71,358 | — | — | — |
| Telephone and telecommunications | 18,202 | — | — | 12 |
| Other services | 20,166 | — | — | 6,167 |
| Equipment - educational | 20,829 | — | — | 22 |
| Repairs and replacements | 7,852 | — | — | 1,257 |
| Capital outlay | 66 | — | — | — |
| Teachers' pension | 448,863 | 611,739 | — | 25 |
| Career service pension | 227,076 | — | — | 26,876 |
| Hospitalization and dental insurance | 374,191 | — | — | 16,549 |
| Medicare | 37,198 | — | — | 1,025 |
| Unemployment compensation | 5,129 | — | — | (2,361) |
| Workers' compensation | 17,274 | — | — | 423 |
| Rent | 2,084 | — | — | — |
| Debt Service | 31,996 | — | — | — |
| Other fixed charges | (199,740) | — | — | 15,621 |
| Total expenditures | $ 5,067,273 | $ 611,739 | $ 26,685 | $ 132,104 |

| Individuals with Disabilities Education Act (IDEA) Program | Public Building Commission Operations and Maintenance Program | School Lunch Program | Elementary and Secondary School Emergency Relief (ESSER) | Elementary and Secondary Education Act (ESEA) Program | Other Government Funded Programs | Total |
|---|---|---|---|---|---|---|
| $ 71,763 | $ — | $ — | $ 324,587 | $ 141,537 | $ 116,469 | $ 2,578,904 |
| 1,304 | 56,311 | 74,961 | 64,141 | 15,851 | 51,679 | 1,015,917 |
| — | 81,025 | — | — | — | 5 | 81,255 |
| — | — | 100,323 | 246 | 283 | 4,613 | 111,357 |
| 9 | 7,127 | 62 | 40,912 | 11,459 | (3,558) | 127,917 |
| 248 | 25,550 | 204 | 11,092 | 4,153 | 6,169 | 109,805 |
| — | — | — | — | 5 | — | 323 |
| 3,096 | 271,414 | 5,426 | 37,817 | 57,429 | 135,544 | 741,160 |
| — | — | — | 48,289 | 41,745 | 3,658 | 954,254 |
| 3 | 147 | 19 | 741 | 3,959 | 1,254 | 176,087 |
| 4,247 | — | — | — | 130 | 274 | 76,009 |
| — | 640 | — | 415 | — | — | 19,269 |
| 5 | 9,326 | 97 | 2,218 | 1,283 | 1,185 | 40,447 |
| 1 | 10,337 | 1,064 | 30,750 | 748 | 2,987 | 66,739 |
| — | 89,244 | — | 726 | 10 | 233 | 99,321 |
| — | — | — | 5 | — | 23 | 94 |
| 9,668 | — | — | 37,003 | 16,905 | 16,530 | 1,140,734 |
| 222 | 22,402 | 32,192 | 7,077 | 4,178 | 13,384 | 333,406 |
| 10,113 | 13,282 | 24,920 | 42,203 | 18,738 | 25,554 | 525,550 |
| 994 | 786 | 1,075 | 5,566 | 2,210 | 2,366 | 51,220 |
| 81 | 57 | 74 | 328 | 146 | 166 | 3,619 |
| 515 | 364 | 473 | 2,096 | 935 | 1,059 | 23,138 |
| 27 | 3,299 | — | 14 | 31 | 370 | 5,825 |
| — | 13,694 | — | — | — | 8,616 | 54,306 |
| 3,674 | — | 32,650 | 148,375 | 10,634 | 4,994 | 16,207 |
| $ 105,970 | $ 605,006 | $ 273,541 | $ 804,601 | $ 332,369 | $ 393,574 | $ 8,352,861 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANALYSIS OF COMPOUNDED GROWTH OF REVENUES - ALL FUNDS**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Local revenue: | | | | | | |
| Property taxes | $ 2,304,656 | $ 2,408,416 | $ 2,714,956 | $ 2,897,870 | $ 2,984,026 | $ 3,074,091 |
| Replacement taxes | 202,148 | 161,535 | 227,921 | 168,254 | 187,232 | 202,451 |
| Investment income | (92,825) | (95,650) | 5,442 | 19,022 | 47,250 | 47,514 |
| Lease income | — | — | — | — | — | — |
| Other | 377,286 | 437,042 | 387,045 | 461,692 | 536,349 | 622,101 |
| Total local | $ 2,791,265 | $ 2,911,343 | $ 3,335,364 | $ 3,546,838 | $ 3,754,857 | $ 3,946,157 |
| State revenue: | | | | | | |
| Evidence based funding | $ 1,014,395 | $ 971,642 | $ 1,074,021 | $ 1,540,295 | $ 1,605,783 | $ 1,579,631 |
| Teachers' pension | 62,145 | 12,105 | 1,016 | 232,992 | 238,869 | 257,349 |
| Capital | — | — | — | 6,908 | — | 10,741 |
| Other | 770,529 | 568,578 | 633,828 | 416,761 | 338,290 | 392,086 |
| Total state | $ 1,847,069 | $ 1,552,325 | $ 1,708,865 | $ 2,196,956 | $ 2,182,942 | $ 2,239,807 |
| Federal revenue: | | | | | | |
| Elementary and Secondary Education Act (ESEA) | $ 253,514 | $ 150,477 | $ 278,136 | $ 259,691 | $ 229,952 | $ 285,457 |
| Individuals with Disabilities Education Act (IDEA) | 103,899 | 93,483 | 93,096 | 92,655 | 93,185 | 94,434 |
| School lunchroom | 200,412 | 202,943 | 198,440 | 198,304 | 198,294 | 183,073 |
| Medicaid | 42,524 | 34,806 | 37,108 | 32,392 | 34,975 | 32,847 |
| Other | 198,582 | 327,290 | 177,163 | 184,886 | 148,949 | 151,545 |
| Total federal | $ 798,931 | $ 808,999 | $ 783,943 | $ 767,928 | $ 705,355 | $ 747,356 |
| Total revenue | $ 5,437,265 | $ 5,272,667 | $ 5,828,172 | $ 6,511,722 | $ 6,643,154 | $ 6,933,320 |
| Change in revenue from previous year | $ (5,142) | $ (164,598) | $ 555,505 | $ 683,550 | $ 131,432 | $ 290,166 |
| Percent change in revenue | (0.1)% | (3.0)% | 10.5 % | 11.7 % | 2.0 % | 4.4 % |

Notes:
General State Aid changed to Evidence Based Funding in FY18.
In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2021 | 2022 | 2023 | 2024 | Budget 2025 | Ten Year Compounded Growth Rate | Five Year Compounded Growth Rate |
|---|---|---|---|---|---|---|
| $ 3,157,474 | $ 3,367,969 | $ 3,531,593 | $ 3,731,054 | $ 4,009,183 | 5.7 % | 5.5 % |
| 282,075 | 609,896 | 636,467 | 383,522 | 375,206 | 6.4 % | 13.1 % |
| 2,883 | (12,890) | 31,904 | 76,721 | 30,403 | — % | (8.5)% |
| — | 5,315 | 5,290 | 5,506 | — | — % | — % |
| 573,898 | 626,129 | 688,150 | 897,446 | 935,852 | 9.5 % | 8.5 % |
| $ 4,016,330 | $ 4,596,419 | $ 4,893,404 | $ 5,094,249 | $ 5,350,644 | 6.7 % | 6.3 % |
| | | | | | | |
| $ 1,549,592 | $ 1,727,945 | $ 1,705,081 | $ 1,719,155 | $ 1,758,513 | 5.7 % | 2.2 % |
| 266,893 | 297,400 | 308,673 | 322,711 | 353,900 | 19.0 % | 6.6 % |
| 17,463 | 13,821 | 16,438 | 19,235 | 28,272 | — % | N/A |
| 455,240 | 305,467 | 346,259 | 450,197 | 484,420 | (4.5)% | 4.3 % |
| $ 2,289,188 | $ 2,344,633 | $ 2,376,451 | $ 2,511,298 | $ 2,625,105 | 3.6 % | 3.2 % |
| | | | | | | |
| $ 290,131 | $ 290,301 | $ 296,391 | $ 327,655 | $ 523,705 | 7.5 % | 12.9 % |
| 110,091 | 104,762 | 99,592 | 99,081 | 111,468 | 0.7 % | 3.4 % |
| 104,918 | 193,058 | 199,531 | 210,020 | 207,312 | 0.3 % | 2.5 % |
| 34,417 | 38,589 | 59,837 | 72,923 | 100,038 | 8.9 % | 24.9 % |
| 609,388 | 876,938 | 840,054 | 996,289 | 418,756 | 7.7 % | 22.5 % |
| $ 1,148,945 | $ 1,503,648 | $ 1,495,405 | $ 1,705,968 | $ 1,361,279 | 5.5 % | 12.7 % |
| | | | | | | |
| $ 7,454,463 | $ 8,444,700 | $ 8,765,260 | $ 9,311,515 | $ 9,337,028 | 5.6 % | 6.1 % |
| | | | | | | |
| $ 521,143 | $ 990,237 | $ 320,560 | $ 546,255 | $ 25,513 | | |
| 7.5 % | 13.3 % | 3.8 % | 6.2 % | 0.3 % | | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANALYSIS OF COMPOUNDED GROWTH OF EXPENDITURES - ALL FUNDS**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Compensation: | | | | | | |
| Teacher salaries | $ 1,953,938 | $ 1,869,683 | $ 1,815,309 | $ 1,841,295 | $ 1,928,020 | $ 1,990,348 |
| ESP salaries | 622,591 | 605,817 | 581,665 | 595,467 | 620,004 | 706,758 |
| Total salaries | $ 2,576,529 | $ 2,475,500 | $ 2,396,974 | $ 2,436,762 | $ 2,548,024 | $ 2,697,106 |
| Teacher pension | 826,304 | 811,051 | 853,474 | 900,791 | 924,209 | 968,083 |
| ESP pension | 102,012 | 102,762 | 99,428 | 113,882 | 143,486 | 188,977 |
| Hospitalization | 357,124 | 348,083 | 306,871 | 319,344 | 304,917 | 347,073 |
| Medicare | 36,557 | 34,824 | 33,658 | 34,601 | 36,294 | 38,702 |
| Unemployment insurance | 8,138 | 9,438 | 7,040 | 6,604 | 4,146 | 5,452 |
| Workers' compensation | 25,926 | 20,337 | 20,531 | 23,546 | 23,973 | 22,602 |
| Total benefits | $ 1,356,061 | $ 1,326,495 | $ 1,321,002 | $ 1,398,768 | $ 1,437,025 | $ 1,570,889 |
| Total compensation | $ 3,932,590 | $ 3,801,995 | $ 3,717,976 | $ 3,835,530 | $ 3,985,049 | $ 4,267,995 |
| Non-compensation: | | | | | | |
| Energy | $ 74,516 | $ 70,227 | $ 69,067 | $ 60,813 | $ 75,408 | $ 70,935 |
| Food | 99,573 | 98,777 | 94,911 | 94,512 | 100,030 | 94,333 |
| Textbooks | 55,254 | 54,856 | 43,255 | 50,296 | 98,607 | 55,380 |
| Supplies | 50,571 | 47,085 | 44,040 | 46,683 | 56,202 | 60,024 |
| Commodities - other | 474 | 294 | 221 | 301 | 301 | 229 |
| Professional fees | 395,221 | 314,732 | 357,258 | 410,175 | 480,301 | 499,520 |
| Charter schools | 662,553 | 704,981 | 668,412 | 703,124 | 736,530 | 768,328 |
| Transportation | 103,891 | 104,450 | 95,974 | 106,021 | 107,373 | 103,693 |
| Tuition | 90,901 | 61,028 | 53,668 | 50,181 | 55,333 | 64,063 |
| Telephone and telecommunications | 28,061 | 24,579 | 21,998 | 23,718 | 20,447 | 16,581 |
| Services - other | 14,133 | 16,471 | 13,814 | 26,819 | 35,483 | 25,508 |
| Equipment | 60,962 | 45,407 | 30,967 | 35,214 | 49,973 | 48,384 |
| Repairs and replacements | 27,291 | 18,853 | 18,319 | 13,214 | 8,995 | 45,592 |
| Capital outlays | 374,758 | 294,446 | 205,852 | 340,482 | 613,138 | 592,418 |
| Rent | 13,030 | 16,012 | 14,638 | 16,840 | 16,691 | 17,350 |
| Debt service | 523,113 | 480,288 | 569,694 | 652,532 | 638,830 | 661,182 |
| Other | 11,340 | 8,961 | 13,488 | 7,045 | 22,782 | 9,329 |
| Total non-compensation | $ 2,585,642 | $ 2,361,447 | $ 2,315,576 | $ 2,637,970 | $ 3,116,424 | $ 3,132,849 |
| Total expenditures | $ 6,518,232 | $ 6,163,442 | $ 6,033,552 | $ 6,473,500 | $ 7,101,473 | $ 7,400,844 |
| Change in expenditures from previous year | $ 113,211 | $ (354,790) | $ (129,890) | $ 439,948 | $ 627,973 | $ 299,371 |
| Percent change in expenditures | 1.8% | (5.4)% | (2.1)% | 7.3% | 9.7% | 4.2% |

| 2021 | 2022 | 2023 | 2024 | Budget 2025 | Ten Year Compounded Growth Rate | Five Year Compounded Growth Rate |
|---|---|---|---|---|---|---|
| $ 2,133,813 | $ 2,253,233 | $ 2,405,708 | $ 2,578,904 | $ 2,597,077 | 105.3 % | 319.9 % |
| 723,876 | 810,384 | 906,595 | 1,015,917 | 1,017,248 | 109.6 % | 328.2 % |
| $ 2,857,689 | $ 3,063,617 | $ 3,312,302 | $ 3,594,820 | $ 3,614,325 | 106.4 % | 322.1 % |
| 1,003,935 | 1,060,042 | 977,397 | 1,140,734 | 1,150,471 | 106.2 % | 312.1 % |
| 221,022 | 276,573 | 303,338 | 333,406 | 356,614 | 126.1 % | 352.0 % |
| 398,385 | 459,705 | 502,425 | 525,550 | 625,587 | 111.0 % | 347.9 % |
| 40,797 | 44,169 | 47,287 | 51,220 | 53,783 | 107.4 % | 325.2 % |
| 1,490 | 6,542 | 4,353 | 3,619 | 8,010 | 99.2 % | 330.0 % |
| 17,619 | 17,607 | 21,112 | 23,138 | 23,026 | 97.2 % | 299.6 % |
| $ 1,683,249 | $ 1,864,638 | $ 1,855,912 | $ 2,077,668 | $ 2,217,491 | 109.6 % | 326.5 % |
| $ 4,540,938 | $ 4,928,254 | $ 5,168,214 | $ 5,672,488 | $ 5,831,816 | 107.5 % | 323.8 % |
| | | | | | | |
| $ 63,294 | $ 66,329 | $ 76,520 | $ 81,255 | $ 110,214 | 107.5 % | 334.8 % |
| 51,663 | 83,785 | 93,719 | 111,357 | 109,409 | 101.4 % | 310.1 % |
| 65,859 | 95,804 | 99,490 | 127,917 | 79,627 | 107.0 % | 328.1 % |
| 109,334 | 175,152 | 154,534 | 109,805 | 44,770 | 97.1 % | 275.4 % |
| 609 | 261 | 264 | 4,798 | 374 | 94.9 % | 339.1 % |
| 540,289 | 633,417 | 662,143 | 736,684 | 515,271 | 104.9 % | 300.6 % |
| 820,187 | 910,419 | 922,190 | 954,254 | 931,520 | 106.4 % | 313.7 % |
| 67,948 | 133,609 | 163,169 | 176,087 | 125,536 | 103.3 % | 313.6 % |
| 68,264 | 64,703 | 72,663 | 76,009 | 81,766 | 97.4 % | 318.0 % |
| 27,752 | 40,239 | 18,475 | 19,269 | 14,350 | 86.6 % | 286.8 % |
| 18,787 | 63,265 | 43,343 | 40,447 | 50,549 | 126.6 % | 356.5 % |
| 61,102 | 125,498 | 62,661 | 66,739 | 31,366 | 86.7 % | 265.0 % |
| 36,222 | 36,466 | 113,080 | 99,321 | 60,308 | 116.0 % | 321.0 % |
| 565,708 | 638,908 | 727,720 | 572,605 | 611,125 | 109.5 % | 300.6 % |
| 17,151 | 5,547 | 8,120 | 5,825 | 22,965 | 111.2 % | 321.1 % |
| 670,068 | 729,727 | 778,605 | 818,586 | 826,934 | 108.9 % | 316.3 % |
| 9,921 | 5,357 | 5,682 | 16,206 | 413,165 | 185.9 % | 749.7 % |
| $ 3,194,158 | $ 3,808,486 | $ 4,002,378 | $ 4,017,162 | $ 4,029,250 | 108.6 % | 318.7 % |
| $ 7,735,096 | $ 8,736,740 | $ 9,170,593 | $ 9,689,650 | $ 9,861,066 | 108.0 % | 321.6 % |
| | | | | | | |
| $ 334,251 | $ 1,001,645 | $ 433,853 | $ 519,057 | $ 171,416 | | |
| 4.5 % | 12.9 % | 5.0 % | 5.7 % | 1.8 % | | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**REVENUES, EXPENDITURES, AND OTHER FINANCING SOURCES (USES) - ALL FUNDS**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Local | $2,791,265 | $2,911,343 | $3,335,364 | $3,546,838 | $3,754,857 |
| State | 1,847,069 | 1,552,325 | 1,708,865 | 2,196,956 | 2,182,942 |
| Federal | 798,931 | 808,999 | 783,943 | 767,928 | 705,355 |
| Total revenues | $5,437,265 | $5,272,667 | $5,828,172 | $6,511,722 | $6,643,154 |
| Total expenditures | 6,518,232 | 6,163,442 | 6,033,552 | 6,473,500 | 7,101,473 |
| Revenues less expenditures | $(1,080,967) | $(890,775) | $(205,380) | $ 38,222 | $(458,319) |
| Other Financing Sources (Uses): | | | | | |
| Bond proceeds | $ 561,880 | $ 724,999 | $ 879,580 | $2,152,150 | $ 849,395 |
| Net premiums/discounts | (12,502) | (110,071) | (36,097) | 31,921 | 22,871 |
| Insurance proceeds | — | — | 223 | — | — |
| Lease value | — | — | — | — | — |
| Subscription-based IT asset value | — | — | — | — | — |
| Gain and loss from termination of lease as lessor | — | — | — | — | — |
| Sales of general capital assets | 37,504 | 15,012 | 6,273 | 9,442 | 1,251 |
| Payment to bond escrow agent | (397,090) | (120,856) | — | (1,321,865) | (457,035) |
| Total other financing sources (Uses) | $ 189,792 | $ 509,084 | $ 849,979 | $ 871,648 | $ 416,482 |
| Change in fund balance | $(891,175) | $(381,691) | $ 644,599 | $ 909,870 | $ (41,837) |
| Fund balance - beginning of period | 1,722,789 | 831,614 | 449,923 | 1,094,522 | 2,004,392 |
| Fund balance - end of period | $ 831,614 | $ 449,923 | $1,094,522 | $2,004,392 | $1,962,555 |
| Revenues as a percent of expenditures | 83.4% | 85.5% | 96.6% | 100.6% | 93.5% |
| Composition of fund balance: | | | | | |
| Nonspendable | $ 429 | $ 429 | $ 2,785 | $ 429 | $ 429 |
| Restricted for grants and donations | 64,155 | 64,854 | 51,858 | 52,333 | 16,183 |
| Restricted for workers' comp/tort immunity | 41,373 | 35,116 | 27,344 | — | — |
| Restricted for capital improvement program | — | 107,248 | 792,586 | 895,111 | 716,747 |
| Restricted for debt service | 545,383 | 535,116 | 660,501 | 785,176 | 753,962 |
| Restricted for teacher's pension contributions service | — | — | — | 9,287 | 14,125 |
| Restricted for school internal accounts | — | — | — | — | — |
| Assigned for appropriated fund balance | 79,225 | — | — | — | — |
| Assigned for debt service | 57,057 | — | — | 341 | 20,080 |
| Assigned for commitments and contracts | 73,101 | — | — | 18,044 | 94,733 |
| Unassigned | (29,109) | (292,840) | (440,552) | 243,671 | 346,296 |
| Total fund balance | $ 831,614 | $ 449,923 | $1,094,522 | $2,004,392 | $1,962,555 |
| Unassigned fund balance as a percentage of revenues | (0.5)% | (5.6)% | (7.6)% | 3.7 % | 5.2 % |
| Total fund balance as a percentage of revenues | 15.3 % | 8.5 % | 18.8 % | 30.8 % | 29.5 % |

**Note:**
In FY24, the revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2020 | 2021 | 2022 | 2023 | 2024 | Budget 2025 |
|---|---|---|---|---|---|
| $3,946,157 | $4,016,330 | $4,596,419 | $4,893,404 | $5,094,249 | $5,350,644 |
| 2,239,807 | 2,289,188 | 2,344,633 | 2,376,451 | 2,511,298 | 2,625,105 |
| 747,356 | 1,148,945 | 1,503,648 | 1,495,405 | 1,705,968 | 1,361,279 |
| $6,933,320 | $7,454,463 | $8,444,700 | $8,765,260 | $9,311,515 | $9,337,028 |
| 7,400,844 | 7,735,095 | 8,736,740 | 9,170,593 | 9,689,650 | 9,861,066 |
| $(467,524) | $(280,632) | $(292,040) | $(405,333) | $(378,135) | $(524,038) |
| | | | | | |
| $ 349,079 | $ 557,505 | $ 872,170 | $ 520,835 | $ 575,000 | $ 450,000 |
| 50,391 | 139,132 | 100,240 | 15,055 | (7,920) | — |
| — | — | — | — | — | — |
| — | — | 12,613 | 31,991 | 236 | — |
| — | — | — | 9,335 | 8,090 | — |
| — | — | — | (41) | — | — |
| 166 | — | 10 | — | — | — |
| (401,956) | (132,560) | (406,753) | — | — | — |
| $ (2,320) | $ 564,077 | $ 578,280 | $ 577,175 | $ 575,406 | $ 450,000 |
| $(469,844) | $ 283,445 | $ 286,240 | $ 171,842 | $ 197,271 | |
| 1,962,555 | 1,542,734 | 1,826,179 | 2,112,419 | 2,354,399 | |
| $1,492,711 | $1,826,179 | $2,112,419 | $2,284,261 | $2,551,670 | |
| | | | | | |
| 93.7% | 96.4% | 96.7% | 95.6% | 96.1% | |
| | | | | | |
| $ 429 | $ 429 | $ 12,162 | $ 873 | $ 1,578 | |
| 13,518 | 12,143 | 16,719 | 13,028 | 7 | |
| — | — | — | — | — | |
| 182,101 | 188,819 | 163,713 | 48,042 | 83,381 | |
| 747,627 | 769,537 | 787,570 | 875,358 | 1,006,927 | |
| | | | | | |
| 14,324 | 4,217 | — | 29,912 | — | |
| — | 48,230 | 51,696 | 54,063 | 72,971 | |
| — | — | — | — | — | |
| 45,913 | 64,055 | 81,468 | 82,581 | 106,283 | |
| 109,944 | 135,314 | 92,186 | 121,283 | 103,107 | |
| 378,855 | 603,435 | 906,905 | 1,059,121 | 1,177,416 | |
| $1,492,711 | $1,826,179 | $2,112,419 | $2,284,261 | $2,551,670 | |
| | | | | | |
| 5.5 % | 8.1 % | 10.7 % | 12.1 % | 12.6 % | |
| 21.5 % | 24.5 % | 25.0 % | 26.1 % | 27.4 % | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND REVENUES**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Local revenue: | | | | | |
| Property taxes | $ 2,252,828 | $ 2,313,470 | $ 2,613,889 | $ 2,794,613 | $ 2,896,823 |
| Replacement taxes | 143,867 | 115,961 | 169,637 | 109,997 | 152,319 |
| Investment income | 198 | 1,347 | 1,964 | 6,099 | 6,798 |
| Lease income | — | — | — | — | — |
| Other | 165,819 | 271,858 | 265,099 | 332,323 | 383,654 |
| Total local | $ 2,562,712 | $ 2,702,636 | $ 3,050,589 | $ 3,243,032 | $ 3,439,594 |
| State Revenue: | | | | | |
| General state aid | $ 847,420 | $ 857,601 | $ 683,008 | $ 1,216,940 | $ 1,323,126 |
| Teacher pension | 62,145 | 12,105 | 1,016 | 232,992 | 238,869 |
| Capital | — | — | — | 6,908 | — |
| Other | 669,759 | 529,148 | 603,678 | 402,742 | 324,775 |
| Total state | $ 1,579,324 | $ 1,398,854 | $ 1,287,702 | $ 1,859,582 | $ 1,886,770 |
| Federal revenue: | | | | | |
| Elementary and Secondary Education Act (ESEA) | $ 253,514 | $ 293,302 | $ 357,715 | $ 320,005 | $ 231,693 |
| Elementary and Secondary School Emergency Relief Fund | — | — | — | — | — |
| Individuals with Disabilities Education Act (IDEA) | 103,899 | 93,483 | 93,096 | 92,655 | 93,185 |
| School lunch program | 200,412 | 202,943 | 198,440 | 196,495 | 196,553 |
| Medicaid | 42,524 | 34,806 | 37,108 | 32,392 | 34,975 |
| Other | 167,199 | 151,743 | 65,936 | 81,885 | 123,584 |
| Total federal | $ 767,548 | $ 776,277 | $ 752,295 | $ 723,432 | $ 679,990 |
| Total revenue | $ 4,909,584 | $ 4,877,767 | $ 5,090,586 | $ 5,826,046 | $ 6,006,354 |
| Change in revenue from previous year | $ (32,221) | $ (31,817) | $ 212,819 | $ 735,460 | $ 180,308 |
| Percentage change in revenue | (0.7)% | (0.6)% | 4.4 % | 14.4 % | 3.1 % |

**Note:**
In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning fund balance of FY2024 was restated.

| 2020 | 2021 | 2022 | 2023 | 2024 | Budget 2025 | Ten Year Compounded Growth Rate | Five Year Compounded Growth Rate |
|---|---|---|---|---|---|---|---|
| $3,014,452 | $3,097,307 | $3,296,967 | $3,443,950 | $3,639,553 | $3,923,980 | 5.7% | 5.4% |
| 139,729 | 242,643 | 570,467 | 597,048 | 343,080 | 334,793 | 8.8% | 19.1% |
| 6,000 | 583,652 | 1,421 | 13,911 | 19,583 | 7,315 | 43.5% | 4.0% |
| — | — | 5,315 | 5,290 | 5,506 | — | —% | —% |
| 469,328 | 470,381 | 460,570 | 526,109 | 682,084 | 739,552 | 16.1% | 9.5% |
| $3,629,509 | $3,810,915 | $4,334,740 | $4,586,308 | $4,689,807 | $5,005,640 | 6.9% | 6.6% |
| | | | | | | | |
| $1,274,067 | $1,203,827 | $1,247,677 | $1,232,145 | $1,216,501 | $1,239,559 | 3.9% | -0.5% |
| 257,349 | 266,893 | 277,497 | 308,673 | 322,711 | 353,900 | 19.0% | 6.6% |
| — | — | — | — | — | — | —% | —% |
| 314,596 | 346,555 | 325,360 | 319,432 | 449,041 | 500,720 | -2.9% | 9.7% |
| $1,846,012 | $1,817,275 | $1,850,534 | $1,860,250 | $1,988,253 | $2,094,179 | 2.9% | 2.6% |
| | | | | | | | |
| $ 244,027 | $ 319,938 | $ 290,301 | $ 296,390 | $ 327,656 | $ 523,704 | 7.5% | 16.5% |
| — | 515,243 | 764,755 | 733,922 | 797,512 | 232,677 | —% | —% |
| 94,352 | 110,091 | 104,762 | 99,592 | 100,196 | 110,468 | 0.6% | 3.2% |
| 182,033 | 105,672 | 193,058 | 199,531 | 212,628 | 210,775 | 0.5% | 3.0% |
| 32,847 | 34,417 | 38,589 | 59,837 | 72,922 | 100,038 | 8.9% | 24.9% |
| 169,161 | 30,982 | 82,869 | 72,558 | 170,726 | 155,526 | -0.7% | -1.7% |
| $ 722,420 | $1,116,343 | $1,474,334 | $1,461,830 | $1,681,640 | $1,333,188 | 5.7% | 13.0% |
| $6,197,941 | $6,744,533 | $7,659,608 | $7,908,388 | $8,359,700 | $8,433,007 | 5.6% | 6.4% |
| $ 191,587 | $ 546,592 | $ 915,074 | $ 248,780 | $ 451,312 | $ 73,307 | | |
| 3.2% | 8.8% | 13.6% | 3.2% | 5.7% | 0.9% | | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANALYSIS OF COMPOUNDED GROWTH OF GENERAL OPERATING FUND EXPENDITURES**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|---|---|---|---|---|---|---|
| Compensation: | | | | | | |
| Teachers' salaries | $1,953,938 | $1,869,683 | $ 1,815,309 | $1,841,295 | $1,928,020 | $1,990,348 |
| ESP salaries | 622,591 | 605,817 | 581,665 | 595,467 | 620,004 | 706,758 |
| Total salaries | $2,576,529 | $2,475,500 | $ 2,396,974 | $2,436,762 | $2,548,024 | $2,697,106 |
| Teachers' pension | $ 826,304 | $ 811,051 | $ 853,474 | $ 900,791 | $ 924,209 | $ 968,083 |
| ESP pension | 102,012 | 102,762 | 99,428 | 113,882 | 143,486 | 188,977 |
| Hospitalization | 357,124 | 348,083 | 306,871 | 319,344 | 304,917 | 347,073 |
| Medicare | 36,557 | 34,824 | 33,658 | 34,601 | 36,294 | 38,702 |
| Unemployment insurance | 8,138 | 9,438 | 7,040 | 6,604 | 4,146 | 5,452 |
| Workers' compensation | 25,926 | 20,337 | 20,531 | 23,546 | 23,973 | 22,602 |
| Total benefits | $1,356,061 | $1,326,495 | $ 1,321,002 | $1,398,768 | $1,437,025 | $1,570,889 |
| Total compensation | $3,932,590 | $3,801,995 | $ 3,717,976 | $3,835,530 | $3,985,049 | $4,267,995 |
| Non-compensation: | | | | | | |
| Energy | $ 74,516 | $ 70,227 | $ 69,067 | $ 60,813 | $ 75,408 | $ 70,935 |
| Food | 99,573 | 98,777 | 94,911 | 94,512 | 100,030 | 94,333 |
| Textbooks | 55,254 | 54,856 | 43,255 | 50,296 | 98,607 | 57,664 |
| Supplies | 50,571 | 47,085 | 44,040 | 46,683 | 56,202 | 60,024 |
| Commodities - other | 474 | 294 | 221 | 301 | 301 | 229 |
| Professional fees | 395,221 | 314,732 | 357,258 | 410,175 | 480,301 | 506,269 |
| Charter schools | 662,553 | 704,981 | 668,412 | 703,124 | 736,530 | 768,328 |
| Transportation | 103,891 | 104,450 | 95,974 | 106,021 | 107,373 | 103,693 |
| Tuition | 90,901 | 61,028 | 53,668 | 50,181 | 55,333 | 64,063 |
| Telephone and telecommunications | 28,061 | 24,579 | 21,998 | 23,718 | 28,784 | 16,581 |
| Services - other | 14,133 | 16,471 | 13,814 | 26,819 | 27,146 | 25,508 |
| Equipment | 60,962 | 45,407 | 30,967 | 35,214 | 49,973 | 48,384 |
| Repairs and replacements | 27,291 | 18,853 | 18,319 | 13,214 | 8,995 | 45,592 |
| Capital outlays | 5 | 1,135 | 1,017 | 1,293 | 80 | 6 |
| Rent | 13,030 | 16,012 | 14,638 | 16,840 | 16,691 | 17,350 |
| Debt service | — | 25,003 | 38,735 | 32,101 | 9,275 | 7,364 |
| Other | 11,340 | 8,961 | 13,487 | 7,045 | 22,782 | 9,329 |
| Total non-compensation | $1,687,776 | $1,612,851 | $ 1,579,781 | $1,678,350 | $1,873,811 | $1,895,652 |
| Total expenditures | $5,620,366 | $5,414,846 | $ 5,297,757 | $5,513,880 | $5,858,860 | $6,163,647 |
| Change in expenditures from previous year | $(205,520) | $(117,089) | $ 216,123 | $ 344,980 | $ 295,755 | $ 295,755 |
| Percent change in expenditures | (3.7)% | (2.2)% | 4.1 % | 6.3 % | 5.0 % | 5.0 % |

**Note:**
1) As base year 2011 had no expenditures relating to debt service, the Ten-Year Compounded Growth Rate is not able to be calculated for debt service for the fiscal year.

| 2021 | 2022 | 2023 | 2024 | Budget 2025 | Ten Year Compounded Growth Rate | Five Year Compounded Growth Rate |
|---|---|---|---|---|---|---|
| $ 2,133,813 | $ 2,253,233 | $ 2,405,708 | $ 2,578,904 | $ 2,597,077 | 105.3% | 319.9% |
| 723,876 | 810,384 | 906,595 | 1,015,917 | 1,017,248 | 109.6% | 328.2% |
| $ 2,857,689 | $ 3,063,617 | $ 3,312,302 | $ 3,594,820 | $ 3,614,325 | 106.4% | 322.1% |
| | | | | | | |
| $ 1,003,935 | $ 1,060,042 | $ 977,397 | $ 1,140,734 | $ 1,150,471 | 106.2% | 312.1% |
| 221,022 | 276,573 | 303,338 | 333,406 | 356,614 | 126.1% | 352.0% |
| 398,385 | 459,705 | 502,425 | 525,550 | 625,587 | 111.0% | 347.9% |
| 40,797 | 44,169 | 47,287 | 51,220 | 53,783 | 107.4% | 325.2% |
| 1,490 | 6,542 | 4,353 | 3,619 | 8,010 | 99.2% | 330.0% |
| 17,619 | 17,607 | 21,112 | 23,138 | 23,026 | 97.2% | 299.6% |
| $ 1,683,248 | $ 1,864,637 | $ 1,855,912 | $ 2,077,668 | $ 2,217,491 | 109.6% | 326.5% |
| $ 4,540,937 | $ 4,928,253 | $ 5,168,214 | $ 5,672,488 | $ 5,831,816 | 107.5% | 323.8% |
| | | | | | | |
| $ 63,294 | $ 66,329 | $ 76,520 | $ 81,255 | $ 110,214 | 107.5% | 334.8% |
| 51,663 | 83,785 | 93,719 | 111,357 | 109,409 | 101.4% | 310.1% |
| 65,859 | 95,804 | 99,490 | 127,917 | 79,627 | 107.0% | 324.6% |
| 109,334 | 175,152 | 154,534 | 109,805 | 44,770 | 97.1% | 275.4% |
| 609 | 261 | 264 | 4,798 | 374 | 94.9% | 339.1% |
| 540,289 | 633,417 | 662,143 | 736,684 | 515,271 | 104.9% | 299.5% |
| 820,187 | 910,419 | 922,190 | 954,254 | 931,520 | 106.4% | 313.7% |
| 67,948 | 133,609 | 163,169 | 176,087 | 125,536 | 103.3% | 313.6% |
| 68,264 | 64,703 | 72,663 | 76,009 | 81,766 | 97.4% | 318.0% |
| 27,752 | 40,239 | 18,475 | 19,269 | 14,350 | 86.6% | 286.8% |
| 18,787 | 63,265 | 43,343 | 40,447 | 50,049 | 126.4% | 355.6% |
| 61,102 | 125,498 | 62,661 | 66,739 | 31,366 | 86.7% | 265.0% |
| 36,222 | 36,466 | 113,080 | 99,321 | 60,308 | 116.0% | 321.0% |
| 12 | 12,667 | 133 | 94 | — | 50.6% | 118.7% |
| 17,151 | 5,547 | 8,120 | 5,825 | 22,965 | 111.2% | 321.1% |
| 8,527 | 15,538 | 49,606 | 54,306 | 10,500 | —% | 327.4% |
| 9,921 | 5,357 | 5,682 | 16,206 | 413,165 | 185.9% | 749.7% |
| $ 1,966,921 | $ 2,468,057 | $ 2,545,793 | $ 2,680,373 | $ 2,601,191 | 108.3% | 324.1% |
| | | | | | | |
| $ 6,507,858 | $ 7,396,311 | $ 7,714,007 | $ 8,352,861 | $ 8,433,008 | 107.8% | 323.9% |
| | | | | | | |
| $ 344,211 | $ 888,453 | $ 317,696 | $ 638,854 | $ 80,146 | | |
| 5.6% | 13.7% | 4.3% | 8.3% | 1.0% | | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**GENERAL OPERATING FUND REVENUES, EXPENDITURES AND OTHER FINANCING SOURCES (USES)**
**Last Ten Fiscal Years and 2025 Budget**
**(Modified Accrual Basis of Accounting)**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Revenues: | | | | | |
| Local | $2,562,712 | $2,702,635 | $ 3,050,589 | $3,243,032 | $3,439,594 |
| State | 1,579,324 | 1,398,855 | 1,287,702 | 1,859,582 | 1,886,770 |
| Federal | 767,548 | 776,277 | 752,295 | 723,432 | 679,990 |
| Total revenues | $4,909,584 | $4,877,767 | $ 5,090,586 | $5,826,046 | $6,006,354 |
| Total expenditures | 5,620,366 | 5,414,846 | 5,297,758 | 5,513,880 | 5,858,860 |
| Revenues less expenditures | $ (710,782) | $ (537,079) | $ (207,172) | $ 312,166 | $ 147,494 |
| Other financing sources (uses) less transfers | (12,915) | 50,162 | 58,574 | 286,828 | 508 |
| Change in fund balance | $ (723,697) | $ (486,917) | $ (148,598) | $ 598,994 | $ 148,002 |
| Fund balance - beginning of period | 1,083,982 | 360,285 | (126,632) | (275,230) | 323,764 |
| Fund balance - end of period | $ 360,285 | $ (126,632) | $ (275,230) | $ 323,764 | $ 471,766 |
| Revenues as a percent of expenditures | 87.4 % | 90.1 % | 96.1 % | 105.7 % | 102.5 % |
| Classification of fund balance: | | | | | |
| Nonspendable | $ 429 | $ 429 | $ 429 | $ 429 | $ 429 |
| Restricted for grants and donations | 64,155 | 64,854 | 51,858 | 52,333 | 16,183 |
| Restricted for workers' comp/tort immunity | 41,373 | 35,116 | 27,344 | — | — |
| Restricted for teachers' pension contributions | — | — | — | 9,287 | 14,125 |
| Restricted for school internal accounts | — | — | — | — | — |
| Assigned for appropriated fund balance | 79,225 | — | — | — | — |
| Assigned for commitments and contracts | 73,101 | — | — | 18,044 | 94,733 |
| Unassigned | 102,002 | (227,031) | (354,861) | 243,671 | 346,296 |
| Total fund balance | $ 360,285 | $ (126,632) | $ (275,230) | $ 323,764 | $ 471,766 |
| Unassigned fund balance as a percent of revenues | 2.1 % | (4.7)% | (7.0)% | 4.2 % | 5.8 % |
| Total fund balance as a percentage of revenues | 7.3 % | (2.6)% | (5.4)% | 5.6 % | 7.9 % |

**Notes:**
The classification of fund balances for fiscal year 2011 was modified to comply with GASB 54, which was adopted in July 2010.
In FY24, the grant revenue recognition period was increased to four months after June 30, 2024. The beginning of FY2024 fund balance was restated.

| 2020 | 2021 | 2022 | 2023 | 2024 | Budget 2025 |
|---|---|---|---|---|---|
| $ 3,629,509 | $ 3,810,915 | $ 4,334,740 | $ 4,586,308 | $ 4,689,807 | $ 5,005,600 |
| 1,846,012 | 1,817,275 | 1,850,534 | 1,860,250 | 1,988,253 | 2,094,200 |
| 722,420 | 1,116,343 | 1,474,334 | 1,461,830 | 1,681,641 | 1,333,200 |
| $ 6,197,941 | $ 6,744,533 | $ 7,659,608 | $ 7,908,388 | $ 8,359,700 | $ 8,433,000 |
| 6,163,647 | 6,507,858 | 7,396,311 | 7,714,007 | 8,352,861 | |
| $ 34,294 | $ 236,675 | $ 263,297 | $ 194,381 | $ 6,839 | $ 8,433,000 |
| 11,010 | — | 12,603 | 4,231 | 102 | |
| $ 45,304 | $ 236,675 | $ 275,900 | $ 198,612 | $ 6,941 | |
| 471,766 | 567,093 | 803,768 | 1,079,668 | 1,348,138 | |
| $ 517,070 | $ 803,768 | $ 1,079,668 | $ 1,278,280 | $ 1,355,079 | |
| 100.6% | 103.6% | 103.6% | 102.5% | 100.1% | |
| $ 429 | $ 429 | $ 12,162 | $ 873 | $ 1,578 | |
| 13,518 | 12,143 | 16,719 | 13,028 | 7 | |
| — | — | — | — | — | |
| 14,324 | 4,217 | — | 29,912 | — | |
| — | 48,230 | 51,696 | 54,063 | 72,971 | |
| — | — | — | — | — | |
| 109,944 | 135,314 | 92,186 | 121,283 | 103,107 | |
| 378,855 | 603,435 | 906,905 | 1,059,121 | 1,177,416 | |
| $ 517,070 | $ 803,768 | $ 1,079,668 | $ 1,278,280 | $ 1,355,079 | |
| 6.1% | 8.9% | 11.8% | 13.4% | 14.1% | |
| 8.4% | 12.0% | 14.1% | 16.2% | 16.3% | |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF TORT EXPENDITURES**
**As Required Under Section 9-103 (a-5) of the Tort Immunity Act**
**For the Fiscal Year Ended June 30, 2024**

**Eligible Expenditures:**

| | | |
|---|---|---|
| Other General Charges | $ | (1,438,318) |
| Physical Education - Athletic Claims | | 13,663 |
| Summer School Program | | — |
| Summer School | | — |
| Tort Claims - Admin Fee | | 784,992 |
| Tort Claims - Major Settlements | | 5,107,997 |
| Tort Claims - Casualty | | 1,234,070 |
| General Liability Insurance | | 8,299,991 |
| Property Damage Insurance | | 7,288,818 |
| Property Loss Reserve Fund | | 31,739 |
| Investigations - Admin | | — |
| Telecom (Non E-Rate) | | 11,565 |
| Sub Teacher Assignment Services | | 1,387 |
| School Safety Services | | 7,873,547 |
| School Security Personnel | | 88,580,313 |
| Central Service Security | | 6,049,930 |
| Security Services | | 8,253,373 |
| Network Services (Non E-Rate) | | — |
| Risk Management Administration | | 7,616 |
| Absence & Disability Management | | 217,872 |
| Total Eligible Expenditures | $ | 132,318,555 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF STUDENT ACTIVITY FUNDS**
**For the Fiscal Year Ended June 30, 2024**

**CASH AND INVESTMENTS HELD FOR STUDENT ACTIVITIES**

| Checking: | Beginning Balance | Cash Receipts | Cash Disbursements | Amounts Held for Student Activities |
|---|---|---|---|---|
| Elementary Schools | $ 27,249,994 | $ 15,516,514 | $ 13,630,206 | $ 29,136,302 |
| High Schools | 26,812,820 | 14,136,383 | 13,055,834 | 27,893,369 |
| | $ 54,062,814 | $ 29,652,897 | $ 26,686,040 | $ 57,029,671 |

| Investments: | |
|---|---|
| Elementary Schools | $ 10,242 |
| High Schools | 143,553 |
| Total Cash and Investments Held for Student Activities | $ 57,183,466 |

**STUDENT FEES**

| | Graduation Fees (A) | Student Activity Fees (B) | Total |
|---|---|---|---|
| Total Elementary School Fees | $ 1,787,035 | $ 2,989,774 | $ 4,776,809 |
| Total Elementary Students | 194,779 | 194,779 | 194,779 |
| Average Fee per Student | $ 9.17 | $ 15.35 | $ 24.52 |
| | | | |
| Total High School Fees | $ 1,304,079 | $ 9,752,166 | $ 11,056,245 |
| Total High School Students | 75,228 | 75,228 | 75,228 |
| Average Fee per Student | $ 17.34 | $ 129.63 | $ 146.97 |

**Notes:**
A) Graduation fees are defined as all mandatory graduation fees, including cap and gown.

B) Student activity fees are defined as fees collected from students to cover activities and items necessary to complete a given curriculum and fees collected from students to cover the cost of extra-curricular activities and items.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES**
**For the Fiscal Year Ended June 30, 2024**

| Type of Coverage | Provider Broker/Insurer/ TPA (A) | Annual Expense | Coverage Details Limits of Liability |
|---|---|---|---|
| **BROKER SERVICES** | Mesirow Insurance Services, Inc. an Alliant-owned company | $ 181,250 | Insurance placement and consultation. |
| **PROPERTY INSURANCE** | | | |
| All Risk-Property Insurance layers | Various Carriers Listed Below | | Total Bound Capacity $200M subject to $5M deductible/retention, including Layer |
| | Lexington Insurance Company (Lead Insurance Policy) | $ 657,451 | $5.5M (part of $50M Primary) |
| | Lloyds Syndicate 0318 CIN | 1,602,216 | $7M (part of $25M Primary) |
| | Steadfast Insurance Company | 244,624 | $1M (part of $25M Primary) |
| | Lloyds Underwriter Syndicate 1967 | 990,461 | $4M (Part of $25M Primary) |
| | Starr Surplus Lines Insurance Company | 936,360 | $10M (part of $50M Primary) |
| | Princeton Excess & Surplus Lines Insurance Company | 237,047 | $2M (part of $50M Primary) |
| | Lloyds Syndicate 2623 Beazley | 161,541 | $1.25M (part of $50M Primary) |
| | Everest Indemnity Insurance Company | 583,187 | $10M (part of $100M Primary) |
| | Lloyds Syndicate 1301 Inigo | 114,444 | $1.38M (part of $100M Primary) |
| | Swiss Re Corporate Solutions Capacity Insurance Corporation | 215,110 | $3M (part of $100M Primary) |
| | Landmark American Insurance Company | 114,444 | $2.75M (part of $25M excess $25M) |
| | Endurance American Specialty Insurance Company | 94,433 | $2.25M (part of $25M excess $25M) |
| | Lloyds Syndicate 4020 ARK | 20,808 | $0.5M (part of $25M excess $25M) |
| | Lloyds Syndicate 1886 QBE | 73,408 | $1.63M (part of $25M excess $25M) |
| | Ironshore Specialty Insurance Company | 110,339 | $2.45M (part of $25M excess $25M) |
| | Evanston Insurance Company | 114,119 | $4.88M (part of $75M excess $25M) |
| | Axis Surplus Insurance Company | 60,629 | $2.5M (part of $75M excess $25M) |
| | Landmark American Insurance Company | 94,219 | $9.15M (part of $50M excess $50M) |
| | StarStone Specialty Insurance Company | 52,270 | $5M (part of $50M excess $50M) |
| | Liberty Mutual Fire Insurance Company | 124,230 | $10.25M (part of $50M excess $50M) |
| | Mitsui Sumitomo Insurance Company of America | 84,711 | $6M (part of $50M excess $50M) |

**Note**:
(A) Unless otherwise noted, the policies listed were active between July 1, 2023 and June 30, 2024.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES**
**For the Fiscal Year Ended June 30, 2024**

| Type of Coverage | Provider Broker/Insurer/ TPA (A) | Annual Expense | Coverage Details Limits of Liability |
|---|---|---|---|
| | Princeton Excess & Surplus Lines Insurance Company | $ 151,953 | $7.5M (part of $50M excess $50M) |
| | Liberty Mutual Fire Insurance Company | $ 167,000 | $50M (part of $50M excess $100M) |
| | Great American Fidelity Insurance Company | $ 121,421 | $70M (part of $70M excess $150M) |
| | | $ 7,126,424 | |
| Boiler & Machinery Insurance | Liberty Mutual | $ 162,394 | $100M |
| Total Property Program | | $ 7,288,818 | Total Property, Boiler & Machinery for year end 06/30/24 |
| **LIABILITY INSURANCE** | | | |
| General Liability Insurance Layers (GL, Auto, SBLL, EPL, Abuse) | | | |
| Excess Liability I | Gemini Insurance Co (Berkley) | $ 1,029,706 | $5M xs $10M SIR |
| Excess Liability II | Lexington Insurance Company | 1,822,304 | $10M xs $15M Retained Limit |
| Excess Liability III | Upland Specialty | 1,095,867 | $7M xs $10M xs $15M Retained Limit |
| Excess Liability IV | Aspen | 673,010 | $5M xs $10M xs $15M Retained Limit |
| Excess Liability V | HDI | 538,408 | $5M xs $22M xs $15M Retained Limit |
| Excess Liability VI | AXIS Surplus Insuance Company | 517,700 | $5M xs $22M xs $15M Retained Limit |
| Excess Liability VII | Westchester Fire Insurance Company | 520,000 | $8M xs $32M xs $15M Retained Limit |
| Sexual Abuse & Molestation | Lloyds (Beazley) | 418,561 | $8M xs $32M xs $15M Retained Limit |
| | RSUI | 138,000 | $10M xs $27M xs $15M Retained Limit |
| Employment Related Practices | Nationwide | 103,540 | $10M xs $37M xs $15M Retained Limit |
| Employment Related Practices | Ironshore | 40,000 | $5M xs $47M xs $15M Retained Limit |
| | | $ 6,897,096 | |
| Special Events CGL | National Casualty Insurance Company | $ 76,722 | $1M/None/$5M Prod Agg |
| Special Events Excess CGL | National Casualty Insurance Company | 28,545 | $5M/$5M |
| | | $ 105,267 | |
| Fiduciary | National Union Fire Insurance Company of Pittsburg, PA (AIG) | $ 78,500 | $5M $25,000 deductible |
| Excess Fiduciary | Hudson Insurance Company | 60,000 | $5M in Excess of $5M |
| | | $ 138,500 | |
| Student Catastrophic | National Union Fire Insurance Company of Pittsburg, PA (AIG) | $ 111,845 | $7M Subject to $25,000 deductible; received credit in the amount of $15,512.83 for the 20/21 policy term due to cancellation of spring sports FY20; |

**Note**:
(A) Unless otherwise noted, the policies listed were active between July 1, 2023 and June 30, 2024.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES**
**For the Fiscal Year Ended June 30, 2024**

| Type of Coverage | Provider Broker/Insurer/ TPA (A) | Annual Expense | Coverage Details Limits of Liability |
|---|---|---|---|
| Foreign Travel | Insurance Company of the State of PA (AIG) | $ 8,047 | $1M/deductible varies/$4M master control program agg |
| Cyber Liability | Allied World Assurance Co (US) Inc | 465,930 | $5M ($250,000 self insured retention) |
| Cyber/Privacy Excess | Greenwich Insurance (XL) | 349,448 | $5M excess of $5M ($250,000 self insured retention) |
| | | $ 815,378 | |
| Auto - Primary Student Travel | National Liability & Fire Insurance Company | $ 117,548 | $2M dollar primary auto combined single limit for Board owned Student Travel vehicles |
| Auto - excess Student Travel | National Fire & Marine Insurance Company | 28,155 | $3M xs $2M (auto only) |
| Auto - excess 2 Student Travel | Golden Bear Insurance Company | 26,385 | $5M xs $5M Auto Liability Only |
| | | $ 172,088 | |
| Tenant Users, Vendors Insurance - General Liability | Markel Insurance Company | $ — | $1M/$10M |
| Vendor Insurance - Sexual Abuse Liability | Lloyds | 51,770 | $1M/$5M |
| | | $ 51,770 | |
| Total Liability Insurance Cost | | $ 8,299,991 | |
| Total Insurance Cost | | $ 15,588,809 | |
| **SELF INSURANCE PROGRAMS** | | | |
| General Liability Self Insurance Claims | Cannon Cochran Management Services, Inc | $ 10,810,716 | TOTAL: Claim administration services including investigation and adjustment of liability claims; interscholastic, pay medical costs, legal expense and settlements |
| | Cannon Cochran Management Services, Inc | 600,000 | Administration fees for Claims. The contract with CCMSI for these services continues until Dec 31, 2022 with no further renewal options. |
| Total General Liability Claims and Expenses | | $ 11,410,716 | |
| Workers' Compensation Claims | Cannon, Cochran, Management Services, Inc | $ 988,000 | Claim administration services including receipt and review for compensability all employee accident claims, review and apply PPO discount to medical claims, pay indemnity costs for compensable claims, determine case management needs, provide claim statistics and establish safety initiatives. |
| | Cannon Cochran Management Services, Inc | 22,134,884 | Amounts paid through escrow accounts to claimants, attorneys, medical treatment and expenses. |

**Note**:
(A) Unless otherwise noted, the policies listed were active between July 1, 2023 and June 30, 2024.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES**
**For the Fiscal Year Ended June 30, 2024**

| Type of Coverage | Provider Broker/Insurer/ TPA (A) | Annual Expense | Coverage Details Limits of Liability |
|---|---|---|---|
| Total Workers Compensation Claims and Expenses | | $ 23,122,884 | |
| Total Self Insured Program | | $ 34,533,600 | |
| **HEALTH INSURANCE HMO/PPO** | | | |
| Medical-Administrative Services | Blue Cross Blue Advantage HMO | $ 52,210,988 | HMO health care for eligible employees and dependents |
| | Blue Cross PPO | 9,910,815 | PPO health care for eligible employees and dependents |
| | Blue Cross PPO with HSA | 1,778,353 | PPO health care for eligible employees and dependents that includes a health savings account. |
| Medical Total Administrative Fees | | $ 63,900,156 | |
| Medical PPO Claims | Blue Cross PPO and PPO with HSA | $324,548,519 | PPO and PPO with HSA health care for eligible employees and dependents |
| Medical Total PPO Claims | | $324,548,519 | |
| Medical HMO Claims | Blue Cross Blue Advantage HMO | $ 79,985,548 | HMO health care for eligible employees and dependents and Claims and Physician Service Fees |
| Medical Total HMO Claims | | $ 79,985,548 | |
| Medical Claims Total | | $404,534,067 | |
| Health Savings Account | HSA Bank | $ 4,007,778 | CPS contributes funds for plan members and the plan allows employees to also make tax deferred contributions. Contributions go to an investment account under the control of the participating employee. |
| Medical Claims and Administration Total | | $472,442,001 | |
| Flexible Spending Program | Benefits Express | $ 290,658 | Administration of the flexible spending program for employees. Contributions to the plan are made by employees. |
| COBRA Program | Payflex | 142,395 | Administration of the COBRA program for former employees continuing insurance coverage. COBRA contributions are made by former employees. |
| Prescription Drugs | Caremark | 148,036,320 | Pharmaceutical services for PPO and HMO eligible employees and dependents |
| Total Medical Expenses | | $620,911,373 | |

**Note:**
(A) Unless otherwise noted, the policies listed were active between July 1, 2023 and June 30, 2024.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF INSURANCE AND INSURANCE SERVICES**
**For the Fiscal Year Ended June 30, 2024**

| Type of Coverage | Provider Broker/Insurer/ TPA (A) | Annual Expense | Coverage Details Limits of Liability |
|---|---|---|---|
| **OTHER INSURANCE** | | | |
| Dental Insurance | Delta Dental HMO | $ 2,208,047 | Dental HMO for eligible employees and dependents |
| | Delta Dental PPO | 12,248,589 | Dental PPO for eligible employees and dependents |
| Dental Insurance Total | | $ 14,456,636 | |
| Vision Plan | EyeMed | $ 3,681,679 | Vision services for eligible employees and dependents |
| Term Life Insurance | Standard Insurance | 549,096 | Standard Insurance began providing insurance services to CPS on 01/01/21 |
| | | $ 549,096 | |
| Total Dental/Vision/Life | | $ 18,687,411 | |
| Total Health/Life Benefit Expenses | | $639,598,784 | |

**Note:**
(A) Unless otherwise noted, the policies listed were active between July 1, 2023 and June 30, 2024.

Chicago
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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF CAPITAL IMPROVEMENT PROGRAM — BY ACTIVITY**
**Last Ten Fiscal Years**
**For the Fiscal Year Ended June 30, 2024**
**(Millions of Dollars)**

| | 2015 | 2016 | 2017 |
|---|---|---|---|
| Unexpended (over expended) | $ (91.9) | $ (157.1) | $ 66.4 |
| Proceeds available from bond issuance | 148.5 | 364.0 | 775.5 |
| Property taxes | — | 42.5 | 48.4 |
| State aid | 31.6 | 39.4 | 30.1 |
| Federal aid | 6.5 | 7.7 | 6.7 |
| Investment income | 0.4 | 0.1 | 2.0 |
| Other income | 107.2 | 62.9 | 21.1 |
| Total | $ 202.3 | $ 359.5 | $ 950.2 |
| Expenditures | 359.4 | 293.1 | 204.8 |
| Lease value… | — | — | — |
| Subscription IT arrangement value… | — | — | — |
| Operating transfers in (out) | — | — | — |
| Unexpended | $ (157.1) | $ 66.4 | $ 745.4 |
| Encumbrances | (157.1) | 66.4 | 745.4 |
| Available balance | $ — | $ — | $ — |

**Notes:**
A) The above amounts do not include construction expenditures made by the Public Building Commission.
B) Beginning in FY2013, the proceeds available from bond issuance includes both premiums and gross amounts from debt issuances.
C) In FY2015, CPS changed its revenue recognition policy resulting in a restatement to FY2014 balances.

| 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|
| $ 745.4 | $ 839.0 | $ 659.3 | $ 124.5 | $ 131.2 | $ 106.1 | $ (9.3) |
| 355.4 | 356.6 | — | 532.2 | 543.5 | 499.9 | 531.3 |
| 8.1 | 10.1 | 8.7 | 8.7 | 20.2 | 39.7 | 17.6 |
| 14.0 | 13.5 | 10.7 | 17.5 | 13.8 | 14.5 | 20.4 |
| 19.5 | 0.5 | — | 7.6 | 10.7 | 2.6 | 4.5 |
| 7.3 | 16.9 | 12.8 | 1.1 | 0.4 | 4.4 | 10.4 |
| 28.6 | 36.0 | 16.1 | 4.0 | 12.5 | 9.5 | 4.2 |
| $ 1,178.3 | $ 1,272.6 | $ 707.7 | $ 695.6 | $ 732.3 | $ 676.7 | $ 579.1 |
| 338.9 | 613.1 | 583.4 | 565.7 | 626.2 | 727.6 | 572.5 |
| — | — | — | — | — | 32.0 | 0.2 |
| — | — | — | — | — | 9.3 | 8.1 |
| (0.5) | (0.2) | 0.2 | 1.3 | — | — | 10.9 |
| $ 838.9 | $ 659.3 | $ 124.5 | $ 131.2 | $ 106.1 | $ (9.6) | $ 25.8 |
| 838.9 | 659.3 | 124.5 | 131.2 | 106.1 | (9.6) | 25.8 |
| $ — | $ — | $ — | $ — | $ — | $ — | $ — |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHOOL FOOD SERVICE PROGRAM**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 |
|---|---|---|---|---|
| PUPIL LUNCHES SERVED: | | | | |
| Paid lunches (regular) | $ — | $ 106,798 | $ 25,308 | $ 39,434 |
| Free lunches (regular) | 43,507,955 | 42,328,238 | 40,402,957 | 38,924,836 |
| TOTAL PUPIL LUNCHES SERVED | $ 43,507,955 | $ 42,435,036 | $ 40,428,265 | $ 38,964,270 |
| Change from Previous Year | $ 298,584 | $ (1,072,919) | $ (2,006,771) | $ (1,463,995) |
| PUPIL BREAKFASTS SERVED: | | | | |
| Paid breakfasts (regular) | $ — | $ 22,424 | $ 4,927 | $ 12,461 |
| Free breakfasts (regular) | 26,144,917 | 24,977,474 | 23,512,505 | 22,481,817 |
| TOTAL PUPIL BREAKFASTS SERVED | $ 26,144,917 | $ 24,999,898 | $ 23,517,432 | $ 22,494,278 |
| Change from Previous Year | $ 161,072 | $ (1,145,019) | $ (1,482,466) | $ (1,023,154) |
| PUPIL SNACKS SERVED: | | | | |
| Pupil snacks | $ — | $ 620,052 | $ 650,894 | $ 621,297 |
| Head Start snacks | — | 716,911 | 717,815 | 717,815 |
| Pre-K snacks | — | 215,789 | 304,184 | 304,184 |
| Ala-Carte items sold | — | 878,917 | 1,351,788 | 1,780,051 |
| Free Saturday snacks | — | 3,476 | 10,536 | 2,547 |
| TOTAL PUPIL SNACKS SERVED | $ — | $ 2,435,145 | $ 3,035,217 | $ 3,425,894 |
| Change from Previous Year | $ — | $ 2,435,145 | $ 600,072 | $ 390,677 |
| PUPIL AFTERSCHOOL MEALS: | | | | |
| Free afterschool meals | $ — | $ 2,200,389 | $ 2,012,991 | $ 2,165,111 |
| Free Saturday meals | — | 29,265 | 41,019 | 20,503 |
| TOTAL PUPIL AFTERSCHOOL MEALS SERVED | $ — | $ 2,229,654 | $ 2,054,010 | $ 2,185,614 |
| Change from Previous Year | $ — | $ 2,229,654 | $ (175,644) | $ 131,604 |
| NUMBER OF ADULT MEALS: | | | | |
| Number of adult breakfasts | $ — | $ 483,839 | $ 499,578 | $ 490,476 |
| Number of adult lunches | 241,263 | 270,277 | 274,779 | 264,890 |
| TOTAL NUMBER OF ADULT MEALS SERVED | $ 241,263 | $ 754,116 | $ 774,357 | $ 755,366 |
| Change from Previous Year | $ (188,614) | $ 512,853 | $ 20,241 | $ (18,991) |
| TOTAL MEALS SERVED: | $ 69,894,135 | $ 72,853,849 | $ 69,809,281 | $ 67,825,422 |
| Change from Previous Year | $ 274,042 | $ 2,959,714 | $ (3,044,568) | $ (1,983,859) |

**Notes:**
1) All breakfasts and lunch costs noted are provided to pupils free of charge per the Community Eligibility Provision Program which began in 2015.
2) In recent years, CPS has begun providing additional meal services that were previously excluded from reporting. CPS determined it appropriate to break out these meals for fiscal years 2020 and beyond.

| 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|
| $ 21,943 | $ 71,521 | $ — | $ — | $ — | $ — |
| 37,007,190 | 31,732,827 | 12,158,970 | 26,946,137 | 28,306,893 | 30,023,456 |
| $ 37,029,133 | $ 31,804,348 | $ 12,158,970 | $ 26,946,137 | $ 28,306,893 | $ 30,023,456 |
| $ (1,935,137) | $ (5,224,785) | $ (19,645,378) | $ 14,787,167 | $ 1,360,756 | $ 1,716,563 |
| | | | | | |
| $ 7,483 | $ 1,305 | $ — | $ — | $ — | $ — |
| 22,556,302 | 22,460,204 | 11,643,441 | 15,423,208 | 16,639,078 | 17,730,416 |
| $ 22,563,785 | $ 22,461,509 | $ 11,643,441 | $ 15,423,208 | $ 16,639,078 | $ 17,730,416 |
| $ 69,507 | $ (102,276) | $ (10,818,068) | $ 3,779,767 | $ 1,215,870 | $ 1,091,338 |
| | | | | | |
| $ 600,251 | $ 349,283 | $ — | $ 592,501 | $ 598,428 | $ 655,840 |
| 516,915 | — | 2,917 | 2,025 | 8,262 | 9,833 |
| 1,071,812 | 1,156,938 | 230,019 | 1,596,200 | 1,787,052 | 1,919,435 |
| 1,851,589 | 869,746 | — | — | — | — |
| 5,539 | 2,205 | — | 1,279 | 1,693 | 2,764 |
| $ 4,046,106 | $ 2,378,172 | $ 232,936 | $ 2,192,005 | $ 2,395,435 | $ 2,587,872 |
| $ 620,212 | $ (1,667,934) | $ (2,145,236) | $ 1,959,069 | $ 203,430 | $ 192,437 |
| | | | | | |
| $ 2,228,225 | $ 1,529,385 | $ 5,082,608 | $ 2,055,199 | $ 2,278,505 | $ 2,757,732 |
| 22,591 | 13,055 | — | 6,938 | 11,352 | 12,799 |
| $ 2,250,816 | $ 1,542,440 | $ 5,082,608 | $ 2,062,137 | $ 2,289,857 | $ 2,770,531 |
| $ 65,202 | $ (708,376) | $ 3,540,168 | $ (3,020,471) | $ 227,720 | $ 480,674 |
| | | | | | |
| $ 444,524 | $ 152,220 | $ 58,630 | $ 59,720 | $ 61,363 | $ 71,970 |
| 236,531 | 104,224 | 60,687 | 75,976 | 74,935 | 90,887 |
| $ 681,055 | $ 256,444 | $ 119,317 | $ 135,696 | $ 136,298 | $ 162,857 |
| $ (74,311) | $ (424,611) | $ (137,127) | $ 16,379 | $ 602 | $ 26,559 |
| | | | | | |
| $ 66,570,895 | $ 58,442,913 | $ 29,237,272 | $ 46,759,183 | $ 49,767,561 | $ 53,275,132 |
| $ (1,254,527) | $ (8,127,982) | $ (29,205,641) | $ 17,521,911 | $ 3,008,378 | $ 3,507,571 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHOOL FOOD SERVICE PROGRAM (continued)**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| REVENUE: | | | | | |
| Federal and State Sources | $ 204,975 | $ 207,506 | $ 203,003 | $ 197,854 | $ 214,153 |
| Local Sources | 7,747 | 8,428 | 8,704 | 13,420 | 16,706 |
| Total Revenue | $ 212,722 | $ 215,934 | $ 211,707 | $ 211,274 | $ 230,859 |
| EXPENDITURES: | | | | | |
| Career Service Salaries | $ 60,303 | $ 61,566 | $ 62,551 | $ 67,015 | $ 70,461 |
| Career Service Pension | 10,374 | 11,121 | 11,359 | 13,678 | 18,688 |
| Hospitalization | 23,562 | 23,770 | 21,351 | 21,867 | 20,111 |
| Food | 94,576 | 94,619 | 92,500 | 91,099 | 96,833 |
| Professional and Special Services | 3,942 | 4,234 | 4,909 | 6,101 | 5,611 |
| Administrative Allocation | 7,665 | 11,184 | 9,205 | 6,657 | 5,834 |
| Other | 2,174 | 3,351 | 5,878 | 4,856 | — |
| Total Expenditures | $ 202,596 | $ 209,845 | $ 207,753 | $ 211,273 | $ 217,538 |
| Revenues in excess of Expenditures | $ 10,126 | $ 6,089 | $ 3,954 | $ 1 | $ 13,321 |
| PERCENTAGE CHANGE: | | | | | |
| Revenues | 4.9 % | 1.5 % | (2.0)% | (0.2)% | 9.3 % |
| Expenditures | (0.1)% | 3.6 % | (1.0)% | 1.7 % | 3.0 % |

| 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| $ 184,300 | $ 105,785 | $ 195,619 | $ 203,106 | $ 213,908 |
| 19,988 | 334 | 1,099 | 1,207 | 1,345 |
| $ 204,288 | $ 106,119 | $ 196,718 | $ 204,313 | $ 215,253 |
| | | | | |
| $ 72,171 | $ 8,028 | $ 64,124 | $ 67,795 | $ 74,961 |
| 23,864 | 2,447 | 27,728 | 22,220 | 32,192 |
| 22,615 | 1,570 | 22,021 | 16,612 | 24,920 |
| 91,837 | 39,009 | 77,675 | 85,712 | 100,323 |
| 4,844 | 4,208 | 4,490 | — | — |
| 5,287 | 852 | 2,983 | 1,462 | 1,622 |
| 12,830 | 2,599 | — | 1,496 | 2,557 |
| $ 233,448 | $ 58,714 | $ 199,021 | $ 195,297 | $ 236,575 |
| $ (29,160) | $ 47,405 | $ (2,303) | $ 9,016 | $ (21,322) |
| | | | | |
| (11.5)% | (48.1)% | 85.4 % | 3.9 % | 5.4 % |
| 7.3 % | (74.8)% | 239.0 % | (1.9)% | 21.1 % |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**ANALYSIS OF UTILITY CONSUMPTION**
**For Fiscal Year Ended June 30, 2024**
**With Comparative Amounts for the Period Ended June 30, 2023**

| | 2024 Schools | 2024 Administrative Center | Total |
|---|---|---|---|
| Electricity | | | |
| Total Electricity Charges | $ 64,030,603 | $ 109,890 | $ 64,140,493 |
| Kilowatt Hours | 491,234,954 | 1,190,700 | 492,425,654 |
| Charge per Kilowatt Hour | $ 0.13035 | $ 0.09229 | $ 0.13025 |
| Gas | | | |
| Total Gas Charges | $ 25,494,834 | $ — | $ 25,494,834 |
| Therms | 28,121,293 | — | 28,121,293 |
| Charge per Therm | $ 0.90660 | $ — | $ 0.90660 |

| | 2023 Schools | 2023 Administrative Center | Total |
|---|---|---|---|
| Electricity | | | |
| Total Electricity Charges | $ 41,821,335 | $ 141,400 | $ 41,962,735 |
| Kilowatt Hours | 500,626,329 | 1,218,937 | 501,845,266 |
| Charge per Kilowatt Hour | $ 0.08354 | $ 0.11600 | $ 0.08362 |
| Gas | | | |
| Total Gas Charges | $ 30,578,006 | $ — | $ 30,578,006 |
| Therms | 31,184,458 | — | 31,184,458 |
| Charge per Therm | $ 0.98055 | $ — | $ 0.98055 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**PROPERTY SALES AND PURCHASES**
**For the Fiscal Year Ended June 30, 2024**

**Sales**

| Unit Location | Date Acquired | Net Book Value | Gross/Sales Proceeds | Gain / (Loss) on Sale |
|---|---|---|---|---|
| N/A | N/A | N/A | N/A | N/A |
| | | $ — | $ — | $ — |

**Purchases**

| Unit Location | Date Acquired | School | Purchase Cost |
|---|---|---|---|
| 13346 S. Avenue O and parking lot at 3301-3341 E. 134th Street | 6/25/2024 | Early Childhood Pre-K facility to serve Clay and Grissom Elementary Schools | $ 1,250,100 |
| | | | $ 1,250,100 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TEACHERS' BASE SALARIES**
**(Annual School Year Salary)**
**Last Ten Fiscal Years**

| Fiscal Year | Minimum Salary (A) | Median Salary | Maximum Salary (B) | Percent Change (D) |
|---|---|---|---|---|
| 2015 (B) | $ 50,653 | $ 73,706 | $ 96,759 | 2.0 % |
| 2016 (B) | 50,653 | 73,706 | 96,759 | — % |
| 2017 (B) | 50,653 | 73,706 | 96,759 | — % |
| 2018 (B) | 51,666 | 75,180 | 98,694 | 2.0 % |
| 2019 (B) | 52,958 | 77,060 | 101,161 | 2.5 % |
| 2020 (C) | 54,547 | 79,585 | 104,622 | 3.0 % |
| 2021 (C) | 56,183 | 81,972 | 107,761 | 3.0 % |
| 2022 (C) | 57,869 | 84,431 | 110,993 | 3.0 % |
| 2023 (C) | 59,894 | 87,386 | 114,878 | 3.5 % |
| 2024 (C) | 61,990 | 90,445 | 118,899 | 3.5 % |

**Notes:**

A) The minimum salary represents the minimum amount a CPS teacher with a bachelor's degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on education attainment and years of service. Minimum salary excludes pension and hospitalization benefits.

B) The maximum salary represents the maximum amount a CPS teacher with a doctoral degree may earn for regular classroom instruction during the school year according to the lane and step salary schedule dependent on educational attainment and years of service. The majority of the Chicago Public Schools Teaching Staff receive the maximum salary due to the 16 years minimum needed to reach the highest pay scale dependent on years of service only. Maximum salary excludes pension and hospitalization benefits.

C) In 2020, the minimum years required to reach the highest pay scale for CPS teachers with doctoral degrees became 18 years instead of 16 years. See Note B for details of previous minimum years requirements.

D) The percent change is the official CTU (Chicago Teachers Union) agreed to minimum salary increase for that year, net of any changes to the salary schedule or step advances on the pay schedule.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TEACHERS' PENSION FUNDING ANALYSIS**
**Last Ten Fiscal Years**
**(Thousands of Dollars)**

| Fiscal Year | Employer Contribution and Contribution On-Behalf of Employees | Net Assets of Plan (Actuarial Value of Assets) | | Unfunded Obligation (Assets at Fair Value) | % Funded of Pension Obligation Fund at Year End (Assets at Fair Value) | % Unfunded (Assets at Fair Value) |
|---|---|---|---|---|---|---|
| 2014 | $ 740,419 | $ 10,045,543 | | $ 9,458,351 | 51.5 % | 48.5 % |
| 2015 | 826,304 | 10,344,375 | | 9,606,915 | 51.9 % | 48.1 % |
| 2016 | 811,051 | 10,610,747 | | 9,635,393 | 52.4 % | 47.6 % |
| 2017 | 853,474 | 10,933,032 | (A) | 10,888,979 | 50.1 % | 49.9 % |
| 2018 (B) | 900,791 | 10,969,086 | | 11,953,907 | 47.9 % | 52.1 % |
| 2019 | 924,209 | 11,021,812 | | 12,230,352 | 47.4 % | 52.6 % |
| 2020 | 968,083 | 11,240,208 | | 12,833,275 | 46.7 % | 53.3 % |
| 2021 | 1,003,935 | 11,925,535 | | 13,192,453 | 47.5 % | 52.5 % |
| 2022 | 1,060,042 | 12,142,215 | | 13,812,851 | 46.8 % | 53.2 % |
| 2023 | 977,397 | 12,363,786 | | 13,807,209 | 47.2 % | 52.8 % |

**Notes:**
A) The actuarial value includes assets previously restricted for OPEB benefits.
B) The actuarial assumption used for FY18 changed due to changes in the discount rate and mortality table.

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**AVERAGE DAILY ATTENDANCE AND PER PUPIL COSTS**
**Last Ten Fiscal Years**

| Fiscal Year | School Year | Average Daily Attendance (A) | Operating Expenses Per Pupil (B) | Per Capita Tuition Charge (C) |
|---|---|---|---|---|
| 2015 | 2014-15 | 363,276 | 15,310 | 12,229 |
| 2016 | 2015-16 | 361,764 | 14,973 | 12,544 |
| 2017 | 2016-17 | 347,001 | 15,419 | 12,243 |
| 2018 | 2017-18 | 333,116 | 15,878 | 12,678 |
| 2019 | 2018-19 | 296,951 | 16,923 | 14,046 |
| 2020 | 2019-20 | 325,229 | 17,779 | 14,609 |
| 2021 | 2020-21 | 299,873 | 20,465 | 15,673 |
| 2022 | 2021-22 | 282,234 | 24,132 | 18,041 |
| 2023 | 2022-23 | 284,797 | 25,459 | 19,331 |
| 2024 | 2023-24 | 280,575 | N/A | N/A |

**Notes:**
A) Source: Department of Finance, Grants Management.
B) Source: Illinois State Board of Education - Operating Expense Pupil is the total operating cost of regular K-12 programs divided by the nine-month average daily attendance. This measure excludes expenditures related to Pre-school, Summer School, Adult Education, Capital Expenditures, and Board Principal and Interest.
C) Source: Illinois State Board of Education - Per Capita Tuition Charge is the amount a local school district charges as tuition for non-resident students per Section 18-3 of the School Code. It is a reasonable measure of basic education program costs. Per Capita Tuition is calculated by deducting the costs of supplemental programs from operating expenses and dividing the result by the nine-month average daily attendance
N/A: Not available at publishing.

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**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TOTAL STUDENT MEMBERSHIP**
**Last Ten Fiscal Years**

| | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Elementary | | | | | |
| Pre-Kindergarten | 22,873 | 22,555 | 20,673 | 19,441 | 17,668 |
| Kindergarten | 28,978 | 27,651 | 26,093 | 24,963 | 24,128 |
| Grades 1-3 | 92,526 | 91,347 | 86,610 | 82,188 | 78,084 |
| Grades 4-6 | 86,066 | 85,391 | 85,022 | 84,478 | 83,026 |
| Grades 7-8 | 54,233 | 54,174 | 53,898 | 52,960 | 52,541 |
| Total Elementary | 284,676 | 281,118 | 272,296 | 264,030 | 255,447 |
| Secondary | | | | | |
| 9th Grade | 30,366 | 29,130 | 27,623 | 27,566 | 27,296 |
| 10th Grade | 31,130 | 31,189 | 29,704 | 28,453 | 28,502 |
| 11th Grade | 26,378 | 26,714 | 27,284 | 26,279 | 25,603 |
| 12th Grade | 24,133 | 24,134 | 24,442 | 25,054 | 24,466 |
| Total Secondary | 112,007 | 111,167 | 109,053 | 107,352 | 105,867 |
| Grand Total | 396,683 | 392,285 | 381,349 | 371,382 | 361,314 |

Source: CPS Performance Website (https://www.cps.edu/about/district-data/demographics/)

| 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| 17,492 | 11,494 | 15,430 | 16,403 | 17,589 |
| 24,241 | 21,960 | 21,405 | 20,802 | 21,233 |
| 75,345 | 71,544 | 67,569 | 66,865 | 67,630 |
| 79,915 | 76,692 | 70,512 | 67,671 | 67,525 |
| 53,430 | 53,771 | 50,792 | 48,095 | 47,326 |
| 250,423 | 235,461 | 225,708 | 219,836 | 221,303 |
| 26,378 | 25,845 | 26,270 | 25,468 | 24,990 |
| 27,515 | 27,291 | 26,669 | 27,307 | 27,355 |
| 25,904 | 26,160 | 26,579 | 25,383 | 25,861 |
| 24,936 | 25,901 | 25,185 | 24,112 | 23,742 |
| 104,733 | 105,197 | 104,703 | 102,270 | 101,948 |
| 355,156 | 340,658 | 330,411 | 322,106 | 323,251 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**TEACHER - TO - STUDENT RATIO**
**Last Ten Fiscal Years**

| | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|---|---|---|---|---|---|
| Elementary | 25.4 | 25.8 | 24.7 | 24.5 | 21.9 | 21.0 | 19.0 | 19.0 | 19.0 | 17.0 |
| Secondary | 21.9 | 20.3 | 23.7 | 24.4 | 22.0 | 20.6 | 21.0 | 20.0 | 20.0 | 18.0 |

*Source*: Illinois State Board of Education

**Note:**
The ratio includes Charter Schools.

Chicago
Public
Schools

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**SCHEDULE OF GOVERNMENT EMPLOYEES BY FUNCTION**
**Last Ten Fiscal Years**
**As of June 30, 2024**

| Functions | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---|---|---|---|---|
| Instruction | 26,261 | 25,615 | 25,044 | 24,010 | 24,509 |
| Support services: | | | | | |
| Pupil support services | 4,652 | 4,415 | 4,476 | 4,357 | 4,436 |
| Administrative support services | 1,038 | 705 | 821 | 925 | 1,081 |
| Facilities support services | 1,468 | 1,427 | 1,417 | 1,144 | 910 |
| Instructional support services | 2,965 | 2,788 | 2,671 | 2,515 | 2,616 |
| Food services | 2,762 | 2,721 | 2,712 | 2,700 | 2,718 |
| Community services | 247 | 250 | 204 | 197 | 184 |
| Total government employees | 39,393 | 37,921 | 37,345 | 35,848 | 36,454 |

| 2020 | 2021 | 2022 | 2023 | 2024 |
|---|---|---|---|---|
| 24,853 | 25,943 | 28,232 | 29,042 | 30,584 |
| | | | | |
| 4,739 | 5,636 | 6,574 | 6,669 | 6,805 |
| 1,226 | 1,322 | 1,576 | 1,608 | 1,709 |
| 931 | 36 | 1,365 | 39 | 1,434 |
| 2,571 | 2,564 | 3,103 | 3,252 | 3,210 |
| 2,734 | 2,745 | 2,762 | 2,758 | 2,580 |
| 192 | 187 | 216 | 251 | 222 |
| 37,246 | 38,433 | 43,828 | 43,619 | 46,544 |

**CHICAGO PUBLIC SCHOOLS**
**Chicago Board of Education**

**NUMBER OF SCHOOLS, SCHOOL ENROLLMENT AND HIGH SCHOOL GRADUATES**
**Last Ten Fiscal Years**

| | 2014-2015 | 2015-2016 | 2016-2017 | 2017-2018 | 2018-2019 |
|---|---|---|---|---|---|
| Number of Schools | | | | | |
| Elementary (A) | 426 | 425 | 424 | 424 | 424 |
| Special (C) | — | — | — | — | — |
| High School | 121 | 122 | 118 | 115 | 113 |
| Vocational/Technical (C) | — | — | — | — | — |
| Charter Schools | 131 | 129 | 122 | 121 | 120 |
| Kindergarten to H.S. (K-12) (C) | — | — | — | — | — |
| Total Schools | 678 | 676 | 664 | 660 | 657 |
| School Enrollment (B) | | | | | |
| Elementary (A) | 251,554 | 247,487 | 239,606 | 231,470 | 223,571 |
| Special (C) | — | — | — | — | — |
| High School | 88,183 | 86,208 | 83,739 | 82,511 | 80,686 |
| Vocational/Technical (C) | — | — | — | — | — |
| Charter Schools | 56,946 | 58,590 | 58,004 | 57,401 | 57,057 |
| Kindergarten to H.S. (K-12) (C) | — | — | — | — | — |
| Total School Enrollment | 396,683 | 392,285 | 381,349 | 371,382 | 361,314 |
| Number of High School Graduates | 22,825 | 22,839 | 22,805 | 23,230 | 23,107 |

Source: Information & Technology Services_ Enterprise Data Strategy-Data Analytics

**Notes:**
A) Elementary schools include the traditional classification of middle schools.
B) School enrollment includes the number of students in each type of school regardless of the students' grades.
C) The governance and school types in fiscal year 2015 has changed compared to FY14 and prior years. As a result there is no longer a category for "Vocational/Technical", "Special" or "Kindergarten to H.S (K-12)" in fiscal year 2019.

| 2019-2020 | 2020-2021 | 2021-2022 | 2022-2023 | 2023-2024 |
|---|---|---|---|---|
| 423 | 423 | 423 | 425 | 423 |
| — | — | — | — | — |
| 102 | 101 | 100 | 100 | 101 |
| — | — | — | — | |
| 117 | 114 | 113 | 110 | 109 |
| — | — | — | — | |
| 642 | 638 | 636 | 635 | 633 |
| | | | | |
| 224,829 | 204,899 | 197,890 | 192,961 | 194,779 |
| — | — | — | — | — |
| 78,355 | 84,395 | 82,113 | 79,913 | 75,228 |
| — | — | — | — | |
| 51,972 | 51,364 | 50,408 | 49,232 | 53,244 |
| — | — | — | — | |
| 355,156 | 340,658 | 330,411 | 322,106 | 323,251 |
| 22,500 | 22,605 | 23,137 | 22,624 | 22,163 |

## APPENDIX C

## BOOK-ENTRY ONLY SYSTEM

The following information concerning The Depository Trust Company, New York, New York ("**DTC**"), has been furnished by DTC for use in this Official Statement. Neither the Board nor the Underwriters are responsible for its accuracy or completeness.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered Bonds 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 (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 a Standard & Poor's rating of AA+. The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (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. See "**THE BONDS - General**."

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the

Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the 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 Trustee under the Indenture securing such Bonds 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 of a Series are being redeemed, DTC's usual practice is to determine by lot the amount of the interest of each Direct Participant in such Bonds to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's Operational Arrangements and the Issuing/Paying Agent General Operating Procedures ("**MMI Procedures**"). Under its usual procedures, DTC mails an Omnibus Proxy to the Board 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 Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Redemption proceeds, principal and interest 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 detail information from the Board or its Agent, on the 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 Board or the Trustee, as applicable, 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 Board, or the Trustee under the Indenture securing such bonds, 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 Board or the Trustee under the Indenture securing such Bonds. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Board believes to be reliable, but the Board takes no responsibility for the accuracy thereof.

NEITHER THE BOARD NOR THE TRUSTEE UNDER THE INDENTURE SECURING A SERIES OF BONDS HAS ANY RESPONSIBILITY OR OBLIGATION TO THE PARTICIPANTS OR THE BENEFICIAL OWNERS WITH RESPECT TO THE ACCURACY OF ANY RECORDS MAINTAINED BY DTC, CEDE & CO. OR ANY PARTICIPANT; THE PAYMENT BY DTC OR ANY PARTICIPANT OF ANY AMOUNT WITH RESPECT TO THE PRINCIPAL OF, PREMIUM, IF ANY, OR INTEREST ON THE BONDS; ANY NOTICE WHICH IS PERMITTED OR REQUIRED TO BE GIVEN TO BENEFICIAL OWNERS UNDER THE INDENTURE; THE SELECTION BY DTC OR ANY PARTICIPANT OF ANY PERSON TO RECEIVE PAYMENT IN THE EVENT OF A PARTIAL REDEMPTION OF THE BONDS; OR ANY CONSENT GIVEN OR OTHER ACTION TAKEN BY DTC.

# APPENDIX D

# THE REAL PROPERTY TAX SYSTEM

## Real Property Assessment, Tax Levy and Collection Procedures

General. Information in this Appendix provides a general summary of the current procedures for real property assessment, tax levy and tax collection in Cook County (the "**County**") applicable to the School District. The following is not an exhaustive discussion, nor is there any assurance that the procedures described in this Appendix will not be changed either retroactively or prospectively. The Illinois laws relating to real property taxation are contained in the Illinois Property Tax Code (35 ILCS 200) (the "**Property Tax Code**").

Substantially all (approximately 99.99%) of the **"Equalized Assessed Valuation"** (as herein defined) of taxable property in the School District is located in the County. The remainder is located in DuPage County. Accordingly, unless otherwise indicated, the information set forth in this Appendix and elsewhere in this Official Statement with respect to taxable property of the School District does not reflect the portion situated in DuPage County.

Assessment. The Cook County Assessor (the **"Assessor"**) is responsible for the assessment of all taxable real property within the County, except for certain railroad property and pollution control equipment assessed directly by the State. One-third of the real property in the County is reassessed each year on a repeating triennial schedule established by the Assessor. The real property within the School District is reassessed every three years, with 2024 being the last reassessment year.

Pursuant to the Cook County Real Property Assessment Classification Ordinance (the "**Classification Ordinance**"), real property in the County is separated into various classifications for assessment purposes. After the Assessor establishes the fair cash value of a parcel of land, that value is multiplied by one of the classification percentages to arrive at the assessed valuation (the **"Assessed Valuation"**) for the parcel. Beginning with the 2009 tax year, the classification percentages range from 10 to 25 percent depending on the type of property (e.g., residential, industrial, commercial) and whether it qualifies for certain incentives for reduced rates. For prior years, the classification percentages ranged from 16 to 38 percent.

The Cook County Board of Commissioners has adopted various amendments to the Classification Ordinance pursuant to which the Assessed Valuation of real property is established. Among other things, these amendments have reduced certain property classification percentages, lengthened certain renewal periods of classifications and created new property classifications.

The Assessor has established procedures enabling taxpayers to contest the Assessor's tentative Assessed Valuations. Once the Assessor certifies final Assessed Valuations, a taxpayer can seek review of its assessment by the Cook County Board of Review (the **"Board of Review"**). The Board of Review has powers to review and adjust Assessed Valuations set by the Assessor. Owners of property are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the **"PTAB"**), a state-wide administrative body, or to the Circuit Court of Cook County (the **"Circuit Court"**). The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Based on the amount of the proposed change in assessed valuation, taxpayers may appeal decisions of the PTAB to either the Circuit Court or the Illinois Appellate Court under the Illinois Administrative Review Law.

In a series of PTAB decisions, the PTAB reduced the assessed valuations of certain commercial and industrial property in the County based upon the application of median levels of assessment derived from Illinois Department of Revenue sales-ratio studies instead of utilizing the assessment percentages provided in the Classification Ordinance. On appeal, the Illinois Appellate Court determined that it was improper for the PTAB, on its own initiative, to use the sales-ratio studies when such studies were not even raised as an issue by the taxpayer before the Board of Review or in its appeal to the PTAB.

The Appellate Court decisions do not preclude a taxpayer in a properly presented case from introducing into evidence sales-ratio studies for the purpose of obtaining an assessment below that which would result from application of the Classification Ordinance. No prediction can be made whether any currently pending or future case would be successful. The Board believes that the impact of any such case on the Board would be minimal, as the Board's ability to levy or collect real property taxes would be unaffected.

As an alternative to seeking review of Assessed Valuations by the PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct the Assessed Valuation, and thus reduce the amount of taxes due, by issuing a Certificate of Error.

Equalization. After the Assessed Valuation for each parcel of real estate in a county has been determined for a given year, including any revisions made by the Board of Review, the Illinois Department of Revenue reviews the assessments and determines an equalization factor (the **"Equalization Factor"**), commonly called the *"multiplier,"* for each county. The purpose of equalization is to bring the aggregate assessed value of all real property in each county, except farmland, wind turbines with a nameplate capacity of at least 0.5 megawatts and undeveloped coal, to the statutory requirement of 33-1/3% of estimated fair cash value. Adjustments in Assessed Valuation made by the PTAB or the courts are not reflected in the Equalization Factor. The Assessed Valuation of each parcel of real estate in the County is multiplied by the County's Equalization Factor to determine the parcel's equalized assessed valuation (the **"Equalized Assessed Valuation"** or **"EAV"**). The Equalized Assessed Valuation for each parcel is the final property valuation used for determination of tax liability. The aggregate Equalized Assessed Valuation for all parcels in any taxing body's jurisdiction, after reduction for all applicable exemptions, plus the valuation of property assessed directly by the State, constitutes the total real estate tax base for the taxing body and is the figure used to calculate tax rates (the **"Assessment Base"**). The Equalization Factor for a given year is used in computing the taxes extended for collection in the following year. In addition, the Equalized Assessed Valuation used to determine any applicable tax limits is the one for the immediately preceding year and not the current year. See the discussion under the heading "**Property Tax Extension Limitation Law"** below. For a listing of the Equalization Factors for the ten years ended December 31, 2024, see the section of the Official Statement entitled **"FINANCIAL INFORMATION – Property Tax Revenues –** *Property Tax Base, Tax Extensions and Collections***.**"

Exemptions. The Illinois Constitution allows homestead exemptions for residential property. Pursuant to the Property Tax Code, property must be occupied by the owner as a principal residence on January 1 of the tax year for which the exemption will be claimed.

The annual general homestead exemption provides for the reduction of the Equalized Assessed Valuation of certain property owned and used exclusively for residential purposes by the amount of the increase over the 1977 EAV, currently up to a maximum reduction of $10,000 in the County and $6,000 in all other counties. There is an additional homestead exemption for senior citizens (individuals at least 65 years of age), for whom the Assessor is authorized to reduce the EAV by $8,000. There is also an exemption available for homes owned and exclusively used for residential purposes by disabled veterans or their

spouses, for whom the Assessor is authorized to annually exempt up to $100,000 of the Assessed Valuation. An additional exemption is available for disabled persons, for whom the Assessor is authorized to reduce the EAV by $2,000. An exemption is available for homestead improvements by an owner of a single family residence of up to $75,000 of the increase in the fair cash value of a home due to certain home improvements to an existing structure for at least four years from the date the improvement is completed and occupied. Senior citizens whose household income is $65,000 or less, and who are either the owner of record or have a legal or equitable interest in their residential property, qualify to have the EAV of their property frozen in the year in which they first qualify for the so-called *"freeze"* and each year thereafter in which the qualifying criteria are maintained.

Aside from homestead exemptions, upon application, review and approval by the Board of Review, or upon an appeal to the Illinois Department of Revenue, there are exemptions generally available for properties of religious, charitable (including qualifying not-for-profit hospitals), and educational organizations, as well as units of federal, state and local governments.

In 2001, the County enacted the *"Longtime Homeowner Exemption Ordinance,"* which provides property tax relief from dramatic rises in property taxes directly or indirectly attributable to gentrification in the form of an exemption. This is generally applicable to homeowners: (i) who have resided in their homes for 10 consecutive years (or five consecutive years for homeowners who have received assistance in the acquisition of the property as part of a government or nonprofit housing program), (ii) whose annual household income for the year of the homeowner's triennial assessment does not exceed 115% of the "*Chicago Primary Metropolitan Statistical Area"* median income as defined by the United States Department of Housing and Urban Development, (iii) whose property has increased in assessed value to a level exceeding 150% of the current average assessed value for properties in the assessment district where the property is located, (iv) whose property has a market value for assessment purposes of $300,000 or less in the current reassessment year, and (v) who, for any triennial assessment cycle, did not cause a substantial improvement which resulted in an increase in the property's fair cash value in excess of the $45,000 allowance set forth in the Property Tax Code.

Tax Levy. There are over 800 units of local government (the **"Units"**) located in whole or in part in the County that have taxing power. There are six major units of local government located in whole or in part within the boundaries of the School District which are: the City; the Chicago Park District; Community College District Number 508; the County; the Forest Preserve District of Cook County; and the Metropolitan Water Reclamation District of Greater Chicago.

As part of the annual budgetary process of the Units, each year in which the determination is made to levy real property taxes, proceedings are adopted by the governing body of each Unit. Typically, real property taxes are levied in one calendar year and collected in the following calendar year. The tax levy proceedings impose the Units' respective real estate taxes in terms of a dollar amount. Each Unit certifies its real estate tax levy, as established by the proceedings, to the County Clerk's Office. The remaining administration and collection of the real property taxes is statutorily assigned to the County Clerk and the County Treasurer, who is also the County Collector (the **"County Collector"**).

The Local Government Debt Reform Act (30 ILCS 350/16) (the "**Debt Reform Act**") includes special provisions applicable to tax levies to pay debt service on general obligation bonds, including Alternate Revenue Bonds. A governmental unit may levy a tax for the payment of principal of and interest on general obligation bonds, including Alternate Revenue Bonds, at any time prior to March 1 of the calendar year during which the tax will be collected. The County Clerk is required to accept the filing of the ordinance levying such tax notwithstanding that such time is subsequent to the end of the calendar year next preceding the calendar year during which such tax will be collected.

After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit by dividing the levy of each Unit by the Assessment Base of the respective Unit. If any tax rate thus calculated or any component of such a tax rate (such as a levy for a particular fund) exceeds any applicable statutory rate limit, the County Clerk disregards the excessive rate and applies the maximum rate permitted by law. Pursuant to the Debt Reform Act, in extending taxes for general obligation bonds, including Alternate Revenue Bonds, such as the Bonds, the County Clerk is required to increase the levy for debt service on such bonds to provide an allowance for loss in collections, in an amount sufficient, in view of all losses and delinquencies in tax collection, to produce tax receipts adequate for the prompt payment of such debt service.

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all the Units having jurisdiction over the particular parcel. The County Clerk enters in the books prepared for the County Collector (the **"Warrant Books"**) the tax (determined by multiplying that total tax rate by the Equalized Assessed Valuation of that parcel), along with the tax rates, the Assessed Valuation and the Equalized Assessed Valuation. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

The Illinois Truth in Taxation Law (the **"Truth in Taxation Law"**) contained within the Property Tax Code imposes procedural limitations on a Unit's real estate taxing powers and requires that a notice in a prescribed form must be published if the aggregate annual levy is estimated to exceed 105% of the levy of the preceding year, exclusive of levies for debt service (including debt service on Alternate Revenue Bonds, such as the Bonds), levies made for the purpose of paying amounts due under public building commission leases and election costs. A public hearing must also be held, which may not be in conjunction with the budget hearing of the Unit on the adoption of the annual levy. No amount in excess of 105% of the preceding year's levy may be used as the basis for issuing tax bills to property owners unless the levy is accompanied by certification of compliance with the foregoing procedures. The Truth in Taxation Law does not impose any limitations on the rate or amount of the levy to pay principal of and interest on the Unit's general obligations bonds and notes (including payment of debt service on Alternate Revenue Bonds, such as the Bonds).

Collection. Property taxes are collected by the County Collector, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and historically the second on the later of August 1 or 30 days after the mailing of the tax bills. As a result of the onset of the COVID-19 pandemic at the beginning of calendar year 2020, the tax penalty dates for the second installment of Tax Levy Year 2019, the first installment of Tax Levy Year 2020 and the second installment of Tax Levy Year 2020 property taxes levied in the County were extended to October 1, 2020, May 3, 2021 and October 1, 2021, respectively. The due dates for the second installment for Tax Levy Year 2021 and the first installment for Tax Levy Year 2022 were extended to December 30, 2022 and April 3, 2023, respectively, primarily because of the implementation of a new computer system by the County. The first installment is an estimated bill calculated at 55% of the prior year's tax bill. The second installment is for the balance of the current year's tax bill, and is based on the current levy, assessed value and Equalization Factor and applicable tax rates, and reflects any changes from the prior year in those factors. Taxes on railroad real property used for transportation purposes are payable in one lump sum on the same date as the second installment.

The following table sets forth the second installment penalty date for the Tax Levy Years 2014 through 2023. The second installment penalty date for the Tax Levy Year 2024 has not yet been determined by the County. Except for the first installment penalty date for Tax Levy Year 2020 of May 3, 2021, and the first installment penalty date for Tax Levy Year 2022 of April 3, 2023, the first installment penalty date has been March 1, 2 or 3 for all years.

**Second Installment Penalty Date**

| Tax Levy Year | Penalty Date |
|---|---|
| 2023 | August 1, 2024 |
| 2022 | December 1, 2023 |
| 2021 | December 30, 2022 |
| 2020 | October 1, 2021 |
| 2019 | October 1, 2020 |
| 2018 | August 1, 2019 |
| 2017 | August 1, 2018 |
| 2016 | August 1, 2017 |
| 2015 | August 1, 2016 |
| 2014 | August 3, 2015 |

The County may provide for tax bills to be payable in four installments instead of two. Currently, the County does not require payment of tax bills in four installments.

At the end of each collection year, the County Collector presents the Warrant Books to the Circuit Court and applies for a judgment for all unpaid taxes. The court order resulting from the application for judgment provides for an annual sale of all unpaid taxes shown on the year's Warrant Books (the **"Annual Tax Sale"**). The Annual Tax Sale is a public sale, at which time successful tax buyers pay the unpaid taxes plus penalties. Unpaid taxes accrue interest at the rate of 1.5% per month from their due date until the date of sale. Taxpayers can redeem their property by paying the amount paid at the sale, plus an additional penalty fee calculated from the penalty bid at sale times a certain multiplier based on each six-month period after the sale. If no redemption is made within the applicable redemption period (ranging from six months to two and one-half years depending on the type and occupancy of the property) and the tax buyer files a petition in Circuit Court, notifying the necessary parties in accordance with applicable law, the tax buyer receives a deed to the property. In addition, there are miscellaneous statutory provisions for foreclosure of tax liens.

If there is no sale of the tax lien on a parcel of property at the Annual Tax Sale, the taxes are forfeited and eligible to be purchased at any time thereafter at an amount equal to all delinquent taxes, interest and certain other costs to the date of purchase. Redemption periods and procedures are the same as applicable to the Annual Tax Sale, except that a different penalty rate may apply depending on the length of the redemption period.

A scavenger sale (the **"Scavenger Sale"**), like the Annual Tax Sale, is a sale of unpaid taxes. A Scavenger Sale must be held, at a minimum, every two years on all property in which taxes are delinquent for two or more years. The sale price of the unpaid taxes is the amount bid at the Scavenger Sale, which may be less than the amount of the delinquent taxes. Redemption periods vary from six months to two and one-half years depending upon the type and occupancy of the property.

The annual appropriation ordinance of the Board has a provision for an allowance for uncollectible taxes for debt service. The Board reviews this provision annually to determine whether adjustments are appropriate. For tax year 2024, collectible in 2025, the allowance for uncollectible taxes is approximately three percent of the estimated gross tax levy. For financial reporting purposes, uncollected taxes are written off by the Board after four years, but are fully reserved after one year.

**Property Tax Extension Limitation Law**

The Property Tax Code specifically limits the annual growth in property tax extensions for certain Units pursuant to the provisions of the Property Tax Extension Limitation Law (35 ILCS 200/18-185) (the **"PTELL"**). The effects of the PTELL are to limit or retard the growth in the amount of property taxes that can be extended for a non-home rule taxing body and to impose direct referendum requirements upon the issuance of certain types of general obligation bonds by such non-home rule taxing bodies.

The PTELL was extended in 1995 (effective as of the 1994 assessment year) to non-home rule taxing districts in the County, including the Board. The PTELL limits the annual growth in certain property tax extensions by the Board to the lesser of 5% or the percentage increase in the Consumer Price Index for All Urban Consumers during the calendar year preceding the relevant tax levy year. Generally, extensions can be increased beyond this limitation only due to increases in the Equalized Assessed Valuation attributable to new construction and referendum approval of tax or limitation rate increases. The PTELL requires the County Clerk in extending taxes to use the Equalized Assessed Valuation of all property within the taxing district for the levy year prior to the levy year for which taxes are then being extended.

The PTELL does not limit the rate or amount of taxes extended by the Board to pay its Alternate Revenue Bonds or the Bonds.

On August 20, 2021, the Governor signed Public Act 102-0519 ("P.A. 102-0519"), which went into effect immediately and amends the PTELL to provide that a taxing district's levy will automatically be increased each year to recapture property tax refunds made in the prior 12 months arising from a PTAB appeal, tax objection suit, or certificate of error that reduced a property's assessed value.

**APPENDIX E**

**FORM OF DEPOSIT DIRECTION TO**
**COUNTY COLLECTORS REGARDING PLEDGED TAXES**

**DIRECTION REGARDING THE DIRECT DEPOSIT OF TAXES EXTENDED AND COLLECTED FOR THE PAYMENT OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025B OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO**

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

To: The County Treasurers of The Counties of Cook and DuPage, Illinois, acting as the County Collectors for said respective Counties

Please be advised that pursuant to authority contained in Resolution No. 25-0529-RS4, adopted by the Chicago Board of Education of the Board of Education of the City of Chicago (the "*Board*") on May 29, 2025 being entitled:

> "RESOLUTION AUTHORIZING FOR THE ISSUE OF ONE OR MORE SERIES OF UNLIMITED TAX REFUNDING BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $1,800,000,000 FOR THE PURPOSE OF PAYING THE COSTS OF REFUNDING OUTSTANDING BONDS OF SAID BOARD OF EDUCATION"

(the "*Bond Resolution*"), a certified copy of which has been filed in each of your offices, the Board authorized the issuance, from time to time, of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), in the maximum principal amount of $1,800,000,000 in one or more series (the "*Bonds*") and levied a direct annual tax for each of the levy years 2025 to 2045, inclusive, on all taxable property within the school district governed by the Board (the "*School District*") sufficient to pay the principal of and interest on the Bonds issued pursuant to the Bond Resolution.

The Bond Resolution further authorized the direct deposit of such direct annual tax, if and when extended for collection, with an escrow agent designated by the Treasurer and the Deputy Chief Financial Officer of the Board and the undersigned hereby designates the hereinafter defined Trustee as escrow agent for application of collections of such direct annual tax to the payment of the principal of and interest on the Bonds. Such authorization by the Board is pursuant to the authority contained in Section 20-90 of the Property Tax Code of the State of Illinois, as amended.

Pursuant to the authority granted in the Bond Resolution, the Board has authorized the issuance and delivery of its $_____ Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B (the "*Series 2025B Bonds*"). The Treasurer and the Deputy Chief Financial Officer of the Board, pursuant to authority granted in the Bond Resolution, has allocated portions of the Pledged Taxes to pay the principal of and interest on the Series 2025B Bonds (the "*Series 2025B Pledged Taxes*").

You are each hereby directed, pursuant to authority granted in the Bond Resolution, that the Series 2025B Pledged Taxes, if and when extended for collection, are to be deposited directly by each of you upon collection thereof into the respective account of Zions Bancorporation, National Association, as Trustee

(the "*Trustee*") under the Indenture securing the Series 2025B Bonds for application as described in said Indenture.

Prior to the receipt of the first distribution of collections of property taxes in each year for which the Series 2025B Pledged Taxes are to be extended, commencing with the taxes levied for the year 2025 (collectible in 2026), the Board shall file in your office (i) evidence of the abatement in full of such Series 2025B Pledged Taxes for such year, in which case no collections of taxes levied by the Board for such year shall be subject to this Direction or (ii) a Segregation Order specifying the percentage of each distribution to be received during such year which is attributable to the Series 2025B Pledged Taxes actually to be extended for collection in such year and directing that such percentage of each such distribution be segregated and paid to the Trustee for deposit to the account identified below. Promptly upon receipt of such property taxes for distribution, you are to segregate and pay directly to the Trustee for deposit to the respective account identified below an amount equal to the amount of such distribution multiplied by the percentage specified in the Segregation Order with respect to the Series 2025B Pledged Taxes subject to such Segregation Order.

If in any year for which any of the Series 2025B Pledged Taxes have been levied (as set out in *Exhibit A* attached hereto), you do not receive either of the filings described in clauses (i) or (ii) of the first sentence of the preceding paragraph, you are hereby authorized and directed to pay directly to the Trustee for deposit to the respective account identified below from each distribution beginning with the first distribution paid to the Board in such year the total amount of the Series 2025B Pledged Taxes received for the Board during such year on a pro rata basis based upon the percentage that the amount of the Series 2025B Pledged Taxes levied for such year bears to the total tax extension of the Board for the most recently available year, until (a) the Board files with you the evidence of abatement in full or the Segregation Order required by the preceding paragraph or (b) the full amount of the specific Series 2025B Pledged Taxes specified for such year in *Exhibit A* has been paid to the Trustee.

As of the date of filing of this Direction, the Series 2025B Pledged Taxes to be paid directly to the Trustee shall be paid to:

Zions Bancorporation, National Association
ABA#
Account Number:
Account Name:

We hereby confirm to you that this Direction is irrevocable. In the event we send to you any direction contrary to this Direction you are hereby directed not to follow that subsequent direction unless we also present to you the written consent to that subsequent direction of the Trustee. Notwithstanding the foregoing, provided the Cook County Treasurer or the DuPage County Treasurer, as appropriate, makes best efforts by adopting an administrative rule requiring written consent of the Trustee before implementing any subsequent direction by the Board, in the event the Cook County Treasurer and/or the DuPage County Treasurer does make a change at the unilateral direction of the Board despite best efforts to follow the administrative rule, neither the Cook County Treasurer nor the DuPage County Treasurer, as appropriate, shall bear liability for compensatory or punitive damages of any kind whatsoever suffered by any other party. It is our intent that the owners of the Series 2025B Bonds are explicit third party beneficiaries of this Direction with the right to specifically enforce its terms. By signing the certification below you agree that the owners of the Series 2025B Bonds have the right to specifically enforce this Direction.

*[Signature Page follows]*

Respectfully submitted this __th day of November, 2025.

Walter M. Stock
Treasurer and Deputy Chief Financial Officer
Board of Education of the City of Chicago

**EXHIBIT A**

**SERIES 2025B PLEDGED TAXES**

| LEVY YEAR | TAX LEVY |
| --- | --- |

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, Chicago, Illinois, as trustee under that certain Trust Indenture, dated as of November 1, 2025 (the "*Series 2025B Indenture*"), with the Board of Education of the City of Chicago (the "*Board*"), providing for the issuance of $_____ Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board (the "*Series 2025B Bonds*"), does hereby acknowledge receipt of the Direction Regarding the Direct Deposit of Taxes with respect to the Series 2025B Bonds described in said Direction and will apply all collections of the Series 2025B Pledged Taxes as provided in the Direction and the Series 2025B Indenture.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**COOK COUNTY COLLECTOR FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Collector of The County of Cook, Illinois, do hereby certify that on this ____ day of _____, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of _____, 2025.

_____
County Collector,
The County of Cook, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF DUPAGE )

**DUPAGE COUNTY COLLECTOR FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Collector of The County of DuPage, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

_____
County Collector,
The County of DuPage, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**COOK COUNTY CLERK FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Clerk of The County of Cook, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

_____
County Clerk,
The County of Cook, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF DUPAGE )

**DUPAGE COUNTY CLERK FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Clerk of The County of DuPage, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

_____

DuPage County Clerk,
The County of DuPage, Illinois

**DIRECTION REGARDING THE DIRECT DEPOSIT OF TAXES EXTENDED AND COLLECTED FOR THE PAYMENT OF UNLIMITED TAX GENERAL OBLIGATION REFUNDING BONDS (DEDICATED REVENUES), SERIES 2025C OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO**

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

To: The County Treasurers of The Counties of Cook and DuPage, Illinois, acting as the County Collectors for said respective Counties

Please be advised that pursuant to authority contained in Resolution No. 25-0529-RS4, adopted by the Chicago Board of Education of the Board of Education of the City of Chicago (the "*Board*") on May 29, 2025 being entitled:

> "RESOLUTION AUTHORIZING FOR THE ISSUE OF ONE OR MORE SERIES OF UNLIMITED TAX REFUNDING BONDS OF THE BOARD OF EDUCATION OF THE CITY OF CHICAGO IN AN AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED $1,800,000,000 FOR THE PURPOSE OF PAYING THE COSTS OF REFUNDING OUTSTANDING BONDS OF SAID BOARD OF EDUCATION"

(the "*Bond Resolution*"), a certified copy of which has been filed in each of your offices, the Board authorized the issuance, from time to time, of its Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), in the maximum principal amount of $1,800,000,000 in one or more series (the "*Bonds*") and levied a direct annual tax for each of the levy years 2025 to 2045, inclusive, on all taxable property within the school district governed by the Board (the "*School District*") sufficient to pay the principal of and interest on the Bonds issued pursuant to the Bond Resolution.

The Bond Resolution further authorized the direct deposit of such direct annual tax, if and when extended for collection, with an escrow agent designated by the Treasurer and the Deputy Chief Financial Officer of the Board and the undersigned hereby designates the hereinafter defined Trustee as escrow agent for application of collections of such direct annual tax to the payment of the principal of and interest on the Bonds. Such authorization by the Board is pursuant to the authority contained in Section 20-90 of the Property Tax Code of the State of Illinois, as amended.

Pursuant to the authority granted in the Bond Resolution, the Board has authorized the issuance and delivery of its $_____ Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C (the "*Series 2025C Bonds*"). The Treasurer and the Deputy Chief Financial Officer of the Board, pursuant to authority granted in the Bond Resolution, has allocated portions of the Pledged Taxes to pay the principal of and interest on the Series 2025C Bonds (the "*Series 2025C Pledged Taxes*").

You are each hereby directed, pursuant to authority granted in the Bond Resolution, that the Series 2025C Pledged Taxes, if and when extended for collection, are to be deposited directly by each of you upon collection thereof into the respective account of Zions Bancorporation, National Association, as Trustee (the "*Trustee*") under the Indenture securing the Series 2025C Bonds for application as described in said Indenture.

Prior to the receipt of the first distribution of collections of property taxes in each year for which the Series 2025C Pledged Taxes are to be extended, commencing with the taxes levied for the year 2025 (collectible in 2026), the Board shall file in your office (i) evidence of the abatement in full of such Series 2025C Pledged Taxes for such year, in which case no collections of taxes levied by the Board for such year shall be subject to this Direction or (ii) a Segregation Order specifying the percentage of each distribution to be received during such year which is attributable to the Series 2025C Pledged Taxes actually to be extended for collection in such year and directing that such percentage of each such distribution be segregated and paid to the Trustee for deposit to the account identified below. Promptly upon receipt of such property taxes for distribution, you are to segregate and pay directly to the Trustee for deposit to the respective account identified below an amount equal to the amount of such distribution multiplied by the percentage specified in the Segregation Order with respect to the Series 2025C Pledged Taxes subject to such Segregation Order.

If in any year for which any of the Series 2025C Pledged Taxes have been levied (as set out in *Exhibit A* attached hereto), you do not receive either of the filings described in clauses (i) or (ii) of the first sentence of the preceding paragraph, you are hereby authorized and directed to pay directly to the Trustee for deposit to the respective account identified below from each distribution beginning with the first distribution paid to the Board in such year the total amount of the Series 2025C Pledged Taxes received for the Board during such year on a pro rata basis based upon the percentage that the amount of the Series 2025C Pledged Taxes levied for such year bears to the total tax extension of the Board for the most recently available year, until (a) the Board files with you the evidence of abatement in full or the Segregation Order required by the preceding paragraph or (b) the full amount of the specific Series 2025C Pledged Taxes specified for such year in *Exhibit A* has been paid to the Trustee.

As of the date of filing of this Direction, the Series 2025C Pledged Taxes to be paid directly to the Trustee shall be paid to:

Zions Bancorporation, National Association
ABA#
Account Number:
Account Name:

We hereby confirm to you that this Direction is irrevocable. In the event we send to you any direction contrary to this Direction you are hereby directed not to follow that subsequent direction unless we also present to you the written consent to that subsequent direction of the Trustee. Notwithstanding the foregoing, provided the Cook County Treasurer or the DuPage County Treasurer, as appropriate, makes best efforts by adopting an administrative rule requiring written consent of the Trustee before implementing any subsequent direction by the Board, in the event the Cook County Treasurer and/or the DuPage County Treasurer does make a change at the unilateral direction of the Board despite best efforts to follow the administrative rule, neither the Cook County Treasurer nor the DuPage County Treasurer, as appropriate, shall bear liability for compensatory or punitive damages of any kind whatsoever suffered by any other party. It is our intent that the owners of the Series 2025C Bonds are explicit third party beneficiaries of this Direction with the right to specifically enforce its terms. By signing the certification below you agree that the owners of the Series 2025C Bonds have the right to specifically enforce this Direction.

*[Signature Page follows]*

Respectfully submitted this __th day of November, 2025.

Walter M. Stock
Treasurer and Deputy Chief Financial Officer
Board of Education of the City of Chicago

**EXHIBIT A**

**SERIES 2025C PLEDGED TAXES**

| LEVY YEAR | TAX LEVY |
| --- | --- |

ZIONS BANCORPORATION, NATIONAL ASSOCIATION, Chicago, Illinois, as trustee under that certain Trust Indenture, dated as of November 1, 2025 (the "*Series 2025C Indenture*"), with the Board of Education of the City of Chicago (the "*Board*"), providing for the issuance of $_____ Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board (the "*Series 2025C Bonds*"), does hereby acknowledge receipt of the Direction Regarding the Direct Deposit of Taxes with respect to the Series 2025C Bonds described in said Direction and will apply all collections of the Series 2025C Pledged Taxes as provided in the Direction and the Series 2025C Indenture.

ZIONS BANCORPORATION, NATIONAL ASSOCIATION,
as Trustee

By: _____
Authorized Officer

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**COOK COUNTY COLLECTOR FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Collector of The County of Cook, Illinois, do hereby certify that on this ____ day of _____, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of _____, 2025.

_____
County Collector,
The County of Cook, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF DUPAGE )

**DUPAGE COUNTY COLLECTOR FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Collector of The County of DuPage, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

_____
County Collector,
The County of DuPage, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF COOK )

**COOK COUNTY CLERK FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Clerk of The County of Cook, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

_____
County Clerk,
The County of Cook, Illinois

STATE OF ILLINOIS )
) SS
COUNTY OF DUPAGE )

**DUPAGE COUNTY CLERK FILING CERTIFICATE**

I, the undersigned, being the duly qualified and acting County Clerk of The County of DuPage, Illinois, do hereby certify that on this ____ day of November, 2025, there has been filed in my office a Direction over the signature of the Treasurer and the Deputy Chief Financial Officer of the Board of Education of the City of Chicago (the "*Board*"), entitled:

> Direction Regarding the Direct Deposit of Taxes Extended and Collected for the Payment of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C, of the Board of Education of the City of Chicago

(the "*Direction*"), authorizing and directing the direct deposit of certain taxes collected for the Board to an escrow account (as described therein) established to secure certain bonded indebtedness of the Board, as described therein.

I do further certify that on the basis of the Direction so filed in my office and as above referred to, that in the distribution of taxes to be extended and collected for the Board for each of the levy years 2025 to 2045, inclusive, such provisions will be recognized.

IN WITNESS WHEREOF, I hereunto affix my official signature, this ____ day of November, 2025.

DuPage County Clerk,
The County of DuPage, Illinois

**APPENDIX F**

**STATE AID REVENUES ESCROW AGREEMENT**

## STATE AID REVENUES ESCROW AGREEMENT

This State Aid Revenues Escrow Agreement, dated as of July 13, 2017 (the or this "*Agreement*"), by and between the Board of Education of the City of Chicago (the "*Board*") and Amalgamated Bank of Chicago, as escrow agent (the "*Escrow Agent*"), in consideration of the mutual promises and agreements herein set forth:

**WITNESSETH:**

## ARTICLE I

### DEFINITIONS

The following words and terms used in this Agreement shall have the following meanings unless the context or use indicates another or different meaning:

"*Act*" means the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350.

"*Additional Bonds*" means any Bond issued by the Board in the future (but prior to the Termination Date) in accordance with the provisions of the Act.

"*Aggregate Annual Debt Service Requirement*" means, with respect to a Bond Year, the sum of the Series Debt Service for all Series for that Bond Year.

"*Agreement*" means this State Aid Revenues Escrow Agreement.

"*Authorized Officer*" means (i) the Chief Financial Officer of the Board or (ii) the Senior Vice President of Finance of the Board.

"*Bankruptcy Event*" means the adoption by the Chicago Board of Education of a resolution authorizing the filing by the Board, in a manner authorized by State law, of a petition under Chapter 9 of Title 11 of the United States Code (or any other applicable

federal bankruptcy law) seeking a composition of indebtedness or any other debt relief or protection from creditors.

"*Board*" means the Board of Education of the City of Chicago governed by the Chicago Board of Education.

"*Bondholder*" means any holder or owner of Bonds.

"*Bond Indenture*" means any indenture securing Bonds.

"*Bond Payment Default Event*" means the failure to fully pay when due the principal (including mandatory sinking fund installments) of or interest on any General Obligation Debt when due on any required payment date when such failure is not fully remedied by the tenth day next following such required payment date.

"*Bonds*" means any bonds issued by the Board pursuant to Section 15 of the Act and secured by a pledge of State Aid Revenues.

"*Bond Trustee*" means any trustee appointed under any Bond Indenture.

"*Bond Year*" means the annual period beginning on March 2 of a Year and ending on March 1 of the following Year.

"*Business Day*" means any day other than a Saturday, a Sunday or any day on which banking institutions located in the city in which the designated office of the Escrow Agent is located are authorized by law or executive order to close, and the Escrow Agent is in fact closed.

"*Debt Service*" means, with respect to any Series of the Bonds, the interest on and principal (including mandatory sinking fund installments) of the then outstanding Bonds of such Series.

"*District*" means the school district administered by the Board.

"*Escrow Agent*" means Amalgamated Bank of Chicago, Chicago, Illinois, as escrow agent, and any successor thereto as Escrow Agent.

"*Escrow Fund*" means the special fund created by Section 2.01 for the purpose of holding and disbursing the State Aid Revenues.

"*General Account*" means the account so named within the Escrow Fund.

"*General Obligation Debt*" means any bond, note or other evidence of indebtedness of the Board (including the Bonds) for the payment of which the Board is empowered to levy ad valorem property taxes upon all taxable property in the District without limitation as to rate or amount, exclusive of Short Term Debt.

"*Government Obligations*" means (i) any noncallable direct obligations of, or obligations the principal of and interest on which are unconditionally guaranteed by, the United States of America and (ii) certificates of ownership of the principal of or interest on obligations of the type described in clause (i) of this definition, (a) which obligations are held in trust by a commercial bank which is a member of the Federal Reserve System in the capacity of a custodian; (b) the owner of which certificate is the real party in interest and has the right to proceed directly and individually against the obligor of the underlying obligations; and (c) for which the underlying obligations are held in safekeeping in a special account, segregated from the custodian's general assets, and are not available to satisfy any claim of the custodian, any person claiming through the custodian, or any person to whom the custodian may be obligated.

"*Investment Policy*" means the Investment Policy approved by the Board, as currently in effect and as may be amended from time to time.

"*Permitted Investments*" means any of the following securities authorized by law and the Investment Policy as permitted investments of Board funds at the time of purchase thereof:

(i) Government Obligations;

(ii) Obligations of any of the following federal agencies which obligations represent the full, faith and credit of the United States of America, including:

- Farm Credit System Financial Assistance Corporation
- Farmers Home Administration
- General Services Administration
- U.S. Maritime Administration
- Small Business Administration
- Government National Mortgage Association (GNMA)
- U.S. Department of Housing & Urban Development (PHA's)
- Federal Housing Administration;

(iii) Senior debt obligations issued by Fannie Mae or the Federal Home Loan Mortgage Corporation or senior debt obligations of other government agencies;

(iv) U.S. dollar denominated deposit accounts, federal funds and banker's acceptances with domestic commercial banks (including the Escrow Agent and its affiliates) which have a rating on their short term certificates of deposit on the date of purchase of no less than "A-1" or "A-1+" by Standard & Poor's and "P-1" by Moody's and maturing no more than 360 days after the date

of purchase (Ratings on holding companies are not considered as the rating of the bank);

(v) Commercial paper which is rated at the time of purchase no less than "A-1" or "A-1+" or above by Standard & Poor's and "P-1" by Moody's and which matures not more than 180 days after the date of purchase;

(vi) Investments in a money market fund which at the time of purchase is rated "AAAm" or "AAAm-G" or better by Standard & Poor's, including those for which the Escrow Agent or an affiliate performs services for a fee, whether as a custodian, transfer agent, investment advisor or otherwise; and

(vii) Repurchase agreements of government securities having the meaning set out in the Government Securities Act of 1986 subject to the provisions of said Act and the regulations issued thereunder. The government securities that are the subject of such repurchase agreements, unless registered or inscribed in the name of the Board, shall be purchased through banks or trust companies authorized to do business in the State.

"*Regular Period*" means any period of time that is not a Required Funding Period.

"*Required Funding Period*" means any period of time commencing on the Business Day next following a Bankruptcy Event or a Bond Payment Default Event and ending on the earlier to occur of (A) the first date that the Bonds are rated (i) "Baa3" or higher by Moody's or (ii) "BBB-" or higher by Standard & Poor's or (iii) "BBB-" or higher by Fitch or (B) the first date that the Board sells a Series of Additional Bonds pursuant to a public offering (including a limited public offering).

"*Security Account*" means the account so named within the Escrow Fund.

"*Security Account Requirement*" means (A) at all times during any Required Funding Period, an amount equal to the greater of (1) the unpaid amount of the Aggregate Annual Debt Service Requirement for the then current Bond Year and (2) the Aggregate Annual Debt Service Requirement for the Bond Year next following the then current Bond Year, and (B) at all times during any Regular Period, zero.

"*Series*" means Bonds issued and secured under a Bond Indenture and designated in such Bond Indenture as a separate series of Bonds.

"*Series Debt Service*" means, with respect to a Bond Year, the Debt Service payable on a Series in the Bond Year, exclusive of Debt Service paid or with respect to which provision for payment has been made by the deposit of funds in trust for that purpose in accordance with the Bond Indenture securing such Series including, but not limited to, funds held in debt service funds, capitalized interest accounts and escrow defeasance accounts.

"*Short Term Debt*" means any bond, note or other evidence of indebtedness of the Board (A) issued in anticipation of certain taxes, grants or other revenue and (B) having a term from date of issuance to maturity of two years or less.

"*State*" means the State of Illinois.

"*State Aid Revenues*" means those State aid payments to be made to the Board after August 1, 2017, pursuant to Article 18 of the School Code, 105 Illinois Compiled Statutes 5/18, or such other successor or replacement fund or act as may be enacted in the future, excluding the $261,000,000 of Supplemental General State Aid required to be distributed for specific purposes pursuant to Section 18-8.05(H)(4) of the School Code.

"*Termination Date*" means the earlier to occur of (A) the first date that no Bond remains outstanding under a Bond Indenture or (B) the first date that the Bonds are rated (i) "A3" or better by Moody's or (ii) "A-" or better by Standard & Poor's or (iii) "A-" or better by Fitch.

"*Year*" means a calendar year.

## ARTICLE II

### ESTABLISHMENT OF THE ESCROW FUND AND ACCOUNTS

*2.01. Establishment of the Escrow Fund.* The Escrow Fund is hereby established with the Escrow Agent pursuant to Section 13 of the Act and this Agreement. The Escrow Fund is an "Escrow Account" within the meaning of Section 13 of the Act and a special fund of the Board, separate and segregated from all other funds and accounts of the Board. There are hereby established within the Escrow Fund two special Accounts, the "General Account" and the "Security Account"

*2.02. State Aid Revenues.* For the purpose of securing the punctual payment of Debt Service and for the equal benefit and protection of each Bondholder without preference of any Bondholder over any other Bondholder except as expressly provided for in Section 3.03 or Section 3.04 of this Agreement, the Board covenants and agrees that all State Aid Revenues paid to the Board shall be paid to the Escrow Agent for deposit into the Escrow Fund. The Board shall do all acts and things necessary to cause the State Aid Revenues to be deposited in the Escrow Fund and not to any other account of the Board or any other person. During any Required Funding Period, if the Board fails to deposit State Aid Revenues with the Escrow Agent within 10 days of the receipt of such State Aid Revenues, then such failure shall constitute

an event of default by the Board under this Agreement with respect to which the Escrow Agent shall, and any Bond Trustee may, institute proceedings to compel such deposit.

Pursuant to Section 13 and Section 15 of the Act and the Bond Indentures, the portion of the State Aid Revenues required to be deposited into the Security Account and the moneys held in the Security Account (subject to application in accordance with this Agreement), are pledged as security for the payment of the principal of and interest on the Bonds. In accordance with Section 13 of the Act, such State Aid Revenues and the moneys held in the Security Account shall immediately be subject to the lien of such pledge without any physical delivery or further act and the lien of such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the Board irrespective of whether such parties have notice thereof. Consistent with and pursuant to Section 13 and Section 15 of the Act and the grant under the applicable Bond Indenture pursuant to which each Series of the Bonds was issued, the Board grants to each Bond Trustee for the benefit of the Bondholders a first lien on and security interest in the State Aid Revenues required to be deposited into the Security Account and the moneys, securities and funds held from time to time in the Security Account.

*2.03. Deposit Direction.* When duly authorized by a resolution of the Chicago Board of Education, the Board, acting pursuant to Section 13 of the Act, shall file with the State Comptroller (and, if necessary, with the State Superintendent of Education and the State Treasurer) a written direction that the State Aid Revenues are to be paid directly to the Escrow Agent for deposit into the Escrow Fund. The Board shall file such written direction with the State Comptroller on or prior to the 60$^{th}$ day next following the adoption of the aforesaid authorizing resolution of the Chicago Board of Education and the failure to do so shall constitute an event of default by the Board under this Agreement with respect to which the Escrow Agent

shall, and any Bond Trustee may, institute proceedings to compel such filing. This direction shall remain in effect until the Termination Date and shall not be revoked and shall not be modified or amended except as may be required by changes in State law or administrative regulations. Pursuant to the terms of the direction, the Escrow Agent and each Bond Trustee shall have the right to enforce the terms of the direction.

*2.04. Debt Service Information.* Prior to August 1, 2017, the Board shall file with the Escrow Agent a schedule of Debt Service on each Series of Bonds then outstanding. The Debt Service schedule of each Series shall set forth for each Debt Service payment date the principal payable and the interest payable. Interest on variable rate Bonds shall be determined for each Bond Year at the greater of (A) the rate in effect on the first day of the Bond Year or (B) the rate used to determine the February 15 deposit requirement for that Series. No later than February 15th of each Bond Year the Board shall file with the Escrow Agent an updated Debt Service schedule. In addition, within 20 days next following the date of any change in Debt Service amounts the Board shall file with the Escrow Agent a revised Debt Service schedule, provided, however, that no such revision shall be required with respect to Debt Service paid on its required payment date. During any Regular Period, and absent contrary information, Debt Service shall be deemed to have been paid in full when due. During any Required Funding Period, the Escrow Agent may rely conclusively on information provided by each Bond Trustee in determining Debt Service and the amount required to cure a Debt Service payment default or deficiency.

Prior to August 1, 2017, the Board shall file with the Escrow Agent a list of the Bonds secured by State Aid Revenues and their current Bond Trustee. Thereafter the Board will

provide an updated list whenever there are issued Additional Bonds or there is a change in the Bond Trustee for any of the Bonds.

Annually, prior to each February 15th, the Board shall file with the Escrow Agent and each Bond Trustee the Series Debt Service for each Series for the next Bond Year and the Aggregate Annual Debt Service Requirement for the next Bond Year.

*2.05. Bankruptcy Event Notice.* The Board shall immediately file with the Escrow Agent notice of the adoption by the Chicago Board of Education of a resolution authorizing the Board to file a petition under Chapter 9 of Title 11 of the United States Code (or any other applicable federal bankruptcy law) seeking a composition of indebtedness or any other debt relief or protection from creditors. In addition, any Bond Trustee may file with the Escrow Agent notice of the commencement of a Bankruptcy Event.

*2.06. Bond Payment Default Event Notice.* The Board shall immediately file with the Escrow Agent notice of the failure of the Board to fully pay when due the principal (including mandatory sinking fund installments) of or interest on any General Obligation Debt when due on any required payment date and shall immediately file notice that such failure was not fully remedied by the tenth day next following such required payment date. In addition, any Bond Trustee may file with the Board and the Escrow Agent a written statement supporting the fact that a Bond Payment Default Event has occurred.

*2.07. End of Required Funding Period.* In determining the end date of any Required Funding Period, the Escrow Agent may rely on a written certificate of an Authorized Officer setting forth that one of the conditions required to end the Required Funding Period has been satisfied and each such certificate shall include supporting documentation satisfactory to the Escrow Agent.

## ARTICLE III

### OPERATION OF THE ESCROW FUND

*3.01. Deposit of State Aid Revenues.* Any State Aid Revenues received by the Escrow Agent (A) during any Regular Period, shall be deposited into the General Account and (B) during any Required Funding Period, shall be deposited in the following order of priority:

First, to the Security Account to the extent required to increase the amount then held in the Security Account to the Security Account Requirement.

Second, to the General Account, any remaining amount.

*3.02. Application of General Account.* During any Regular Period, funds in the General Account may be withdrawn by the Board, at any time and from time to time, without limitation and free from the obligations of this Agreement but subject to the liens of the Bond Indentures.

On the first Business Day of each Required Funding Period, and thereafter on each Business Day until the end of such Required Funding Period, all funds in the General Account shall be withdrawn therefrom and deposited into the Security Account to the extent required to increase the amount then held in the Security Account to the Security Account Requirement.

If on any date the amount then held in the Security Account equals or exceeds the then current Security Account Requirement, then any funds then held in the General Account may be withdrawn by the Board free from the obligations of this Agreement but subject to the liens of the Bond Indentures.

*3.03. Application of Security Account.* During any Regular Period, funds in the Security Account may be withdrawn by the Board, at any time and from time to time, without limitation and free from the obligations of this Agreement but subject to the liens of the Bond Indentures.

During any Required Funding Period, funds in the Security Account shall be allocated and applied by payments to the applicable Bond Trustees in the following order of priority:

First, to cure any payment default with respect to the payment of Debt Service, with an allocation among the various Series of Bonds as provided in Section 3.04(A).

Second, to cure any deficiency with respect to the amounts held by Bond Trustees for the payment of Debt Service due and payable in the then current Bond Year, with an allocation among the various Series of Bonds as provided in Section 3.04(B).

Third, to fund the annual deposit requirements for the next February 15 deposit date, as required by the Bond Indentures, with allocation among the various Series of Bonds as provided in Section 3.04(C).

Fourth, at the direction of the Board, to pay Debt Service, to purchase Bonds, to redeem Bonds or to defease Bonds.

If on any date, (A) the amount then held in the Security Account equals or exceeds the then current Security Account Requirement and (B) all of the disbursements then required by Clause First and Clause Second of this Section 3.03 have been made or provision has been made for such disbursements, then all or any portion of such excess, at the direction of the Board, shall be withdrawn from the Security Account and paid to the Board free from the obligations of this Agreement but subject to the lien of the Bond Indentures.

*3.04. Series Allocations.* (A) If, at any time, a Debt Service payment default exists with respect to more than one Series of Bonds, then each such Series shall be entitled to its allocable share of the funds in the Security Account. With respect to such distribution from the Security Account pursuant to Clause First of Section 3.03, the allocable share of each such Series shall be an amount equal to the lesser of (A) the amount required to cure the Debt Service payment

default for the Series and (B) the amount then held in the Security Account multiplied by a fraction, the numerator of which is the amount required to cure the Debt Service payment default of that Series and the denominator of which is the aggregate amount required to cure the Debt Service payment defaults of all such Series. The Escrow Agent shall provide the Board and each Bond Trustee with the proposed allocation and the Board shall confirm the proposed allocation within two business days of receipt.

(B) If, at any time, a Debt Service funding deficiency as described in Clause Second of Section 3.03 exists with respect to more than one Series of Bonds, then each such Series shall be entitled to its allocable share of the funds in the Security Account. With respect to such distribution from the Security Account pursuant to Clause Second of Section 3.03, the allocable share of each Series shall be an amount equal to the lesser of (A) the amount of the deficiency for such Series and (B) the amount then held in the Security Account multiplied by a fraction, the numerator of which is the amount of the deficiency for that Series and the denominator of which is the aggregate amount of the deficiency of all such Series. The Escrow Agent shall provide the Board and each Bond Trustee with the proposed allocation and the Board shall confirm the proposed allocation within five business days of receipt.

(C) With respect to each distribution from the Security Account pursuant to Clause Third of Section 3.03, each Series of Bonds shall be entitled to its allocable share, which shall be an amount equal to the amount in the Security Account and then available for distribution pursuant to Clause Third of Section 3.03 multiplied by a fraction the numerator of which is the Series Debt Service for such Series for the applicable Bond Year to be funded from the February 15 deposit, and the denominator of which is the Aggregate Annual Debt Service Requirement for the applicable Bond Year. The Escrow Agent shall provide the Board and each Bond Trustee

with the proposed allocation and the Board shall confirm the proposed allocation within five business days of receipt.

*3.05. Investment of Moneys in the Escrow Fund.* Pending the allocation of moneys in the Escrow Fund as provided in this Article III, such moneys may be invested by the Escrow Agent in Permitted Investments only in accordance with the written directions of an Authorized Officer. All investment earnings derived from the investment of moneys in (A) the General Account shall be credited to the General Account and (B) the Security Account shall be credited to the Security Account.

*3.06. Monthly Reports.* The Escrow Agent will submit to the Chief Financial Officer of the Board and to the Bond Trustees, on or before the 10th day of each calendar month, commencing in the month of September, 2017, a statement, as of the last day of the prior calendar month, itemizing (i) all moneys received by it and all payments made by it under the provisions of this Agreement during such prior calendar month and (ii) the balances in the General Account and in the Security Account as of the end of such prior calendar month, and also listing the Permitted Investments on deposit therewith on the date of said report, including all moneys held by it received as interest on the Permitted Investments. The Escrow Agent shall, with reasonable promptness, provide such additional information regarding the State Aid Revenues and the Escrow Fund as the Board may request.

*3.07. Daily Reports on Receipts and Distributions.* On each Business Day that State Aid Revenues are received by the Escrow Agent, the Escrow Agent shall provide to the Chief Financial Officer of the Board a report setting forth the amount of State Aid Revenues received by the Escrow Agent. On each Business Day that State Aid Revenues are required to be allocated and distributed pursuant to Article III, the Escrow Agent shall provide to the Chief

Financial Officer of the Board a report detailing the amounts allocated and distributed to each Bond Trustee with respect to each Series then outstanding. The reporting requirements of this Section 3.07 may be satisfied by providing to the Board electronic access to the Escrow Agent's trust accounting system.

*3.08. Board Records.* The Board will maintain records of all withdrawals of State Aid Revenues from the Escrow Fund.

*3.09. Bond Indenture Deposit Requirements.* The Board will comply with all deposit requirements contained in the Bond Indentures, including, but not limited to, the February 15 deposit date funding requirements.

*3.10. Payment of Fees.* The fees of the Escrow Agent shall be paid by the Board upon receipt of appropriate statements therefor. From and after any Bankruptcy Event the Escrow Agent shall be entitled to a lien on the Security Account for the payment of its fees and its costs of administration of the Escrow Fund, which lien shall be in all respects junior and subordinate to the lien on State Aid Revenues granted by the Bond Indentures in favor of the Bondholders and the Bond Trustees.

## ARTICLE IV

### COVENANTS

*4.01. Escrow Covenants.* The Board and the Escrow Agent covenant and agree as follows:

The Escrow Agent shall have no responsibility or liability whatsoever for (a) any of the recitals herein (except those relating to its own organization); (b) the performance of or compliance with any covenant, condition, term or provision of the Bonds, or any Bond Indenture; (c) any undertaking or statement of the Board hereunder or under the Bonds, or any

Bond Indenture or (d) actions taken on the basis of facts that are not within the direct knowledge of the Escrow Agent.

The Escrow Agent has all the powers and duties herein set forth with no liability in connection with any act or omission to act hereunder, except for its own negligence or willful misconduct, and shall be under no obligation to institute any suit or action or other proceeding under this Agreement or to enter any appearance in any suit, action or proceeding in which it may be a defendant or to take any steps in the enforcement of its, or any, rights and powers hereunder, nor shall it be deemed to have failed to take any such action, unless and until it shall have been indemnified by the Board, the Bond Trustees or the Bondholders to its satisfaction against any and all costs and expenses, outlays, reasonable counsel fees and other disbursements, including its own reasonable fees (provided notice is given to the Board of such costs and outlays within a reasonable time after they are incurred), and if any judgment, decree or recovery be obtained by the Escrow Agent, payment of all sums due it, as aforesaid, shall be a first charge against the amount of any such judgment, decree or recovery.

The Escrow Agent, in its separate capacity as a banking institution, may, at the direction of an Authorized Officer, as provided in Section 3.05, invest for the Escrow Fund in Permitted Investments purchased from itself.

All payments to be made by, and all acts, and things required to be done by, the Escrow Agent under the terms and provisions of this Agreement, shall be made and done by the Escrow Agent without any further direction or authority of the Board except as expressly provided herein.

The Escrow Agent shall not be liable for any act taken or omitted hereunder if taken or omitted by it in good faith and in the exercise of its own best judgment. The Escrow Agent shall

also be fully protected in relying upon any written notice, demand, certificate or document which it in good faith believes to be genuine.

The Escrow Agent shall not be responsible for the sufficiency or accuracy of the form, execution, validity or genuineness of any securities now or hereafter deposited hereunder, or of any endorsement thereon, or for any lack of endorsement thereon, or for any description therein, nor shall it be responsible or liable in any respect on account of the identity, authority or rights of the persons executing or delivering or purporting to execute or deliver any such document, security or endorsement or this Escrow Agreement. The Escrow Agent shall not be liable for any depreciation or change in the value of such investments.

If the Escrow Agent reasonably believes it to be necessary to consult with counsel concerning any of its duties in connection with this Agreement, or in case it becomes involved in litigation on account of being Escrow Agent hereunder or on account of having received property subject hereto, then in either case, its costs, expenses, and reasonable attorneys' fees shall be paid by the Board, and upon timely notice thereof having been given.

*4.02. Administration and Enforcement.* This Agreement shall be construed, enforced, and administered in accordance with the laws of the State, and shall inure to, and be binding upon, the respective successors and assigns of the parties hereto. If the Board provides a direction to the Escrow Agent contrary to the provisions of this Agreement or takes any action to prevent or interfere with the Escrow Agent performing its duties under this Agreement, then such direction or action taken shall constitute any event of default by the Board under this Agreement with respect to which the Escrow Agent shall, and any Bond Trustee may, institute proceedings to annul any such direction and to enjoin any such action, or for such other remedy at law or in equity as the Escrow Agent or any such Bond Trustee shall deem appropriate. In addition, the

Escrow Agent will not follow any direction from the Board that is contrary to the provisions of this Agreement and shall be fully protected from so doing.

*4.03. Rights of Bondholders and Bond Trustees.* The Bondholders and each of the Bond Trustees are explicitly recognized as being third-party beneficiaries of this Agreement and may enforce the provisions of this Agreement, including by instituting an action for specific performance of the covenants and agreements of the Board under this Agreement. This Agreement shall not constitute a limitation of any of the rights granted to Bondholders and Bond Trustees under the Bond Indentures including any lien on State Aid Revenues created by any Trust Indenture.

*4.04. Bankruptcy Event Expense Account.* The Board hereby establishes the Bankruptcy Event Expense Account to be held by the Escrow Agent under this Agreement separate and apart from the Escrow Fund. On or prior to September 1, 2017 the Board shall deposit the sum of $75,000 into the Bankruptcy Event Expense Account. Following a Bankruptcy Event the moneys held in the Bankruptcy Event Expense Account may be withdrawn by the Escrow Agent to pay the Escrow Agent's costs and expenses of administration and enforcement of this Agreement. On or prior to the 10th day of each month, commencing with the first month next following a Bankruptcy Event, the Escrow Agent shall file with the Board a report setting forth all costs and expenses paid from the Bankruptcy Event Expense Account in the prior month. Moneys in the Bankruptcy Event Expense Account may be invested by the Escrow Agent in Permitted Investments only in accordance with the written directions of an Authorized Officer. Any investment earnings derived from the investment of moneys in the Bankruptcy Event Expense Account shall be credited to the Bankruptcy Event Expense Account. Prior to a Bankruptcy Event, if on March 2nd of any Year the amount then held in the Bankruptcy

Event Expense Account is in excess of $75,000, then the amount of such excess shall be paid to the Board.

## ARTICLE V

### RESIGNATION OR REMOVAL OF THE ESCROW AGENT

The Escrow Agent may at any time resign as escrow agent under this Agreement by giving thirty days written notice to the Board and the Bond Trustees and such resignation shall take effect upon the appointment of a successor Escrow Agent by the Board. The Board may select as successor Escrow Agent any financial institution located within the State which is authorized to maintain trust accounts under Federal or State law with capital stock and surplus aggregating at least $20,000,000.

If at any time the Escrow Agent is no longer legally authorized or qualified (by reason of any Federal or State law or any other law or regulation) to act as escrow agent hereunder, then the Board may remove the Escrow Agent and may select as successor Escrow Agent any financial institution which is authorized to maintain trust accounts under Federal or State law with capital stock and surplus aggregating at least $20,000,000.

Bond Trustees serving as Bond Trustee for a majority in aggregate principal amount of the then outstanding Bonds may remove the Escrow Agent at any time and appoint as a successor Escrow Agent any financial institution located within the State which is authorized to maintain trust accounts under Federal or State law with capital stock and surplus aggregating at least $20,000,000, by filing with the Board and the Escrow Agent written statements directing such removal and appointment executed by trust officers of such Bond Trustees.

## ARTICLE VI

### ALTERATION AND TERMINATION OF AGREEMENT

*6.01. Modification or Amendment.*

(A) All of the rights, powers, duties and obligations of the Board and the Escrow Agent hereunder shall not, except as specifically provided in this Article VI, be subject to modification or amendment by the Board or the Escrow Agent.

(B) The Board and the Escrow Agent may modify or amend the terms of this Agreement without the consent of any Bondholder or Bond Trustee for the following purposes:

(1) to correct errors, clarify ambiguities or insert inadvertently omitted material; or

(2) to alter the provisions of this Agreement and to confirm this Agreement to changes in State law and procedures with respect to the allocation and distribution of the State Aid Revenues; or

(3) to confirm, as further assurance, any pledge of or lien on the State Aid Revenues pledged under this Agreement;

provided, however, that each such modification or amendment shall not adversely affect the protections provided by this Agreement to the Bondholders and the Bond Trustees.

(C) In addition to the amendments and modifications permitted by paragraph (B) of this Section 6.01, this Agreement may be modified or amended by the Board and the Escrow Agent, provided, however, that no such amendment or modification shall take effect until there shall have been filed with the Escrow Agent and the Board the written consent of each Bond Trustee to such modification or amendment.

*6.02. Termination.* This Agreement shall terminate on the Termination Date. On the Termination Date, the Escrow Agent shall transfer any balances remaining in the Escrow Fund and in the Bankruptcy Event Expense Account to the Board.

IN WITNESS WHEREOF, the Board of Education of the City of Chicago has caused this Agreement to be executed by the Senior Vice President of Finance of the Board as of the date first set forth above.

BOARD OF EDUCATION OF THE CITY OF CHICAGO

By: _____
Senior Vice President of Finance

*[Signature Page to*
*State Aid Revenues Escrow Agreement]*

IN WITNESS WHEREOF, Amalgamated Bank of Chicago, as Escrow Agent, has caused this Agreement to be signed in its corporate name by one of its officers and all as of date first set forth above.

AMALGAMATED BANK OF CHICAGO, as Escrow Agent

By: Michelle Martello
Its Senior Vice President

[Signature Page to
State Aid Revenues Escrow Agreement]

## APPENDIX G

## OVERVIEW OF HISTORICAL STATE AID REVENUES TO THE BOARD

The following is a description of the Historical State Aid Formula and the Historical State Aid Revenues paid to the Board under the School Code prior to adoption of Public Act 100-465.

Overview. Article 18A of the School Code provided formulas for determining the amount of Historical State Aid Revenues that each school district was entitled to claim based on numerous factors as described below. In addition the State's payment of Historical State Aid Revenues to school districts was subject to the appropriation of sufficient moneys to fund the statutory claims of all school districts, and in the absence of full funding each school district's Historical State Aid Revenue, payments to school districts were reduced on a pro rata basis. Another factor that impacted the Historical State Aid Revenues received by the Board was the diversion of funds to State-Approved Charter Schools (as defined herein). For Fiscal Year 2017, the Illinois General Assembly appropriated funding for Historical State Aid Revenues that augmented the historical formula funding under the School Code rather than applying the Board's demographics to the traditional funding formula.

Historical State Aid Revenues Calculation under the School Code. The School Code provided for the distribution of Historical State Aid Revenues through two grants to school districts. One was a Foundation Formula Grant (the "Foundation Formula Grant") that was calculated based on the combination of State funding and "available local resources" to meet the statutory Foundation Level (as defined herein) per pupil. As the local resources of a school district increased, the Foundation Formula Grant per pupil that a school district could claim decreased. The second grant was the grant for low–income students (the "Poverty Grant"). This grant was not offset by "available local resources" of a school district and was based on the number and proportion of low–income students in a school district. The amount of the Poverty Grant per pupil increased as the number and/or proportion of low–income students in such school district increased.

The calculation of the Foundation Formula Grant was based upon a foundation level which was established by the School Code for all school districts in the State (the "Foundation Level") and had been set at $6,119 per pupil since Fiscal Year 2010. The Foundation Formula Grant provided this amount per pupil less a school district's "available local resources" per pupil, which was calculated pursuant to a complex statutory formula that takes into account numerous locally–based factors. These factors included the equalized assessed valuation of property within a school district, an assumed property tax extension, and corporate personal property replacement tax ("PPRT") revenues. For a discussion of the sources of revenues of the Board see "FINANCIAL INFORMATION" in the Official Statement.

In addition, the "per pupil count" used in calculating the Foundation Formula Grant was the greater of a school district's best three months' average daily attendance in the previous year or an average of the best three months' average daily attendance in the previous three years (the "Per Pupil Count"). Since the Foundation Formula Grant portion of Historical State Aid Revenues paid to the Board was based on a Per Pupil Count, the level of enrollment and attendance in the school district could impact the amount of Historical State Aid Revenues received by the Board.

The Poverty Grant was calculated under the School Code for each school district within the State to provide additional funding for the impact of at–risk pupils in a school district and was calculated based on a school district's number and proportion of low–income students. This grant was not offset by the Board's *"available local resources."* A formula was used to calculate the Poverty Grant with payments that ranged from $355 to $2,994 per low–income student.

The total amount calculated by ISBE pursuant to the School Code for each school district was the sum of the Foundation Formula Grant and the Poverty Grant and was referred to as the "Statutory Claim." The portion of the Statutory Claim attributable to the Foundation Formula Grant was referred to as the "Foundation Formula Grant Statutory Claim" and the portion of the Statutory Claim attributable to the Poverty Grant was referred to as the "Poverty Grant Statutory Claim."

Historical State Aid Revenues could be increased or decreased annually from the prior year's Statutory Claims based on factors including adjustments to prior–year equalized assessed valuations or State Board of Education staff audits. Typically, there was a net increase to the yearly aggregate Historical State Aid Revenues entitlement as a result of these prior–year adjustments. Applicable State law imposed an annual cap on these adjustments of $25 million and proration of these payments across all school districts, resulting in an average annual adjustment to the Board of approximately $16.3 million.

Historical State Aid Revenues Received by the Board. Although the Board's Statutory Claim was calculated according to the formulas described above, the amount of Historical State Aid Revenues received by the Board in each Fiscal Year was impacted by several factors including the appropriation of funds by the Illinois General Assembly and the allocation of funds to State-Approved Charter Schools within the boundaries of the School District.

*State–Approved Charter Schools*. "State–Approved Charter Schools," which are separate from Board–sponsored charter schools that are funded as a part of the Board's annual budget, received Historical State Aid Revenues calculated on the same basis as the formulas used to determine the Board's Statutory Claim, and since Fiscal Year 2014 have been provided their share of Historical State Aid Revenues from the Board's allocation of Historical State Aid Revenues prior to the Board receiving such funds.

*Fiscal Year 2010-2016 State Appropriation Proration*. From Fiscal Year 2010 through Fiscal Year 2016, the General Assembly did not appropriate sufficient funds to fully fund the Statutory Claim for each school district in Illinois. In the event of an appropriation of less than the full amount of the Statutory Claims of Illinois school districts, ISBE equally prorated payments to school districts based on the amount of the appropriation as a percentage of the total aggregate amount of Statutory Claims for all school districts in the State. The resulting share of the Statutory Claim allocated to each school district is referred to as its "State Appropriation Proration." Because receipt of payments of Historical State Aid Revenues is subject to appropriation by the Illinois General Assembly, such payments are consequently subject to the availability of sufficient revenues of the State and competing obligations and spending priorities of the State.

*Fiscal Year 2017 State Appropriation*. For Fiscal Year 2017, rather than applying the Board's demographics to the traditional funding formula, the State's appropriation "held harmless" Historical State Aid Revenues funding to all school districts to the funding levels provided in Fiscal Year 2016 and provided $250 million in additional funding to by shared by school districts with a high concentration of low-income students providing approximately $102 million in additional funding to the Board.

Replacement of the Historical State Aid Formula. On August 31, 2017, Public Act 100-465 became effective and provided a significant revision to the State's funding of the Board by establishing the Evidence Based Funding Formula for allocating State Aid to school districts, beginning with the 2017-2018 school year, and replaced the Historical State Aid Formula.

# APPENDIX H

# BOARD OF EDUCATION OF THE CITY OF CHICAGO

# PENSION AND OTHER POST EMPLOYMENT OBLIGATIONS

## INTRODUCTION

Employees of the Board of Education of the City of Chicago (the "Board") participate in one of two defined benefit retirement funds (the "Retirement Funds") which provide benefits upon retirement, death or disability to Board employees and their beneficiaries. The Retirement Funds are established, administered and financed under the Pension Code, Chapter 40, Act 5, Articles 1, 1A, 17, 20 and 22 of the Illinois Compiled Statutes (the "Pension Code") as separate legal entities and for the benefit of the members of the Retirement Funds. The two Retirement Funds are:

(i) the Public School Teachers' Pension and Retirement Fund of Chicago (the "Pension Fund"), which covers teachers, educational, administrative, professional and other certified individuals employed by the Board, and

(ii) the Municipal Employees' Annuity and Benefit Fund of Chicago (the "Annuity Fund"), which covers non-teacher employees of the Board and most civil servant employees of the City of Chicago (the "City").

Information concerning the Retirement Funds contained in this Official Statement is sourced primarily from documents published by the Retirement Funds (such information is collectively referred to as the "Third-Party Source Pension Information"). Except for certain information derived from the Comprehensive Annual Financial Reports of the Chicago Public Schools, including the Comprehensive Annual Financial Report of the Chicago Public Schools for the Fiscal Year ended June 30, 2024 (the "Board's CAFRs"), the information contained herein pertaining to the Pension Fund relies on:

(i) the Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation and Review as of June 30, 2024 (the "2024 Actuarial Valuation Report"), prepared by Gabriel, Roeder, Smith & Company ("GRS Consulting"), independent actuaries and consultants engaged by the Pension Fund Board defined below (the "Pension Fund Actuaries"), and

(ii) the Annual Comprehensive Financial Report of the Pension Fund for its Fiscal Year ending June 30, 2024 (the "Pension Fund 2024 ACFR"), prepared by the Pension Fund's administrative staff and its independent auditors Plante & Moran, PLLC Southfield, MI (the "Pension Fund Auditors"). The 2024 Actuarial Valuation Report and the Pension Fund 2024 ACFR are referred to herein as the "Pension Fund Source Information."

Information in the 2024 Actuarial Valuation Report provides information regarding results in the Pension Fund's fiscal year ended June 30, 2024 that supplements certain, but not all, of the information under "– Overview of Retirement Funds," "– Background Information Regarding the Pension Fund," "– Pension Fund Contributions" and "– Other Post-Employment Benefits and Other Board Liabilities." Information in the 2024 Actuarial Valuation Report will be audited and included as part of the Pension Fund's 2024 ACFR. What follows in this paragraph is selected information from the 2024 Actuarial Valuation Report. Reference should be made to the full 2024 Valuation Report for complete information. In the Pension Fund's fiscal year ending June 30, 2024, the Pension Fund reported an investment return of approximately 8.05%. Since 8.05% is more than the assumed rate of return of 6.50% for FY24, there was a gain on the actuarial value of the assets. Accordingly, the Funded Ratio of the Pension Fund for the fiscal year ended June 30, 2024 based on the actuarial value of assets is reported to be 48.0%, versus 47.2% in

the Pension Fund fiscal year ended June 30, 2023. Nevertheless, the Board's Fiscal Year 2026 Pension Fund contribution is projected to increase by $1.9 million and the State's contribution is projected to increase by $9.2 million. The Board's Fiscal Year 2025 Pension Fund contribution has already been certified to the Board by the Pension Fund as required by State statute and will not change.

As of the date of this Official Statement, the Pension Fund 2024 ACFR and the 2024 Actuarial Valuation are the most recent audit and actuarial valuations pertaining to the Pension Fund available to the Board. Copies of the Pension Fund 2024 ACFR and the 2024 Actuarial Valuation, as well as Pension Fund ACFRs and Actuarial Valuation Reports from previous Fiscal Years, may be accessed at http://www.ctpf.org None of the information on such website, or on the links appearing on the url disclosed in the previous sentence, is incorporated by reference into this Official Statement. The Board takes no responsibility for, nor has it attempted to verify the accuracy of, the information contained on such websites. The Board has not independently verified the Pension Fund Source Information and makes no representations nor expresses any opinion as to the accuracy of the Pension Fund Source Information.

Subject to the exception noted above regarding information derived from the Board's ACFRs, the information contained herein pertaining to the Annuity Fund relies on:

(i) the Annual Comprehensive Financial Report of the Annuity Fund for its Fiscal Year ending December 31, 2024 (the "Annuity Fund 2024 ACFR"), prepared by the Annuity Fund's administrative staff and its independent auditors, Calibre Group, Chicago, Illinois, and

(ii) the Actuarial Valuation of the Annuity Fund as of December 31, 2024 (the "2024 Annuity Fund Actuarial Valuation" and, together with the Annuity Fund 2024 ACFR, the "Annuity Fund Source Information"), prepared by The Segal Company, independent actuaries and consultants engaged by the Annuity Fund Board (the "Annuity Fund Actuaries," and, together with the Pension Fund Actuaries, referred to herein as the "Actuaries").

At the time of the preparation of this Official Statement, the Annuity Fund 2024 ACFR and the 2024 Annuity Fund Actuarial Valuation are the most recent audit and actuarial valuation pertaining to the Annuity Fund available to the Board. Copies of the Annuity Fund 2024 ACFR and the 2024 Annuity Fund Actuarial Valuation, as well as Annuity Fund ACFRs and Actuarial Valuation Reports from previous Fiscal Years, may be viewed at http://www.meabf.org None of the information on such website, or on the links appearing on the url disclosed in the previous sentence, is incorporated by reference into either this Official Statement or any Disclosures related to the respective series of bonds related to the Undertakings. The Board takes no responsibility for, nor has it attempted to verify the accuracy of, the information contained on such websites. The Board has not independently verified the Annuity Fund Source Information and makes no representations nor expresses any opinion as to the accuracy of the Annuity Fund Source Information.

Healthcare benefits for certified teachers and administrators employed by the Board are provided under a cost sharing multiple-employer plan administered by the Pension Fund (the "Health Insurance Program"). Subject to the exception noted above regarding information derived from the Board's ACFRs, the information contained herein regarding the Health Insurance Program can be found in the Pension Fund 2024 ACFR, as well as the 2024 Actuarial Valuation Report and, together with relevant information in the Pension Fund 2024 ACFR, the "Health Insurance Plan Source Information"). At the time of the preparation of this Official Statement, the Pension Fund 2024 ACFR and the 2024 Actuarial Valuation Report is the most recent information pertaining to the Health Insurance Program available to the Board. The Board has not independently verified the Health Insurance Plan Source Information and makes no representations nor expresses any opinion as to the accuracy of the Health Insurance Plan Source Information.

## OVERVIEW OF RETIREMENT FUNDS

The benefits paid under the Retirement Funds, contributions to the Retirement Funds and investments by the Retirement Funds are governed by the Pension Code. As defined benefit pension plans, the Retirement Funds pay periodic benefits to beneficiaries, which generally consist of retired or disabled employees, their dependents and their survivors, in a fixed amount (subject to certain scheduled increases) for life. The amount of the benefit is determined at the time of retirement based, among other things, on the length of time worked and the salary earned. To fund benefits, employees, the Board, the City, the State of Illinois (the "State") and, in certain instances, approved City charter schools make contributions to the Retirement Funds (the "Statutory Contributions").

The Retirement Funds invest Statutory Contributions with the goal of achieving projected investment returns over time and increasing the assets of the Retirement Funds. Information, as reported by the Board, pertaining to the Retirement Funds and the Board's Statutory Contributions is contained in the Board's Annual Comprehensive Financial Reports of the Chicago Public Schools for each Fiscal Year, including the Annual Comprehensive Financial Report of the Chicago Public Schools for the Fiscal Year ended June 30, 2024**.**

The Retirement Funds' actuaries perform separate actuarial valuations of each of the Retirement Funds on an annual basis. These actuarial valuations calculate, among other things, the employer contributions, assets and liabilities of the Retirement Funds. In the actuarial valuations, the actuaries make a variety of assumptions and employ actuarial methods to calculate such contributions, assets and liabilities. The assumptions and methods used by the actuary have a significant impact on the measures of financial position of the Retirement Funds.

On August 31, 2017, Public Act 100-465 ("P.A. 100-465") became effective. P.A. 100-465 provided a significant revision to the State's funding of the Pension Fund and the Board. In Fiscal Year 2018, under P.A. 100-465, the Pension Fund received approximately $221 million in State funding of the the employer normal cost for Fiscal Year 2018 and the amount allowed under paragraph (3) of Section 17-142.1 to defray health insurance costs (i.e., the annual retiree healthcare reimbursement subsidy), and the Board received an increase of pension property tax revenues previously approved by P.A. 099-0521 (as hereinafter defined) of approximately $130 million, which when combined with the existing pension property tax revenues brought the total amount of pension property tax revenues to approximately $423 million in Fiscal Year 2018. The increase over the original estimate of pension property tax revenues by the Board is a combination of the timing of revenue receipts and tax increment revenues included in the distributions (see "– Legislation and Litigation Relevant to the Retirement Funds" herein).

In light of new funding sources provided under P.A. 100-0465 and P.A. 099-0521, the Board and the Pension Fund entered into an intergovernmental agreement (the "Intergovernmental Agreement") regarding the timing of payments effective with the 2017 Actuarial Valuation Report. Certain contributions are assumed to occur as follows:

1.) Additional Board contribution (0.58 percent of pay) — June 30th (end of fiscal year)
2.) Additional State contribution (0.544 percent of pay_ — monthly (middle of year)
3.) State normal cost contribution — monthly (middle of year)
4.) Board early payment of pension property tax levy — March 1st (first installment payment)
    a.) 55 percent of prior year's pension property tax levy is assumed to occur each March 1st
5.) Remaining Board contribution — June 30th (end of fiscal year) (additional pension property tax levy is paid during the second installment period, typically due August 1st)

## FORWARD-LOOKING STATEMENTS AND ACTUARIAL ASSUMPTIONS

The information included under the headings "–Background Information Regarding the Pension Fund," "– Pension Fund Contributions," "– Pensions for Other Board Personnel" and "– Other Post-Employment Benefits and Other Board Liabilities" relies to a large extent on Pension Fund Source Information. Actuarial assessments contained under such headings and in the Pension Fund Source Information are "*forward-looking*" information that reflects the judgment of the Pension Fund fiduciaries, including the Pension Fund Actuaries. A variety of factors impact the Unfunded Actuarial Liabilities and Funded Ratios of the Pension Fund and the Annuity Fund. Increases in member salaries and benefits, a lower rate of return on investment than that assumed by the respective Fund and insufficient contributions when compared to the employer's normal cost plus interest on the Unfunded Actuarial Liability will all cause an increase in the Unfunded Actuarial Liability and a decrease in the Funded Ratio. Conversely, decreases in member salaries and benefits, a higher return on investment than assumed and employer contributions in excess of the employer's normal cost plus interest will decrease the Unfunded Actuarial Liability and increase the Funded Ratio. In addition, changes in actuarial assumptions and certain other factors will have an impact on the Unfunded Actuarial Liability and the Funded Ratio. No assurances can be given that the Board, the City or the State will make the contributions necessary to meet any escalating costs incurred by the Retirement Funds.

The projections herein, including those in Table 4 under "– Pension Fund Contributions," are based upon numerous variables that are subject to change, and are forward-looking statements regarding future events based on actuarial assumptions and assumptions made regarding such future events, including but not limited to the assumptions that there are no changes to the current legislative structure and that all projected contributions to the Retirement Funds are made as required. No assurance can be given that these assumptions will be realized or that actual events will not cause material changes to the data presented in Table 4 or with respect to any other statements and projections that constitute forward-looking statements or are based on actuarial assumptions.

## BACKGROUND INFORMATION REGARDING THE PENSION FUND

*General*. The Pension Fund is a multiple-employer, defined-benefit public employee retirement system established by the State to provide annuity, disability, survivor, death, and health benefits for certain certified teachers and other employees of the Chicago Public Schools, Pension Fund employees and approved City charter schools. *"Defined-benefit"* refers to the fact that the Pension Fund pays a periodic benefit to retired employees and survivors in a fixed (defined) benefit amount determined at the time of retirement (benefits are increased annually in retirement by the defined Automatic Annual Increase factor, which is 3% for the Tier 1 members (hired before 2011) and ½ the rate of inflation for the Tier 2 members (hired after 2010)). The Pension Fund has a Fiscal Year ending June 30.

*Membership*. Participation in the Pension Fund is mandatory for teachers, educational, administrative, professional and other certified individuals employed by the Board. In addition, certified teachers and staff employed by City charter schools must also participate in the Pension Fund. As of June 30, 2024, according to the most recently available information, the Pension Fund had 55 participating employers consisting of the primary employer, Chicago Public Schools, 51 charter schools, the Illinois Federation of Teachers, the Chicago Teacher's Union and the Pension Fund itself. As of June 30, 2024 the Pension Fund included 67,466 members consisting of 27,359 retirees and beneficiaries currently receiving benefits, 7,018 vested terminated members entitled to benefits but not yet receiving them, 16,518 total active vested current members and 16,571 nonvested current members. An additional 29,088 non-vested, former members are eligible for refunds of contributions.

*Governance of the Pension Fund*. The Pension Fund is governed by a 12 member Board of Trustees (the "Pension Fund Board") including six trustees elected by the active teacher membership, three trustees elected by the retired teacher membership, one trustee elected by the active principals and administrators, and two trustees appointed by the Board. The Pension Fund Board is authorized by State law to make investments, pay benefits, hire staff and consultants, and carry out all necessary functions in compliance with the Pension Code.

The Pension Fund Board is a fiduciary of the Pension Fund and is authorized to perform all functions necessary for operation of the Pension Fund. The Pension Code authorizes each pension board to make certain decisions, including decisions regarding the investment of funds, the management of assets, the disbursement of benefits, and the hiring of staff, financial advisors and asset managers.

The Pension Fund Board is authorized to promulgate rules and procedures regarding their administration of benefits and other matters in accordance with the Illinois Administrative Procedure Act, and their decisions in awarding, limiting, or denying benefits are subject to the Illinois Administrative Procedure Act. Certain aspects of the Pension Fund, however, including the defined benefits and the employer and employee contribution levels, are established in the Pension Code and may be amended only by an amendment to the Pension Code.

The Pension Code provides that the expenses incurred in connection with the administration of the Pension Fund are not construed to be debt imposed upon the Board. Such expenses are the obligation of the Pension Fund exclusively, as separate bodies politic and corporate.

The Illinois Attorney General and annuitants may bring a civil action to obtain relief for violations of a fiduciary duty to the Pension Fund or any act or practice which violates any provision of the Pension Code.

*Benefits and Contributions*. Article 17 of the Pension Code governs the retirement, survivor and disability benefits provided by the Pension Fund and establishes the statutorily required contributions from the Board, the State and participating employees. The amount of the periodic benefit is generally determined on the basis of service credits and salary. Eligible employees receive the defined benefit on a periodic basis for life, along with certain benefits to spouses and children that survive the death of the employee.

To fund the benefits to be paid by a defined-benefit pension plan, both employees and employers make contributions to the plan. Generally in a defined-benefit pension plan, employees contribute a fixed percentage of their annual salary and employers contribute the additional amounts required (which amounts may be determined pursuant to statute, as in the case of the Board), when combined with the investment earnings on plan assets, to pay the benefits under the pension plan. The benefits available under the Pension Fund accrue throughout the time a member is employed by the Board. Although the benefits accrue during employment, certain age and service requirements must be achieved by an employee to generate a retirement or survivor's periodic defined benefit payment upon retirement or termination from the Board. The Pension Fund also provides certain disability benefits and retiree healthcare benefits to eligible members. Section 5 of Article XIII of the Illinois Constitution (the "Illinois Pension Clause") provides as follows:

*"Membership in any pension retirement system of the State, any unit of local government or school district, or any agency or instrumentality thereof, shall be an enforceable contractual relationship, the benefits of which shall not be diminished or impaired."*

For purposes herein, references to "*employee*" or "*member*" are references to the employees of the Board; the employees of the Pension Fund and approved City charter school employees that also participate in the Pension Fund.

**PENSION FUND CONTRIBUTIONS**

*Required Contributions.* The Pension Code requires funding of the Pension Fund from contributions by the Board (the employer), the State and employees. Board (and State) contributions are required (the "Statutory Required Contributions") only if the actuarially determined value of the assets as a percentage of its actuarially determined accrued liabilities (the "Funded Ratio") is less than 90%. The Pension Code does not require that assets of the Pension Fund at any time equal or exceed the actuarially determined accrued liabilities of the Pension Fund. On an annual basis, an actuarial valuation is performed by an independent actuary firm retained by the Pension Fund Board (each an "Actuarial Valuation") in order to determine the amount of required contributions. The Pension Code provides for an actuarially based funding ramp intended to accumulate the actuarial assets of the Pension Fund at a level equal to 90% of the actuarial liabilities of the Pension Fund beginning in the 2059 Fiscal Year and to maintain the actuarial assets of the Pension Fund equal to 90% of the actuarial liabilities in the fiscal years after 2059.

*Member Contributions*. The Pension Fund's active contributors make biweekly contributions to the Pension Fund from their salaries which contributions are currently set at 9% of covered payroll. Historically, as part of its collective bargaining agreement with the Chicago Teachers' Union ("CTU"), the Board paid a substantial portion of the employee contribution in an amount equal to 7% of covered payroll**.** This contribution arrangement for current CTU Pension Fund members hired before January 1, 2017 is still in place. However, new CTU Pension Fund members hired since January 1, 2017 make their entire 9% employee contribution.

*Employer Required Annual Statutory Contributions*. Prior to the enactment of P.A. 96-0889, the Pension Code required that the Board's minimum contributions for each Fiscal Year be in an amount sufficient to bring the Funded Ratio to equal 90% by Fiscal Year 2045. P.A. 96-0889 extended the deadline to achieve the required 90% Funding Ratio by fourteen years from Fiscal Year 2045 to Fiscal Year 2059. In addition P.A. 96-0889 specified fixed Board contribution amounts for Fiscal Years 2011, 2012 and 2013 ($187,000,000, $192,000,000 and $196,000,000, respectively) which are substantially lower than the amounts which would otherwise be required by the Pension Code (required contributions were decreased approximately $400,000,000 for each of those years). This reduction in required contributions by the Board further increased the Unfunded Actuarial Liability of the Pension Fund. See Table 2 – "Actuarial Value of Assets, Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Funded Ratio of the Pension Fund Based on Statutory Actuarial Valuations."

Beginning in Fiscal Year 2014, Required Annual Statutory contributions from the Board (and State) for Fiscal Years 2014 through 2059, as determined by the actuary for the Pension Fund, are required to be sufficient to bring the Actuarial Funded Percentage to 90% by the end of Fiscal Year 2059, and Required Annual Statutory contributions will be required thereafter to maintain the 90% Funded Percentage in each fiscal year. See Table 4 – "Projections of Contributions, Liabilities and Assets."

*State "Normal Cost" Contributions*. Under P.A. 100-465, the Pension Fund expects to receive annual State funding of the employer normal cost and the amount allowed under paragraph (3) of Section 17-142.1 to defray health insurance costs costs (i.e., the annual retiree healthcare reimbursement subsidy). The total amount of additional State funding under P.A. 100-465 was approximately $354 million in FY 2025 and is expected to be approximately $363 million in FY 2026.

*State and Board Required Payroll Contributions*. The Pension Code requires that the State and Board each make an annual contribution to the Pension Fund equal to a defined percentage of total teacher payroll (0.544% of payroll for the "*State Payroll Contribution*" and 0.580% of payroll for the "*Board Payroll Contribution*"). These contributions are not required in those years in which the Pension Fund Board has certified that the Pension Fund is at least 90% funded. The required contributions made based on payroll for Fiscal Year 2025 are $15,195,000 for the State and $16,201,000, for the Board. The required contributions made based on payroll for Fiscal Year 2026 are expected to be $16,256,000 for the State and $17,332,000 for the Board. This required payroll contribution was added to the Pension Code by P.A. 90-0582, and was intended by the General Assembly to cover part of the cost of a benefit increase resulting from that Act.

*State Appropriation Contributions*. The State historically made additional discretionary contributions to the Pension Fund from State appropriations in the amount of approximately $65,000,000 per year in addition to the State's required statutory contributions. These contributions were in furtherance of provisions of the Pension Code regarding the goal and intention of the State to make annual contributions to the Pension Fund in an amount that is between 20% and 30% of the amount of the annual State contribution to the other teachers' retirement system in the State. For several previous fiscal years the State discretionary appropriation was either reduced or not contributed. There were no discretionary contributions by the State in Fiscal Year 2018 to supplement the Board's required contribution. The Board does not anticipate that the State will make contributions in excess of its statutorily-required contributions in the future.

*Credit for State Contributions*. The Pension Code provides that "*any contribution by the State to or for the benefit of the Fund . . . shall be a credit against any contribution required to be made by the Board of Education . . . .*"

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*Historical Contributions.* The following table provides historical contribution information and the Actuarially Determined Contribution (as defined herein).

**Table 1**

**Historical Contributions**
(All dollar amounts are in millions)

| Fiscal Year | Employee Contributions | Employer Contributions: State Appropriations and Payroll Contributions[1] | Employer Contributions: BOE Contributions[2] | Employer Contributions: Total Employer Contributions | Actuarially Determined Contribution (ARC)[3] |
|---|---|---|---|---|---|
| **2015** | $168.1 | $62.2 | $634.4 | $696.5 | $728.5 |
| **2016** | 158.2 | 12.1 | 675.9 | 688.0 | 749.8 |
| **2017** | 153.3 | 12.2 | 733.2 | 745.4 | 754.8 |
| **2018** | 149.6 | 233.0 | 551.4 | 784.4 | 855.8 |
| **2019** | 148.7 | 238.9 | 569.7 | 808.6 | 1,032.2 |
| **2020** | 146.0 | 257.3 | 597.2 | 854.5 | 1,147.0 |
| **2021** | 151.8 | 266.9 | 619.0 | 885.9 | 1,219.9 |
| **2022** | 148.3 | 277.5 | 667.2 | 944.7 | 1,279.0 |
| **2023** | 150.5 | 308.7 | 551.7 | 860.4 | 1,370.0 |
| **2024** | 151.9 | 322.7 | 699.8 | 1,022.5 | 1,416.4 |

Sources: Chicago Public Schools Annual Comprehensive Financial Report for Fiscal Years ended June 30, 2015-2024. Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation for Fiscal Years ended June 30, 2015-2024.

[1] FY 2018 includes amounts contributed by the State pursuant to P.A. 100-465 which are in addition to discretionary and payroll contributions.

[2] "**BOE Contributions"** are comprised of a number of contributions that are described in Note 12 to the Chicago Public School Annual Comprehensive Financial Report for the Fiscal Year ended June 30, 2024 and are included in the **"Total Employer Contributions"** (**"Total Employer Contributions" – total "State Appropriations" = "BOE Contributions"**). The numbers may differ from actuarially or statutorily required contribution amounts and have been the subject of various litigation proceedings.

[3] **"Actuarially Determined Contributions"** do not include the required contributions associated with the Health Insurance Program, i.e., the amount described in P.A. 100-465 as allowed under paragraph (3) of Section 17-142.1 to defray health insurance costs, which is $68.0 million for FY 2024 and which is further described below under "– Other Post-Employment Benefits and Other Board Liabilities." Also note that this concept is referred to in the Chicago Public Schools Comprehensive Annual Financial Report as "*Annual Determined Contributions*" – see footnote to section "– *Actuarial Process*" for explanation of naming convention herein.

*Funded Status of Pension Fund*. As of the end of its Fiscal Year 2024, the Pension Fund had liabilities of $26,835,128,764 and assets (excluding any amounts dedicated to retiree health insurance subsidies) of: (i) $ 12,898,414,480 if valued on an actuarial basis (using the "Asset Smoothing Method" (as described below), or (ii) $12,741,782,948 if valued based on market value. This results in an aggregate Unfunded Actuarial Liability of the Pension Fund of approximately $13.94 billion on an actuarial basis (using the Asset Smoothing Method), and $14.09 billion on a market value basis and Funded Percentages of 48.1% on an actuarial basis (using the Asset Smoothing Method) and 47.5% on a market value basis.

The Fiscal Year 2024 Actuarial Liability of $26,835,128,764 represents a net increase of $682 million compared to the Actuarial Liability as of June 30, 2023. Additional information regarding the financial condition of the Pension Fund, including the actuarial value of assets and actuarial liability can be found in the 2024 Actuarial Valuation Report. Information in the Actuarial Valuation regarding the reconciliation of change in Unfunded Actuarial Liability shows the impact of such factors as salaries, funding status and investment returns.

The following table summarizes the Actuarial Value of Assets, Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Funded Ratio of the Pension Fund for Fiscal Years 2015-2024 and the Annual Covered Payroll.

**Table 2**

**Actuarial Value of Assets, Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Funded Ratio of the Pension Fund Based on Statutory Actuarial Valuations**

| Actuarial Valuation Date | Actuarial Value of of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded/ (Overfunded) AAL (UAAL) (b) - (a) | Funded Ratio (a) / (b) | Covered Payroll (c) | UAAL as a Percentage of Covered Payroll [(b) - (a)] / (c) |
|---|---|---|---|---|---|---|
| 06/30/2015 | $10,344,375,122 | $19,951,289,974 | $9,606,914,852 | 51.85% | $2,273,551,432 | 422.6% |
| 06/30/2016 | 10,610,746,831 | 20,246,140,298 | 9,635,393,467 | 52.41% | 2,281,268,890 | 422.4% |
| 06/30/2017 | 10,933,031,685 | 21,822,010,297 | 10,888,978,612 | 50.10% | 2,221,849,230 | 490.1% |
| 06/30/2018 | 10,969,085,523 | 22,922,992,558 | 11,953,907,035 | 47.85% | 2,180,577,527 | 548.2% |
| 06/30/2019 | 11,021,811,634 | 23,252,163,307 | 12,230,351,673 | 47.40% | 2,267,106,915 | 539.5% |
| 06/30/2020 | 11,240,208,045 | 24,073,482,607 | 12,833,274,562 | 46.69% | 2,325,129,719 | 551.9% |
| 06/30/2021 | 11,925,535,283 | 25,117,988,742 | 13,192,453,459 | 47.48% | 2,457,910,229 | 536.7% |
| 06/30/2022 | 12,142,214,578 | 25,955,065,711 | 13,812,851,133 | 46.78% | 2,677,247,688 | 515.9% |
| 06/30/2023 | 12,363,785,813 | 26,170,995,292 | 13,807,209,479 | 47.24% | 2,793,198,579 | 494.3% |
| 06/30/2024 | 12,898,414,480 | 26,835,128,764 | 13,936,714,284 | 48.07% | 2,988,200,404 | 466.4% |

Sources: Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation for Fiscal Years ended June 30, 2015-2024.

**Table 3**

**Actuarial Value of Assets, Actuarial Accrued Liability, Unfunded Actuarial Accrued Liability and Funded Ratio of the Pension Fund for Based on GASB No. 67 Actuarial[(1)]**

| Actuarial Valuation Date | Fiduciary Net Position (FNP) (a) | Pension Total Liability (TPL) (b) | Net Pension Liability (NPL) (b) - (a) | GASB 67 Funded Ratio (a) / (b) | Covered Payroll (c) | NPL as a Percentage of Covered Payroll [(b) - (a)] / (c) |
|---|---|---|---|---|---|---|
| 06/30/2015 | $10,689,954,320 | $20,713,217,296 | $10,023,262,976 | 51.61% | $2,273,551,432 | 440.90% |
| 06/30/2016 | 10,093,067,588 | 21,124,697,012 | 11,031,629,424 | 47.78% | 2,281,268,890 | 483.57% |
| 06/30/2017 | 10,793,173,927 | 23,175,590,999 | 12,382,417,072 | 46.57% | 2,030,175,116 | 609.92% |
| 06/30/2018 | 11,104,765,514 | 24,547,482,873 | 13,442,717,359 | 45.24% | 2,094,830,446 | 641.71% |
| 06/30/2019 | 11,038,837,459 | 25,166,179,329 | 14,127,341,870 | 43.86% | 2,179,054,844 | 648.32% |
| 06/30/2020 | 10,937,062,021 | 26,377,865,250 | 15,440,803,229 | 41.46% | 2,249,491,403 | 686.41% |
| 06/30/2021 | 13,373,041,592 | 28,100,451,410 | 14,727,409,818 | 47.59% | 2,372,166,562 | 620.84% |
| 06/30/2022 | 11,764,941,881 | 27,776,741,810 | 16,011,799,929 | 42.36% | 2,522,166,316 | 634.84% |
| 06/30/2023 | 12,118,493,196 | 27,952,097,641 | 15,833,604,445 | 43.35% | 2,649,728,047 | 597.56% |
| 06/30/2024 | 12,741,782,948 | 28,598,148,629 | 15,856,365,681 | 44.55% | 2,824,538,926 | 561.38% |

Sources: Public School Teachers' Pension and Retirement Fund of Chicago Annual Comprehensive Financial Report for Fiscal Years ended June 30, 2015-2024.

(1) Excludes Health Insurance Fund Assets.

Table 4 shown on the following page presents projected required contributions, liabilities, assets, unfunded liability and funded ratios in the Fiscal Years 2025 through 2059 for the Pension Fund prepared by the Actuaries and which reflect the impact of P.A. 96-0889.

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**Table 4**

## Projection of Contributions, Liabilities and Assets[1]

(Board contributions are based on P. A. 96-0889)

(All dollar amounts are in millions. Actuarial Liability and asset figures as of end of Fiscal Year.)

| Fiscal Year | Employee Contribution | Required Statutory Employer Contribution | State Normal Cost Contribution | Additional State Contribution | Additional Board Contribution | Required Board of Education Contribution[2] | Total Actuarial Liability | Actuarial Value of Assets | Unfunded Actuarial Liability | Funded Percentage |
|---|---|---|---|---|---|---|---|---|---|---|
| 2025 | $260.1 | $1,015.3 | $338.7 | $15.2 | $16.2 | $645.4 | $27,350.0 | $12,836.4 | $14,513.6 | 46.93% |
| 2026 | 268.9 | 1,026.7 | 346.8 | 16.3 | 17.3 | 646.2 | 27,875.0 | 13,224.6 | 14,650.4 | 47.44% |
| 2027 | 276.8 | 1,056.6 | 349.7 | 16.7 | 17.8 | 672.4 | 28,410.8 | 13,596.3 | 14,814.5 | 47.86% |
| 2028 | 284.5 | 1,086.0 | 351.4 | 17.2 | 18.3 | 699.1 | 28,955.2 | 13,922.1 | 15,033.1 | 48.08% |
| 2029 | 292.0 | 1,114.8 | 352.0 | 17.7 | 18.8 | 726.4 | 29,506.4 | 14,271.5 | 15,243.9 | 48.37% |
| 2030 | 299.5 | 1,143.4 | 351.8 | 18.1 | 19.3 | 754.2 | 30,063.7 | 14,640.0 | 15,423.7 | 48.70% |
| 2031 | 307.0 | 1,171.8 | 351.1 | 18.6 | 19.8 | 782.4 | 30,626.6 | 15,029.9 | 15,596.7 | 49.07% |
| 2032 | 314.3 | 1,199.8 | 349.6 | 19.0 | 20.3 | 810.9 | 31,193.9 | 15,442.7 | 15,751.2 | 49.51% |
| 2033 | 321.5 | 1,227.2 | 347.5 | 19.4 | 20.7 | 839.6 | 31,763.4 | 15,877.2 | 15,886.2 | 49.99% |
| 2034 | 328.5 | 1,254.1 | 344.5 | 19.9 | 21.2 | 868.5 | 32,329.8 | 16,330.0 | 15,999.8 | 50.51% |
| 2035 | 335.4 | 1,280.6 | 340.9 | 20.3 | 21.6 | 897.8 | 32,919.0 | 16,828.5 | 16,090.5 | 51.12% |
| 2036 | 342.1 | 1,305.9 | 336.7 | 20.7 | 22.0 | 926.5 | 33,503.4 | 17,346.3 | 16,157.1 | 51.77% |
| 2037 | 348.5 | 1,330.3 | 331.9 | 21.1 | 22.5 | 954.9 | 34,079.9 | 17,881.3 | 16,198.6 | 52.47% |
| 2038 | 354.7 | 1,353.9 | 326.6 | 21.4 | 22.9 | 983.0 | 34,645.6 | 18,432.0 | 16,213.6 | 53.20% |
| 2039 | 360.8 | 1,377.2 | 321.1 | 21.8 | 23.2 | 1,011.0 | 35,197.5 | 18,997.0 | 16,200.5 | 53.97% |
| 2040 | 366.9 | 1,400.7 | 311.2 | 22.2 | 23.6 | 1,043.7 | 35,732.6 | 19,579.8 | 16,152.8 | 54.80% |
| 2041 | 373.2 | 1,424.6 | 300.2 | 22.6 | 24.0 | 1,077.7 | 36,246.4 | 20,179.5 | 16,066.9 | 55.67% |
| 2042 | 379.3 | 1,448.1 | 289.0 | 22.9 | 24.4 | 1,111.7 | 36,735.2 | 20,794.8 | 15,940.4 | 56.61% |
| 2043 | 385.7 | 1,472.5 | 278.4 | 23.3 | 24.9 | 1,145.9 | 37,198.9 | 21,428.7 | 15,770.2 | 57.61% |
| 2044 | 392.5 | 1,498.3 | 268.9 | 23.7 | 25.3 | 1,180.4 | 37,637.9 | 22,084.7 | 15,553.2 | 58.68% |

Source: Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation for Fiscal Year ended June 30, 2024.

(1) Total Actuarial Liability, Actuarial Value of Assets and Unfunded Actuarial Liability reflect the combined actuarial valuation of the pension and retiree health insurance benefits performed by the Actuaries. The projected amounts shown above assume that all of the actuarial assumptions from the June 30, 2024 actuarial valuation, including the 6.50% assumed rate of investment return, are exactly realized each year.

(2) Any discretionary contributions by the State of Illinois (other than the State "Normal Cost" and Additional State Contributions shown above) will replace amounts otherwise that are required to be contributed by the Board.

**Table 4 (Continued)**

**Projection of Contributions, Liabilities and Assets**[1]

(Board contributions are based on P. A. 96-0889)

(All dollar amounts are in millions. Actuarial Liability and asset figures as of end of Fiscal Year.)

| Fiscal Year | Employee Contribution | Required Statutory Employer Contribution | State Normal Cost Contribution | Additional State Contribution | Additional Board Contribution | Required Board of Education Contribution[2] | Total Actuarial Liability | Actuarial Value of Assets | Unfunded Actuarial Liability | Funded Percentage |
|---|---|---|---|---|---|---|---|---|---|---|
| 2045 | $399.6 | $1,525.6 | $261.1 | $24.2 | $25.8 | $1,214.6 | $38,054.6 | $22,767.8 | $15,286.8 | 59.83% |
| 2046 | 407.3 | 1,555.0 | 255.4 | 24.6 | 26.3 | 1,248.7 | 38,452.9 | 23,485.4 | 14,967.5 | 61.08% |
| 2047 | 415.5 | 1,586.0 | 252.0 | 25.1 | 26.8 | 1,282.1 | 38,836.8 | 24,244.1 | 14,592.7 | 62.43% |
| 2048 | 424.0 | 1,618.6 | 250.8 | 25.6 | 27.3 | 1,314.9 | 39,211.3 | 25,052.0 | 14,159.3 | 63.89% |
| 2049 | 432.9 | 1,652.7 | 251.3 | 26.2 | 27.9 | 1,347.4 | 39,580.1 | 25,916.4 | 13,663.7 | 65.48% |
| 2050 | 442.2 | 1,688.1 | 252.8 | 26.7 | 28.5 | 1,380.1 | 39,944.8 | 26,843.2 | 13,101.6 | 67.20% |
| 2051 | 451.6 | 1,724.0 | 254.9 | 27.3 | 29.1 | 1,412.7 | 40,304.3 | 27,835.6 | 12,468.7 | 69.06% |
| 2052 | 461.0 | 1,759.8 | 257.5 | 27.9 | 29.7 | 1,444.7 | 40,657.4 | 28,896.4 | 11,761.0 | 71.07% |
| 2053 | 470.4 | 1,795.8 | 260.6 | 28.4 | 30.3 | 1,476.4 | 41,002.6 | 30,028.6 | 10,974.0 | 73.24% |
| 2054 | 479.9 | 1,831.9 | 263.9 | 29.0 | 30.9 | 1,508.1 | 41,337.3 | 31,234.7 | 10,102.6 | 75.56% |
| 2055 | 489.4 | 1,868.3 | 267.7 | 29.6 | 31.5 | 1,539.4 | 41,658,1 | 32,516.7 | 9,141.4 | 78.06% |
| 2056 | 499.0 | 1,905.0 | 272.0 | 30.2 | 32.2 | 1,570.8 | 41,962.2 | 33,877.5 | 8,084.7 | 80.73% |
| 2057 | 508.8 | 1,942.1 | 276.4 | 30.8 | 32.8 | 1,602.2 | 42,247.7 | 35,321.5 | 6,926.2 | 83.61% |
| 2058 | 518.5 | 1,979.4 | 281.1 | 31.3 | 33.4 | 1,633.5 | 42,515.5 | 36,856.3 | 5,659.2 | 86.69% |
| 2059 | 528.3 | 2,016.8 | 286.0 | 31.9 | 34.0 | 1,664.8 | 42,767.5 | 38,490.6 | 4,276.9 | 90.00% |

Source: Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation for Fiscal Year ended June 30, 2024.

(1) Total Actuarial Liability, Actuarial Value of Assets and Unfunded Actuarial Liability reflect the combined actuarial valuation of the pension and retiree health insurance benefits performed by the Actuaries. The projected amounts shown above assume that all of the actuarial assumptions from the June 30, 2024 actuarial valuation, including the 6.50% assumed rate of investment return, are exactly realized each year.

(2) Any discretionary contributions by the State of Illinois (other than the State "Normal Cost" and Additional State Contributions shown above) will replace amounts otherwise that are required to be contributed by the Board.

The projections in Table 4 rely on information produced by the Pension Fund's Actuaries (based on the actuarial assumptions employed by the Pension Fund) and were not prepared with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information. This information is not fact and should not be relied upon as being necessarily indicative of future results (including results of Fiscal Year 2024), and readers are cautioned not to place undue reliance on the prospective financial information. Neither the Board nor the Board's independent auditors, have compiled, examined, or performed any procedures with respect to the prospective financial information herein, nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

*Investment Authority, Performance and Valuation of Assets*. Investment authority for the Pension Fund is found in the Illinois Compiled Statutes, Chapter 40, Act 5, Articles 1 and 17. A discussion of the specific investment authority, policy provisions, diversification posture, performance objective and asset allocation is available in the Pension Fund 2024 ACFR. The Pension Fund maintains a highly diversified portfolio of investments among U.S. stocks, real estate, fixed income, private equity, and international investments.

*Investment Return.* The 2024 Actuarial Valuation Report assumes an investment rate of return on the assets in the Pension Fund of 6.50%. The investment return assumption has been reduced several times since 2014 from 8.00%, as shown in Table 5, below. The actual rate of return on an actuarial basis for the year ending June 30, 2024, was 8.05%. Since the 8.05% actual return on an actuarial basis was greater than the 6.50% assumed return that was assumed for the year ending June 30, 2024, the Pension Fund experienced an actuarial gain with regard to its investments during the year. The following table summarizes the actuarial and market investment returns on the assets in the Pension Fund and the assumed rate of return for its Fiscal Years 2015-2024.

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**Table 5**

**Investment Returns for Past 10 Years**

| Fiscal Year | Market Value | Actuarial Value | Assumed Rate of Return |
|---|---|---|---|
| **2015** | 3.6% | 8.2% | 7.75% |
| **2016** | -0.3% | 8.6% | 7.75% |
| **2017** | 12.5% | 8.3% | 7.25% |
| **2018** | 8.5% | 5.8% | 7.00% |
| **2019** | 4.7% | 5.9% | 7.00% |
| **2020** | 4.1% | 7.1% | 6.75% |
| **2021** | 27.5% | 10.8% | 6.50% |
| **2022** | -8.6% | 6.0% | 6.50% |
| **2023** | 8.2% | 6.8% | 6.50% |
| **2024** | 9.0% | 8.0% | 6.50% |
| **Average Returns Last 10 years:** | 6.6% | 7.5% | |

Sources: Public School Teachers' Pension and Retirement Fund of Chicago Actuarial Valuation for Fiscal Years ended June 30, 2024

*Asset Smoothing.* See "– Actuarial Methods – Actuarial Value of Assets" below for a discussion of the impact of Asset Smoothing on the valuation of investment returns.

*Risks and Uncertainties*. The Pension Fund invests in various investment securities that are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the Pension Fund's assets and impact required contributions.

## THE ACTUARIAL VALUATION

*General.* In addition to the process outlined herein, the Pension Code requires that the Pension Fund annually submit to the Board a report containing a detailed statement of the affairs of the Pension Fund, its income and expenditures, and assets and liabilities, which consists of the Actuarial Valuation. The Actuarial Valuation measures the funded status of the plan and establishes the statutorily required contribution amount. To calculate these amounts, assumptions are made about future events that affect the amount and timing of benefits to be paid and assets to be accumulated. Each year actual experience is measured against the assumptions. Overall experience that is more favorable than anticipated (an actuarial gain), will have a decreasing effect on the contribution requirement. On the other hand, overall experience that is less favorable than expected (an actuarial loss) will have an increasing effect. A description of the statistics generated by the Pension Fund actuaries in the Actuarial Valuations follows in the next few paragraphs. The Governmental Accounting Standards Board ("GASB"), which is part of a private non-profit entity known as the Financial Accounting Foundation, promulgates standards regarding accounting and financial reporting for governmental entities. These GASB principles impact financial reporting by the Pension Fund and the employer but have no legal effect and do not impose any legal liability on the Board.

Moreover, these GASB principles have no effect on the Pension Fund's statutorily required contribution amount. The references to GASB principles in this section do not suggest any legal effect or legal liability and should not be construed to suggest otherwise.

*Actuarial Process.* Under the Pension Code, the required employer contributions to fund the Pension Fund are determined by independent actuaries on an annual basis within nine months of the end of the Pension Fund's Fiscal Year. To meet the requirements of the Pension Code, the actuaries use demographic and other data (such as employee age, salary and service credits) and various assumptions (such as assumed investment return, estimated salary increases, interest rates, employee turnover, mortality and disability rates) to determine the amount that must be contributed in a given year. Because actuarial calculations reflect a long-term perspective, actuarially determined amounts are subject to continual revision, as results are compared to past expectations and new estimates are made about the future. On an annual basis, the Pension Fund's actuary then produces a report called the "Actuarial Valuation," in which the actuary reports on the Pension Fund's assets, liabilities and the Required Annual Statutory Contribution for the following fiscal year.

## ACTUARIAL METHODS

Pension Fund actuaries can employ a variety of actuarial methods to arrive at the Actuarial Value of Assets and the Actuarial Accrued Liability.

*Actuarial Value of Assets.* The Pension Fund calculates the respective Actuarial Value of Assets by smoothing investment gains and losses over a period of four years, a method of valuation referred to as the "Asset Smoothing Method." Under the Asset Smoothing Method, the Retirement Funds recognize in the current year 25% of the investment gain or loss realized in that year and each of the previous three years. "Asset Smoothing" is an allowable method of determining the actuarial contribution and expense levels according to GASB; however, note that GASB No. 67 reporting now uses the market value of plan assets in order to calculate the NPL. As a result of the use of the Asset Smoothing Method, only a portion of investment gains or losses will be recognized in the year when realized. For actuarial purposes, the investment return often reflects a smoothing of the capital gains and losses to avoid significant swings in the value of assets from one year to the next. The smoothing of unexpected gains and losses occurs over a period of 4 years. The gain or loss for a year is calculated as the total investment income on the market value of assets, minus expected investment return on the prior actuarial value of assets. The final actuarial value is equal to the expected actuarial value plus (or minus) 25% of the calculated gain (or loss) in the prior 4 years. "Asset Smoothing" lessens the immediate impact of market fluctuations on the Actuarial Value of Assets, which is used to calculate the Unfunded Actuarial Accrued Liability ("UAAL") and the Funded Ratio that may otherwise occur as a result of market volatility. However, "Asset Smoothing" delays recognition of gains and losses, thereby providing an Actuarial Value of Assets that does not reflect the true market value of pension plan assets at the time of the measurement. As a result, presenting the Actuarial Value of Assets as determined under the Asset Smoothing Method might provide a more or less favorable presentation of the current financial position of a pension plan than would a method that recognizes investment gains and losses annually (e.g., GASB No. 67 for reporting of the NPL).

## ACTUARIAL ASSUMPTIONS

*Use of Estimates and Assumptions.* The Actuarial Valuations of the Pension Fund use a variety of estimates and assumptions to calculate the Actuarial Liability and the Actuarial Value of Assets. No assurance can be given that any of the assumptions underlying the Actuarial Valuations will reflect the actual results experienced by the Pension Fund. Actual results almost always differ from those estimates

and assumptions. Variances between the assumptions and actual results may cause an increase or decrease in the Actuarial Value of Assets, the Actuarial Liability, the Unfunded Actuarial Liability, the Funded Ratio or the actuarially calculated contributions and expense levels. Certain of these assumptions include the assumed rate of return on investments, mortality rates, termination rates, disability rates, retirement rates, salary progression, other interest rates used in the valuation, marital status, spouse's age and total service credit at retirement. The 2024 Actuarial Valuation Report, a copy of which may be viewed as described in "– Introduction" above, contains additional information on these assumptions.

The Pension Code requires the Pension Fund to conduct an actuarial experience review every five years. The purpose of the experience review is to determine the adequacy of the actuarial assumptions regarding mortality, retirement, disability, employment, turnover, interest and earnable compensation of the members and beneficiaries of the Pension Fund. Based upon the results of this review, the Pension Fund may change the actuarial assumptions as it deems appropriate.

*Actuarial Valuation*. The primary purpose of the Actuarial Valuation is to determine the amount the Board must contribute to the Pension Fund in a given fiscal year as provided in the Pension Code (the "Required Annual Statutory Contribution"). To determine the Required Annual Statutory Contribution, the actuary calculates both the "Actuarial Liability" and the "Actuarial Value of Assets." The Actuarial Liability is an estimate of the portion of the present value of the benefits that is attributable to the past service of the current employees and the retired members, which the Pension Fund is obligated to pay over time as those benefits become due. The Actuarial Liability is calculated by use of the Projected Unit Credit cost method and a variety of demographic assumptions (such as estimated salary increases, interest rates, employee turnover, mortality and disability rates). See Table 4, "Projection of Contributions, Liabilities and Assets" herein**.**

Any shortfall between the Actuarial Value of Assets and the Actuarial Liability is referred to as the "Unfunded Actuarial Liability" and represents the excess of the portion of the present value of benefits that is attributed to past service over the actuarial value of plan assets. In addition, the actuary will compute the "Funded Ratio," which is the result obtained by dividing the Actuarial Value of Assets by the Actuarial Liability and is expressed as a percentage. An increasing Unfunded Actuarial Liability and a decreasing Funded Ratio from year to year signals a deterioration in the financial health of a pension plan because it indicates the incurrence of additional liability without a corresponding increase in assets necessary to pay those additional liabilities. Conversely, a decreasing Unfunded Actuarial Liability and an increasing Funded Ratio indicates an improvement in the financial health of a pension plan because such change reflects a closing gap between the liabilities accrued by the pension plan and the assets necessary to pay those liabilities when they become due.

The Actuaries use the Actuarial Liability, the Actuarial Value of Assets and the Unfunded Actuarial Liability to compute the Required Annual Statutory Contribution for the Pension Fund in accordance with the Pension Code. See "– State and Board Required Payroll Contributions" herein.

**GASB STATEMENTS 67, 68 AND 71**

On June 25, 2012, GASB approved two new standards for employee pension accounting and financial reporting by state and local governments. The two new GASB statements, Nos. 67 and 68 ("GASB 67" and "GASB 68" and collectively, the "Statements"), replace some of the requirements of previous GASB statements (Nos. 25, 27, and 50) related to pension plans. Some of the key changes imposed by the Statements include: (1) requiring governments for the first time to recognize a Net Pension Liability ("NPL"), which is the difference between the Total Pension Liability ("TPL"; i.e., the portion of the present value of projected benefit payments to employees that is attributed to their past service under the level percentage of payroll Entry Age Normal cost method and the blended discount rate as described in GASB

67 and 68) and pension assets (mostly investments reported at fair market value) as a liability of the employer; (2) immediate recognition of annual service cost (net of employee contributions), interest on the Total Pension Liability, expected return on assets (a negative component of expense), and immediate recognition of the effect on net pension liability of changes in benefit terms, and amortization of gains and losses (including changes in assumptions); (3) the effects on net pension liability of differences between expected and actual investment returns will be recognized in pension expense over a closed 5-year period (previously 15-30-year period); (4) with respect to benefits not covered by projected plan assets, the use of a discount rate based on a yield or index rate on tax-exempt 20-year, AA-or-higher rated municipal bonds rather than the expected rate of return on plan investments; and (5) revising the presentation of pension liabilities in a government's financial statements. The use of the Statements will have an impact on the Unfunded Actuarial Liability. However, because the Board contributes to the Pension Fund pursuant to methods established by the Pension Code, the Statements would not impact the contributions made by the Board without legislative action. GASB 67 went into effect for Fiscal Year 2014 and GASB 68 became effective for Fiscal Year 2015.

*GASB 68, Accounting and Financial Reporting for Pensions*, was effective for the Board beginning with its Fiscal Year ending June 30, 2015. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements that meet certain criteria. The implementation of this standard will result in an unfunded pension liability to be recognized on the Statement of Net Position.

*GASB 71, Pension Transition for Contributions Made Subsequent to the Measurement Date*, was effective for the Board with Fiscal Year 2015. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. The requirements of this Statement will eliminate the source of a potential significant understatement of restated beginning net position and expense in the first year of implementation of Statement No. 68 in the accrual-basis financial statements of employers and nonemployer contributing entities.

*Actuaries, the Actuarial Process and GASB.* GASB standards are completely independent from the Pension Code's requirements. GASB No. 67, which became effective for plan reporting for the Fiscal Year ending June 30, 2014 and is discussed in more detail below, relates to the reporting of an NPL and an Actuarially Determined Contribution ("ADC"). The NPL reported is equal to the difference between the TPL, as calculated using the level percentage of payroll Entry Age Normal Cost actuarial cost method and the blended discount rate as described in GASB 67, and the Plan's Fiduciary Net Position ("FNP", i.e., the market value of plan assets). The amount of the GASB No. 67 ADC reported is the employer's Normal Cost plus a 30-year fixed-period amortization payment on the UAAL beginning July 1, 2013 as a level percentage of payroll. Starting in Fiscal Years that begin after June 15, 2014, GASB Statement No. 68 changes the way that an employer's accounting expense is determined for a pension plan. Under the new method, the annual expense reported is determined on an actuarial basis (using the level percentage of payroll Entry Age Normal actuarial cost method and the blended discount rate as described in GASB 68) and by amortizing any unfunded liability over a period no longer than the average remaining service period of covered employees (actives and inactive employees combined).

*Required Annual Statutory Contributions Not Related to GASB Standards.* The Required Annual Statutory contributions to the Pension Fund are not based on the standards promulgated by GASB for reporting purposes. Instead, the Required Annual Statutory contributions are based on the requirements of the Pension Code. While both the GASB and the Pension Code calculations are determined utilizing actuarial techniques, there are many differences between these two calculations. Thus, the Annual Statutory contribution amount required by the Pension Code is different than the GASB No, 67 ADC or the GASB No. 68 accounting expense amount. One primary difference is that the goal of the Pension Code's statutorily-required contribution amounts is to reach a Funded Percentage in the Pension Fund of 90% by 2059 via contribution amounts that remain a level percentage of salary over a 39-year period from FY 2020 to FY 2059; whereas, GASB's financial reporting standards require the calculation of an ADC or annual expense amount that amortizes the plan's entire UAAL over a shorter time period (i.e., over the 26-years that remain from the 30-year fixed-period that began on June 30, 2013) and which is designed to recognize 100% of the total plan liability, rather than just 90% of the total plan liability. Also, the GASB ADC excludes the annual amount allowed under paragraph (3) of Section 17-142.1 to defray health insurance costs (i.e., the annual retiree healthcare reimbursement subsidy), which was $68.0 million for FY 2024.

## OVERLAPPING TAXING BODIES

The Board's tax base overlaps with numerous other units of government, including the Overlapping Taxing Districts and the State of Illinois. Certain of the Overlapping Taxing Districts and the State maintain their own defined benefit pension plans (collectively, all such other plans are referred to herein as the "Other Retirement Funds"), many of which are also significantly underfunded. The underfunding of these Other Retirement Funds places a substantial additional potential burden on the City's taxpayers, who bear the burden of funding a portion of the contributions to such plans. Additional information regarding each of the Overlapping Taxing Districts and the State (including with respect to their pension plans) may be obtained on their respective websites. None of the information on such websites is incorporated by reference into this Official Statement and the Board takes no responsibility for the information contained therein nor has the Board attempted to verify the accuracy of such information.

## RECENT REPORTS REGARDING THE PENSION FUND

For more information on the Pension Fund and the retirement funds of the overlapping taxing bodies, please refer to the State's Commission on Government Forecasting and Accountability ("COGFA") website. None of the information on such website is incorporated by reference into this Official Statement and neither the Board nor the Underwriters take responsibility for the information contained therein nor have they attempted to verify the accuracy of such information.

The COGFA is a bipartisan, joint legislative commission intended to provide the State General Assembly with information relevant to the State's economy, taxes, and other sources of revenue and debt obligations of the State. Among COGFA's list of specific responsibilities is to make an annual estimate of public pension funding requirements and to prepare pension impact notes. Furthermore, COGFA has a mandate to report to the General Assembly on economic trends in relation to long-range planning and budgeting and to study and make such recommendations as it deems appropriate on local and regional economic and fiscal policies and on federal fiscal policy as the same may affect the State. As a result of these responsibilities, COGFA issues several reports on an annual basis which provide an overview of the financial condition of various Illinois pension funds, including the Pension Fund. The COGFA reports provide significant information on the funded status, historical and projected information with respect to pensions and a history of pension legislation. COGFA does not make findings in the COGFA Report and none of the Reports are incorporated by reference herein.

**PENSIONS FOR OTHER BOARD PERSONNEL**

*Overview*. Employees of the School District that are not members of the Pension Fund participate in the Annuity Fund which is considered a cost-sharing defined benefit, multiple employer plan. Except as described below in the section captioned "– *Members and Member Contributions*," the Board makes no direct contributions to the Annuity Fund. The Annuity Fund receives its income from three primary sources: a City tax levy; income from investments; and deductions from participating employees' salaries.

The Annuity Fund is administered under the direction of a five-member retirement board (the "Retirement Board") comprised of three elected members and the City Treasurer and the City Comptroller serving ex-officio. The Retirement Board sets investment policies and objectives, hires investment managers and investment consultants, reviews investment performance and makes the final decision in granting or denying rights, credits and benefits to members.

The Annuity Fund is a public employee retirement system established by the State of Illinois to provide annuity, disability, survivor, death, and health benefits for certain employees of the City and the Board. It is administered in accordance with the Pension Code and has a Fiscal Year ending December 31.

*Legal Authority and Funding*. Article 8 of the Pension Code governs the retirement, survivor and disability benefits provided by the Annuity Fund and establishes the statutorily required contributions from participating employers and employees. Current Tier 1 and Tier 2 active members (totaling 38,655 active members as of December 31, 2024 contribute 8.5% of their salary. Under P.A. 100-0023 effective July 7, 2017, Tier 3 active members whose contributions for age and service annuities are governed by 40 ILCS 5/8-174(a-10) contribute the lesser of 11.5% of their salary or the normal cost accrual rate but at least 8.5% of their salary (see "- Legislation and Litigation Relevant to the Retirement Funds" herein). The Pension Code (40 ILCS 5/8-173; P.A. 100-0023) provides for fixed-dollar Statutory Required employer funding in payment years 2018 to 2022 followed by a Statutory Required actuarially based funding ramp beginning in payment year 2023 which is intended to accumulate the actuarial assets of the Annuity Fund at a level equal to 90% of the actuarial liabilities of the Annuity Fund by the beginning of the 2058 Fiscal Year and to maintain the actuarial assets of the Annuity Fund equal to 90% of the actuarial liabilities in Fiscal Years after 2058. However, the Pension Code does not require that the Annuity Fund Statutory Required Contributions be sufficient to cover the actuarially determined contribution requirement (the "Annual Determined Contribution"). For the past ten years the Annuity Fund Statutory Required Contribution has been less than the Annual Determined Contribution and does not conform to the requirements of GASB No. 25 as superseded by GASB No. 67 beginning in FY 2014.

*Board Contributions*. Illinois state statute does not require the Board to make employer contributions to the Annuity Fund, and historically it has not done so. However, in January 2020 the Board and the City of Chicago entered an intergovernmental agreement for the Board to contribute funds to City to partially offset the City's obligation to the Annuity Fund. The agreement must renewed annually in order to make additional payments. To date, the Board contributed $60M during its Fiscal Year 2021, $100M in FY 2022, $175M in FY 2023, and $175M in FY 2024. No amount was contributed during FY 2025. The amounts contributed by the Board were intended to cover the current employer liability portion of employees of the Board which participate in the Annuity Fund.

*Members*. As of December 31, 2024, the Annuity Fund had 90,893 total members including 25,828 retirees and beneficiaries, 26,410 inactive members and 38,655 active members (of which 12,890 were vested and 25,765 were non-vested). As of December 31, 2024, the most recently available information, CPS employees comprised about 64% of the Annuity Fund's active participants.

*Experience Study*. The Annuity Fund Actuaries prepared an experience study based on census information provided by the Annuity Fund for the period from January 1, 2017 through December 31, 2021. The primary purpose of the study was to evaluate actuarial assumptions to be used in the annual actuarial valuation. Based on the results of the experience study, the Annuity Fund Actuaries recommended modifying some of the actuarial assumptions. Starting with the year ended December 31, 2022 the Annuity Fund adopted recommendations in the demographic assumptions and economic assumptions, and in regards to investment rate of return, the Annuity Fund adopted a change of investment rate of return from 7.0% to 6.75% per year (collectively, the "New Assumptions").

*Funded Status of Annuity Fund*. As of the end of its' Fiscal Year 2024, based on the New Assumptions, the Annuity Fund had actuarial accrued liabilities of $19,926,865,877, compared to $19,368,874,758 as of the end of Fiscal Year 2023, and assets of: (i) $5,137,613,871 as of the end of Fiscal Year 2024, compared to $4,696,439,076 as of the end of Fiscal Year 2023, if valued on an actuarial basis (using the Asset Smoothing Method as required by the Pension Code, or (ii) $5,057,271,406 as of the end of Fiscal Year 2024, compared to $4,480,631,416 as of the end of Fiscal Year 2023, if valued based on market value. This results in an aggregate Unfunded Actuarial Liability of the Annuity Fund of approximately $14,789,252,006 as of the end of Fiscal Year 2024, compared to $14,672,435,682 as of the end of Fiscal Year 2023, on an actuarial basis (using the Asset Smoothing Method), and $14,869,594,471 as of the end of Fiscal Year 2024, compared to $14,888,243,342 as of the end of Fiscal Year 2023, on a market value basis; and Funded Percentages of 25.78% as of the end of Fiscal Year 2024 compared to 24.25% as of the end of Fiscal Year 2023, on an actuarial basis (using the Asset Smoothing Method) and 25.38% as of the end of Fiscal Year 2024 compared to 23.13% as of the end of Fiscal Year 2023, on a market value basis.

**OTHER POST-EMPLOYMENT BENEFITS AND OTHER BOARD LIABILITIES**

*Retiree Health Insurance Program*. Healthcare benefits for certified teachers and administrators are provided under a cost sharing multiple-employer plan administered by the Pension Fund (the "Health Insurance Program"). A recipient of a retirement pension, survivor pension, or disability pension may be eligible to participate in the Health Insurance Program and premium rebate sponsored by the Pension Fund, provided the Pension Fund is the recipient's final pension system prior to retirement. The purpose of this program is to help defray the retired member's premium cost for health insurance. The member is responsible for paying the cost of the insurance and may purchase insurance from the Pension Fund's providers or other outside providers.

For financial reporting purposes, the assets of the Health Insurance Program are maintained in a separate fund (the "Health Insurance Fund"). The Health Insurance Fund consists of benefits to subsidize healthcare premiums for members receiving pension benefits. No direct contributions are currently being made by the Pension Fund for other post-employment benefits ("OPEB"). Each year, the Board of Trustees of the Pension Fund establishes a rebate percentage that is used to defray a portion of the cost of the insurance. The Pension Fund then makes transfers into the Health Insurance Fund equal to the amount of OPEB expenses for that year. In accordance with Illinois Compiled Statutes (ILCS) Article 40 Chapter 5 Article 17 Section 142.1, the total health insurance benefits provided in any one year may not exceed $65.0 million plus any previous year amounts authorized but not yet expended (carryover). This spending limit has changed several times within the last twenty years and is subject to further change if new legislation is passed. The statutory threshold, however, does not fall under the definition of a funding cap as set forth in GASB Statement No. 45, *Accounting and Financial Reporting of Employers for Postemployment Benefits Other than Pension*.

The Pension Fund has total discretion over the program. Beginning with fiscal years on and after 2018, as a result of the implementation of P.A. 100-0465, the State has paid the Pension Fund's certification of the projected normal cost contribution and any required healthcare contributions (i.e., the annual retiree healthcare reimbursement subsidies) which have historically been capped at $65 million annually. See, "– Legislation and Litigation Relevant to the Retirement Funds" herein. Although the Board does not contribute directly to retirees' health care premiums, the impact of the annual retiree healthcare payments from the Pension Fund does require increased contributions to the Pension Fund in order to build assets to the 90% funded percentage requirement since the annual amounts diverted from the Pension Fund to the Health Insurance Program reduce the available assets of the Pension Fund and require subsequently increased Required Statutory contributions to build assets to the 90% funded percentage requirement in FY 2059 for the Pension Fund.

*Sick Pay Benefits.* In addition to the Pension and Health Insurance benefits noted above, as of June 30, 2024, the Board had $305.1 million in accrued sick pay benefits. The Board provides sick pay benefits for substantially all of its employees. Additional information regarding sick pay benefits is included within Note 11 of the Chicago Public Schools Annual Comprehensive Financial Report for Fiscal Year ended June 30, 2024.

## LEGISLATION AND LITIGATION RELEVANT TO THE RETIREMENT FUNDS

From time to time, legislation has been introduced in the State General Assembly that would reform the Retirement Funds and the formula for State funding of school districts generally. Certain of such proposed legislation in the past has addressed changes to the Board's statutorily-required contribution formula, required State pension contributions, employee contributions and benefits (including cost of living adjustments and retirement ages). The Board cannot predict if any such legislation if enacted, including particularly pension reform legislation, would withstand any legal challenges. Following is a discussion of recent legislation and certain pending legislation as of the date of the Disclosure.

*Public Act 96-0889.* On April 14, 2010, Public Act 96-0889 ("P.A. 96-0889") became effective. P.A. 96-0889 was designed in part to provide relief to the Board from its pension funding obligations by extending the statutory deadline for the Board to bring the ratio of the actuarially determined value of the assets of the Pension Fund to its actuarially determined accrued liabilities to 90% and substantially reducing the Board's contribution requirements for Fiscal Years 2011, 2012 and 2013. In addition it provided reduced retirement benefits for future employees who become members of the Pension Fund after January 1, 2011. P.A. 96-0889 established a "*two-tier*" benefit system with less generous benefits for future employees who become members of the Pension Fund after January 1, 2011, as compared to those provided to current Board employees. Among other reforms, P.A. 96-0889:

- Increased the minimum age at which an employee may retire with unreduced benefits to age 67, from age 60 (or even younger based on a formula combining the age of the employee and the number of years of service);
- Reduced the Automatic Annual Increase adjustment for beneficiaries in retirement to the lower of 3% or 50% of the change in the Consumer Price Index for all urban consumers, whichever is lower, for employees hired after January 1, 2011;
- Increased the minimum age for eligibility of the Automatic Annual Increase adjustment stated above from age 61 to age 67
- Calculated benefits based on the highest continuous eight years of compensation in the employee's last 10 years of employment for employees hired after January 1, 2011;

- Capped the salary on which a pension may be calculated at $106,800 in 2011 (subject to certain adjustments for future inflation); and
- Suspended retirement annuities if the annuitant accepts another public sector job covered by a public retirement system.

*Public Act 099-0521*. On June 1, 2016, Public Act 099-0521 ("P.A. 099-0521") became effective and authorized the Board to annually levy a new property tax on all real property within the boundaries of the School District at a rate not to exceed 0.383% (the "Pension Property Tax Levy"). The proceeds from this additional Pension Property Tax Levy are paid directly to the Pension Fund. They are credited toward the Board's annual required contribution. The pension property tax levy is not subject to the limitations of PTELL and does not impact State Aid Revenues received by the Board. P.A. 099–0521 became effective June 1, 2017. The Board first authorized the levy of this additional tax for tax year 2016 and applied a credit of $250 million toward the Fiscal Year 2017 required contribution.

*Public Act 100-0023*. On July 7, 2017, Public Act 100-0023 (P.A. 100-0023") became effective. It provides for a new third tier of benefits ("Tier 3") for two City of Chicago pension systems, including the Annuity Fund. The availability of the Annuity Fund to offer a Tier 3 benefit defined benefit plan relied on the adoption of an ordinance by the City of Chicago to opt into the Tier 3 benefit plans structure. The City passed such an ordinance, and any person who becomes a contributing member to the Annuity Fund on or after July 6, 2017; or any Tier 2 member who irrevocably elected, between October 1, 2017 and November 15, 2017, to be subject to the Tier 3 benefit structure is now part of the Tier 3 benefit structure. As of December 31, 2024, the Annuity Fund had 19,695 active Tier 3 members.

*Public Act 100-465*. On August 31, 2017, Public Act 100-465 ("P.A. 100-465") became effective and authorized the Board to increase the annual Pension Property Tax Levy to a rate not to exceed 0.567% in tax year 2017 and thereafter from 0.383% in tax year 2016. The Board increased the levy to the maximum rate for the first time in tax year 2017, producing $424 million for the Pension fund in Fiscal Year 2018. The levy grew to $557 million in Fiscal Year 2024 and is expected to produce $559 million in Fiscal Year 2025. P.A. 100-465 also provides for an increase in the required annual contribution by the State to the Pension Fund to cover the "normal pension costs" of Board teachers and other covered employees, similar to State funding that has historically been provided to other school districts in the State for teachers' pensions. When combined with the existing $12 million State Pension Fund normal cost contribution, this increase brought the total contributions by the State to the Pension Fund for Fiscal Year 2018 to $233 million. The total contribution was $354 million in Fiscal Year 2025 and will be $363 million in Fiscal year 2026. The amount is expected to increase annually based on the Pension Fund's certification of the projected normal cost contribution and any required healthcare contributions (i.e., the annual retiree healthcare reimbursement subsidies) which have historically been capped at $65 million. See Table 1 for historical contributions by the State to the Pension Fund.

As of the date of this Official Statement, there is no litigation relevant to the Board's statutorily-required contribution formula, required State pension contributions, employee contributions or benefits (including cost of living adjustments and retirement ages) related to the Retirement Funds.

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## APPENDIX I

## ECONOMIC AND DEMOGRAPHIC INFORMATION

*Set forth below is certain economic and demographic information regarding the City of Chicago (the "City" or "Chicago"), whose boundaries are coterminous with the boundaries of the School District governed by the Board. Sources of information are set forth in footnotes. With respect to non-Board sources, the Board considers these sources to be reliable but has made no independent verification of the information provided and does not warrant their accuracy nor completeness.*

### Overview

The Chicago metropolitan area has a population of approximately 9.3 million people, with approximately 4.8 million employees.[4,5] Chicago's large and diverse economy contributed to a gross regional product of almost $895 billion in 2023.[6]

Chicago's transportation and distribution network offers access to air, rail, and water, with two ports capable of handling ocean-going ships and barges, and an airport system that moves approximately 2.1 million tons of freight, mail, and goods annually.[7]

The Chicago Public School system is the fourth largest school district in the nation and the City Colleges of Chicago operate seven colleges and serve over 60,000.[8]

The Chicago metropolitan area's largest industry sectors by employment include trade, transportation and utilities, professional and business services, education and health services, government, leisure and hospitality, and manufacturing.[9]

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4 U.S. Census Bureau (2023). American Community Survey 1-year estimates. Retrieved from Census Reporter Profile page for Chicago-Naperville-Elgin, IL-IN-WI Metro Area. https://censusreporter.org/profiles/31000US16980-chicago-joliet-naperville-il-in-wi-metro-area/

5 U.S. Bureau of Labor Statistics, "Chicago Area Employment – November 2024" https://www.bls.gov/regions/midwest/news-release/areaemployment_chicago.htm

6 U.S. Bureau of Economic Analysis, " Current-Dollar Gross Domestic Product (GDP) by Metropolitan Area," https://apps.bea.gov/iTable/iTable.cfm?reqid=70&step=1&acrdn=5

7 Chicago Department of Aviation, "Monthly Operations, Passengers, Cargo Summary by Class, December 2024," http://www.flychicago.com/business/CDA/factsfigures/Pages/airtraffic.aspx

8 City Colleges of Chicago, "Fiscal Year 2023 Statistical Digest," https://www.ccc.edu/menu/pages/facts-and-statistics.aspx

9 U.S. Bureau of Labor Statistics, "Chicago Area Economic Summary, Updated July 10, 2025," https://www.bls.gov/regions/midwest/summary/blssummary_chicago.pdf

**Transportation**

According to statistics compiled by the U.S Department of Transportation in 2024, O'Hare ranked fourth in the United States in terms of total passengers while Midway ranked 31st in the United States. [10] According to the Chicago Department of Aviation, O'Hare and Midway had approximately 32.1 and 7.1 million in total passenger volume in 2025 as of May 2025, respectively. O'Hare supports substantial international service with international passengers constituting approximately 18% of total enplaned passengers in 2024.[11]

The Chicago Transit Authority operates the second largest public transportation system in the nation, with: 1,966 buses operating over 127 routes and 1,516 route miles, making 18,503 trips per day and serving 10,588 bus stops; 1,564 rail cars operating over 8 routes and 224 miles of track, making 2,336 trips each day and serving 146 stations; and 953,787 rides on an average weekday and over 309 million rides a year (bus and train combined).[12]

[10] U.S Department of Transportation, Bureau of Transportation Statistics https://www.bts.gov/content/passengers-boarded-top-50-us-airports

[11] Chicago Department of Aviation, "Facts and Figures, Air Traffic Data, December 2024 and May 2025," http://www.flychicago.com/business/CDA/factsfigures/Pages/airtraffic.aspx

[12] Chicago Transit Authority, "CTA Facts at a Glance" http://www.transitchicago.com/about/facts.aspx

## Population

Chicago is home to over 2.7 million people[13] who live in more than one million households.[13] The City's population increased 1.9% since the 2010 Census.[13]

The population of the United States, the State of Illinois, Cook County and the City for the census years from 1980 to 2020 is set forth below.

**Population[16]**
**1980—2020**

| Year | United States[14] | State of Illinois[15] | Cook County[13] | Chicago[13] |
|---|---|---|---|---|
| 1980 | 226,545,805 | 11,426,518 | 5,253,655 | 3,005,072 |
| 1990 | 248,709,873 | 11,430,602 | 5,105,067 | 2,783,726 |
| 2000 | 281,421,906 | 12,419,293 | 5,376,741 | 2,896,016 |
| 2010 | 308,745,538[13] | 12,830,632 | 5,194,675 | 2,695,598 |
| 2020 | 331,449,281[13] | 12,812,508 | 5,275,541 | 2,746,388 |

45.7% of Chicago's residents (age 25 or older) have bachelor's degrees[17], which is higher than the national average of 36.2%.[18]

[13] U.S. Census Bureau, U.S. Department of Commerce. "Households and Families." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1101*, https://data.census.gov/table/ACSST1Y2023.S1101?q=households+in+chicago. Accessed on 22 Jul 2025.

[14] United States Census Bureau, "Historical Population Change Data (1910-2020)" https://www.census.gov/data/tables/time-series/dec/popchange-data-text.html (Accessed July 23, 2025)

[15] Illinois Department of Public Health: Total Population of Illinois, Chicago, and Illinois Counties: 1950-2020 https://dph.illinois.gov/content/dam/soi/en/web/idph/publications/idph/data-and-statistics/vital-statistics/illinois-population-data/County-Census-Population_1950-2020.pdf

[16] U.S. Census Bureau. "RACE." Decennial Census, DEC Redistricting Data (PL 94-171), Table P1, https://data.census.gov/table/DECENNIALPL2020.P1?q=Population+of+Chicago&g=040XX00US17_050XX00US17031. Accessed on 21 Jul 2025.

[17] U.S. Census Bureau, U.S. Department of Commerce. "Educational Attainment." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501*, https://data.census.gov/table/ACSST1Y2023.S1501?g=160XX00US1714000. (Accessed July 22, 2025)

[18] U.S. Census Bureau, U.S. Department of Commerce. "Educational Attainment." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1501*, https://data.census.gov/table/ACSST1Y2023.S1501?q=bachelor's+degrees. (Accessed July 22, 2025)

**Per Capita Income and Wages**

The per capita personal income (estimated annual earnings) for the United States, the State of Illinois, Cook County and the Chicago Metropolitan Statistical Area ("MSA") is set forth below for the years 2014 through 2023.

**Per Capita Income[19]**
**2014—2023**

| Year | United States | State of Illinois | Cook County | Chicago MSA |
|---|---|---|---|---|
| 2014 | $46,289 | $48,536 | $52,030 | $51,758 |
| 2015 | 48,062 | 50,688 | 54,741 | 54,367 |
| 2016 | 48,974 | 51,347 | 55,262 | 55,036 |
| 2017 | 51,006 | 53,056 | 57,233 | 56,973 |
| 2018 | 53,311 | 56,077 | 61,322 | 60,423 |
| 2019 | 55,567 | 57,738 | 63,007 | 62,232 |
| 2020 | 59,114 | 61,542 | 67,184 | 65,871 |
| 2021 | 64,450 | 66,612 | 72,316 | 71,206 |
| 2022 | 66,096 | 68,352 | 73,674 | 73,317 |
| 2023 | 69,418 | 71,716 | 77,937 | 77,429 |

Chicago's 2023 median household income is $74,474[20], compared to $80,306 in Illinois[21] and $77,719 in the United States.[22]

[19] U.S. Bureau of Economic Analysis, "Interactive Data," https://www.bea.gov/data/income-saving (Accessed July 22, 2025)

[20] U.S. Census Bureau, U.S. Department of Commerce. "Median Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1903*, https://data.census.gov/table/ACSST1Y2023.S1903?q=chicago's+median+household+income. (Accessed July 22, 2025)

[21] U.S. Census Bureau, U.S. Department of Commerce. "Median Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." *American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1903*, https://data.census.gov/table/ACSST1Y2023.S1903?q=illinois+median+household+income. (Accessed July 22, 2025)

19 U.S. Census Bureau, U.S. Department of Commerce. "Median Income in the Past 12 Months (in 2023 Inflation-Adjusted Dollars)." American Community Survey, ACS 1-Year Estimates Subject Tables, Table S1903, https://data.census.gov/table/ACSST1Y2023.S1903?q=united+states+median+household+income. (Accessed July 22, 2025)

**Employment**

Total employment for the State of Illinois, Cook County, the Chicago MSA, and the City for the years 2015 through 2024 is set forth below.

**Employment** (in thousands)[23]
**2015—2024**

| Year | State of Illinois | Cook County | Chicago MSA | Chicago |
|---|---|---|---|---|
| 2015 | 6,165 | 2,511 | 4,558 | 1,287 |
| 2016 | 6,227 | 2,563 | 4,630 | 1,354 |
| 2017 | 6,232 | 2,567 | 4,644 | 1,360 |
| 2018 | 6,268 | 2,578 | 4,675 | 1,368 |
| 2019 | 6,284 | 2,588 | 4,695 | 1,375 |
| 2020 | 5,737 | 2,344 | 4,268 | 1,249 |
| 2021 | 5,952 | 2,437 | 4,446 | 1,300 |
| 2022 | 6,154 | 2,551 | 4,639 | 1,363 |
| 2023 | 6,207 | 2,569 | 4,684 | 1,375 |
| 2024 | 6,294 | 2,615 | 4,757 | 1,400 |

[23] Illinois Department of Employment Security, Labor Market Information, Local Area Unemployment Statistics, "Illinois Labor Force Estimates" https://ides.illinois.gov/resources/labor-market-information/laus.html (accessed July 21, 2025)

The percentage of total (nonfarm) employment by sector for the Chicago MSA, State of Illinois and the United States for May 2025 is shown in the following table.

**Percentage of Total Non-Farm Employment by Major Industry Sector**
**May 2025**[24]

| Sector | United States[25,a)] | State of Illinois[26,b)] | Chicago MSA[27,a)] |
|---|---|---|---|
| Trade, transportation, and utilities | 18.10% | 19.78% | 19.69% |
| Professional and business services | 14.15% | 14.90% | 16.97% |
| Education and health services | 17.06% | 16.37% | 16.56% |
| Government | 14.91% | 13.85% | 11.91% |
| Leisure and hospitality | 10.82% | 9.87% | 10.19% |
| Manufacturing | 7.96% | 9.29% | 8.45% |
| Financial activities | 5.77% | 6.45% | 6.62% |
| Other services | 3.79% | 4.04% | 4.12% |
| Construction | 5.22% | 3.84% | 3.86% |
| Information | 1.83% | 1.50% | 1.60% |
| Mining and logging | 0.39% | 0.12% | 0.04% |
| Total[c)] ..... | 100.0% | 100.0% | 100.0% |

a) not seasonally adjusted
b) seasonally adjusted
c) totals may not add due to rounding

[24] U.S. Bureau of Labor Statistics, Midwest Information Office News Release 23-2061-CHI https://www.bls.gov/regions/midwest/news-release/areaemployment_chicago.htm (accessed July 21, 2025)

[25] U.S. Bureau of Labor Statistics, Economic News Release, Employment Situation, Current Employment Statistics – CES (National), "Employment and Earnings Table B-1b" https://www.bls.gov/web/empsit/ceseeb1b.htm (accessed July 24, 2025)

[26] U.S. Bureau of Labor Statistics, Midwest Information Office, "Illinois" https://www.bls.gov/regions/midwest/illinois.htm#eag_il.f.p (accessed July 24, 2025)

[27] U.S. Bureau of Labor Statistics, Midwest Information Office, "Chicago-Naperville-Elgin, IL-IN", https://www.bls.gov/regions/midwest/il_chicago_msa.htm (accessed July 24, 2025)

The City's average annual unemployment rate decreased from 6.7% in 2015 to 5.5% in 2024, while statewide, Illinois' unemployment rate dropped from 6.0% in 2015 to 5.0% in 2024.[28] As of May 2025, the Chicago MSA's not seasonally adjusted unemployment rate was 4.6%[29] and Illinois' seasonally adjusted unemployment rate was 4.8%[30].

The annual unemployment rates (percent of population, not seasonally adjusted) for the United States, the State of Illinois, Cook County, the Chicago MSA and the City is set forth below for the years 2015 through 2024.

**Annual Unemployment Rates** [28]
**2015—2024**

| Year | United States | State of Illinois | Cook County | Chicago MSA | Chicago |
|---|---|---|---|---|---|
| 2015 | 5.3 | 6.0 | 6.3 | 6.0 | 6.7 |
| 2016 | 4.9 | 5.9 | 6.2 | 5.9 | 6.3 |
| 2017 | 4.4 | 5.0 | 5.1 | 4.9 | 5.3 |
| 2018 | 3.9 | 4.4 | 4.1 | 4.1 | 4.2 |
| 2019 | 3.7 | 4.0 | 3.9 | 3.9 | 3.9 |
| 2020 | 8.1 | 9.3 | 10.7 | 9.8 | 11.2 |
| 2021 | 5.3 | 6.1 | 7.0 | 6.2 | 7.3 |
| 2022 | 3.6 | 4.6 | 5.0 | 4.6 | 5.1 |
| 2023 | 3.6 | 4.5 | 4.5 | 4.4 | 4.6 |
| 2024 | 4.0 | 5.0 | 5.4 | 5.1 | 5.5 |

[28] Illinois Department of Employment Security, Labor Market Information, Local Area Unemployment Statistics, "Illinois Labor Force Estimates" https://ides.illinois.gov/resources/labor-market-information/laus.html (accessed July, 21, 2025)

29 U.S. Bureau of Labor Statistics, Midwest Information Office, "Chicago Area Economic Summary" https://www.bls.gov/regions/midwest/summary/blssummary_chicago.pdf (accessed July 23,2025)

[30] U.S. Bureau of Labor Statistics, Midwest Information Office, Midwest Economy – Labor Force Statistics, https://www.bls.gov/regions/midwest/data/xg-tables/ro5xg02.htm (accessed July 23, 2025)

## Employers

The principal non-governmental employers in the Chicago MSA for 2023 are set forth below.

**Principal Chicago MSA Non-Governmental Employers**[31]

**2023**

| Employer | Number of Employees | Percentage of Total Employment[(a)] |
|---|---|---|
| Advocate Health [(b)] | 38,679 | 2.95% |
| Amazon.com Inc. | 30,100 | 2.30 |
| Northwestern Memorial Healthcare | 25,386 | 1.94 |
| University of Chicago | 22,395 | 1.71 |
| Endeavor Health [(c)] | 20,251 | 1.55 |
| Walmart Inc. | 17,400 | 1.33 |
| United Airlines Holdings Inc [(d)] | 16,937 | 1.29 |
| Walgreens Boots Alliance Inc. [(e)] | 16,486 | 1.26 |
| JPMorgan Chase & Co. [(f)] | 15,382 | 1.17 |
| Health Care Service Corporation | 14,771 | 1.13 |

(a) Source: Bureau of Labor Statistics data used in calculation of Total City Employment.
(b) Advocate Health Formerly known as Advocate Aurora Health.
(c) Endeavor Health formerly known as Northshore – Edward-Elmhurst Health.
(d) United Airlines Holdings Inc. formerly known as United Continental Holdings Inc.
(e) In 2014, Walgreens purchased Alliance Boots forming Walgreens Boots Alliance, Inc.
(f) JP Morgan & Co. Formerly Known as J.P. Morgan Chase.

[31] Reprinted with permission by The Board's Annual Comprehensive Financial Report set forth in the unaudited STATISTICAL SECTION. Chicago Public Schools Annual Financial Report for the year ended June 30, 2024 from the February 26, 2024 issue of Crain's Chicago Business. © 2024 Crain Communications, Inc. All Rights Reserved. Further duplication is Prohibited.

**Top Taxpayers**

The top property taxpayers in Chicago in 2023 based on 2023 Equalized Assessed Valuation (EAV) are shown in the following table.

**Top Ten Property Taxpayers 2023**[32]
($ in thousands)

| Rank | Property | 2023 EAV | % of Total EAV |
|---|---|---|---|
| 1 | Wanxiang Sterling LLC | $ 373,271 | 0.37% |
| 2 | 110 North Wacker Title | 369,316 | 0.37 |
| 3 | CBRE Suite 2530 | 349,246 | 0.35 |
| 4 | 601 W Companies LLC | 349,289 | 0.35 |
| 5 | 227 Monroe Street LLC | 314,720 | 0.32 |
| 6 | HCSC Blue Cross J Kaye | 312,645 | 0.31 |
| 7 | River Point LLC | 287,914 | 0.29 |
| 8 | 300 Lasalle LLC | 274,578 | 0.28 |
| 9 | Merchandise Mart – 222 Mer Mart Plaza | 266,932 | 0.27 |
| 10 | Merchandise Mart – 320 N Wells | 265,384 | 0.27 |
| | Total | $3,163,295 | 3.18% |

As shown in the table, the top ten taxpayers account for less than 3.20% of the City's total tax base.

[32] The Cook County Treasurer's Office and Cook County Assessor's Office as cited via the Chicago Public Schools Annual Financial Report for the year ended June 30, 2024, https://www.cps.edu/globalassets/cps-global-media/banner-images/annual-financial-report/fy24-acfr-final.pdf.

# APPENDIX J

# FORMS OF OPINIONS OF BOND COUNSEL

[LETTERHEAD OF KATTEN MUCHIN ROSENMAN LLP]

November __, 2025

The Board of Education of the City of Chicago
Chicago, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $_____ principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025B (the "Bonds") of the Board of Education of the City of Chicago (the "Board"). The Bonds are authorized and issued pursuant to the School Code, 105 Illinois Compiled Statutes 5, the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, Resolution No. 25-0529-RS4, adopted by the Chicago Board of Education on May 29, 2025 (the "Bond Resolution") and a Trust Indenture dated as of November 1, 2025 securing the Bonds (the "Indenture") by and between the Board and Zions Bancorporation, National Association, as trustee (the "Trustee"). Terms used herein, which are defined in the Indenture, shall have the meanings set forth in the Indenture unless otherwise defined herein.

The Bonds are issuable in the form of fully registered bonds in the denominations of $100,000 and any integral multiple of $5,000 in excess of $100,000. The Bonds delivered on original issuance are dated November __, 2025. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and bear interest from their date, payable on _____ and semiannually thereafter on June 1 and December 1 of each year at the respective rate of interest per annum set forth opposite such principal amount:

| Year | Principal Amount | Interest Rate |
|---|---|---|

The Bonds maturing on and after December 1, __are subject to redemption prior to maturity at the option of the Board, from such maturities and in such principal amounts as the Board shall determine, as a whole and for Bonds of the same maturity, in part by lot, on December 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

[The Bonds maturing on December 1, 20__ and bearing interest at ___% are subject to mandatory redemption prior to maturity, in part and by lot, at a redemption price equal to the principal amount thereof, on December 1 of the years and in the respective principal amounts set forth in the following table, each constituting a sinking fund installment for the retirement of such Bonds:

| Year | Principal Amount |
|---|---|

$_____ is the final maturity amount, due on December 1, 20__.]

We have not been requested to examine and have not examined any documents or information relating to the Board other than the record of proceedings hereinabove referred to, and we express no opinion as to any financial or other information, or the adequacy thereof, which has been or may be provided to the purchasers of the Bonds.

The Bonds are issued as "alternate bonds" under Section 15 of the Local Government Debt Reform Act for the purpose of raising moneys to finance capital improvements in and for the school district governed by the Board (the "School District").

Interest on the Bonds is not exempt from Illinois income taxes.

We are of the opinion that:

1. The Board had and has the right and power to adopt the Bond Resolution, to enter into the Indenture and to authorize the Bonds.

2. The Bond Resolution have been duly adopted, are presently in full force and effect, are valid and binding upon the Board and are enforceable in accordance with their terms.

3. The Indenture has been duly authorized, executed and delivered by the Board, is presently in full force and effect, is valid and binding upon the Board and is enforceable in accordance with its terms.

4. The Bonds have been duly authorized and issued, are valid and legally binding general obligations of the Board, are entitled to the benefits and security of the Indenture and are enforceable in accordance with their terms.

5. The full faith and credit of the Board are irrevocably pledged to the punctual payment of the Bonds and the Board has power and is obligated to levy ad valorem taxes upon all the taxable property within the School District for the punctual payment of the Bonds and the interest thereon without limitation as to rate or amount.

6. The Indenture creates the valid pledge which it purports to create of the Trust Estate, consisting of the Pledged State Aid Revenues, the Pledged Taxes and the other moneys, securities and funds held thereunder, subject to the application thereof to the purposes permitted by the Indenture.

7. The Board has taken all necessary action to cause the County Collectors of the Counties of Cook and DuPage to deposit the Pledged Taxes directly with the Trustee for application pursuant to the Indenture.

8. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Interest on the Bonds does not constitute an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are advised, however, that interest on the Bonds is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The Board has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise that the enforceability (but not the validity or binding effect) of the Bonds, the Bond Resolution and the Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought.

Very truly yours,

[LETTERHEAD OF KATTEN MUCHIN ROSENMAN LLP]

November __, 2025

The Board of Education of the City of Chicago
Chicago, Illinois

Dear Members:

We have examined a record of proceedings relating to the issuance of $_____ principal amount of Unlimited Tax General Obligation Refunding Bonds (Dedicated Revenues), Series 2025C (the "Bonds") of the Board of Education of the City of Chicago (the "Board"). The Bonds are authorized and issued pursuant to the School Code, 105 Illinois Compiled Statutes 5, the Local Government Debt Reform Act, 30 Illinois Compiled Statutes 350, Resolution No. 22-1026-RS6, adopted by the Chicago Board of Education on October 26, 2022 (the "2022 Authorizing Resolution"), Resolution No. 25-0529-RS4, adopted by the Chicago Board of Education on May 29, 2025 (the "Bond Resolution") and a Trust Indenture dated as of November 1, 2025 securing the Bonds (the "Indenture") by and between the Board and Zions Bancorporation, National Association, as trustee (the "Trustee"). Terms used herein, which are defined in the Indenture, shall have the meanings set forth in the Indenture unless otherwise defined herein.

The Bonds are issuable in the form of fully registered bonds in the denominations of $100,000 and any integral multiple of $5,000 in excess of $100,000. The Bonds delivered on original issuance are dated November ___, 2025. The Bonds mature on December 1 in each of the following years in the respective principal amount set opposite each such year in the following table, and bear interest from their date, payable on _____ and semiannually thereafter on June 1 and December 1 of each year at the respective rate of interest per annum set forth opposite such principal amount:

| Year | Principal Amount | Interest Rate |
|---|---|---|

The Bonds maturing on and after December 1___ are subject to redemption prior to maturity at the option of the Board, from such maturities and in such principal amounts as the Board shall determine, as a whole and for Bonds of the same maturity, in part by lot, on December 1, 20__ and on any date thereafter, at a redemption price equal to the principal amount thereof to be redeemed.

[The Bonds maturing on December 1, 20__ and bearing interest at ___% are subject to mandatory redemption prior to maturity, in part and by lot, at a redemption price equal to the principal amount thereof, on December 1 of the years and in the respective principal amounts set forth in the following table, each constituting a sinking fund installment for the retirement of such Bonds:

| Year | Principal Amount |
|---|---|

$_____ is the final maturity amount, due on December 1, 20__.]

We have not been requested to examine and have not examined any documents or information relating to the Board other than the record of proceedings hereinabove referred to, and we express no opinion as to any financial or other information, or the adequacy thereof, which has been or may be provided to the purchasers of the Bonds.

The Bonds are issued as "alternate bonds" under Section 15 of the Local Government Debt Reform Act for the purpose of raising moneys to finance capital improvements in and for the school district governed by the Board (the "School District").

Interest on the Bonds is not exempt from Illinois income taxes.

We are of the opinion that:

1. The Board had and has the right and power to adopt the 2022 Authorizing Resolution and the Bond Resolution, to enter into the Indenture and to authorize the Bonds.

2. The 2022 Authorizing Resolution and the Bond Resolution have been duly adopted, are presently in full force and effect, are valid and binding upon the Board and are enforceable in accordance with their terms.

3. The Indenture has been duly authorized, executed and delivered by the Board, is presently in full force and effect, is valid and binding upon the Board and is enforceable in accordance with its terms.

4. The Bonds have been duly authorized and issued, are valid and legally binding general obligations of the Board, are entitled to the benefits and security of the Indenture and are enforceable in accordance with their terms.

5. The full faith and credit of the Board are irrevocably pledged to the punctual payment of the Bonds and the Board has power and is obligated to levy ad valorem taxes upon all the taxable property within the School District for the punctual payment of the Bonds and the interest thereon without limitation as to rate or amount.

6. The Indenture creates the valid pledge which it purports to create of the Trust Estate, consisting of the Pledged State Aid Revenues, the Pledged Taxes and the other

moneys, securities and funds held thereunder, subject to the application thereof to the purposes permitted by the Indenture.

7. The Board has taken all necessary action to cause the County Collectors of the Counties of Cook and DuPage to deposit the Pledged Taxes directly with the Trustee for application pursuant to the Indenture.

8. Under existing law, interest on the Bonds is not includable in the gross income of the owners thereof for Federal income tax purposes. If there is continuing compliance with the applicable requirements of the Internal Revenue Code of 1986 (the "Code"), interest on the Bonds will continue to be excluded from the gross income of the owners thereof for Federal income tax purposes. Interest on the Bonds does not constitute an item of tax preference in computing alternative minimum taxable income for purposes of the individual alternative minimum tax. You are advised, however, that interest on the Bonds is included in computing adjusted financial statement income of those corporations subject to the corporate alternative minimum tax.

The Code contains certain requirements that must be satisfied from and after the date hereof in order to preserve the exclusion from gross income for Federal income tax purposes of interest on the Bonds. These requirements relate to the use and investment of the proceeds of the Bonds, the payment of certain amounts to the United States, the security and source of payment of the Bonds and the use of the property financed with the proceeds of the Bonds. The Board has covenanted in the Indenture to comply with these requirements.

In rendering the foregoing opinion, we advise that the enforceability (but not the validity or binding effect) of the Bonds, the 2022 Authorizing Resolution, the Bond Resolution and the Indenture (i) may be limited by any applicable bankruptcy, insolvency or other laws affecting the rights or remedies of creditors now or hereafter in effect and (ii) is subject to principles of equity in the event that equitable remedies are sought.

Very truly yours,

## APPENDIX K

## SERIES 2025B REFUNDED BONDS

| SERIES DESIGNATION | CUSIP NO.[1] | MATURITY DATE | COUPON (%) | PRINCIPAL AMOUNT REFUNDED | REDEMPTION DATE | REDEMPTION PRICE |
|---|---|---|---|---|---|---|
| | | | | | | |

## SERIES 2025C REFUNDED BONDS

The table below lists the Series 2025C Refunded Bonds that have been accepted for purchase by the Board in accordance with, and subject to the terms of, the Invitation.

| SERIES DESIGNATION | CUSIP NO.[1] | MATURITY DATE | INTEREST RATE (%) | OUTSTANDING PRINCIPAL AMOUNT ($) | PAR CALL DATE | PRINCIPAL AMOUNT ACCEPTED ($) | OFFER PURCHASE PRICE |
|---|---|---|---|---|---|---|---|
| | | | | | | | |

[1] CUSIP® is a registered trademark of the American Bankers Association. CUSIP data herein is provided by CUSIP Global Services (CGS), which is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP numbers have been assigned by an independent company not affiliated with the Board and are included solely for the convenience of the registered owners of the applicable Bonds. Neither the Board nor the Underwriters are responsible for the selection or uses of these CUSIP numbers, and no representation is made as to their correctness on the applicable Bonds or as included herein. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

## APPENDIX B

## ILLUSTRATIVE PURCHASE PRICE CALCULATIONS
## (BVAL Index as of October 9,2025)

The Fixed Spreads for the Target Bonds are listed in Table 1 on page (ii) of this Invitation. The yield on the Reference BVAL Index will be determined at approximately 10:00 a.m., New York City time on October 28, 2025.

The following table provides an illustration of the Purchase Prices based on yields for the applicable Reference BVAL Index as of October 9, 2025 at approximately 10:00 a.m., New York City time and the Fixed Spreads. **This example is being provided for convenience only and is not to be relied upon by a Bondholder as an indication of the Purchase Yield or Purchase Price that may be paid by the Board.**

Based on these BVAL Index yields, the Purchase Prices in the following table would be derived.

This APPENDIX B contains illustrative Purchase Prices as of October 9, 2025. The actual Purchase Prices will be determined through the methodology set forth in "INTRODUCTION—Determination of Purchase Prices." For each CUSIP the calculation of the Purchase Price may be performed to either the maturity date or the optional redemption date at par, in accordance with standard market convention. See APPENDIX C to this Invitation for an overview of the calculation of the Purchase Price (including additional detail regarding the use of optional redemption dates at par in such calculations).

| Target Bonds Series | CUSIP† | Maturity Date | Optional Redemption Date at Par | Interest Rate | Reference Date for BVAL Curve | Illustrative BVAL Yield | Fixed Spreads(bps)[1] | Illustrative Purchase Yield | Illustrative Purchase Price per $1,000 Principal Amount |
|---|---|---|---|---|---|---|---|---|---|
| 2016B[2] | 167505RD0 | 12/1/2046 | 12/1/2026 | 6.500% | Dec-2046 | 3.992% | 65.0 | 4.642% | $1,018.84 |
| 2017A[2] | 167505RM0 | 12/1/2046 | 12/1/2027 | 7.000% | Dec-2046 | 3.992% | 95.0 | 4.942% | 1,039.66 |
| 2017B[2] | 167505RN8 | 12/1/2030 | 12/1/2027 | 6.750% | Dec-2030 | 2.287% | 110.0 | 3.387% | 1,066.12 |
| 2017B[2] | 167505RP3 | 12/1/2042 | 12/1/2027 | 7.000% | Dec-2042 | 3.709% | 100.0 | 4.709% | 1,044.29 |
| 2017C | 167505SJ6 | 12/1/2026 | N/A | 5.000% | Dec-2026 | 2.285% | 80.0 | 3.085% | 1,019.66 |
| 2018A | 167505US3 | 12/1/2026 | N/A | 5.000% | Dec-2026 | 2.285% | 80.0 | 3.085% | 1,019.66 |
| 2018C | 167505WA0 | 12/1/2026 | N/A | 5.000% | Dec-2026 | 2.285% | 80.0 | 3.085% | 1,019.66 |

(1) Fixed spreads are shown in basis points and do not include Accrued Interest on the Target Bonds tendered for purchase. Accrued Interest on the Target Bonds tendered and accepted for purchase will be paid by the Board to but not including the Settlement Date in addition to the applicable Purchase Price.

(2) Term Bond.

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## ILLUSTRATIVE PURCHASE PRICE INTEREST RATE SENSITIVITY CALCULATIONS[1]

As a measure of sensitivity of the Purchase Prices to changes in the BVAL Index yield, the following table shows the impact on the BVAL Yield of a 0.10% (10 basis point) change in the BVAL Yield. These Illustrative Purchase Prices are based on yields for the applicable BVAL Index as of October 9, 2025 at approximately 10:00 a.m., New York City time and the Fixed Spreads. This example is being provided for convenience only and is not to be relied upon by a Bondholder as an indication of the Purchase Yield or Purchase Price that may be paid by the Board.

| Target Bonds Series | CUSIP† | Maturity Date | Optional Redemption Date at Par | Interest Rate | Assuming a 0.10% Increase in BVAL Yields | Illustrative Purchase Price per $1,000 Principal Amount | Assuming a 0.10% Decrease in BVAL Yields |
|---|---|---|---|---|---|---|---|
| 2016B[2] | 167505RD0 | 12/1/2046 | 12/1/2026 | 6.500% | $1,017.81 | $1,018.84 | $1,019.87 |
| 2017A[2] | 167505RM0 | 12/1/2046 | 12/1/2027 | 7.000% | 1,037.69 | 1,039.66 | 1,041.65 |
| 2017B[2] | 167505RN8 | 12/1/2030 | 12/1/2027 | 6.750% | 1,064.07 | 1,066.12 | 1,068.17 |
| 2017B[2] | 167505RP3 | 12/1/2042 | 12/1/2027 | 7.000% | 1,042.30 | 1,044.29 | 1,046.28 |
| 2017C | 167505SJ6 | 12/1/2026 | | 5.000% | 1,018.62 | 1,019.66 | 1,020.71 |
| 2018A | 167505US3 | 12/1/2026 | | 5.000% | 1,018.62 | 1,019.66 | 1,020.71 |
| 2018C | 167505WA0 | 12/1/2026 | | 5.000% | 1,018.62 | 1,019.66 | 1,020.71 |

[1] This APPENDIX B contains illustrative Purchase Prices as of October 9, 2025. The actual Purchase Prices will be determined through the methodology set forth in "INTRODUCTION—Determination of Purchase Prices." For each CUSIP the calculation of the Purchase Price may be performed to either the maturity date or the optional redemption date at par, in accordance with standard market convention. See APPENDIX C to this Invitation for an overview of the calculation of the Purchase Price (including additional detail regarding the use of optional redemption dates at par in such calculations).

[2] Term Bond.

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## APPENDIX C

## PURCHASE PRICE FORMULA

| | | |
|---|---|---|
| YLD | = | The Purchase Yield for the applicable series of Target Bonds, expressed as a decimal number. The Purchase Yield equals the sum of the applicable Reference Yield and the applicable Fixed Spread. |
| CPN | = | The contractual rate of interest payable on a Target Bond, calculated in accordance with the terms of such Target Bond, expressed as a decimal number. |
| n | = | For all series of Target Bonds, the number of remaining interest payment dates for the Target Bonds from (but excluding) the Settlement Date, to (and including) their maturity date or the par call date, as applicable. |
| $CF_i$ | = | The aggregate amount per $1,000 principal amount scheduled to be paid on the Target Bonds on the "i-th" out of the n remaining interest payment dates for the Target Bonds, assuming for this purpose that the Target Bonds are redeemed on the par call date or paid down on the maturity date, as applicable.** Scheduled payments include interest and, on the applicable par call date or maturity date, as applicable, principal. |
| $t_i$ | = | The number of days from and including the Settlement Date to but excluding the "i-th" payment date out of the n remaining interest payment dates for the Target Bonds. The number of days is computed using the 30/360 day count method in accordance with market convention. |
| S | = | The number of days from and including the last interest payment date for the Target Bonds to but excluding the Settlement Date. The number of days is computed using the 30/360 day count method in accordance with market convention. |
| / or ⎯ | = | Divide. The term immediately to the left of the division symbol is divided by the term immediately to the right of the division symbol before any addition or subtraction operations are performed. |
| $\sum_{i=1}^{n}$ | = | Summate. The term in the brackets to the right of the summation symbol is separately calculated "n" times (substituting for "i" in that term each whole number between 1 and n, inclusive) and the separate calculations are then added together. |
| exp | = | Exponentiate. The term to the left of "exp" is raised to the power indicated by the term to the right of "exp." |
| Accrued Interest | = | $1,000 x (CPN/2) x (S/180) |
| Purchase Price | = | The price per each $1,000 principal amount of Target Bonds (excluding Accrued Interest). A tendering Holder will receive a total amount per $1,000 principal amount (rounded to the nearest cent) equal to the Purchase Price plus Accrued Interest. |
| Formula for Purchase Price | = | $\sum_{i=1}^{n}\left[\frac{CF_i}{\left(1+\frac{YLD}{2}\right)exp\left(\frac{t_i}{180}\right)}\right] - Accrued\ Interest$ |

* *If the Purchase Yield as determined in accordance with this Invitation is less than the contractual annual rate of interest on a particular Target Bonds, then the calculation will assume the payments of such Target Bonds are through the par call date of such Target Bonds; if the Purchase Yield as determined in accordance with this Invitation is higher than or equal to the contractual annual rate of interest on a particular Target Bonds, then the calculation will assume that the payments of such Target Bonds are through the maturity date of such Target Bonds. The principal of Term Bonds assumed to be paid down on their maturity date are priced as if the entire principal amount of such Term Bonds is paid on the applicable maturity date and sinking fund installments for such Term Bonds are disregarded.*