

PRELIMINARY OFFICIAL STATEMENT, DATED APRIL 24, 2026

NEW ISSUES  
BOOK-ENTRY ONLY

Ratings:  
S&P: "AA" (Stable Outlook)  
BAM INSURED  
MOODY'S "Baa2" Underlying  
See "BOND RATINGS" herein

Interest on the 2026A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Subject to compliance by the Authority and the Local Government Unit with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the 2026B Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the 2026B Bonds may affect the corporate alternative minimum tax for certain corporations. Interest on the Bonds is not exempt from present State income taxes. Under Illinois law as presently enacted and construed, interest on the Bonds is exempt from the income taxes imposed by the State pursuant to the Illinois Income Tax Act, as amended. See "TAX MATTERS" herein for a more complete discussion.



**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY**  
**\$1,515,000\* Taxable Local Government Program Refunding Revenue Bonds, Series 2026A**  
**(East St. Louis School District Number 189 Project)**  
**\$28,480,000\* Local Government Program Revenue Bonds, Series 2026B**  
**(East St. Louis School District Number 189 Project)**

Dated: Date of Delivery

Due: January 1, as further described on the inside cover page

The Taxable Local Government Program Refunding School Bonds, Series 2026A (East St. Louis School District Number 189 Project) (the "2026A Bonds"), and Local Government Program Revenue Bonds, Series 2026B (East St. Louis School District Number 189 Project) (the "2026B Bonds" and, together with the 2026A Bonds, the "Bonds"), of the Southwestern Illinois Development Authority (the "Authority") will be issued in fully registered form and will be registered initially only in the name of Cede & Co., as registered owner and nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds. Purchasers of the Bonds will not receive certificates representing their interests in the Bonds purchased. Ownership by the beneficial owners of the Bonds will be evidenced by book-entry only. Payments of principal of and interest on the Bonds will be made by Amalgamated Bank of Chicago, Chicago, Illinois, as bond registrar and paying agent, to DTC, which in turn will remit such payments to its participants for subsequent disbursement to the beneficial owners of the Bonds. As long as Cede & Co. is the registered owner as nominee of DTC, payments of principal of and interest on the Bonds will be made to such registered owner, and disbursement of such payments will be the responsibility of DTC and its participants. Individual purchases of the Bonds will be made in the principal amount of \$5,000 or any integral multiple thereof.

The Bonds will bear interest from their dated date at the rates per annum as shown on the inside cover page. Interest on the Bonds (computed on the basis of a 360-day year consisting of twelve 30-day months) will be payable semi-annually on each January 1 and July 1, commencing January 1, 2027.

The Bonds and the interest thereon do not constitute a debt of the State of Illinois (the "State"), and do not constitute an indebtedness or an obligation, general or moral, or a pledge of the full faith or a loan of credit of the Authority or the State within the meaning of any constitutional or statutory limitation. The Authority is obligated to pay the principal of and interest on the Bonds and other costs incidental thereto only from payments of principal and interest made by:

**SCHOOL DISTRICT NUMBER 189**  
**ST. CLAIR COUNTY, ILLINOIS**  
**(EAST ST. LOUIS)**

(the "Local Government Unit" or the "District") on its general obligation bonds (the "Local Government Securities") which are to be purchased by the Authority with the proceeds of the Bonds. Neither the full faith and credit nor the taxing powers, if any, of the Authority or the State is pledged to the payment of the principal of and interest on the Bonds or other costs incidental thereto, except as otherwise provided in the Authority Bond Resolution (as herein defined). No owner of any Bond shall have the right to compel the taxing power, if any, of the Authority or the State to pay the principal of and interest on the Bonds. The Authority has no taxing power. See "THE BONDS—Source of Payment; Limited Obligation" herein.

Proceeds of the Bonds are being used to purchase the Local Government Securities. Proceeds of the Local Government Securities will be used to increase the Local Government Unit's Working Cash Fund, refund certain outstanding bonds of the Local Government Unit, pay certain interest on the Local Government Securities and pay for certain costs associated with the issuance of the Local Government Securities. See "PLAN OF FINANCE OF LOCAL GOVERNMENT UNIT" herein.

The Local Government Securities are valid and legally binding upon the Local Government Unit, and all taxable property in the Local Government Unit is subject to the levy of taxes to pay the same without limitation as to rate or amount. In addition, pursuant to Section 13 of the Local Government Debt Reform Act, as amended, the District pledged as additional security for the payment of the Local Government Securities amounts distributed to the District pursuant to Section 18-8.15 of the School Code of the State of Illinois, as amended, or substitute distributions therefor as provided by the State of Illinois in the future. See "THE LOCAL GOVERNMENT SECURITIES—Security" herein.

The 2026A Bonds are not subject to redemption prior to maturity. The 2026B Bonds are subject to redemption prior to maturity as described herein. See "THE BONDS—Redemption" herein.

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under separate municipal bond insurance policies (the "Bond Insurance Policies") to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE" and APPENDIX E herein.



The District has created a special segregated account (the "Tax Escrow Account") to be held by Amalgamated Bank of Chicago, Chicago, Illinois, and used for the payment of principal of and interest on the Local Government Securities. Prior to the issuance of the Local Government Securities and as authorized by the Illinois Property Tax Code, as amended, the District will direct the County Collector of St. Clair County, Illinois, to deposit all of the taxes extended by the County Clerk of St. Clair County, Illinois, for the payment of principal of and interest on the Local Government Securities directly into the Tax Escrow Account. See "THE LOCAL GOVERNMENT SECURITIES – Property Tax Escrow Agreement" herein.

The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel, and certain other conditions. Chapman and Cutler LLP, Chicago, Illinois, will also act as Disclosure Counsel to the District. Becker, Hoerner & Ysursa, P.C., Belleville, Illinois will pass on certain matters for the District. Certain legal matters will be passed on for the Authority by its special counsel, Gilmore & Bell, P.C., Edwardsville, Illinois. Thompson Coburn LLP, St. Louis, Missouri, will pass on certain matters for the Underwriter. It is expected that beneficial interests in the Bonds will be available for delivery through the facilities of DTC on or about \_\_\_\_\_, 2026.



The date of this Official Statement is \_\_\_\_\_, 2026.

\* Preliminary, subject to change.

This Preliminary Official Statement and the information contained herein are subject to completion, amendment or other change without any notice. Under no circumstances shall this Preliminary Official Statement constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any sale of these securities in any jurisdiction in which such offer, solicitation or sale would be unlawful prior to registration or qualification under the securities laws of any such jurisdiction.

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY**  
**\$1,515,000\* TAXABLE LOCAL GOVERNMENT PROGRAM REFUNDING REVENUE BONDS,**  
**SERIES 2026A**  
**(EAST ST. LOUIS SCHOOL DISTRICT NUMBER 189 PROJECT)**

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

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (84552Y)
2030	\$ 505,000	%	%	
2031	1,010,000	%	%	

**\$28,480,000\* LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2026B**  
**(EAST ST. LOUIS SCHOOL DISTRICT NUMBER 189 PROJECT)**

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

MATURITY (JANUARY 1)	AMOUNT	INTEREST RATE	YIELD	CUSIP NUMBER** (84552Y)
2031	\$ 100,000	%	%	
2032	1,170,000	%	%	
2033	1,230,000	%	%	
2034	1,290,000	%	%	
2035	1,355,000	%	%	
2036	1,430,000	%	%	
2037	1,505,000	%	%	
2038	1,585,000	%	%	
2039	1,670,000	%	%	
2040	1,765,000	%	%	
2041	1,855,000	%	%	
2042	1,960,000	%	%	
2043	2,065,000	%	%	
2044	2,185,000	%	%	
2045	2,305,000	%	%	
2046	2,435,000	%	%	
2047	2,575,000	%	%	

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\* Preliminary, subject to change.

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

No dealer, broker, salesman or other person has been authorized by the Authority, the Local Government Unit or the Underwriter to give any information or to make any representations other than those contained in this Official Statement in connection with the offering described herein and if given or made, such other information or representations must not be relied upon as statements having been authorized by the Authority, the Local Government Unit, the Underwriter or any other entity. This Official Statement does not constitute an offer to sell or the solicitation of an offer to buy any securities other than the Bonds, nor shall there be any offer to sell or solicitation of an offer to buy the Bonds by any person in any jurisdiction in which it is unlawful for such person to make such offer, solicitation or sale. This Official Statement is submitted in connection with the sale of the securities described in it and may not be reproduced or used, in whole or in part, for any other purposes.

Unless otherwise indicated, the Local Government Unit is the source of all tables and statistical and financial information contained in this Official Statement. The information contained in this Official Statement concerning BAM and the Bond Insurance Policies has been obtained from BAM. The information contained in this Official Statement concerning DTC has been obtained from DTC. The information contained in this Official Statement under the captions "THE AUTHORITY" and "NO LITIGATION—The Authority" has been furnished by the Authority, and all other information has been furnished by the Local Government Unit or by other sources considered by the Local Government Unit to be reliable. The information and opinions expressed herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the Local Government Unit since the date of this Official Statement.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE" and APPENDIX E—Specimen Municipal Bond Insurance Policy.

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

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

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

For purposes of compliance with Rule 15c2-12 of the Securities and Exchange Commission (the "Rule"), this document, as the same may be supplemented or corrected by the Local Government Unit from time-to-time, may be treated as an Official Statement with respect to the Bonds described herein and is "deemed final" by the Local Government Unit as of the date hereof (or of the date of any supplement or correction) except for the omission of certain information permitted to be omitted pursuant to the Rule.

**THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS OFFICIAL STATEMENT. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.**

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Exhibit A	—	Combined Statement of Revenues, Expenditures and Changes in Fund Balance of the District, Fiscal Years Ended June 30, 2021-2025
Exhibit B	—	Budget of the District, Fiscal Year Ending June 30, 2026
Exhibit C	—	General Fund Revenue Sources of the District, Fiscal Years Ended June 30, 2021-2025

APPENDICES

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

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY  
1022 EASTPORT PLAZA DRIVE  
COLLINSVILLE, ILLINOIS 62234**

**BOARD OF DIRECTORS**

David Willey, Chairman  
Debra Moore, Vice Chairman  
Randy Harris, Treasurer  
Kevin Jemison, Secretary  
Trinas Neely, Member  
Antonio Baxton, Member  
Bryan Whitaker, Member  
Vicky McElroy, Member

Justin Hopkins, Member  
Ann Schroeder, Member  
Rodney Caffey, Member  
Alana Thompson-Byrd, Member  
Monica Bristow, Member  
George Green, Member  
Anthony Furhmann, Member

**STAFF**

Destini Lednicky, Executive Director  
Teri Rumsey, Financial Director

**SCHOOL DISTRICT NUMBER 189  
ST. CLAIR COUNTY, ILLINOIS**

**BOARD OF EDUCATION**

Timothy Lockett, Sr., President  
Willie B. Ray, Vice President  
Latoyia S. Mosley, Secretary  
Walter L. Hood, Treasurer  
Remy Dean, Member  
Roy A. Mickens, Member  
Laytonya Sayles, Member

**ADMINISTRATION**

Arthur R. Culver, Superintendent  
Delfaye Jason, Chief School Business Official  
Jennifer Brumback, Chief of Staff

**PROFESSIONAL SERVICES**

*Underwriter*

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

*District's Counsel*

Becker, Hoerner & Ysursa, P.C., Belleville, Illinois

*Bond Counsel and Disclosure Counsel*

Chapman and Cutler LLP, Chicago, Illinois

*Authority's Special Counsel*

Gilmore & Bell, P.C., Edwardsville, Illinois

*Underwriter's Counsel*

Thompson Coburn LLP, St. Louis, Missouri

*Bond Registrar, Paying Agent, Escrow Agent and Tax Escrow Agent*  
Amalgamated Bank of Chicago, Chicago, Illinois

*Auditor*

Baker Tilly US, LLP, Oak Brook, Illinois

## OFFICIAL STATEMENT

**SOUTHWESTERN ILLINOIS DEVELOPMENT AUTHORITY**  
**\$1,515,000\* TAXABLE LOCAL GOVERNMENT PROGRAM REFUNDING REVENUE BONDS,**  
**SERIES 2026A**  
**(EAST ST. LOUIS SCHOOL DISTRICT NUMBER 189 PROJECT)**

AND

**\$28,480,000\* LOCAL GOVERNMENT PROGRAM REVENUE BONDS, SERIES 2026B**  
**(EAST ST. LOUIS SCHOOL DISTRICT NUMBER 189 PROJECT)**

### INTRODUCTION

The purpose of this Official Statement is to set forth certain information in connection with the offering and sale of the Taxable Local Government Program Refunding Revenue Bonds, Series 2026A (East St. Louis School District Number 189 Project) (the “*2026A Bonds*”), and Local Government Program Revenue Bonds, Series 2026B (East St. Louis School District Number 189 Project) (the “*2026B Bonds*” and, together with the 2026A Bonds, the “*Bonds*”), of the Southwestern Illinois Development Authority (the “*Authority*”).

Proceeds of the Bonds are being used for the purpose of purchasing the Taxable General Obligation Refunding School Bonds, Series 2026A (the “*2026A Local Government Securities*”), and the General Obligation School Bonds, Series 2026B (the “*2026B Local Government Securities*” and, together with the 2026A Local Government Securities, the “*Local Government Securities*”) from School District Number 189, St. Clair County, Illinois (the “*Local Government Unit*” or the “*District*”). See “THE LOCAL GOVERNMENT SECURITIES” and “USE OF PROCEEDS OF THE LOCAL GOVERNMENT SECURITIES” herein. Proceeds of the Local Government Securities are being issued for the purposes more specifically described herein.

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

The Authority has not prepared any material for inclusion in this Official Statement, except the material under the headings “THE AUTHORITY” and “NO LITIGATION—The Authority.” The distribution of this Official Statement has been duly approved and authorized by the Authority.

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\* Preliminary, subject to change.

Such approval and authorization does not, however, constitute a representation or approval by the Authority of the accuracy or sufficiency of any information contained herein except to the extent of the material under the headings referenced in this paragraph.

### **THE AUTHORITY**

The Authority is a political subdivision, body politic and municipal corporation of the State of Illinois (the “*State*”) created pursuant to the provisions of the Southwestern Illinois Development Authority Act, 70 ILCS 520/1 *et seq.*, as supplemented and amended (the “*Act*”), and is charged with the mission of promoting and enhancing economic development within Madison, St. Clair, Bond, Clinton and Monroe Counties, Illinois. Pursuant to the Act, the Authority is governed by a 15-member board (the “*Authority Board*”). Six of the members of the Authority Board are appointed by the Governor of the State (the “*Governor*”) with the advice and consent of the State Senate, two each are appointed by the Chairmen of the County Boards of Madison and St. Clair Counties, respectively, and one each is appointed by the Chairmen of the County Boards of Bond, Clinton and Monroe Counties, respectively. The remaining two Authority Board members are ex-officio voting members and are the Director of the Illinois Department of Commerce and Economic Opportunity and the Secretary of Transportation, or their designated representatives.

The Authority maintains its offices at 1022 Eastport Plaza Drive, Collinsville, Illinois 62234. Its telephone number is 618-345-3400. The Executive Director of the Authority is Destini Lednicky. The Authority Board appoints the Executive Director.

The Authority may from time to time issue bonds as provided in the Act for the purposes set forth in the Act. Any bonds issued by the Authority (and any interest thereon) shall not be or become a debt of the State, and shall not be or become an indebtedness or obligation, general or moral, of the Authority or the State, nor be or become a pledge of the full faith or loan of credit of the Authority or the State within the meaning of any constitutional or statutory limitation. The Bonds of the Authority as described herein are special, limited obligations of the Authority payable solely from the payment of the principal of and interest on the Local Government Securities. Neither the faith and credit nor the taxing power, if any, of the Authority or the State are pledged to the payment of the principal of and interest on the Bonds or other costs incidental thereto. No owner of any Bond shall have the right to compel any taxing power, if any, of the Authority or the State to pay the principal of or interest on the Bonds. The Authority has no taxing power.

The Authority makes no warranty or representation, whether express or implied, with respect to the hereinafter defined Project and Refunding or the use thereof. Further, the Authority has not prepared any material for inclusion in this Official Statement, except that material under the captions “THE AUTHORITY” and “NO LITIGATION—The Authority.” The distribution of this Official Statement has been duly approved and authorized by the Authority. Such approval and authorization does not, however, constitute a representation or approval by the Authority of the accuracy or sufficiency of any information contained herein except to the extent of the material under the captions referenced in this paragraph.

## THE BONDS

### AUTHORIZATION

The Bonds are being issued by the Authority pursuant to the Act and a resolution adopted by the Authority Board on the 16th day of April, 2026, as supplemented by a bond order (the “*Authority Bond Resolution*”). The Bonds are special, limited obligations of the Authority, payable solely and only from the payments of principal of and interest on the Local Government Securities. The Bonds do not constitute an indebtedness or obligation, general or moral, or a pledge of the faith or a loan of credit of the Authority or the State, within the meaning of any constitutional or statutory limitation. Neither the Authority nor the State is obligated to pay the principal of and interest on the Bonds, or other costs incidental thereto, except from the payments received from the principal of and interest on the Local Government Securities. Neither the faith and credit nor the taxing power, if any, of the Authority or the State is pledged to the payment of the principal of and interest on the Bonds or other costs incidental hereto. The Authority has no taxing power. See “—Source of Payment; Limited Obligation” herein.

### GENERAL DESCRIPTION

The Bonds will be dated the date of issuance thereof, will be in fully registered form, without coupons, and will be in denominations of \$5,000 or any integral multiple thereof under a book-entry only system operated by The Depository Trust Company, New York, New York (“*DTC*”). Principal of and interest on the Bonds will be payable by Amalgamated Bank of Chicago, Chicago, Illinois (the “*Registrar*”).

The Bonds will mature as shown on the inside cover page hereof. Interest on the Bonds will be payable each January 1 and July 1, commencing January 1, 2027.

The Bonds will bear interest from their dated date, or from the most recent interest payment date to which interest has been paid or provided for, computed on the basis of a 360-day year consisting of twelve 30-day months. The principal of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof at the principal corporate trust office of the Registrar. Interest on each Bond will be paid by check or draft of the Registrar payable upon presentation in lawful money of the United States of America to the person in whose name such Bond is registered at the close of business on the record date, which is the 15th day of the month next preceding the interest payment date (the “*Record Date*”).

### REGISTRATION AND TRANSFER

The Registrar will maintain books (the “*Register*”) for the registration of ownership and transfer of the Bonds. Subject to the provisions of the Bonds as they relate to book-entry form, any Bond may be transferred upon the surrender thereof at the principal corporate trust office of the Registrar, together with an assignment duly executed by the registered owner or his or her attorney in such form as will be satisfactory to the Registrar. No service charge shall be made for any transfer or exchange of Bonds, but the Authority or the Registrar may require payment of a

sum sufficient to cover any tax or other governmental charge that may be imposed in connection with any transfer or exchange of Bonds except in the case of the issuance of a 2026B Bond or 2026B Bonds for the unredeemed portion of a 2026B Bond surrendered for redemption.

The Registrar shall not be required to transfer or exchange any Bond during the period beginning at the close of business on the Record Date with respect to any interest payment date on such Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2026B Bond after notice calling such 2026B Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2026B Bonds.

REDEMPTION

*Optional Redemption.* The 2026A Bonds are not subject to optional redemption prior to maturity. The 2026B Bonds due on or after January 1, 20\_\_\_\_, are subject to redemption prior to maturity at the option of the Authority as a whole or in part in integral multiples of \$5,000 in the same order of maturity of the Local Government Securities being redeemed on that date (less than all of the 2026B Bonds of a single maturity to be selected by the Registrar), on January 1, 20\_\_\_\_, and on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

*Mandatory Sinking Fund Redemption.* The 2026B Bonds due on January 1 of the years 20\_\_ and 20\_\_ are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Registrar, at a redemption price of par plus accrued interest to the redemption date, on January 1 of the years and in the principal amounts as follows:

FOR THE 2026B BONDS DUE JANUARY 1, 20\_\_

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

FOR THE 2026B BONDS DUE JANUARY 1, 20\_\_

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

The principal amounts of 2026B Bonds to be mandatorily redeemed in each year may be reduced through the earlier optional redemption thereof, with any partial optional redemptions of such 2026B Bonds credited against future mandatory redemption requirements in such order of the mandatory redemption dates as the Authority may determine. In addition, on or prior to the 60th day preceding any mandatory redemption date, the Registrar may, and if directed by the

Authority shall, purchase 2026B Bonds required to be retired on such mandatory redemption date. Any such 2026B Bonds so purchased shall be cancelled and the principal amount thereof shall be credited against the mandatory redemption required on such next mandatory redemption date.

*General.* The Authority will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2026B Bonds to be redeemed. In the event that the District gives the Registrar notice of its intent to redeem Local Government Securities prior to maturity, the Registrar shall have been deemed to have received notice from the Authority to redeem a corresponding principal amount of 2026B Bonds of corresponding maturity or maturities on the same date fixed for redemption and in the same order of maturity. It shall not be necessary for the Authority to give the Registrar any notice or other direction with respect to a mandatory redemption of the 2026B Bonds. For purposes of any redemption of less than all of the outstanding 2026B Bonds of a single maturity, the particular 2026B Bonds or portions of 2026B Bonds to be redeemed shall be selected by lot by the Registrar from the 2026B Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026B Bonds are held in a book-entry system, in which case the selection of 2026B Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery shall provide for the selection for redemption of 2026B Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

Unless waived by any holder of 2026B Bonds to be redeemed, notice of the call for any redemption will be given by the Registrar on behalf of the Authority by mailing the redemption notice by first-class mail at least 30 days and not more than 60 days prior to the date fixed for redemption to each registered owner of the 2026B Bonds to be redeemed at the address shown on the Register or at such other address as is furnished in writing by such registered owner to the Registrar.

Unless moneys sufficient to pay the redemption price of the 2026B Bonds to be redeemed at the option of the Authority are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the Authority, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the Authority will not redeem such 2026B Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption has been given, that such moneys were not so received and that such 2026B Bonds will not be redeemed. Otherwise, prior to any redemption date, the Authority will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the 2026B Bonds or portions of 2026B Bonds which are to be redeemed on that date.

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Authority Bond Resolution, and notwithstanding failure to receive such notice, the 2026B Bonds or portions of 2026B Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the Authority shall default in the payment of the redemption price) such 2026B Bonds or portions of 2026B Bonds shall cease to bear interest.

Upon surrender of such 2026B Bonds for redemption in accordance with said notice, such 2026B Bonds will be paid by the Registrar at the redemption price.

#### SOURCE OF PAYMENT; LIMITED OBLIGATION

The principal of and interest on the Bonds are payable by the Authority solely and only from the payments of the principal of and interest on the Local Government Securities issued by the Local Government Unit. The Authority has assigned and pledged the Local Government Securities to the Registrar on behalf and for the benefit of the owners of the Bonds.

The Bonds do not constitute a debt of the State, and do not constitute an indebtedness or an obligation, general or moral, or a pledge of the faith or a loan of credit of the Authority or the State, within the meaning of any constitutional or statutory limitation. Neither the Authority nor the State is obligated to pay the principal of and interest on the Bonds, or other costs incidental thereto, except from the payments received from the principal of and interest on the Local Government Securities. Neither the faith and credit nor the taxing power, if any, of the Authority or the State is pledged to the payment of the principal of and interest on the Bonds or other costs incidental thereto. The Authority has no taxing power.

Reference is made to APPENDICES B-1 and B-2 for the proposed forms of legal opinions of Bond Counsel to the Authority.

### **THE LOCAL GOVERNMENT SECURITIES**

#### AUTHORITY AND PURPOSE

The Local Government Securities are being issued pursuant to the School Code of the State of Illinois (the "*School Code*"), the Local Government Debt Reform Act of the State of Illinois (the "*Debt Reform Act*"), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education of the District (the "*Board*") on the 21st day of April, 2026, as supplemented by a notification of sale (the "*District Bond Resolution*" and, together with the Authority Bond Resolution, the "*Bond Resolutions*").

Proceeds of the 2026A Local Government Securities will be used to (a) refund certain of the District's outstanding General Obligation School Bonds, Series 2023, dated March 15, 2023 (the "*2023 Bonds*" and, those 2023 Bonds being refunded, the "*Refunded Bonds*"), (b) pay certain interest on the 2026A Local Government Securities and (c) pay costs associated with the issuance of the 2026A Local Government Securities. Proceeds of the 2026B Local Government Securities will be used to (a) increase the working cash fund of the District (the "*Working Cash Fund*"), (b) pay certain interest on the 2026B Local Government Securities and (c) pay costs associated with the issuance of the 2026B Local Government Securities. See "USE OF PROCEEDS OF THE LOCAL GOVERNMENT SECURITIES" herein.

## GENERAL DESCRIPTION

The Local Government Securities are dated the date of issuance thereof and are issuable as fully registered bonds. The Local Government Securities will be in denominations of \$5,000 each or authorized integral multiples thereof and will become due and payable serially on January 1 of each of the years, in the amounts and bearing interest per annum at the same rates on the same dates as the Bonds. Specifically, the Local Government Securities bear interest from their date or from the most recent interest payment date to which interest has been paid or duly provided for, until the principal amount of the Local Government Securities is paid, at the same interest rates per annum as the Bonds, such interest (computed upon the basis of a 360-day year of twelve 30-day months) being payable on January 1 and July 1 of each year, commencing on January 1, 2027.

## SECURITY

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

The District Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount (the "*Pledged Taxes*"), upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the Local Government Securities, except for the interest due on the Local Government Securities up to and including July 1, 2027, which will be paid from proceeds of the Local Government Securities. The District Bond Resolution will be filed with the County Clerk of St. Clair County, Illinois (the "*County Clerk*"), and will serve as authorization to the County Clerk to extend and collect the Pledged Taxes.

Pursuant to Section 13 of the Debt Reform Act, General State Aid (as hereinafter defined) is pledged to the payment of the principal of and interest on the Local Government Securities. Pledged Taxes will be fully spent to pay the principal of and interest on the Local Government Securities for which such taxes were levied and collected prior to the use of any General State Aid.

Reference is made to APPENDICES C-1 and C-2 for the proposed forms of opinions of Bond Counsel to the District.

## PROPERTY TAX ESCROW AGREEMENT

To further secure the payment of the principal of and interest on the Local Government Securities, the District will enter into a tax escrow agreement (the "*Agreement*") with Amalgamated Bank of Chicago, Chicago, Illinois (the "*Tax Escrow Agent*"), pursuant to which a tax escrow account (the "*Tax Escrow Account*") will be established to pay the principal of and interest on the Local Government Securities. As authorized by Section 20-90 of the Illinois

Property Tax Code, as amended (the "*Property Tax Code*"), the District, pursuant to the District Bond Resolution, will direct the County Collector of The County of St. Clair, Illinois (the "*County Collector*"), to pay all of the Pledged Taxes to the Tax Escrow Agent for deposit into the Tax Escrow Account.

Pursuant to the Agreement, in each year for which Pledged Taxes are levied to pay the principal of and interest on the Local Government Securities, the County Collector will pay directly to the Tax Escrow Agent, for deposit in the Tax Escrow Account, the amount of taxes received for the District during such year on a pro rata basis based upon the percentage that the Pledged Taxes bear to the total aggregate amount of property taxes extended for collection for the District until all Pledged Taxes for such year have been paid to the Tax Escrow Agent.

If the Tax Escrow Account does not contain sufficient moneys to make any required principal or interest payment on the Local Government Securities when due, the School Treasurer who receives the taxes of the District (the "*School Treasurer*") must deposit other moneys of the District (including General State Aid) into the Tax Escrow Account in an amount sufficient to provide for such payment (the "*Additional Deposits*") not less than four business days prior to such payment date. If an Additional Deposit is made because the School Treasurer has not received the Pledged Taxes in time to make a principal or interest payment on the Local Government Securities, and if the Pledged Taxes are later received and deposited into the Tax Escrow Account, the Tax Escrow Agent will reimburse the School Treasurer from the Pledged Taxes in the amount of the Additional Deposit.

**USE OF PROCEEDS OF THE LOCAL GOVERNMENT SECURITIES**

THE REFUNDING

Proceeds of the 2026A Local Government Securities, along with funds of the District on hand and lawfully available (the “*Available Funds*”), will be used to refund the Refunded Bonds for debt restructuring purposes. The Refunded Bonds are further described as follows:

**THE 2023 BONDS**

MATURITY (JANUARY 1)	ORIGINAL AMOUNT ISSUED	AMOUNT REFUNDED BY THE 2026A BONDS*	CALL PRICE	CALL DATE
2027	\$1,565,000	\$ 0	NA	NA
2028	1,645,000	690,000	Not Callable	NA
2029	1,730,000	725,000	Not Callable	NA
2030	<u>555,000</u>	<u>0</u>	NA	NA
TOTAL	\$5,495,000	\$1,415,000		

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\* Preliminary, subject to change.

Certain proceeds received from the sale of the 2026A Local Government Securities and the Available Funds will be deposited in an Escrow Account (the “*Escrow Account*”) to be held by Amalgamated Bank of Chicago, Chicago, Illinois (the “*Escrow Agent*”), under the terms of an Escrow Agreement, dated as of the date of issuance of the 2026A Local Government Securities, between the District and the Escrow Agent. The moneys so deposited in the Escrow Account will be applied by the Escrow Agent to purchase direct non-callable obligations of, or obligations guaranteed by the full faith and credit of, the United States of America (the “*Government Securities*”) and to provide an initial cash deposit. The Government Securities together with interest earnings thereon and the initial cash deposit will be sufficient to pay when due the principal of and interest on the Refunded Bonds up to and including the maturity dates thereof.

VERIFICATION

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Securities together with the initial cash deposit in the Escrow Account to pay the debt service described above on the Refunded Bonds will be verified by Robert Thomas CPA, LLC, Overland Park, Kansas. Such verification shall be based upon information supplied by the hereinafter defined Underwriter.

## THE PROJECT

After proper abatement and transfer from the Working Cash Fund, proceeds of the 2026B Local Government Securities will be used to finance various capital projects throughout the District (the “*Project*”). The Project includes renovation of the high school cafeteria, additional parking at five school buildings, additional athletic complex additions (baseball and softball fields, batting cage, practice football field and ticket booth with concessions) and partial funding of renovation of the high school auditorium. The District is also pursuing a grant from the State to complete the auditorium renovation. The District expects to complete the Project by the end of 2028.

## SOURCES AND USES

The sources and uses of funds resulting from the issuance of the Local Government Securities and the Available Funds are shown below:

SOURCES:	2026A LOCAL GOVERNMENT SECURITIES	2026B LOCAL GOVERNMENT SECURITIES
Principal Amount	\$	\$
[Net] Original Issue Premium [Discount]		
Available Funds	_____	_____
Total Sources	\$	\$
USES:		
Deposit to Working Cash Fund	\$	\$
Deposit to Escrow Account to pay the Refunded Bonds		
Pay Interest on the Local Government Securities		
Costs of Issuance*	_____	_____
Total Uses	\$	\$

\* Includes underwriter’s discount, bond insurance premium and other issuance costs.

## RISK FACTORS

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

## CONSTRUCTION RISKS

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

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

## FINANCES OF THE STATE OF ILLINOIS

State funding sources constituted 70.64% of the District's combined Educational Fund and Operations and Maintenance Fund (the "*General Fund*") revenue sources for Fiscal Year 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately \$140 billion and a combined funded ratio of approximately 45%. Also, despite nine credit rating upgrades since June 2021, the State's long-term general obligation bonds carry the lowest ratings of all states.

## RELIANCE ON FEDERAL AID

The District's second largest source of revenue is aid received from the Federal Government ("*Federal Aid*"). The District receives the majority of Federal Aid pursuant to Title I, Part A ("*Title I*") of the Elementary and Secondary Education Act, as amended. Title I provides financial assistance to local educational agencies and schools with high numbers of children from low-income families. Federal funds are currently allocated through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state. The District must submit expenses for reimbursement resulting in delays that can negatively impact the District's cash flows. A decrease in the amount of Federal Aid distributed to the District or a delay in payments could result in reduced fund balances for the District and produce future deficit spending. See "FEDERAL AID" herein.

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("*Congress*"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students

with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 17.60% of the District's General Fund revenue sources for Fiscal Year 2025, or the District's ability to comply with federal laws and regulations in the future.

#### LOCAL ECONOMY

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

#### HIGH UNEMPLOYMENT

Unemployment rates are not specifically compiled for the District. However, the City of East St. Louis (the "*City*"), located within the District, has had historically higher unemployment rates than St. Clair County (the "*County*") and the State. See "FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—Unemployment Rates" herein for a table showing unemployment rates for the last five years. Unemployed workers who reside within the District may lack the financial resources to pay taxes owed to the District in a timely manner or at all. The high number of unemployed workers residing within the District could increase the likelihood that the District will not be able to collect the full amount of taxes levied, both to pay the Local Government Securities and to fund the District's operations, which could adversely affect the District's ability to repay the Local Government Securities or to make repayments on a timely basis. See "LOW TAX COLLECTIONS" below.

#### LOW TAX COLLECTIONS

The District has historically collected less than 100% of its taxes levied. See "FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—Taxes Extended and Collected (the "*Extension and Collection Table*")" herein for a table showing the collection percentages over the last five years. See also footnote two to the Extension and Collection Table for information regarding the adoption by the Board of a resolution requesting the County Clerk to add 7% to the District's bond and interest tax extension. While the District has the right to file a deficiency levy assessed against all the taxable property in the District if tax collections ultimately remain low, the ability of the District to pay principal and interest on the Local Government Securities could be adversely affected. In addition, delays in recovering delinquent taxes create risks for purchasers of the Local Government Securities. Recovery of taxes is subject to the procedures of the County for providing notice to record holders of the property of a pending tax sale. During any period of time in which property offered for sale remains unsold or is later

abandoned, delinquent taxes will likely continue to be unpaid. A description of the remedies of the District in the event of nonpayment of taxes is contained in the section entitled “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES.”

#### TAX INCREMENT FINANCING

Tax increment financing (“*TIF*”) in the State provides a means for municipalities, after the approval of a “Redevelopment Plan and Project,” to redevelop blighted and conservation areas by pledging the anticipated increase in property tax revenues resulting from the tax increment area and using the new incremental tax revenue generated by private redevelopment to pay for the public costs incurred. As it relates to the District, all incremental property tax revenues, which are the result of the increases in the equalized assessed valuation (“*EAV*”) within the TIF districts above the respective base year EAV for each TIF district, are not made available for general operations of the District for the life of each respective TIF district. Currently, there are fifteen TIF districts within the District, which have produced a \$121,065,305 aggregate Incremental EAV (as defined herein), or approximately 47.83% of total EAV, for tax year 2024. See “FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—Tax Increment Financing Districts Located within the District” herein for more information.

#### EQUALIZED ASSESSED VALUATION

The Local Government Securities will be paid from property taxes levied by the District against the EAV of property in the District. The amount of property taxes levied by the District is determined by applying the various tax rates levied by the District to the EAV. The assessed value used to calculate the District’s tax levy (the “*Rate-Setting EAV*”) does not include value attributable to TIF districts within the District. The District’s Rate-Setting EAV could decrease for a number of reasons including, but not limited to, a decline in property values, a large taxpayer relocating out of the District or ceasing operations, or the presence of TIF districts. A reduced Rate-Setting EAV could reduce the amount of taxes the District is able to receive based on the rates applied.

#### CONCENTRATION OF TAXPAYERS

Based on the District’s 2024 EAV (which includes Incremental EAV), the District’s ten largest taxpayers own 31.05% of the total current EAV of taxable property in the District. See “FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT—Ten Largest Taxpayers” herein for more information. If one or more of these taxpayers were to relocate from the District or cease operations, would be unable to pay its tax bills or was successful in challenging its assessed valuation, the timely receipt of tax dollars by the District could be affected. The District has the authority to levy deficiency taxes if debt service tax collections are inadequate. Notwithstanding, the value of the Bonds, the District’s ability to repay the Local Government Securities or the timing of repayment could be adversely affected. Furthermore, if any of the largest taxpayers were to relocate or cease operations, the District could experience a significant reduction in EAV. Any reduction in EAV could limit the amount of taxes that the District can extend for operating purposes.

## LOSS OR CHANGE OF BOND RATINGS

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

## SECONDARY MARKET FOR THE BONDS

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

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

## CONTINUING DISCLOSURE

A failure by the District to comply with the Undertaking (as defined herein) for continuing disclosure (see "CONTINUING DISCLOSURE" herein) will not constitute an event of default on the Bonds. Any such failure must be reported in accordance with Rule 15c2-12 (the "*Rule*") adopted by the Securities and Exchange Commission (the "*Commission*") under the Securities Exchange Act of 1934, as amended (the "*Exchange Act*"), and may adversely affect the transferability and liquidity of the Bonds and their market price.

## SUITABILITY OF INVESTMENT

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

## FUTURE CHANGES IN LAWS

Various state and federal laws, regulations and constitutional provisions apply to the District and to the Bonds. The District can give no assurance that there will not be a change in, interpretation of, or addition to such applicable laws, provisions and regulations which would have

a material effect, either directly or indirectly, on the District, or the taxing authority of the District. For example, many elements of local government finance, including the issuance of debt and the levy of property taxes, are controlled by State government. Future actions of the State may affect the overall financial conditions of the District, the taxable value of property within the District, and the ability of the District to levy property taxes or collect revenues for its ongoing operations.

#### FACTORS RELATING TO TAX EXEMPTION

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

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

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

#### CYBERSECURITY

Computer networks and data transmission and collection are vital to the efficient operation of the District. Despite the implementation of network security measures by the District, its information technology and infrastructure may be vulnerable to deliberate attacks by hackers, malware, ransomware or computer virus, or may otherwise be breached due to employee error, malfeasance or other disruptions. Any such breach could compromise networks and the information stored thereon could be disrupted, accessed, publicly disclosed, lost or stolen. Although the District does not believe that its information technology systems are at a materially greater risk of cybersecurity attacks than other similarly-situated governmental entities, any such disruption, access, disclosure or other loss of information could have an adverse effect on the District’s operations and financial health. Further, as cybersecurity threats continue to evolve, the District may be required to expend significant additional resources to continue to modify and

strengthen security measures, investigate and remediate any vulnerabilities, or invest in new technology designed to mitigate security risks.

## BANKRUPTCY

The rights and remedies of the Bondholders may be limited by and are subject to the provisions of federal bankruptcy laws, to other laws or equitable principles that may affect the enforcement of creditors' rights, to the exercise of judicial discretion in appropriate cases and to limitations on legal remedies against local governments. The various opinions of counsel to be delivered with respect to the Bonds will be similarly qualified.

## BOND INSURANCE

### BOND INSURANCE POLICY

Concurrently with the issuance of the Bonds, Build America Mutual Assurance Company ("*BAM*") will issue separate Municipal Bond Insurance Policies for the Bonds (the "*Policies*"). The Policies guarantee the scheduled payment of principal of and interest on the Bonds when due as set forth in the form of the Policy included as an appendix to this Official Statement.

The Policies are not covered by any insurance security or guaranty fund established under New York, California, Connecticut, or Florida insurance law.

### BUILD AMERICA MUTUAL ASSURANCE COMPANY

BAM is a New York domiciled mutual insurance corporation and is licensed to conduct financial guaranty insurance business in all fifty states of the United States and the District of Columbia. BAM provides credit enhancement products to issuers in the U.S. public finance markets. BAM will only insure municipal bonds, as defined in Section 6901 of the New York Insurance Law, which are most often issued by states, political subdivisions, integral parts of states or political subdivisions or entities otherwise eligible for the exclusion of income under section 115 of the U.S. Internal Revenue Code of 1986, as amended (the "*Code*"). No member of BAM is liable for the obligations of BAM.

The address of the principal executive offices of BAM is: 28 Liberty Street, 59th Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

BAM is licensed and subject to regulation as a financial guaranty insurance corporation under the laws of the State of New York and in particular Articles 41 and 69 of the New York Insurance Law.

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("*S&P*"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating

of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

BAM's total admitted assets, total liabilities, and total capital and surplus, as of December 31, 2025, and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were \$514.1 million, \$290 million and \$224 million, respectively.

BAM is party to a first loss reinsurance treaty that provides first loss protection up to a maximum of 15% of the par amount outstanding for each policy issued by BAM, subject to certain limitations and restrictions.

BAM's most recent Statutory Annual Statement, which has been filed with the New York State Insurance Department and posted on BAM's website at [www.bambonds.com](http://www.bambonds.com), is incorporated herein by reference and may be obtained, without charge, upon request to BAM at its address provided above (Attention: Finance Department). Future financial statements will similarly be made available when published.

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading "BOND INSURANCE."

### *Additional Information Available from BAM*

*Credit Insights Videos.* For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM's analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM's website at <https://bambonds.com/insights/#video>. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

*Credit Profiles.* Prior to the pricing of bonds that BAM has been selected to insure, BAM may prepare a pre-sale Credit Profile for those bonds. These pre-sale Credit Profiles provide

information about the sector designation (e.g., general obligation, sales tax); a preliminary summary of financial information and key ratios; and demographic and economic data relevant to the obligor, if available. Subsequent to closing, for any offering that includes bonds insured by BAM, any pre-sale Credit Profile will be updated and superseded by a final Credit Profile to include information about the gross par insured by CUSIP, maturity and coupon. BAM pre-sale and final Credit Profiles are easily accessible on BAM's website at <https://bambonds.com/credit-profiles>. BAM will produce a Credit Profile for all bonds insured by BAM, whether or not a pre-sale Credit Profile has been prepared for such bonds. (The preceding website address is provided for convenience of reference only. Information available at such address is not incorporated herein by reference.)

*Disclaimers.* The Credit Profiles and the Credit Insights videos and the information contained therein are not recommendations to purchase, hold or sell securities or to make any investment decisions. Credit-related and other analyses and statements in the Credit Profiles and the Credit Insights videos are statements of opinion as of the date expressed, and BAM assumes no responsibility to update the content of such material. The Credit Profiles and Credit Insight videos are prepared by BAM; they have not been reviewed or approved by the issuer of or the underwriter for the Bonds, and the issuer and underwriter assume no responsibility for their content.

BAM receives compensation (an insurance premium) for the insurance that it is providing with respect to the Bonds. Neither BAM nor any affiliate of BAM has purchased, or committed to purchase, any of the Bonds, whether at the initial offering or otherwise.

## THE DISTRICT

### GENERAL DESCRIPTION

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

The District is located in the County on the east side of the Mississippi River opposite the City of St. Louis. The District serves residents of the City (50.22% of the District's 2024 EAV) and the Village of Washington Park (6.48% of the District's 2024 EAV), as well as smaller portions of the Villages of Brooklyn, Caseyville and Fairmount City, the Cities of Belleville, Cahokia Heights, Fairview Heights and Madison and a small, unincorporated part of the County. The City, the second largest municipality in the County, is the principal municipality within the District. There are approximately 33 square miles of land in the District.

The City, along with other local governmental bodies and private utilities, provide a full range of municipal services to District residents including public safety, water, sewage collection and treatment, library, parks and recreation.

The City's location in the St. Louis region is strategic with four major highways (I-70, I-64, I-55 and I-255), an extensive railroad network, direct access to the Mississippi River and close proximity to several major airports. The City is also part of the Metro light rail system which connects the region and its residents.

The District is a short commute from many community colleges, colleges and universities that provide higher education opportunities for District residents. Southwestern Illinois Community College ("*SWIC*") and Kaskaskia Community College both provide higher education opportunities through a two-year community college and vocational program. Higher education is also offered at Southern Illinois University in Edwardsville. District residents also have access to the many universities and colleges in the St. Louis area.

The District has historically been forced to address financial and academic issues. Over the past four decades, the District has had to address problems of a shrinking student population and struggling academic programs brought about by changing demographics, a decline in the local economy and other social and political changes. Because of these issues, the District has been under a FOP and Consent Decree (each as defined and described below). With the adoption and implementation of a management plan, the FOP, the Consent Decree and a substantial increase in General State Aid, the District's financial picture has improved over the last several years. The District, however, foresees operational pressures on its finances in the near term. See "MANAGEMENT DISCUSSION" below.

The District is governed by an elected seven-member Board and a full-time administrative staff.

#### FINANCIAL OVERSIGHT PANEL

The Illinois State Board of Education ("*ISBE*") announced in May 2012 that it had named a Financial Oversight Panel (FOP) for the District. The purpose of the FOP is to exercise financial control over the District and to furnish financial assistance so that the District can provide public education within the District's jurisdiction while permitting the District to meet its obligations to its creditors and the holders of its debt. The FOP, with five ISBE appointed volunteer members, serve the District in order to help the District maintain financial stability.

The FOP was scheduled to expire in 2022. The District, however, voluntarily renewed the FOP in 2022 for another ten years as part of an agreement with ISBE to increase the District's General State Aid. The District began receiving an additional \$6,050,000 in funding in Fiscal Year 2022, which became a part of the District's Base Funding Minimum under the "Evidence-Based Funding Model" as described below (previously, the District received separate State appropriations for additional support). These "District Intervention" (DI) funds represented the amount that the District had historically been paying from its operating funds on its outstanding alternate revenue source bonds. Such alternate bonds are no longer outstanding after they were paid from proceeds of the 2023 Bonds. The District has subsequently used the DI funds to pay for the certified staff contribution to the Teachers Retirement System ("*TRS*") to assist with having competitive salaries comparable to surrounding school districts. Such District contribution to TRS

was phased in over three years and, starting in fiscal year 2025, the District is paying the full TRS contribution for certified staff.

#### CONSENT DECREE

Since 2013, the District has been party to a consent decree (the “*Consent Decree*”) with ISBE. Pursuant to the Consent Decree, the Superintendent of the District (the “*Superintendent*”) must present to the Board recommendations on all personnel, contracting, budgeting, policy, curriculum and other decisions for the District. In the event that the Board does not act in accordance with the recommendations of the Superintendent, the matter will be referred to the State Superintendent for final decision. All final decision-making authority rests with the State Superintendent.

The Consent Decree provides that if the position of Superintendent becomes vacant, the State Superintendent will initiate and oversee a search for candidates and will identify finalists for the position. The Board will provide feedback on the finalists to the State Superintendent, who will then make a final selection and will direct the Board, in writing, to hire or otherwise enter into a contract with the selected candidate.

Further, twice a year, community forums must be held by the Board and the Superintendent to inform community members of the state of the District, including but not limited to, a discussion of the development and implementation of any and all improvement, plans, the achievement of students within the District and governance of the Board.

Finally, the Consent Decree provides that ISBE will appoint a liaison, at its expense, to periodically meet and confer with the Superintendent, the President of the Board and the Chairman of the FOP, as necessary, but at least once per quarter in order to facilitate communications, clarify any misunderstandings, mediate any disagreements and address any concerns.

The Consent Decree terminates if the Circuit Court serving the County finds that the District substantially meets certain criteria set forth therein. The District believes that the provisions of the Consent Decree have been advantageous to the District and its students and does not foresee terminating the Consent Decree in the foreseeable future.

#### MANAGEMENT DISCUSSION

In 2022, under the direction of ISBE, the District was instructed to strategically draw down its General Fund balance to approximately 90 days cash on hand in alignment with its approved five-year financial plan to support student needs. The deficits in Fiscal Year 2025 reflect the District’s compliance with that directive and reflect the District’s structural deficit problem. The District ended Fiscal Year 2025 with a \$15.4 million deficit in the Educational Fund, a \$1.5 million deficit in the Operations and Maintenance Fund and a \$1.5 million deficit in the Transportation Fund. The District also funded the full TRS contribution for certified staff (\$4.7 million). See *Exhibit A* to this Official Statement for the Fiscal Year 2025 results.

The Fiscal Year 2026 budget, adopted by the Board, estimates an approximate \$14.2 million deficit in the Educational Fund. See *Exhibit B* to this Official Statement. Expenses in the Fiscal Year 2026 budget include a combination of one-time expenses (such as the completion of the HVAC system upgrades paid for with remaining ESSER III funds (see “STATE AID-Federal COVID-19 Legislation”) and the State-grant funded CTE Facility (see “—District Facilities”)) and increasing costs for transportation, maintenance and operations and salary and benefits. The Fiscal Year 2026 Budget is also based on full TRS funding for certified staff and full funding of all staffing positions. Many staff positions will not be filled, which historically is what happens (which will ultimately save on budgeted expenses by the end of the fiscal year).

Since the Fiscal Year 2026 budget was approved, the estimated receipt of the State’s corporate personal property replacement taxes (“CPPRT”) indicates receipt of \$4.8 million, a \$700,000 increase over the adopted budget. Also, expense reduction factors for Fiscal Year 2026 to date include an increased discipline in spending choices and spending efficiencies. The District is currently estimating to end Fiscal Year 2026 with an \$11.4 million deficit in the Educational, Operations and Maintenance, Transportation and Working Cash Funds (the “*Operating Funds*”) and an ending Operating Fund balance of \$27.8 million, which is \$2.7 million better than budgeted.

In order to address its structural deficits, in September 2025, the District began an evaluation (the “*Expense Reduction Process*”) of current programs and staffing to identify expense reduction priorities (the “*Expense Reduction Plan*”). The Expense Reduction Process included monthly committee meetings to evaluate impact by campus, personnel and programs and prioritizing expense reduction items that had the least impact to students.

The recommended reductions for Fiscal Year 2027 pursuant to the Expense Reduction Plan, which were approved by the Board on March 18, 2026, include reducing or eliminating 72 positions (\$6.16 million) and reducing or eliminating various programs, professional development and athletic travel (\$2.34 million). The Expense Reduction Plan is estimated to reduce expenditures in the upcoming three fiscal years as shown in the table below.

RECOMMENDATION - REDUCTION OF SPENDING				
FISCAL YEAR	CAMPUS	PROGRAMS	PERSONNEL	TOTAL
2027	\$ 0	\$2,339,500	\$6,159,723	\$ 8,499,223
2028	3,000,000	2,339,500	8,276,767	13,616,267
2029	8,000,000	5,339,500	8,525,070	<u>21,864,570</u>
				\$43,961,971

The District expects that implementing the Expense Reduction Plan will result in balanced budgets starting in fiscal year 2027. The following chart shows two-year projections in the Operating Funds taking into account the cost reductions in the Expense Reduction Plan:

	FISCAL YEAR 2027	FISCAL YEAR 2028
Revenue		
Local	\$ 19,179,852	\$ 19,625,597
State	75,126,507	76,899,002
Federal	<u>18,577,026</u>	<u>19,283,951</u>
Total Revenue	\$112,883,385	\$115,808,550
Expenses		
Instruction	\$ 55,737,898	\$ 57,131,346
Support Services	55,467,420	56,418,834
Community Services	1,155,477	1,155,477
Payments to Other Districts	<u>100,657</u>	<u>141,385</u>
Total Expenses	\$112,461,452	\$114,847,042
Surplus/Deficit	\$ 421,933	\$ 961,508
Beginning Balance	\$ 27,841,909	\$ 28,263,842
Year End Balance	\$ 28,263,842	\$ 29,225,350
Fund Balance as a % of	25%	25%
Expenses		
Days Cash on Hand	91.73	92.88

#### DISTRICT ADMINISTRATION

The day-to-day affairs of the District are conducted by a full-time staff including the following central administrative positions.

OFFICIAL	TITLE	YEAR STARTED IN POSITION
Arthur R. Culver	Superintendent	2011
Delfaye Jason	Chief School Business Official	2022
Jennifer Brumback	Chief of Staff	2024

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

BOARD OF EDUCATION

OFFICIAL	POSITION	TERM EXPIRES
Timothy Lockett, Sr.	President	April 2029
Willie B. Ray	Vice President	April 2029
Latoyia S. Mosley	Secretary	April 2027
Walter L. Hood	School Treasurer	April 2027
Remy Dean	Member	April 2029
Roy A. Mickens	Member	April 2029
Laytonya Sayles	Member	April 2027

ENROLLMENT

HISTORICAL		PROJECTED	
2021/2022	5,019	2027/2028	4,569
2022/2023	4,681	2028/2029	4,557
2023/2024	4,743	2029/2030	4,545
2024/2025	4,754	2030/2031	4,533
2025/2026	4,581	2031/2032	4,521

Source: The District.

DISTRICT FACILITIES

Founded in 1947, the District serves 4,581 pupils in grades Early Childhood through 12. The District operates 10 facilities (not including the charter school) as follows:

FACILITY	NUMBER OF STUDENTS	GRADES	YEAR CONSTRUCTED
Adams Early Childhood Center	382	PK	2003
Avant Elementary School	364	K-5	2007
Bush Alternative School	69	6-12	2006
Dunbar Elementary School	315	K-4	2006
Annette Officer Elementary School	382	K-4	2003
Katie Harper Wright Elementary School	408	PK-4	2006
Lincoln Middle School	391	5-8	2005
Mason-Clark Middle School	529	5-8	2007
Wyvetter Young School of Excellence	559	K-8	2002
East St. Louis Senior High School	1,112	9-12	1957
SIU Charter School*	69	9-12	NA

Source: The District.

\*Located in the East St. Louis Community College Center.

The District’s long term capital improvement plan includes its 10-Year Health Life Safety Survey and Strategic and Capital Improvement Plan dated September 2020. Capital and facility needs in the District total approximately \$30 million.

The District will begin construction in March 2026 on a 32,500 square-foot addition to its career and technical education facility (the “*CTE Facility*”). The cost is approximately \$17.2 million and will be paid for primarily from a \$17 million grant from the Illinois Department of Commerce and Economic Opportunity. The remaining amounts will come from the District’s fiscal year 2027 capital projects budget. Construction is expected to be completed around June 2027. New programs being offered at the CTE Facility include heating, air conditioning, ventilation and refrigeration maintenance and machine tool technology. In addition, the CTE Facility will include a dozen additional welding bays, high-tech studios for audio/visual students, a professional-grade automotive facility and an improved facility for electrical trades.

INFORMATION RELATED TO POTENTIAL COMMUNITY REINVESTMENT ACT CREDIT

The National School Lunch Program (the “*NSLP*”) provides free or reduced-price school meals to eligible students who participate in certain federal assistance programs (including the Supplemental Nutrition Assistance Program), or whose median household incomes fall below certain federal poverty thresholds. The table below includes the participation of District students in the NSLP. The District makes no representation as to the status of any investment in the Certificates under the Community Reinvestment Act.

FACILITY	ELIGIBILITY PERCENT <sup>(1)</sup>
SIU Charter School of East St. Louis <sup>(2)</sup>	100%
Wyvetter Young School of Excellence	100%
Bush Alternative School	100%
Adams Early Childhood Center	100%
Katie Harper Wright Elementary	100%
Annette Officer Elementary	100%
Dunbar Elementary	100%
Avant Elementary	100%
Lincoln Middle	100%
Mason-Clark Middle	100%
East St. Louis Senior High	100%

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Source: ISBE

(1) Program Year 2026 Eligibility Data.

(2) SIU Charter School of East St. Louis is located in the District and some students that would attend East St. Louis Senior High School attend the Charter School, as well as students from surrounding school districts.

EMPLOYEE UNION MEMBERSHIP AND RELATIONS

At the start of the 2025-2026 school year, the District had 915 full-time employees and 46 part-time employees. Of the total number of employees, approximately 818 are represented by a union. Employee-union relations are considered to be good. District personnel are organized as follows:

EMPLOYEE GROUP	CONTRACT EXPIRES	UNION AFFILIATION	NUMBER OF MEMBERS
Teachers	June 30, 2027	IFT/AFT	447
Support Staff	June 30, 2027	IFT/AFT	371

DEVELOPMENT WITHIN THE DISTRICT

The Jackie Joyner-Kersey Foundation has developed a youth-focused urban agriculture and innovation hub known as the Jackie Joyner-Kersey Food, Agriculture, and Nutrition Innovation Center (“*JJK FAN*”) on a 70+ acre campus in the City. Launched in April of 2022, JJK FAN came from a private-public partnership between the Jackie Joyner-Kersey Foundation, the Donald Danforth Plant Science Center, the University of Illinois Urbana-Champaign, and the University of Illinois Extension. The JJK FAN features a 24,000-square-foot innovation facility for hands-on training, nutrition education and athletics.

East St. Louis-based nonprofit Lansdowne Up (“*Lansdowne Up*”) donated the property to the Jackie Joyner-Kersey Foundation. Lansdowne Up is a new East St. Louis nonprofit that aims to revitalize the community, especially in the Lansdowne neighborhood that is located in the City’s northeast end. The new center will be used to house staff of the foundation and its Winning in Life program, along with the University of Illinois Extension, Expanded Food and Nutrition Education Program and Danforth Centers JJK FAN Center staff. The center is expected to add \$7.8 million in new labor income and 126 jobs to the regional economy. This includes Lansdowne Park, which is a 20-home subdevelopment.

The State is building a new, \$55 million District 11 headquarters for the Illinois State Police (“*ISP*”) in the City. The new facility will be built next to the JJK FAN. District 11 serves Bond, Clinton, Madison, Monroe and St. Clair Counties. The new facility will feature two buildings: a headquarters that is about 62,500 square feet and a roughly 21,000 square-foot warehouse to house patrol, investigations, and SWAT capabilities. Ground is expected to be broken in the summer of 2026. The ISP continues to operate out of the existing facility in Collinsville while the new headquarters is being built. The land for the new Illinois State Police District 11 headquarters was donated by Lansdowne Up.

The City is expected to break ground on a new \$25 million police station in the fall of 2026.

Two new housing developments were completed in 2025 in the District. Sinai Village is a development that includes 36 multi-family units at a value of approximately \$13 million.

New Broadview is a \$45.5 million restoration of the Broadview Hotel which has been transformed into 110 units of multi-family apartments for seniors.

#### POPULATION DATA

According to the U.S. Census Bureau 2020-2024 American Community Survey 5-Year Estimates (released by the U.S. Census Bureau January 29, 2026), the estimated population of the District is 25,236. The estimated populations of the City, County and State at the times of the last three U.S. Census surveys were as follows:

NAME OF ENTITY	2000	2010	2020	% CHANGE 2010/2020
The City	31,542	27,006	18,469	-31.61%
The County	256,082	270,056	257,400	-4.69%
The State	12,419,293	12,830,632	12,812,508	-0.14%

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

**FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT**

DIRECT GENERAL OBLIGATION BONDS (PRINCIPAL ONLY)\*

CALENDAR YEAR	THE 2023 BONDS (JAN. 1)	PLUS: THE 2026A LOCAL GOVERNMENT SECURITIES <sup>(1)</sup> (JAN. 1)	PLUS: THE 2026B LOCAL GOVERNMENT SECURITIES <sup>(1)</sup> (JAN. 1)	LESS: THE REFUNDED BONDS <sup>(1)</sup> (JAN. 1)	TOTAL OUTSTANDING BONDS <sup>(1)</sup>
2027	\$1,565,000				\$ 1,565,000
2028	1,645,000			\$ 690,000	955,000
2029	1,730,000			725,000	1,005,000
2030	555,000	\$ 505,000			1,060,000
2031		1,010,000	\$ 100,000		1,110,000
2032			1,170,000		1,170,000
2033			1,230,000		1,230,000
2034			1,290,000		1,290,000
2035			1,355,000		1,355,000
2036			1,430,000		1,430,000
2037			1,505,000		1,505,000
2038			1,585,000		1,585,000
2039			1,670,000		1,670,000
2040			1,765,000		1,765,000
2041			1,855,000		1,855,000
2042			1,960,000		1,960,000
2043			2,065,000		2,065,000
2044			2,185,000		2,185,000
2045			2,305,000		2,305,000
2046			2,435,000		2,435,000
2047	<u>                    </u>	<u>                    </u>	<u>2,575,000</u>	<u>                    </u>	<u>2,575,000</u>
TOTAL	\$5,495,000	\$1,515,000	\$28,480,000	\$1,415,000	\$34,075,000

\* As of the closing of the Bonds.

(1) Preliminary, subject to change.

OVERLAPPING GENERAL OBLIGATION BONDS  
(As of February 11, 2026)

TAXING BODY	OUTSTANDING BONDS <sup>(1)</sup>	APPLICABLE TO THE DISTRICT	
		PERCENT	AMOUNT
The County (Including Public Bldg. Comm.)	\$33,175,000	2.506%	\$ 831,308
City of Belleville	15,250,000	0.877%	133,680
City of Fairview Heights	20,255,000	1.710%	346,320
French Village Fire Protection District	915,000	57.520%	526,305
Northwest St. Clair City Fire Protection Dist.	1,045,000	0.002%	25
TOTAL OVERLAPPING BONDED DEBT			\$1,837,638

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

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

SELECTED FINANCIAL INFORMATION

2024 Estimated Full Value of Taxable Property:	\$ 759,422,793
2024 EAV:	\$ 253,140,931 <sup>(1)</sup>
Population Estimate:	25,236
General Obligation Bonds:	\$ 34,075,000 <sup>(2)</sup>
Other Direct General Obligation Debt:	\$ 0
Total Direct General Obligation Debt:	\$ 34,075,000 <sup>(2)</sup>
Percentage to Full Value of Taxable Property:	4.49% <sup>(2)</sup>
Percentage to EAV:	13.46% <sup>(2)</sup>
Debt Limit (13.8% of EAV):	\$ 34,933,448 <sup>(3)</sup>
Percentage of Debt Limit:	97.54% <sup>(2)</sup>
Per Capita:	\$ 1,350 <sup>(2)</sup>
General Obligation Bonds:	\$ 34,075,000 <sup>(2)</sup>
Overlapping General Obligation Bonds:	\$ 1,837,638
General Obligation Bonds and Overlapping General Obligation Bonds:	\$ 35,912,638 <sup>(2)</sup>
Percentage to Full Value of Taxable Property:	4.73% <sup>(2)</sup>
Percentage to EAV:	14.19% <sup>(2)</sup>
Per Capita:	\$ 1,423 <sup>(2)</sup>

(1) Includes Incremental EAV in the amount of \$121,065,305. See "Tax Increment Financing Districts Located within the District."

(2) Preliminary, subject to change.

(3) Incremental EAV is included in the calculation of the District's statutory debt limit. The District receives property tax revenues from the property included in the TIF district to the extent that the District has entered into an intergovernmental agreement regarding the TIF district. See "Tax Increment Financing Districts Located within the District."

## COMPOSITION OF EAV

	2020	2021	2022	2023	2024
Residential	\$ 42,349,050	\$ 42,418,032	\$ 44,970,265	\$ 48,505,947	\$ 52,751,966
Farm	1,151,125	1,221,418	1,185,248	1,254,845	1,324,872
Commercial	18,289,422	18,534,207	19,073,792	21,672,536	22,776,407
Industrial	9,340,944	10,721,838	11,518,880	12,467,684	13,236,872
Mineral	0	0	0	1,784	1,784
Railroad <sup>(1)</sup>	33,597,799	36,754,559	40,745,662	43,951,945	41,983,725
<b>Total EAV<sup>(2)</sup></b>	<b>\$104,728,340</b>	<b>\$109,650,054</b>	<b>\$117,493,847</b>	<b>\$127,854,741</b>	<b>\$132,075,626</b>

Source: County Clerk's Office.

(1) Includes railroad crossings and switching stations.

(2) Does not include Incremental EAV.

## TREND OF EAV

LEVY YEAR	EAV <sup>(1)</sup>	% CHANGE IN EAV FROM PREVIOUS YEAR
2020	\$104,728,340	2.90% <sup>(2)</sup>
2021	109,650,054	4.70%
2022	117,493,847	7.15%
2023	127,854,741	8.82%
2024	132,075,626	3.30% <sup>(3)</sup>

Source: County Clerk's Office.

(1) Does not include Incremental EAV.

(2) Based on the District's 2019 EAV of \$101,779,913.

(3) The District expects its 2025 EAV to increase by approximately 4.62% to \$138.2 million.

TAX INCREMENT FINANCING DISTRICTS LOCATED WITHIN THE DISTRICT

A portion of the District’s EAV is contained in TIF districts. When a TIF district is created within the boundaries of a taxing body, such as the District, the EAV of the portion of real property designated as a TIF district is frozen at the level of the tax year in which it was designated as such (the “*Base EAV*”). Any incremental increases in property tax revenue produced by the increase in EAV (the “*Incremental EAV*”) derived from the redevelopment project area during the life of the TIF district are not provided to the District until the TIF district expires. The District is not aware of any new TIF districts planned in the immediate future.

LOCATION/ NAME OF TIF	FINAL TAX YEAR	BASE EAV	2024 EAV	INCREMENTAL EAV
Alorton TIF 1	2024	\$ 1,968,200	\$15,284,471	\$ 13,316,271
Belleville TIF 3	2033	110,956	226,876	115,920
Caseyville TIF 2	2029	3,222,965	22,888,671	19,665,706
Centreville TIF 1	2025	1,199,835	5,338,597	4,138,762
East St. Louis TIF 1	2033	8,940,931	50,899,510	41,958,579
East St. Louis Lansdowne TIF	2042	11,008	20,918	9,910
East St. Louis TIF 3-A	2037	11,690,947	32,848,267	21,157,320
East St. Louis TIF 3-B	2025	6,213	58,858	52,645
East St. Louis TIF 3-C	2025	100,799	1,327,965	1,227,166
Fairmont City TIF 1	2033	1,076,533	1,684,368	607,835
Fairmont City TIF 2	2033	2,947,367	7,749,890	4,802,523
Fairview Hts TIF 4 West	2037	1,181,922	1,766,068	584,146
Madison TIF 1	2029	392,560	5,441,239	5,048,679
Washington Park TIF 1	2025	2,464,532	9,334,305	6,869,773
Washington Park TIF 2	2036	3,428,546	4,938,616	1,510,070
			Total Incremental EAV	\$121,065,305
			2024 EAV	132,075,626
			Total EAV	\$253,140,931

Source: County Clerk’s Office.

With the recent extension of the East St. Louis TIF 1, an agreement was reached for 50% of incremental TIF revenues within TIF 1 and 3A to be shared on a pro-rata basis with all taxing districts beginning in Fiscal Year 2023 and extending through Fiscal Year 2037. The District has not yet received any payments. The District has also entered into an intergovernmental agreement with respect to the Caseyville TIF 2 district pursuant to which the District receives payment of certain TIF funds with respect such TIF district. Pursuant to such agreement, in Fiscal Years 2020 through 2025, the District has received approximately \$2.9 million.

TAXES EXTENDED AND COLLECTED

TAX LEVY YEAR/ COLLECTION YEAR	TAXES EXTENDED	TAXES COLLECTED AND DISTRIBUTED <sup>(1)</sup>	PERCENT COLLECTED <sup>(2)</sup>
2020/21	\$ 9,752,308	\$ 9,085,479	93.16%
2021/22	9,420,765	8,827,930	93.71%
2022/23	9,847,019	9,239,173	93.83%
2023/24	11,142,095	10,378,160	93.14%
2024/25	11,149,453	10,390,890	93.20%

Source: St. Clair County Treasurer's Office.

(1) Excludes interest.

(2) Section 16 of the Debt Reform Act provides that in extending taxes for general obligation bonds, the county clerk shall add to the levy for debt service on such bonds 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 District has historically collected less than 100% of its taxes levied and has budgeted accordingly. To protect the District against losses and delinquencies in the collection of its bond and interest levies and to ensure the timely bond interest and principal payments going forward, the District recently adopted a resolution requesting that the County Clerk add 7% to its bond and interest tax extensions, including bond and interest tax extensions for the Local Government Securities beginning with levy year 2025 extensions.

SCHOOL DISTRICT TAX RATES BY PURPOSE

(Per \$100 EAV)

PURPOSE	2020	2021	2022	2023	2024	MAXIMUM RATE
Educational	\$1.9100	\$1.9100	\$1.8708	\$1.9100	\$1.9100	\$1.9100
Bonds and Interest	1.6307	1.5780	1.5335	1.4076	1.3644	None
Building	0.5000	0.5000	0.4898	0.5000	0.5000	0.5000
IMRF	0.2572	0.2164	0.2217	0.3834	0.2522	None
Transportation	0.2000	0.2000	0.1959	0.2000	0.2000	0.2000
Working Cash	0.0500	0.0500	0.0490	0.0500	0.0500	0.0500
Fire Prevention/Safety	0.0500	0.0500	0.0490	0.0500	0.0500	0.0500
Special Education	0.0400	0.0400	0.0392	0.0400	0.0400	0.0400
Liability Insurance	3.8966	3.2203	3.1541	2.8564	2.8714	None
Social Security	0.8071	0.7457	0.7595	1.2367	1.1471	None
Lease/Purchase/Rental	0.0500	0.0500	0.0490	0.0500	0.0500	0.0500
Total District Tax Rate	\$9.3916	\$8.5604	\$8.4115	\$8.6841	\$8.4351	

Source: County Clerk's Office.

## REPRESENTATIVE TOTAL TAX RATES

(Per \$100 EAV)

TAXING AUTHORITY	2020	2021	2022	2023	2024
The District	\$ 9.3916	\$ 8.5604	\$ 8.4115	\$ 8.6841	\$ 8.4351
The County	1.0990	1.0983	1.0800	1.0236	0.9535
Metro-East Sanitary District	0.3866	0.3888	0.3653	0.3426	0.3001
East St. Louis Township	0.4250	0.4211	0.4074	0.3926	0.3921
East Side Health	0.1722	0.1721	0.1703	0.1625	0.1638
The City	2.9269	2.8590	2.6816	2.5189	2.3929
City of East St. Louis Library	0.1271	0.1241	0.1164	0.0514	0.1039
East St. Louis Park District	0.5132	0.6121	0.6021	0.5811	0.5906
<b>Total Representative Tax Rate<sup>(1)</sup></b>	<b>\$15.0416</b>	<b>\$14.2359</b>	<b>\$13.8346</b>	<b>\$13.7568</b>	<b>\$13.3320</b>

Source: County Clerk's Office.

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

## TEN LARGEST TAXPAYERS

TAXPAYER NAME	DESCRIPTION	2024 EAV	PERCENT OF DISTRICT'S TOTAL EAV
Union Pacific Railroad Co.	Railroad property	\$27,851,069	11.00%
Gaming Leisure Properties, Inc. <sup>(1)</sup>	Casino and hotel	15,511,934	6.13%
LSI Acquisition LLC	Prepared food products	7,967,300	3.15%
CSX Transportation Inc. Co.	Railroad property	5,750,462	2.27%
Illinois American Water Co.	Water utility	5,116,243	2.02%
Copart of Connecticut, Inc.	Industrial property	3,919,085	1.55%
Wiggins Ferry Co.	Grain elevator	3,832,991	1.51%
Racehorse Investments, Inc.	Industrial property	3,330,602	1.32%
Metro East Industries, Inc.	Railroad car and locomotive welding and repair services	2,798,351	1.11%
Terminal Railroad Assoc. of St. Louis	Railroad property	2,526,003	1.00%
		<b>\$78,604,040</b>	<b>31.05%</b>

Source: County Clerk's Office except for taxpayer descriptions which are based on publicly available information available to the District. Values shown above include Incremental EAV (if any).

The above taxpayers represent 31.05% of the District's 2024 EAV of \$253,140,931 (includes Incremental EAV). Reasonable efforts have been made to seek out and report the largest taxpayers. However, many of the taxpayers listed may own multiple parcels and it is possible that some parcels and their valuations may not be included.

(1) This property is the former Casino Queen. It was rebranded in 2020 as *DraftKings* at the Casino Queen into a modernized, 30,000-square-foot destination following a \$10 million renovation completed in 2022. The facility features a 6,000-square-foot sportsbook with a 60-foot video wall and offers a state-of-the-art retail sportsbook with 30+ kiosks, five betting windows, 157-room hotel, and five restaurants. The gaming floor contains over 900 slots and 27 table games.

## RETAILERS' OCCUPATION TAX AND SERVICE OCCUPATION TAX

The following table shows the distribution of the municipal portion of the Retailers' Occupation Tax and Service Occupation Tax collected by the Illinois Department of Revenue (the "Department") from retailers within the City. The table indicates the level of retail activity in the City.

CALENDAR YEAR	STATE SALES TAX DISTRIBUTION <sup>(1)</sup>
2021	\$1,180,767
2022	1,100,032
2023	1,087,519
2024	1,188,627
2025	1,654,261

Source: The Department.

(1) Tax distributions are based on records of the Department relating to the 1% municipal portion of the Retailers' Occupation Tax and Service Occupation Tax, collected on behalf of the City, less a State administration fee. The municipal 1% sales tax includes tax receipts from the sale of food and drugs which are not taxed by the State.

## CORPORATE PERSONAL PROPERTY REPLACEMENT TAXES

CPPRT are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "Personal Property Tax") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "Sharing Act") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District over the last five years and the estimated amount of CPPRT to be received in Fiscal Year 2026:

FISCAL YEAR	CPPRT RECEIPTS
2021	\$ 4,820,148
2022	10,422,033
2023	10,876,849
2024	6,554,175
2025	4,395,086
2026 (estimate)	4,845,062

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025 and the Department for Fiscal Year 2026.

LARGEST EMPLOYERS<sup>(1)</sup>

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

EMPLOYER	PRODUCT OR SERVICE	LOCATION	APPROXIMATE NUMBER OF EMPLOYEES
Memorial Hospital	General hospital	Belleville	2,250
SWIC	Community college	Belleville	1,311
The District	Education	East St. Louis	961
Gateway Regional Medical Center	Hospital and medical center	Granite City	917
Jet Aviation	Aircraft refurbishment on a factory basis	Cahokia	860
United States Steel Corp., Granite City Works	Flat rolled steel and pig iron	Granite City	800
Amsted Rail Company, Inc.	Castings, railway car components, side frames and bolsters	Granite City	726
Touchette Regional Hospital	Hospital	Centreville	530
Luhr Bros., Inc.	Heavy and marine construction	Columbia	520
Cerro Flow Products LLC	Copper tubing and billets	Sauget	500
Trekker Logistics	Long-distance trucking services	Caseyville	475
Beelman Truck Co.	Aggregate bases and trucking	East St. Louis	450
Kraft Heinz Foods Company, Capri Sun Plant	Fruit drinks	Granite City	450
Allsup, Inc.	Non-attorney specialists in social security disability, Medicare services and health benefits coordination	Belleville	400
Branding Iron Holdings, Inc.	Individually quick-frozen beef and pork products	Sauget	350

Source: 2026 Illinois Services and 2026 Illinois Manufacturers Directories and the Illinois Department of Commerce and Economic Opportunity.

(1) Includes part-time employees.

LARGE EMPLOYERS – ST. LOUIS

EMPLOYER	PRODUCT OR SERVICE	APPROXIMATE NUMBER OF EMPLOYEES
Washington University Medical Center	Physicians offices	10,000
Wells Fargo Advisors LLC	Financial advisory services	7,000
Anheuser-Busch Co. LLC	Brewery	5,000
Mercy Hospital St. Louis	Hospital	4,779
Bayer Cropscience US	Agricultural Research	4,000
Mercy Hospital South	Hospital	3,208
BJC Health System	Hospital	3,005
St. Louis Children’s Hospital	Hospital	2,566
Bi-State Development	Special needs transportation service	2,500
Express Scripts Holding Co.	Pharmacies and drug stores	2,000
Nestle Purina Pet Care Co.	Pet food	2,000

Source: CareerOneStop, sponsored by the U.S. Department of Labor and other publicly available sources.

UNEMPLOYMENT RATES

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates for the City, County and State.

	THE CITY	THE COUNTY	THE STATE
2020 – Average <sup>(1)</sup>	15.9%	9.0%	9.3%
2021 – Average <sup>(1)</sup>	12.7%	6.2%	6.1%
2022 – Average	7.6%	4.5%	4.6%
2023 – Average	8.0%	4.7%	4.5%
2024 – Average	8.1%	4.7%	5.0%
2025 – Average <sup>(2)</sup>	7.0%	4.3%	4.7%

Source: State of Illinois Department of Employment Security.

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.

(2) Not seasonally adjusted. Excludes the month of October, as no reports were filed during this time due to the government shutdown.

## HOUSING VALUE AND INCOME STATISTICS

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

	THE CITY	THE COUNTY	THE STATE
Median Home Value	\$52,600	\$180,300	\$263,300
Median Household Income	35,700	73,854	83,390
Median Family Income	45,405	97,289	106,018
Per Capita Income	23,036	38,942	46,406

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

### SHORT-TERM BORROWING

The District has not issued tax anticipation warrants or revenue anticipation notes during the last five years to meet its short-term current year cash flow requirements.

### FUTURE DEBT

Except for the Local Government Securities, the District does not currently anticipate issuing any debt in the next six months.

### DEFAULT RECORD

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

### WORKING CASH FUND

The District is authorized to issue general obligation bonds to create, re-create or increase a Working Cash Fund. Such fund can also be created, re-created or increased by the levy of an annual tax not to exceed \$.05 per hundred dollars of EAV (the "*Working Cash Fund Tax*"). The purpose of the fund is to enable the District to have sufficient cash to meet demands for expenditures for corporate purposes. Moneys in the Working Cash Fund may be loaned, in whole or in part, as authorized and directed by the Board, to any fund or funds of the District in anticipation of ad valorem property taxes levied by the District for such fund or funds. The Working Cash Fund is reimbursed when the anticipated taxes or other moneys are received by the District.

Any time moneys are available in the Working Cash Fund, they must be transferred to such other funds of the District and used for any and all school purposes so as to avoid, whenever possible, the issuance of tax anticipation warrants or notes. Interest earned from the investment of the Working Cash Fund may be transferred from the Working Cash Fund to other funds of the

District that are most in need of the interest. Moneys in the Working Cash Fund may not be appropriated by the Board in the annual budget.

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

Finally, the District may abolish the Working Cash Fund and direct the transfer of any balance thereof to the educational fund at the close of the then current fiscal year. After such abolishment, all outstanding Working Cash Fund Taxes levied will be paid into the educational fund upon collection. Outstanding loans from the Working Cash Fund to other funds of the District at the time of abolishment will be paid or become payable to the educational fund at the close of the then current fiscal year. The outstanding balance in the Working Cash Fund at the time of abolishment, including all outstanding loans from the Working Cash Fund to other funds of the District and all outstanding Working Cash Fund Taxes levied, may be used and applied by the District for the purpose of reducing, by the balance in the Working Cash Fund at the close of the fiscal year, the amount of taxes that the Board otherwise would be authorized or required to levy for educational purposes for the fiscal year immediately succeeding the fiscal year in which the Working Cash Fund is abolished.

#### WORKING CASH FUND SUMMARY

FISCAL YEAR	END OF YEAR FUND BALANCE
2021	\$540,711
2022	601,798
2023	686,848
2024	774,990
2025	864,042

Source: Compiled from the District's audited financial statements for Fiscal Years 2021 through 2025.

### **REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES**

#### SUMMARY OF PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

A separate tax to pay principal of and interest on the Local Government Securities will be levied on all taxable real property within the District. The information under this caption describes the current procedures for real property assessments, tax levies and collections in the County. There can be no assurance that the procedures described herein will not change.

## TAX LEVY AND COLLECTION PROCEDURES

Local Assessment Officers determine the assessed valuation of taxable real property and railroad property not held or used for railroad operations. The Department assesses certain other types of taxable property, including railroad property held or used for railroad operations. Local Assessment Officers' valuation determinations are subject to review at the county level and then, in general, to equalization by the Department. Such equalization is achieved by applying to each county's assessments a multiplier determined by the Department. The purpose of equalization is to provide a common basis of assessments among counties by adjusting assessments toward the statutory standard of 33-1/3% of fair cash value. Farmland is assessed according to a statutory formula, which takes into account factors such as productivity and crop mix. Taxes are extended against the assessed values after equalization.

Property tax levies of each taxing body are filed in the office of the county clerk of each county in which territory of that taxing body is located. The county clerk computes the rates and amount of taxes applicable to taxable property subject to the tax levies of each taxing body and determines the dollar amount of taxes attributable to each respective parcel of taxable property. The county clerk then supplies to the appropriate collecting officials within the county the information needed to bill the taxes attributable to the various parcels therein. After the taxes have been collected, the collecting officials distribute to the various taxing bodies their respective shares of the taxes collected. Taxes levied in one calendar year are due and payable in two installments during the next calendar year.

## UNPAID TAXES AND ANNUAL TAX SALES

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.50% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale" — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

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

When taxes go unpaid for more than 20 years, Illinois law states that the property is "forfeited to the state." As a practical matter, this does not happen. Instead, the taxes are wiped

out, as the property remains in its distressed condition barring a change in the owner's circumstances or it being sold.

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

## EXEMPTIONS

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

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

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

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

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

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot,

adjusted by the Consumer Price Index (“CPI”). Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

The Natural Disaster Homestead Exemption (the “*Natural Disaster Exemption*”) applies to homestead properties containing a residential structure that has been rebuilt following a natural disaster. A natural disaster is an occurrence of widespread or severe damage or loss of property resulting from any catastrophic cause including but not limited to fire, flood, earthquake, wind, or storm. The Natural Disaster Exemption is equal to the EAV of the residence in the first taxable year for which the taxpayer applies for the exemption minus the base amount. To be eligible for the Natural Disaster Exemption, the residential structure must be rebuilt within two years after the date of the natural disaster, and the square footage of the rebuilt residential structure may not be more than 110% of the square footage of the original residential structure as it existed immediately prior to the natural disaster. The Natural Disaster Exemption remains at a constant amount until the taxable year in which the property is sold or transferred.

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

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

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

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

## PROPERTY TAX EXTENSION LIMITATION LAW

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

The effect of the Limitation Law is to limit the amount of property taxes that can be extended for a taxing body. In addition, general obligation bonds, notes and installment contracts payable from ad valorem taxes unlimited as to rate and amount cannot be issued by the affected taxing bodies unless the obligations first are approved at a direct referendum, are alternate bonds or are for certain refunding purposes.

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

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

As of the date of the referendum causing tax caps to be applicable to a taxing body, referendum approval would be required in order for the taxing body to issue unlimited tax general obligation bonds. A referendum on the applicability of the Limitation Law has yet to be initiated in the County. No guarantee exists, however that such a referendum will not be held in the future.

If the Limitation Law were to apply in the future to the District, the limitations set forth therein will not apply to the taxes levied by the District to pay the principal of and interest on the Local Government Securities.

Public Act 100-465 provides that if the District’s Adequacy Target (as defined under “STATE AID” herein) exceeds 110% for the school year that begins during the calendar year immediately preceding the levy year for which a tax reduction is sought, a petition signed by at least 10% of the registered voters in the District may be filed requiring a proposition to be submitted to the District’s voters at the next consolidated election in April of odd-numbered years asking the voters whether the District must reduce its extension for educational purposes for the levy year in which the election is held to an amount that is less than the extension for educational

purposes for the immediately preceding levy year. If the voters approve the proposition, the amount extended by the County Clerk for educational purposes will be reduced as provided in the proposition. The reduced extension, however, may not be more than 10% lower than the amount extended for educational purposes in the previous levy year and may not cause the District's Adequacy Target to fall below 110% for the levy year for which the reduction is sought. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Illinois legislators have introduced several proposals to modify the Limitation Law, including freezing property taxes and extending tax caps to all taxing bodies in the State. The District cannot predict whether, or in what form, any change to the Limitation Law may be enacted into law, nor can the District predict the effect of any such change on the District's finances.

#### TRUTH IN TAXATION LAW

Legislation known as the Truth in Taxation Law (the "*Law*") limits the aggregate amount of certain taxes which can be levied by, and extended for, a taxing district to 105% of the amount of taxes extended in the preceding year unless specified notice, hearing and certification requirements are met by the taxing body. The express purpose of the Law is to require published disclosure of, and hearing upon, an intention to adopt a levy in excess of the specified levels. The provisions of the Law do not apply to levies made to pay principal of and interest on the Local Government Securities. The District covenanted in the District Bond Resolution that it will not take any action or fail to take any action which would adversely affect the ability of the District to levy and collect the taxes levied by the District for payment of principal of and interest on the Local Government Securities. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the District Bond Resolution.

#### SCHOOL DISTRICT FINANCIAL PROFILE

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

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

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

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

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

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

FISCAL YEAR	ORIGINAL SCORE	DESIGNATION BASED ON ORIGINAL SCORE	ADJUSTED SCORE	DESIGNATION BASED ON ADJUSTED SCORE
2020	3.70	Recognition	3.70	Recognition
2021	3.60	Recognition	3.60	Recognition
2022	3.60	Recognition	3.60	Recognition
2023	3.35	Review	3.35	Review
2024	3.80	Recognition	3.80	Recognition

### STATE AID

#### GENERAL

The State provides aid to local school districts on an annual basis as part of the State’s appropriation process. Many school districts throughout the State rely on such state aid as a significant part of their budgets. For Fiscal Year 2025, 70.64% of the District’s General Fund revenue came from State funding sources. See *Exhibit C* to this Official Statement for more information concerning the breakdown of the District’s revenue sources.

#### GENERAL STATE AID—EVIDENCE-BASED FUNDING MODEL

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

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

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being the district’s “*Base Funding Minimum*”). The Base Funding Minimum for the District for school year 2017-2018 was \$50,104,228 (the “*Initial Base Funding Minimum*”). Mandated Categorical State Aid (as hereinafter defined) received by the District in Fiscal Year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

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

FISCAL YEAR	EVIDENCE-BASED FUNDING
2021	\$53,267,694
2022	60,434,884 <sup>(1)</sup>
2023	60,510,001
2024	60,514,519
2025	60,518,969
2026 (projected)	60,523,575

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

- (1) Includes the DI Funds as described above in “THE DISTRICT—Financial Oversight Panel” herein. The DI Funds have been included as part of the District’s EBF funding since Fiscal Year 2022.

The District was placed in Tier 4 for Fiscal Years 2025 and 2026.

#### PROPERTY TAX RELIEF POOL FUNDS

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “*Property Tax Relief Pool*”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple

average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district's Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above.

For each of the last three fiscal years, \$50 million of General State Aid was allocated to the Property Tax Relief Pool. In the Fiscal Year 2026 Budget, no funds were allocated to the Property Tax Relief Pool. The District received a property tax relief grant for approximately \$900,000 in Fiscal Years 2020 and 2022, the purpose of which was to reduce the local property tax rate.

#### MANDATED CATEGORICAL STATE AID

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

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

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

In past years, the State has not fully funded all Mandated Categorical State Aid payments. Therefore, pursuant to the procedures discussed above, proportionate reductions in Mandated Categorical State Aid payments to school districts have occurred. However, because these programs are “mandatory” under the School Code, each school district must provide these programs regardless of whether such school district is reimbursed by the State for the related expenditures. No assurance can be given that the State will make appropriations in the future sufficient to fund fully the Mandatory Categorical State Aid requirements. As such, the District’s revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

#### COMPETITIVE GRANT STATE AID

The State also provides funds to school districts for expenditures incurred in providing additional programs that are allowed, but not mandated by, the School Code. In contrast to Mandated Categorical State Aid, such “*Competitive Grant State Aid*” is not guaranteed to a school district that provides these programs. Instead, a school district applying for Competitive Grant State Aid must compete with other school districts for the limited amount appropriated each year by the State for such program.

Competitive Grant State Aid is allocated, after appropriation by the State, among certain school districts selected by the State. The level of funding is annually determined separately for each category of aid based on the State’s budget. This process does not guarantee that any funding will be available for Competitive Grant State Aid programs, even if a school district received such funding in a prior year. Therefore, school districts may incur expenditures with respect to certain Competitive Grant State Aid programs without any guarantee that the State will appropriate the money necessary to reimburse such expenditures.

#### PAYMENT FOR MANDATED CATEGORICAL STATE AID AND COMPETITIVE GRANT STATE AID

The State makes payments to school districts for Mandated Categorical State Aid and Competitive Grant State Aid (together, “*Categorical State Aid*”) in accordance with a voucher system involving ISBE. ISBE vouchers payments to the State on a periodic basis. The time between vouchers varies depending on the type of Categorical State Aid in question. For example, with respect to the categories of Mandated Categorical State Aid related to extraordinary special education and transportation, ISBE vouchers the State for payments on a quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

Once ISBE has vouchered the State for payment, the State is required to make the Categorical State Aid payments to the school districts. As a general matter, the State is required to make such payments within 90 days after the end of the State’s fiscal year.

See *Exhibit C* for a summary of the District’s General Fund revenue sources.

## FEDERAL COVID-19 LEGISLATION

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

The District received \$6,191,843 pursuant to ESSER I. Funds were used in large part for supplies, including learning loss supplies, personal protective equipment (PPE), thermal temperature machines and technology upgrades. The balance of the ESSER I funds were used for salaries/benefits, purchase services and capital projects. The District received \$24,245,434 pursuant to ESSER II. Funds were used for salaries and benefits for an extended school year, professional development, PPE, additional staff to assist in learning loss, professional development, HVAC repairs and maintenance, technology upgrades and supplies. The District also received \$54,896,097 pursuant to ESSER III. These funds are mainly being used for HVAC projects throughout the District, which projects will be completed this fiscal year. These funds were also spent on salaries and benefits for staff, PPE and supplies. All ESSER funds will be spent by the end of this fiscal year.

Approximately \$3.4 million of additional staff and programs that were previously paid with ESSER funds have been and will be paid from the District's operating funds going forward.

## FEDERAL AID

The Federal government administers aid to local school districts primarily through the United States Department of Education and specifically through the Elementary and Secondary Education Act, as amended ("*ESEA*"). *ESEA*'s goal is to improve educational equity for students from lower income families by providing federal funds to school districts serving poor students. *ESEA* was originally authorized through 1970, and Congress has reauthorized it eight times since its enactment. In 2001, *ESEA* was rewritten and renamed the No Child Left Behind Act ("*NCLB*"), which was first signed into law by President Bush in 2002. In 2015, Congress passed the Every Student Succeeds Act to replace the *NCLB*.

The District's second largest source of revenue is Federal Aid. Historically, the District has received 21% to 23% of its revenues from Federal Aid. The increase in Fiscal Years 2021 through 2024 is due in large part to the District's receipt of federal COVID-19 funds. See "STATE AID—Federal COVID-19 Legislation" and *Exhibit C* herein. The District receives the majority of Federal Aid pursuant to Title I, which provides financial assistance to local educational agencies and schools with high numbers of children from low-income families. Federal funds are currently allocated through four statutory formulas that are based primarily on census poverty estimates and the cost of education in each state.

## RETIREMENT PLANS

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

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 9 to the Audit, as hereinafter defined, attached hereto as APPENDIX A.

### BACKGROUND REGARDING PENSION PLANS

#### *The Actuarial Valuation*

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

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

#### *GASB Standards*

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

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

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

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

#### *Pension Plans Remain Governed by the Pension Code*

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

#### TEACHERS’ RETIREMENT SYSTEM OF THE STATE OF ILLINOIS

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

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

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 9 to the Audit.

#### *Employer Funding of Teachers’ Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except

for a small portion contributed by the teacher’s employer, such as the District. For the most recent five fiscal years, the sum of the amounts contributed by the District to TRS were as follows:

FISCAL YEAR	TRS CONTRIBUTION
2021	\$1,036,521
2022	772,981
2023	802,160
2024	968,476
2025	851,901

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025.

Note: The changes in TRS contributions relate to the change in the contribution rates as well as total federal funds received by the District.

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 9 to the Audit.

#### ILLINOIS MUNICIPAL RETIREMENT FUND

The District also participates in the IMRF, which is a defined-benefit, agent multiple employer pension plan that acts as a common investment and administrative agent for units of local government and school districts in the State. The IMRF is established and administered under statutes adopted by the General Assembly. The Pension Code sets the benefit provisions of the IMRF, which can only be amended by the General Assembly.

Each employer participating in the IMRF, including the District, has an employer reserve account with the IMRF separate and distinct from all other participating employers (the “*IMRF Account*”) along with a unique employer contribution rate determined by the IMRF Board of Trustees (the “*IMRF Board*”), as described below. The employees of a participating employer receive benefits solely from such employer’s IMRF Account. Participating employers are not responsible for funding the deficits of other participating employers.

The IMRF issues a publicly available financial report that includes financial statements and required supplementary information which may be viewed at the IMRF’s website.

See Note 9 to the Audit for additional information on the IMRF’s actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

#### *Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District’s contribution rate for calendar year 2024 was 0.91% of covered payroll.

For the most recent five calendar years, the District contributed the following amounts to IMRF:

CALENDAR YEAR	IMRF CONTRIBUTION
2020	\$527,556
2021	430,549
2022	183,347
2023	263,902
2024	177,787

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

### *Measures of Financial Position*

The following table presents the measures of the IMRF Account's financial position as of December 31 for the five most recent calendar years, which are presented pursuant to the GASB Standards.

CALENDAR YEAR ENDED DECEMBER 31	TOTAL PENSION LIABILITY	FIDUCIARY NET POSITION	NET PENSION (ASSET)/LIABILITY	FIDUCIARY NET POSITION AS A % OF	
				TOTAL PENSION LIABILITY	DISCOUNT RATE
2020	\$ 97,419,277	\$121,039,117	\$(23,619,840)	124.25%	7.25%
2021	98,256,976	135,536,693	(37,279,717)	137.94%	7.25%
2022	101,723,026	109,238,635	(7,515,609)	107.39%	7.25%
2023	102,083,279	116,920,409	(14,837,130)	114.53%	7.25%
2024	103,302,545	120,557,669	(17,255,124)	116.70%	7.25%

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

See Note 9 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

### **TEACHER HEALTH INSURANCE SECURITY FUND**

The District participates in the Teacher Health Insurance Security Fund (the "*THIS Fund*"), a cost-sharing, multiple-employer defined benefit post-employment healthcare plan that was established by the Illinois legislature for the benefit of retired Illinois public school teachers employed outside the city of Chicago. The THIS Fund provides medical, prescription, and behavioral health benefits, but it does not provide vision, dental, or life insurance benefits to annuitants of TRS.

The State maintains primary responsibility for funding, but contributions from participating employers and members are also required. For Fiscal Year 2025, the District paid \$314,053 to the THIS Fund, which was 100% of the required contribution. For more information regarding the District's THIS Fund obligation, see Note 8 to the Audit.

## **BOND RATINGS**

S&P is expected to assign the Bonds a rating of "AA" (Stable Outlook) based on the Policies to be issued by BAM. Moody's has assigned the Bonds an underlying rating of "Baa2". These ratings reflect only the views of such rating agencies. An explanation of the methodology for such ratings may be obtained from such rating agencies. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to Moody's and BAM by the District. There is no assurance that the ratings will be maintained for any given period of time or that such ratings will not be changed by such rating agencies if, in such rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE", the form of which is attached hereto as APPENDIX D, neither the Authority, the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of the ratings or to oppose any such revision or withdrawal.

## **TAX MATTERS**

### **THE 2026A BONDS**

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

It is also the opinion of Chapman and Cutler LLP, Bond Counsel, that under the laws of the State of Illinois, as presently enacted and construed, interest on the 2026A Bonds is exempt from the income tax imposed by the State of Illinois pursuant to the Illinois Income Tax Act. No opinion is expressed regarding taxation of interest on the 2026A Bonds under any other provisions of Illinois law. Ownership of the 2026A Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026A Bonds. Prospective purchasers of the 2026A Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

## THE 2026B BONDS

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

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

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

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

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

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

For an investor who purchases an *OID Bond* in the initial public offering at the *OID Issue Price* for such maturity and who holds such *OID Bond* to its stated maturity, subject to the

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

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

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

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

There are or may be pending in Congress legislative proposals, including some that carry retroactive effective dates, that, if enacted, could alter or amend the federal tax matters referred to above or affect the market value of the 2026B Bonds. It cannot be predicted whether or in what form any such proposal might be enacted or whether, if enacted, it would apply to bonds issued

prior to enactment. Prospective purchasers of the 2026B Bonds should consult their own tax advisors regarding any pending or proposed federal tax legislation. Bond Counsel expresses no opinion regarding any pending or proposed federal tax legislation.

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

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

It is also the opinion of Bond Counsel that under the laws of the State, as presently enacted and construed, interest on the 2026B Bonds is exempt from the income tax imposed by the State of Illinois pursuant to the Illinois Income Tax Act, as amended. No opinion is expressed regarding taxation of interest on the 2026B Bonds under any other provisions of State law. Ownership of the 2026B Bonds may result in other state and local tax consequences to certain taxpayers. Bond Counsel expresses no opinion regarding any such collateral consequences arising with respect to the 2026B Bonds. Prospective purchasers of the 2026B Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

#### **CONTINUING DISCLOSURE**

The District will enter into a Continuing Disclosure Undertaking (the “*Undertaking*”) for the benefit of the beneficial owners of the Bonds to send certain information annually and to provide notice of certain events to the Municipal Securities Rulemaking Board (the “*MSRB*”) pursuant to the requirements of the Rule. No person, other than the District, has undertaken, or is otherwise expected, to provide continuing disclosure with respect to the Bonds. The information to be provided on an annual basis, the events which will be noticed on an occurrence basis and a statement of other terms of the Undertaking, including termination, amendment and remedies, are set forth in the form of the Undertaking, attached hereto as APPENDIX D. The Authority has determined that no financial or operating data concerning the Authority is material to an evaluation of the offering of the Bonds or to any decision to purchase, hold, or sell the Bonds and the Authority will not provide any such information. The Authority will have no liability to the owners of the Bonds or any other person with respect to the Rule.

The District has implemented the June 2020 update of the Illinois Association of School Boards' Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as Section 4.40–AP, Preparing and Updating Disclosures. The policies specifically include additional procedures to be followed by the District in relation to the two new reportable events required by the Rule for undertakings entered into on and after February 27, 2019.

For Fiscal Year 2021, the District filed its unaudited financial statements on EMMA within 210 days after the end of its fiscal year but failed to file the final audited financial statements, and no notice of late filing was filed. Also, the Fiscal Year 2021 annual financial information filing was not linked to all outstanding CUSIPs at the time of the filings and no notice of late filing was filed. For Fiscal Year 2023, the District timely filed its audited financial statements, but they were not complete. All filings have been remediated. Finally, redemption notices related to the District's General Obligation Bonds (Alternate Revenue Source), Series 2007, and General Obligation Refunding Bonds (Alternate Revenue Source), Series 2008, were not filed on EMMA. A failure by the District to comply with the Undertaking will not constitute a default under the District Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

#### **AUDITED FINANCIAL STATEMENTS**

The audited financial statements of the District for Fiscal Year 2025 (the "*Audit*"), contained in APPENDIX A, including the independent auditor's report accompanying the Audit, have been prepared by Baker Tilly US, LLP, Oak Brook, Illinois (the "*Auditor*"), and approved by formal action of the Board. The District has not requested the Auditor to update information contained in the Audit nor has the District requested that the Auditor consent to the use of the Audit in this Official Statement. Other than as expressly set forth in this Official Statement, the financial information contained in the Audit has not been updated since the date of the Audit. The inclusion of the Audit in this Official Statement in and of itself is not intended to demonstrate the fiscal condition of the District since the date of the Audit.

#### **BOOK-ENTRY ONLY SYSTEM**

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

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the

New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code, and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC’s participants (“*Direct Participants*”) deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants’ accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation (“*DTCC*”). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly (“*Indirect Participants*”). DTC has an S&P rating of “AA+”. The DTC Rules applicable to its Participants are on file with the Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC’s records. The ownership interest of each actual purchaser of each Bond (“*Beneficial Owner*”) is in turn to be recorded on the Direct and Indirect Participants’ records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC’s partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC’s records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with

respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Registrar. Under such circumstances, in the event that a successor depository is not obtained, Bond certificates are required to be printed and delivered.

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

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

The District will have no responsibility or obligation to any Securities Depository, any Participants in the Book-Entry System or the Beneficial Owners with respect to (a) the accuracy

of any records maintained by the Securities Depository or any Participant; (b) the payment by the Securities Depository or by any Participant of any amount due to any Beneficial Owner in respect of the principal amount or redemption price of, or interest on, any Bonds; (c) the delivery of any notice by the Securities Depository or any Participant; (d) the selection of the Beneficial Owners to receive payment in the event of any partial redemption of the Bonds; or (e) any other action taken by the Securities Depository or any Participant.

### **CERTAIN LEGAL MATTERS**

Certain legal matters incident to the authorization, issuance and sale of the Bonds and the Local Government Securities are subject to the approving legal opinion of Chapman and Cutler LLP, Chicago, Illinois ("*Chapman and Cutler*"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Chapman and Cutler has also been retained by the District to serve as Disclosure Counsel to the District with respect to the Bonds and the Local Government Securities. Although as Disclosure Counsel to the District, Chapman and Cutler has assisted the District with certain disclosure matters, Chapman and Cutler has not undertaken to independently verify the accuracy, completeness or fairness of any of the statements contained in this Official Statement or other offering material related to the Bonds and does not guarantee the accuracy, completeness or fairness of such information. Chapman and Cutler's engagement as Disclosure Counsel was undertaken solely at the request and for the benefit of the District, to assist it in discharging its responsibility with respect to this Official Statement, and not for the benefit of any other person (including any person purchasing Bonds from the Underwriter), and did not include any obligation to establish or confirm factual matters, forecasts, projections, estimates or any other financial or economic information in connection therewith. Further, Chapman and Cutler makes no representation as to the suitability of the Bonds for investment by any investor. Becker, Hoerner & Yursa, P.C., Belleville, Illinois, will pass on certain matters for the District. Certain legal matters with respect to the Bonds will be passed upon for the Authority by its special counsel Gilmore & Bell, P.C., Edwardsville, Illinois. Thompson Coburn LLP, St. Louis, Missouri, will pass on certain matters for the Underwriter.

### **NO LITIGATION**

#### **THE AUTHORITY**

There is not now pending (as to which the Authority has received service of process) or, to the actual knowledge of the Authority, threatened litigation restraining or enjoining the issuance or delivery of the Bonds or questioning or affecting the validity of the Bonds or the proceedings or authority under which the Bonds are being issued. To the best of the Authority's actual knowledge, neither the creation, organization or existence of the Authority nor the title of any of the present members or other officers of the Authority to their respective offices is being contested. There is no litigation pending (as to which the Authority has received service of process) or, to the actual knowledge of the Authority, threatened which in any manner questions the right of the Authority to adopt the Authority Bond Resolution or to secure the Bonds in the manner provided in the Authority Bond Resolution and the Act.

## THE DISTRICT

No litigation is now pending or threatened restraining the issuance, sale, execution or delivery of the Local Government Securities, or in any way contesting or affecting the validity or enforceability of the Local Government Securities or any proceedings of the District taken with respect to the issuance or sale thereof. A certificate to this effect will be delivered by the District with the other customary closing papers when the Local Government Securities are delivered.

## UNDERWRITING

Pursuant to the terms of a Bond Purchase Agreement (the “*Agreement*”) between the Authority, the District and Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “*Underwriter*” or “*Stifel*”), the Underwriter has agreed to purchase the 2026A Bonds at an aggregate purchase price of \$ \_\_\_\_\_. The purchase price will produce an underwriting spread of \_\_\_\_\_% of the principal amount of the 2026A Bonds. Pursuant to the Agreement, the Underwriter has also agreed to purchase the 2026B Bonds at an aggregate purchase price of \$ \_\_\_\_\_. The purchase price will produce an underwriting spread of \_\_\_\_\_% of the principal amount of the 2026B Bonds. The Agreement provides that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Bonds may be offered and sold to certain dealers (including dealers depositing such Bonds into investment trusts, accounts or funds) and others at prices different than the initial public offering price. After the initial public offering, the public offering price of the Bonds may be changed from time to time by the Underwriter.

Stifel and its affiliates comprise a full service financial institution engaged in activities which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Stifel and its affiliates may have provided, and may in the future provide, a variety of these services to the District and to persons and entities with relationships with the District, for which they received or will receive customary fees and expenses.

In the ordinary course of these business activities, Stifel and its affiliates may purchase, sell or hold a broad array of investments and actively traded securities, derivatives, loans and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the District (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the District.

Stifel and its affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

**AUTHORIZATION**

This Official Statement has been approved by the District for distribution to prospective purchasers of the Bonds. The Board, acting through authorized officers, will provide to the Underwriter at the time of delivery of the Bonds, a certificate confirming that, to the best of its knowledge and belief, this Official Statement, together with any supplements thereto, as of the date hereof, and at the time of delivery of the Bonds, was true and correct in all material respects and did not at any time contain an untrue statement of a material fact or omit to state a material fact required to be stated where necessary to make the statements therein in light of the circumstances under which they were made, not misleading.

/s/

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Superintendent  
School District Number 189,  
St. Clair County, Illinois

\_\_\_\_\_, 2026

**EXHIBIT A — COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCE OF THE DISTRICT, FISCAL YEARS ENDED JUNE 30, 2021-2025**

	Ed <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
Beginning Balance	\$ 49,362,691	\$ 2,410,946	\$ 6,207,464	\$3,426,092	\$4,422,792	\$ 267,890	\$ 499,941	\$4,032,427	\$ 929,071	\$ 71,559,314
Revenues	93,560,591	9,376,072	4,540,442	4,685,139	2,224,145	2,027	40,770	3,530,215	40,770	118,000,171
Expenditures	93,542,112	9,212,972	7,805,303	3,904,173	2,394,093	21,953	0	3,551,474	0	120,432,080
Net Transfers	0	0	0	0	0	2,880,000	(2,880,000)	0	0	0
Other Sources (Uses)	0	0	20,000	0	0	0	2,880,000	0	0	2,900,000
Ending Balance, 6/30/21	\$ 49,381,170	\$ 2,574,046	\$ 2,962,603	\$4,207,058	\$4,252,844	\$ 3,127,964	\$ 540,711	\$4,011,168	\$ 969,841	\$ 72,027,405
Beginning Balance	\$ 49,381,170	\$ 2,574,046	\$ 2,962,603	\$4,207,058	\$4,252,844	\$ 3,127,964	\$ 540,711	\$4,011,168	\$ 969,841	\$ 72,027,405
Revenues	98,007,564	10,252,340	5,165,652	5,477,683	2,611,654	38,024	61,087	4,418,070	61,087	126,093,161
Expenditures	93,514,353	9,228,688	5,045,847	5,488,879	2,386,585	188,033	0	4,680,520	0	120,532,905
Net Transfers	(137,412)	0	137,412	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/22	\$ 53,736,969	\$ 3,597,698	\$ 3,219,820	\$4,195,862	\$4,477,913	\$ 2,977,955	\$ 601,798	\$3,748,718	\$1,030,928	\$ 77,587,661
Beginning Balance	\$ 53,736,969	\$ 3,597,698	\$ 3,219,820	\$4,195,862	4,477,913	\$ 2,977,955	\$ 601,798	\$3,748,718	\$1,030,928	\$ 77,587,661
Revenues	92,450,996	8,266,974	4,695,676	3,593,731	2,430,134	3,759,157	85,050	3,276,769	71,486	118,629,973
Expenditures	98,705,500	9,572,801	17,082,172	5,506,354	2,416,126	7,006,424	0	5,289,191	0	145,578,568
Net Transfers	(137,412)	0	137,412	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	9,998,611	0	0	0	0	0	0	9,998,611
Ending Balance, 6/30/23	\$ 47,345,053	\$ 2,291,871	\$ 969,347	\$2,283,239	4,491,921	\$ (269,312)	\$ 686,848	\$1,736,296	\$1,102,414	\$ 60,637,677
Beginning Balance	\$ 47,345,053	\$ 2,291,871	\$ 969,347	\$2,283,239	\$4,491,921	\$ (269,312)	\$ 686,848	\$1,736,296	\$1,102,414	\$ 60,637,677
Revenues	112,882,612	12,256,949	1,809,009	7,362,651	2,746,248	4,891,258	88,142	4,943,890	106,579	147,087,338
Expenditures	108,773,792	10,277,210	1,604,182	5,890,208	2,497,600	4,621,946	0	5,422,192	0	139,087,130
Net Transfers	(11,451)	0	11,451	0	0	0	0	0	0	0
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/24	\$ 51,442,422	\$ 4,271,610	\$ 1,185,625	\$3,755,682	\$4,740,569	\$ 0	\$ 774,990	\$1,257,994	\$1,208,993	\$ 68,637,885
Beginning Balance	\$ 51,442,422	\$ 4,271,610	\$ 1,185,625	\$3,755,682	\$4,740,569	\$ 0	\$ 774,990	\$1,257,994	\$1,208,993	\$ 68,637,885
Revenues <sup>(2)</sup>	86,625,346	7,522,936	1,429,760	5,731,671	2,369,906	20,561,774 <sup>(5)</sup>	89,052	5,682,018	109,636	130,122,099
Expenditures <sup>(3)</sup>	101,976,120	9,028,157	1,836,200	7,277,359	2,442,081	20,676,271	0	5,948,546	0	149,184,734
Other Sources (Uses)	0	0	0	0	0	0	0	0	0	0
Ending Balance, 6/30/25 <sup>(4)</sup>	\$ 36,091,648	\$ 2,766,389	\$ 779,185	\$2,209,994	\$4,668,394	\$ (114,497)	\$ 864,042	\$ 991,466	\$1,318,629	\$ 49,575,250

Source: The audited financial statements of the District for Fiscal Years 2021 through 2025.

- (1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as “on-behalf” payments
- (2) Overall, General Fund revenues were under budget by \$1.5 million. This was attributable primarily to CPPRT being less than anticipated in the Fiscal Year 2025 budget.
- (3) Overall, General Fund expenditures were over budget by \$4 million. This was attributable primarily to higher than anticipated expenditures for Instruction – Regular Programs.
- (4) The General Fund balance decreased by \$15.5 million from Fiscal Year 2024 and was attributable to the District allocating less ESSER funding to the General Fund. In Fiscal Year 2025, the District focused on allocating ESSER funding to the Capital Projects Fund.
- (5) Includes \$18.3 million of ESSER funds.

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**EXHIBIT B**

**BUDGET OF THE DISTRICT AS ADOPTED, FISCAL YEAR ENDING JUNE 30, 2026**

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
EST. BEGINNING BALANCE, 7/1/25	\$ 51,979,080	\$2,733,158	\$1,185,625	\$1,417,208	\$4,740,569	\$ 0	\$834,747	\$1,257,994	\$1,208,993	\$ 65,357,374
REVENUES	89,804,507	8,466,345	1,841,938	8,976,141	3,142,199	36,265,569 <sup>(2)</sup>	62,736	6,682,795	62,736	155,304,966
EXPENDITURES	103,969,220	8,463,211	1,841,250	8,967,462	2,893,857	27,929,412	0	5,476,107	0	159,540,519
OTHER SOURCES (USES)	0	0	0	0	0	0	0	0	0	0
EST. ENDING BALANCE, 6/30/26	\$ 37,814,367	\$2,736,292	\$1,186,313	\$1,425,887	\$4,988,911	\$ 8,336,157	\$897,483	\$2,464,682	\$1,271,729	\$ 61,121,821

Source: Budget for the District for Fiscal Year 2026. The beginning fund balances were estimated by the District at the time the budget was adopted. Consequently, such balances may not match the ending fund balances set forth in the District’s audited financial statements for Fiscal Year 2025.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as “on-behalf” payments.

(2) Includes a \$17 million grant from the Illinois Department of Commerce and Economic Opportunity to expand the District’s current Career and Technical Education Building and \$19.2 million of ESSER III funds.

**BUDGET OF THE DISTRICT (USING ACTUAL AUDITED ENDING FUND BALANCES FOR FISCAL YEAR 2025),  
FISCAL YEAR ENDING JUNE 30, 2026**

	ED <sup>(1)</sup>	O&M	DEBT SERVICE	TRANS	IMRF	CAP PROJECTS	WORKING CASH	TORT	FIRE	TOTAL
BEGINNING BALANCE, 7/1/25	\$ 36,091,648	\$ 2,766,389	\$ 779,185	\$2,209,994	\$4,668,394	\$ (114,497)	\$ 864,042	\$ 991,466	\$1,318,629	\$ 49,575,250
REVENUES	89,804,507	8,466,345	1,841,938	8,976,141	3,142,199	36,265,569 <sup>(2)</sup>	62,736	6,682,795	62,736	155,304,966
EXPENDITURES	103,969,220	8,463,211	1,841,250	8,967,462	2,893,857	27,929,412	0	5,476,107	0	159,540,519
OTHER SOURCES (USES)	0	0	0	0	0	0	0	0	0	0
EST. ENDING BALANCE, 6/30/26	\$ 21,926,935	\$2,769,523	\$ 779,873	\$2,218,673	\$4,916,736	\$ 8,221,660	\$ 926,778	\$2,198,154	\$1,381,365	\$ 45,339,697

Source: Budget for the District for Fiscal Year 2026. The beginning fund balances were revised from the adopted Fiscal Year 2026 Budget to reflect the actual audited ending fund balances for Fiscal Year 2025.

(1) Excludes payments made by the State to TRS with respect to District employees, commonly referred to as “on-behalf” payments

(2) Includes a \$17 million grant from the Illinois Department of Commerce and Economic Opportunity to expand the District’s current CTE Facility and \$19.2 million of ESSER III funds.

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

	YEAR ENDED JUNE 30, 2021	YEAR ENDED JUNE 30, 2022	YEAR ENDED JUNE 30, 2023	YEAR ENDED JUNE 30, 2024	YEAR ENDED JUNE 30, 2025
Local Sources	7.24%	13.14%	14.97%	11.31%	11.76%
State Sources	61.15%	57.90%	64.73%	49.83%	70.64%
Federal Sources	31.61% <sup>(1)</sup>	28.96% <sup>(1)</sup>	20.31% <sup>(1)</sup>	38.86% <sup>(1)</sup>	17.60%
<b>TOTAL</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>	<b>100.00%</b>

Source: The annual financial reports of the District for Fiscal Years 2021 through 2025. For purposes of this Exhibit, the General Fund includes the Educational Fund and the Operations and Maintenance Fund.

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

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**APPENDIX A**

**AUDITED FINANCIAL STATEMENTS OF THE  
DISTRICT FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

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**East St. Louis School  
District 189**

Financial Statements

June 30, 2025

# East St. Louis School District 189

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# East St. Louis School District 189

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## Independent Auditors' Report

To the Board of Education of  
East St. Louis School District 189

### 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 East St. Louis School District 189 (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the 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 the District as of June 30, 2025 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 District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### **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 District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that 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 was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 18, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Baker Tilly US, LLP*

Oak Brook, Illinois  
November 18, 2025

## East St. Louis School District 189

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Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

The discussion and analysis of East St. Louis School District 189's (the District) financial performance provides an overall review of the District's financial activities as of and for the year ended June 30, 2025. The management of the District encourages readers to consider the information presented herein in conjunction with the basic financial statements to enhance their understanding of the District's financial performance. All amounts, unless otherwise indicated, are expressed in millions of dollars. Certain comparative information between the current year and the prior is required to be presented in the Management's Discussion and Analysis (the MD&A).

### Financial Highlights

- In total, net position decreased by \$0.1. Net position has remained consistent to 2024.
- General revenues accounted for \$76.9 in revenue or 52% of all revenues. Program specific revenues in the form of charges for services and fees and grants accounted for \$69.9 or 48% of total revenues of \$146.8.
- The District had \$146.9 in expenses related to government activities. However, only \$69.9 of these expenses were offset by program specific charges and grants.
- The District continued to pay down its long-term debt retiring \$1.4 million in fiscal 2025.
- Evidence-Based Funding accounted for a large portion of the District's revenue, contributing \$60.5.
- Property taxes contributed \$8.8 of the District's revenue.
- Personal property replacement taxes contributed \$4.4 of the District's revenue.
- Instruction made up the largest portion of all expenses with \$60.4 or 41% of all expenses.
- Pupil and instructional staff service accounted for \$16.8 or 11% of all expenses.
- Administration and business services accounted for \$21.7 or 15% of all expenses.
- Operations and maintenance accounted for \$15.2 or 10% of all expenses.
- State retirement contributions account for \$18.3 or 13% of all expenses.

### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The basic financial statements are comprised of three components:

- Government-wide financial statements,
- Fund financial statements, and
- Notes to basic financial statements.

This report also contains required and other supplementary information in addition to the basic financial statements.

### Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

## East St. Louis School District 189

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Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

The statement of net position presents information on all of the District's assets/deferred outflows of resources and liabilities/deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how the government's net position changed during the fiscal year being reported. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

The government-wide financial statements present the functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities). The District has no business-type activities; that is, functions that are intended to recover all or a significant portion of their costs through user fees and charges. The District's governmental activities include instructional services (regular education, special education and other), supporting services, operation and maintenance of facilities and transportation services.

### **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. The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are governmental funds. (the District maintains no proprietary 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. Such information may be useful in evaluating a school district'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 the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains seven individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures and changes in fund balances for the General Fund, Operations and Maintenance Fund, Transportation Fund, Municipal Retirement/Social Security Fund, Debt Service Fund, Capital Projects Fund, and Fire Prevention and Safety Fund, all of which are considered to be major funds.

The District adopts an annual budget for each of the funds listed above. A budgetary comparison schedule has been provided for each fund to demonstrate compliance with this budget.

### **Notes to Basic Financial Statements**

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

## East St. Louis School District 189

Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

### Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's net pension and OPEB liabilities and budget to actual schedules for the general fund and major special revenues funds. Other supplementary information provides debt service and capital project funds budget to actual schedules. Various combining schedules and budget to actual schedules are also provided for the District's general fund and major special revenue funds.

### Government-Wide Financial Analysis

The District's combined net position was lower on June 30, 2025, than it was the year before, decreasing \$0.1 to \$186.7.

**Table 1**  
**Condensed Statements of Net Position**  
(in Millions of Dollars)

	<u>2024</u>	<u>2025</u>
<b>Assets</b>		
Current and other assets	\$ 104.5	\$ 84.2
Capital assets	148.7	166.2
Total assets	<u>253.2</u>	<u>250.4</u>
Total deferred outflows of resources	<u>16.2</u>	<u>11.6</u>
<b>Liabilities</b>		
Current liabilities	12.2	8.6
Long-term liabilities	31.7	31.6
Total liabilities	<u>43.9</u>	<u>40.2</u>
Total deferred inflows of resources	<u>38.6</u>	<u>35.1</u>
<b>Net Position</b>		
Net investment in capital assets	140.1	159.0
Restricted	25.7	28.4
Unrestricted (deficit)	21.0	(0.7)
Total net position	<u>\$ 186.8</u>	<u>\$ 186.7</u>

Expenses in the governmental activities of the District of \$146.9 exceeded revenues by \$0.1. Details of the activity for the year resulting in the change in net position can be found in Table 2.

## East St. Louis School District 189

Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

**Table 2**  
**Changes in Net Position**  
**(in Millions of Dollars)**

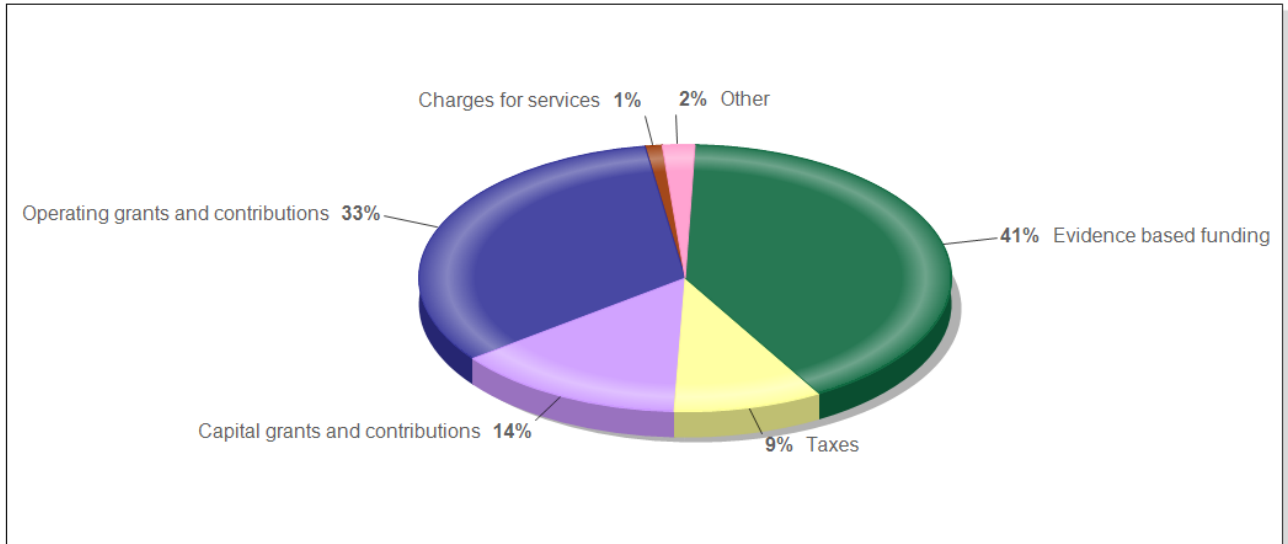
	<u>2024</u>	<u>2025</u>
<b>Revenues</b>		
Program revenues:		
Charges for services	\$ 1.9	\$ 1.2
Operating grants and contributions	74.5	48.7
Capital grants and contributions	3.0	20.0
General revenues:		
Taxes	16.8	13.2
Evidence based funding	60.5	60.5
Other	3.5	3.2
	<u>160.2</u>	<u>146.8</u>
Total revenues		
<b>Expenses</b>		
Instruction	62.2	60.4
Pupil and instructional staff services	15.2	16.8
Administration and business	16.5	21.7
Transportation	5.9	7.2
Operations and maintenance	14.2	15.2
Intergovernmental	20.0	18.3
Interest and fees	0.4	0.3
Other	7.0	7.0
	<u>141.4</u>	<u>146.9</u>
Total expenses		
Increase (decrease) in net position	18.8	(0.1)
<b>Net Position, Beginning</b>	<u>168.0</u>	<u>186.8</u>
<b>Net Position, Ending</b>	<u>\$ 186.8</u>	<u>\$ 186.7</u>

Evidence Based Funding accounted for the largest portion of the District's revenues, contributing 41%. The remainder of revenues came from state, federal grants and other sources. The total cost of all the District's programs was \$146.9, mainly related to instructing and caring for the students and student transportation at 58%.

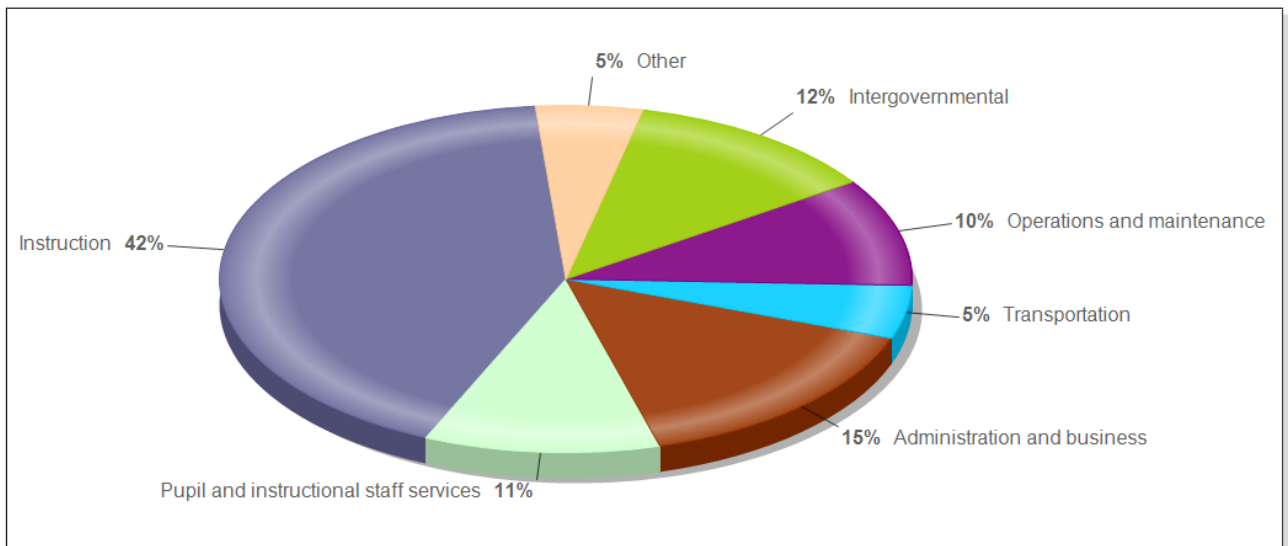
# East St. Louis School District 189

Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

### District-Wide Revenues by Source



### District-Wide Expenses by Function



### Financial Analysis of the District's Funds

The District's Governmental Funds balance decreased from \$68.7 to \$49.6.

Fund balances decreased by \$19.1 This decrease was primarily attributable to a decrease in ESSER funding.

With a fund balance to revenue ratio of 41.9%, the District scored 4.00 out of 4.00 points possible from the Illinois State Board of Education's financial profile summary.

## East St. Louis School District 189

Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

The District attained year-end fund balance to provide 88 days of cash on hand, which is below the 180 days of cash on hand recommended by the Illinois State Board of Education.

### General Fund Budgetary Highlights

The District received \$60.5 in Evidence Based Funding.

Overall General Fund Revenues were under budget by \$1.5. This is attributable primarily to Corporate Personal Property Taxes being less than anticipated in the budget.

Overall General Fund Expenditures were over budget by \$4.1. This is attributable primarily to higher than anticipated expenditures for Instruction - Regular Programs.

The General Fund balance decreased by \$15.5 from 2024 and was attributable to the District allocating less ESSER funding to the General Fund. In FY2025, the District focused on allocating ESSER funding to the Capital Projects Fund.

### Capital Assets and Debt Administration

#### Capital Assets

By the end of 2025, the District had compiled a total investment of \$285.9 (\$166.2 net of accumulated depreciation) in a broad range of capital assets including buildings, land and equipment. Total depreciation expense for the year was \$5.3. More detailed information about capital assets can be found in Note 4. of the basic financial statements.

**Table 3**  
**Capital Assets (Net of Depreciation)**  
**(in Millions of Dollars)**

	<u>2024</u>	<u>2025</u>
Land	\$ 0.7	\$ 0.7
Construction in progress	1.8	15.7
Buildings	138.5	140.3
Equipment	5.7	7.5
Land improvements	<u>2.0</u>	<u>2.0</u>
Total	<u>\$ 148.7</u>	<u>\$ 166.2</u>

## East St. Louis School District 189

Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

### Long-Term Debt

The District retired \$1.4 in bonds in 2025. At the end of fiscal 2025, the District had a debt margin of \$11.2. More detailed information on long-term debt can be found in Note 5. of the basic financial statements.

**Table 4**  
**Outstanding Long-Term Debt**  
**(in Millions of Dollars)**

	<u>2024</u>	<u>2025</u>
General obligation bonds	\$ 8.7	\$ 7.2
Net pension liability	3.4	3.4
Net OPEB liability	12.0	13.4
Compensated absences	6.8	6.9
Workers compensation claims payable	<u>0.8</u>	<u>0.7</u>
Total	<u>\$ 31.7</u>	<u>\$ 31.6</u>

### Factors Bearing on the District's Future

At the time these financial statements were prepared and audited, the District was aware of the following circumstances that will significantly affect financial operations in the future:

#### Negative Impact:

- State Revenue Sources - if Evidence Based Funding is prorated.
- Risk of additional financial operating pressure should the State shift responsibility for pension funding to the District.
- Reduction/elimination of mandated categorical funds and/or other grant funds.
- Positive Impact:
  - Stability in Evidence Based Funding funds from the State for operations. The District has completed all requirements to have the annual District Intervention (DI) funds of approximately \$6.05 included in the Evidence Based Funding (EBF) model. FY26 Evidence Based Funding (EBF) is expected to be \$66.0.
  - The District expects a reduction in financial resources related to state and federal funding. These changes are reflected in the FY26 budget. The District has maintained a healthy fund balance over several years and created a planned spend down while sustaining essential services to students. The District is committed to fiscal responsibility and maintaining long-term financial stability.

## **East St. Louis School District 189**

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Management's Discussion and Analysis  
June 30, 2025  
(Unaudited)

### **Requests for Information**

This financial report is designed to provide the District's citizens, taxpayers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report, or need additional financial information, contact the Business Office:

Delfaye Jason  
East St. Louis School District 189  
1005 State Street  
East St. Louis, Illinois 62201

# East St. Louis School District 189

## Statement of Net Position

June 30, 2025

	<b>Governmental Activities</b>
<b>Assets and Deferred Outflows of Resources</b>	
<b>Assets</b>	
Cash and investments	\$ 34,736,824
Student activity cash	50,295
Receivables (net of allowance for uncollectibles):	
Interest	175,292
Property taxes	10,459,898
Replacement taxes	757,897
Intergovernmental	20,183,711
Tuition	135,077
Other	3,528
Prepaid items	442,823
Net pension asset	17,255,124
Capital assets:	
Land	711,700
Construction in progress	15,714,991
Capital assets being depreciated, net of accumulated depreciation	<u>149,728,137</u>
Total assets	<u>250,355,297</u>
<b>Deferred Outflows of Resources</b>	
Deferred outflows related to pensions	4,424,025
Deferred outflows related to OPEB	<u>7,168,450</u>
Total deferred outflows of resources	<u>11,592,475</u>
<b>Liabilities, Deferred Inflows of Resources and Net Position</b>	
<b>Liabilities</b>	
Accounts payable	1,217,213
Salaries and wages payable	6,133,550
Retainage payable	1,092,449
Interest payable	174,625
Long-term liabilities:	
Other long-term liabilities, due within one year	1,490,000
Other long-term liabilities, due after one year	<u>30,101,828</u>
Total liabilities	<u>40,209,665</u>
<b>Deferred Inflows of Resources</b>	
Property taxes levied for a future period	7,439,270
Deferred inflows related to pensions	1,778,113
Deferred inflows related to OPEB	<u>25,857,065</u>
Total deferred inflows of resources	<u>35,074,448</u>
<b>Net Position</b>	
Net investment in capital assets	158,996,280
Restricted for:	
Retirement benefits	19,568,550
Capital projects	1,212,909
Food service	7,608,107
Unrestricted	<u>(722,187)</u>
Total net position	<u>\$ 186,663,659</u>

See notes to basic financial statements

# East St. Louis School District 189

Statement of Activities  
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenue			Net (Expenses) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
<b>Governmental Activities</b>					
Instruction:					
Regular programs	\$ 26,099,240	\$ 428,260	\$ 1,560,149	\$ -	\$ (24,110,831)
Special programs	24,790,259	510,515	19,827,892	-	(4,451,852)
Other instructional programs	9,413,026	46,962	49,091	-	(9,316,973)
Student activities	88,289	98,016	-	-	9,727
Support services:					
Pupils	10,289,863	-	1,086,251	-	(9,203,612)
Instructional staff	6,491,086	-	641,258	-	(5,849,828)
General administration	9,381,078	-	15,041	-	(9,366,037)
School administration	5,681,846	-	-	-	(5,681,846)
Business	6,604,017	82,616	4,179,069	100,000	(2,242,332)
Transportation	7,226,237	-	2,805,947	-	(4,420,290)
Operations and maintenance	15,158,434	9,482	42,151	19,921,719	4,814,918
Central	4,826,055	-	-	-	(4,826,055)
Other supporting services	577,339	-	24	-	(577,315)
Intergovernmental:					
State retirement contributions	18,347,065	-	18,347,065	-	-
Payments to other districts and government units, excluding special education	51,018	-	-	-	(51,018)
Other:					
Community services	1,636,057	-	141,080	-	(1,494,977)
Interest and fees	301,103	-	-	-	(301,103)
Total governmental activities	<u>\$ 146,962,012</u>	<u>\$ 1,175,851</u>	<u>\$ 48,695,018</u>	<u>\$ 20,021,719</u>	<u>(77,069,424)</u>
<b>General Revenues</b>					
Taxes:					
Real estate taxes, levied for general purposes					2,018,125
Real estate taxes, levied for specific purposes					5,382,372
Real estate taxes, levied for debt service					1,426,363
Intergovernmental, unrestricted:					
Personal property replacement taxes					4,395,086
State aid-formula grants					60,518,969
Investment income					2,642,118
Miscellaneous					560,629
Total general revenues					<u>76,943,662</u>
Change in net position					(125,762)
<b>Net Position, Beginning</b>					<u>186,789,421</u>
<b>Net Position, Ending</b>					<u>\$ 186,663,659</u>

See notes to basic financial statements

## East St. Louis School District 189

Balance Sheet -  
Governmental Funds  
June 30, 2025

	<u>General Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Transportation Fund</u>	<u>Municipal Retirement/ Social Security Fund</u>
<b>Assets</b>				
Cash and investments	\$ 23,859,606	\$ 2,976,799	\$ 2,141,804	\$ 4,167,301
Student activity cash	50,295	-	-	-
Receivables (net allowance for uncollectibles):				
Interest	175,292	-	-	-
Property taxes	6,102,754	620,022	248,009	1,735,194
Replacement taxes	757,897	-	-	-
Intergovernmental	5,545,614	-	-	-
Tuition	135,077	-	-	-
Other	3,528	-	-	-
Loan to capital projects fund	13,010,256	-	-	-
Prepaid items	442,823	-	-	-
	<u>\$ 50,083,142</u>	<u>\$ 3,596,821</u>	<u>\$ 2,389,813</u>	<u>\$ 5,902,495</u>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>				
<b>Liabilities</b>				
Accounts payable	\$ 174,435	\$ 389,459	\$ 3,430	\$ -
Salaries and wages payable	6,133,550	-	-	-
Retainage payable	-	-	-	-
Loan from general fund	-	-	-	-
	<u>6,307,985</u>	<u>389,459</u>	<u>3,430</u>	<u>-</u>
<b>Deferred Inflows of Resources</b>				
Property taxes levied for a future period	4,340,388	440,973	176,389	1,234,101
Unavailable state and federal aid receivable	1,262,026	-	-	-
Unavailable interest receivable	175,292	-	-	-
	<u>5,777,706</u>	<u>440,973</u>	<u>176,389</u>	<u>1,234,101</u>
<b>Fund Balance</b>				
Nonspendable	442,823	-	-	-
Restricted	7,608,107	-	-	2,313,426
Assigned	598,938	2,766,389	2,209,994	2,354,968
Unassigned	29,347,583	-	-	-
	<u>37,997,451</u>	<u>2,766,389</u>	<u>2,209,994</u>	<u>4,668,394</u>
Total fund balance (deficit)	<u>\$ 37,997,451</u>	<u>\$ 2,766,389</u>	<u>\$ 2,209,994</u>	<u>\$ 4,668,394</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 50,083,142</u>	<u>\$ 3,596,821</u>	<u>\$ 2,389,813</u>	<u>\$ 5,902,495</u>

See notes to basic financial statements

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Fire Prevention and Life Safety Fund</u>	<u>Total</u>
\$ 290,590	\$ -	\$ 1,300,724	\$ 34,736,824
-	-	-	50,295
-	-	-	175,292
1,691,917	-	62,002	10,459,898
-	-	-	757,897
-	14,638,097	-	20,183,711
-	-	-	135,077
-	-	-	3,528
-	-	-	13,010,256
-	-	-	442,823
<u>\$ 1,982,507</u>	<u>\$ 14,638,097</u>	<u>\$ 1,362,726</u>	<u>\$ 79,955,601</u>
\$ -	\$ 649,889	\$ -	\$ 1,217,213
-	-	-	6,133,550
-	1,092,449	-	1,092,449
-	13,010,256	-	13,010,256
-	14,752,594	-	21,453,468
1,203,322	-	44,097	7,439,270
-	-	-	1,262,026
-	-	-	175,292
<u>1,203,322</u>	<u>-</u>	<u>44,097</u>	<u>8,876,588</u>
-	-	-	442,823
-	-	1,212,909	11,134,442
779,185	-	105,720	8,815,194
-	(114,497)	-	29,233,086
<u>779,185</u>	<u>(114,497)</u>	<u>1,318,629</u>	<u>49,625,545</u>
<u>\$ 1,982,507</u>	<u>\$ 14,638,097</u>	<u>\$ 1,362,726</u>	<u>\$ 79,955,601</u>

See notes to basic financial statements

## East St. Louis School District 189

Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
June 30, 2025

<b>Total Fund Balances - Governmental Funds</b>		\$ 49,625,545
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Net capital assets used in governmental activities and included in the Statement of Net Position do not require the expenditure of financial resources and, therefore, are not reported in the Governmental Funds Balance Sheet.		166,154,828
Net pension asset recognized in the Statement of Net Position does not provide current financial resources and is not included as an asset in the Governmental Funds Balance Sheet.		17,255,124
Certain revenues receivable by the District and recognized in the Statement of Net Position do not provide current financial resources and are included as deferred inflows of resources in the Governmental Funds Balance Sheet, as follows:		
Interest revenue	\$ 175,292	
State and federal aid	<u>1,262,026</u>	
		1,437,318
Deferred outflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		4,424,025
Deferred outflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		7,168,450
Deferred inflows of resources related to pensions do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(1,778,113)
Deferred inflows of resources related to OPEB do not relate to current financial resources and are not included in the Governmental Funds Balance Sheet.		(25,857,065)
Long-term liabilities applicable to the District's governmental activities are not due and payable in the current period, and accordingly, are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the Statement of Net Position.		
Balances at June 30, 2025 are:		
General obligation bonds	(6,985,000)	
Unamortized bond premium	(173,548)	
Workers compensation claims payable	(683,608)	
Total/Net OPEB liability	(13,420,159)	
Net pension liability	(3,409,050)	
Compensated absences	<u>(6,920,463)</u>	
		(31,591,828)
Interest on long-term liabilities accrued in the Statement of Net Position will not be paid with current financial resources and, therefore, is not recognized in the Governmental Funds Balance Sheet.		<u>(174,625)</u>
<b>Net Position of Governmental Activities</b>		<b><u>\$ 186,663,659</u></b>

See notes to basic financial statements

## East St. Louis School District 189

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

	<u>General Fund</u>	<u>Operations and Maintenance Fund</u>	<u>Transportation Fund</u>	<u>Municipal Retirement/ Social Security Fund</u>
<b>Revenues</b>				
Property taxes	\$ 5,031,100	\$ 512,156	\$ 204,869	\$ 1,580,443
Corporate personal property replacement taxes	4,366,709	-	-	28,377
State aid	84,745,358	6,706,835	4,648,637	210,257
Federal aid	16,517,830	52,047	743,006	339,731
Investment income	2,353,969	173,468	135,159	211,098
Student activities	98,016	-	-	-
Other	1,579,244	78,430	-	-
Total revenues	<u>114,692,226</u>	<u>7,522,936</u>	<u>5,731,671</u>	<u>2,369,906</u>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	29,823,705	-	-	431,955
Special programs	23,736,892	-	-	482,958
Other instructional programs	8,943,779	-	-	205,284
Student activities	88,289	-	-	-
Support services:				
Pupils	9,610,935	-	-	239,387
Instructional staff	6,055,588	-	-	57,670
General administration	9,154,295	-	-	233,304
School administration	5,488,027	-	-	130,702
Business	6,087,647	-	-	109,589
Transportation	-	-	7,107,855	55,100
Operations and maintenance	181,585	8,277,203	-	258,460
Central	4,537,147	-	-	145,422
Other supporting services	509,128	-	-	26,517
Community services	1,485,175	-	-	65,733
Intergovernmental:				
State retirement contributions	22,197,794	-	-	-
Payments to other districts and gov't units	51,018	-	-	-
Debt service:				
Principal	-	-	-	-
Interest and other	-	-	-	-
Capital outlay	<u>2,259,745</u>	<u>750,954</u>	<u>169,504</u>	<u>-</u>
Total expenditures	<u>130,210,749</u>	<u>9,028,157</u>	<u>7,277,359</u>	<u>2,442,081</u>
Net change in fund balance	(15,518,523)	(1,505,221)	(1,545,688)	(72,175)
<b>Fund Balance, Beginning</b>	<u>53,515,974</u>	<u>4,271,610</u>	<u>3,755,682</u>	<u>4,740,569</u>
<b>Fund Balance (Deficit), Ending</b>	<u>\$ 37,997,451</u>	<u>\$ 2,766,389</u>	<u>\$ 2,209,994</u>	<u>\$ 4,668,394</u>

See notes to basic financial statements

<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Fire Prevention and Life Safety Fund</u>	<u>Total</u>
\$ 1,426,363	\$ -	\$ 51,219	\$ 8,806,150
-	-	-	4,395,086
-	2,277,828	-	98,588,915
-	18,282,445	-	35,935,059
3,397	1	58,417	2,935,509
-	-	-	98,016
-	1,500	-	1,659,174
<u>1,429,760</u>	<u>20,561,774</u>	<u>109,636</u>	<u>152,417,909</u>
-	-	-	30,255,660
-	-	-	24,219,850
-	-	-	9,149,063
-	-	-	88,289
-	-	-	9,850,322
-	-	-	6,113,258
-	-	-	9,387,599
-	-	-	5,618,729
-	-	-	6,197,236
-	-	-	7,162,955
-	31,688	-	8,748,936
-	-	-	4,682,569
-	-	-	535,645
-	-	-	1,550,908
-	-	-	22,197,794
-	-	-	51,018
1,415,000	-	-	1,415,000
421,200	-	-	421,200
-	20,644,583	-	23,824,786
<u>1,836,200</u>	<u>20,676,271</u>	<u>-</u>	<u>171,470,817</u>
(406,440)	(114,497)	109,636	(19,052,908)
<u>1,185,625</u>	<u>-</u>	<u>1,208,993</u>	<u>68,678,453</u>
<u>\$ 779,185</u>	<u>\$ (114,497)</u>	<u>\$ 1,318,629</u>	<u>\$ 49,625,545</u>

See notes to basic financial statements

## East St. Louis School District 189

Reconciliation of the Governmental Funds  
Statement of Revenues, Expenditures and Changes in Fund Balances  
to the Statement of Activities  
Year Ended June 30, 2025

**Net Change in Fund Balances, Total Governmental Funds** \$ (19,052,908)

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay is reported as an expenditure in the governmental funds but is capitalized in the Statement of Activities

Depreciation is reported in the Statement of Activities

\$ 22,734,500

(5,321,449)

17,413,051

Certain revenues included in the Statement of Activities do not provide current financial resources and, therefore, are included as deferred inflows of resources in the fund statements:

Interest revenue

(293,391)

State and federal aid

(1,437,539)

(1,730,930)

The issuance of long-term debt (bonds, leases, etc.) provides current financial resources to the governmental funds, while its principal repayment consumes current financial resources of the governmental funds. Neither transaction, however, has any effect on net position. This is the amount of current year principal repayments.

1,415,000

Governmental funds report the effects of premiums, discounts and similar items when the debt is issued. However, these amounts are deferred and amortized in the Statement of Activities. This is the amount of the current year, net effect of these differences.

84,722

In the Statement of Activities, operating expenses are measured by the amounts incurred during the year. However, certain of these items are included in the governmental funds only to the extent that they require the expenditure of current financial resources:

Compensated absences

(105,439)

Interest payable

35,375

State on-behalf contribution revenue

(3,850,729)

State on-behalf contribution expense

3,850,729

Workers compensation claims payable

149,343

Total/Net OPEB liability

(1,423,524)

Deferred outflows related to OPEB

(412,552)

Deferred inflows related to OPEB

5,314,157

Net pension asset

2,417,994

Net pension liability

18,821

Deferred outflows related to pensions

(4,158,145)

Deferred inflows related to pensions

(90,727)

1,745,303

**Change in Net Position of Governmental Activities**

\$ (125,762)

See notes to basic financial statements

# East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

## 1. Summary of Significant Accounting Policies

East St. Louis School District 189 (the District) operates as a public school system governed by a seven-member board. Along with a five member Financial Oversight Panel appointed by the Illinois State Board of Education, which has final authority on all financial related matters at the District. The District is organized under the School Code of the State of Illinois, as amended. The accounting policies of the District conform to the accounting principles generally accepted in the United States of America, as applicable to local governmental units of this type. The following is a summary of the more significant accounting policies of the District:

### Reporting Entity

This report includes all of the funds of the District. The reporting entity for the District consists of the primary government and its component units. Component units are legally separate organizations for which the primary government is financially accountable or other organizations for which the nature and significance of their relationship with the primary government are such that their exclusion would cause the reporting entity's financial statements to be misleading. The District has not identified any organizations that meet this criteria.

### Basis of Presentation

#### Government-Wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. The District's operating activities are all considered "governmental activities", that is, activities normally supported by taxes and intergovernmental revenues. The District has no operating activities that would be considered "business activities".

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include: (1) amounts paid by the recipient of goods or services offered by the program and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### Governmental Funds Financial Statements

Governmental funds financial statements are organized and operated on the basis of funds and are used to account for the District's general governmental 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. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, reserves, fund balance, revenues and expenditures. The minimum number of funds is maintained consistent with legal and managerial requirements.

Separate financial statements are provided for all governmental funds.

#### Measurement Focus and Basis of Accounting

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 the year for which they are levied. Grants and similar items are recognized as revenue when all eligibility requirements have been met.

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

Governmental fund financial statements are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when they are both "measurable and available". "Measurable" means that the amount of the transaction can be determined, and "available" means collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers all revenues available if they are collected within 60 days after year-end. Expenditures are recorded when the related fund liability is incurred. However, expenditures for unmatured principal and interest on general long-term debt are recognized when due; and certain compensated absences, claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources.

### Major Governmental Funds

**General Fund** - the general operating fund of the District. It accounts for all financial resources except those required to be accounted for in another fund. The fund uses three departmental accounts to account for its operating fund activities, the Educational Account, the Tort Immunity and Judgment Account, and the Working Cash Account. This fund is primarily used for most of the instruction and administrative aspects of the District's operations. Revenues consists largely of state and federal governmental aid and local property taxes.

This fund also includes student activity funds held and controlled by the District, under the direction of district personnel, and administrative involvement of the Board of Education.

**Special Revenue Funds** - account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specified purposes, other than those accounted for in the Debt Service Fund or Capital Projects Funds.

**Operations and Maintenance Fund** - accounts for expenditures made for repair and maintenance of the District's buildings and land. Revenue consists primarily of local property taxes and general state aid.

**Transportation Fund** - accounts for all revenue and expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

**Municipal Retirement/Social Security Fund** - accounts for the District's portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare, and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

**Debt Service Fund** - accounts for the accumulation of resources that are restricted, committed, or assigned for, and the payment of, long-term debt principal, interest and related costs. The primary revenue source is local property taxes levied specifically for debt service and general state aid.

**Capital Project Funds** - account for the financial resources that are restricted, committed, or assigned to be used for the acquisition or construction of, and/or additions to, major capital facilities.

**Capital Projects Fund** - accounts for construction projects and renovations financed through bond issuances and capital improvement grants.

**Fire Prevention and Life Safety Fund** - accounts for State-approved life safety projects financed through serial bond issues or local property taxes levied specifically for such purposes.

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

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

Property taxes, replacement taxes, certain state and federal aid, and interest on investments are susceptible to accrual. Other receipts become measurable and available when cash is received by the District and recognized as revenue at that time.

Grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until earned.

### All Financial Statements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows of resources, liabilities, and deferred inflows of resources and disclosure of contingent assets, deferred outflows of resources, liabilities, and deferred inflows of resources at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

### Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

#### Deposits and Investments

State statutes authorize the District to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer's Investment Pool. Investments are stated at fair value. Changes in fair value of investments are included as investment income.

#### Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds". These amounts are eliminated in the governmental activities column in the statement of net position. Receivables are expected to be collected within one year.

#### Property Tax Revenues

The District must file its tax levy resolution by the last Tuesday in December of each year. The District's 2024 levy resolution was approved during the December 20, 2024 board meeting. The District's property tax is levied each year on all taxable real property located in the District and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year.

The tax rate ceilings are applied at the fund level. These ceilings are established by state law subject to change only by the approval of the voters of the District.

The PTELA limitation is applied in the aggregate to the total levy (excluding certain levies for the repayment of debt) PTELA limits the increase in total taxes billed to the lesser of 5% or the percentage increase in the Consumer Price Index (CPI) for the preceding year. The amount can be exceeded to the extent there is "new growth" in the District's tax base. The new growth consists of new construction, annexations and tax increment finance district property becoming eligible for taxation. The CPI rates applicable to the 2024 and 2023 tax levies were 3.4% and 5.0%, respectively.

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

Property taxes are collected by the County Collector/Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2024 property tax levy is recognized as a receivable in fiscal 2025, net of estimated uncollectible amounts approximating 6.5% and less amounts already received. The District considers that the first installment of the 2024 levy is to be used to finance operations in fiscal 2025. The District has determined that the second installment of the 2024 levy is to be used to finance operations in fiscal 2026 and has included the corresponding receivable as a deferred inflow of resources.

### Personal Property Replacement Taxes

Personal property replacement taxes are first allocated to the Municipal Retirement / Social Security Fund, and the balance is allocated to the remaining funds at the discretion of the District.

### Capital Assets

Capital assets, which include land, land improvements, buildings and improvements, furniture and equipment, and transportation equipment are reported in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than \$500 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation.

Depreciation of capital assets is provided using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	50
Land improvements	20
Furniture and equipment	10-20
Transportation equipment	10

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.

### Deferred Outflows of Resources

A deferred outflow of resources represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until that future time.

### Compensated Absences

Under terms of employment, employees are granted sick leave and vacations in varying amounts.

Vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements, or are payable with expendable available resources.

Payments for vacation and sick leave will be made at rates in effect when the benefits are used. Accumulated vacation and sick leave liabilities at June 30, 2025 are determined on the basis of current salary rates and include salary related payments.

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

District employees that belong to the East St. Louis Federation of Teachers union have collectively bargained the following benefits regarding unused sick time balances at year-end: 1) There shall be unlimited accumulated number of sick days at a rate of twelve (12) days per year. For all twelve (12) month employees, the same shall be at the rate of twelve (12) days per year. 2) Accumulated unpaid sick leave shall be paid in severance pay when a teacher retires or leaves the District. Severance pay shall be equal to 25% of the accumulated sick leave up to a maximum of 180 days for those teachers with 11 to 15 years of service to the School District; 50% of the accumulated sick leave up to a maximum of 180 days for those teachers with 16-19 years of service to the School District; and 75% of the accumulated sick leave up to a maximum of 180 days for those teachers with 20 or more years of service to the School District. The rate of pay for each day shall be the employee's daily rate of pay on the date of the letter announcing their retirement or resignation.

District employees that belong to the General Service Employees Local 382 union have collectively bargained the following benefits regarding unused sick time balances at year-end: Employees shall be granted one (1) sick day per month, or a total of twelve (12) days for the year. Accumulated unused sick leave shall be paid in severance pay when an employee retires in accordance with the following provisions: 1) The employee has worked for the District for twenty (20) years and is going to draw Illinois Municipal Retirement Fund Benefits, or the employee has attained age sixty-five (65), has worked for the District for fifteen (15) years and is going to draw Illinois Municipal Retirement Fund Benefits. 2) Severance pay shall be 75% of accumulated sick leave days with the employee's scheduled number of work days being the maximum total of days that may be multiplied by the 75% factor. 3) The rate of pay for each day shall be the employee's daily rate of pay on the date of the letter announcing their retirement or resignation. District employees that belong to the General Service Employees Local 382 receive varying amounts of vacation days during the year based upon years of service with the District; however, unused vacation time at the end of the fiscal year is not carried forward to the subsequent year.

Administrative employees of the District receive varying amounts of sick and vacation days based upon individually negotiated contracts. Administrators are allowed to carry over a maximum of 30 days of vacation at the end of the fiscal year. Unused sick time is accumulated from year to year but is not paid out to administrators when they retire or leave the District.

### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the applicable bonds using the effective interest method. The balance at year end for premiums/discounts is shown as an increase or decrease in the liability section of the statement of net position.

In the fund financial statements, governmental funds recognize bond premiums and discounts during the period incurred. 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.

### Deferred Inflows of Resources

A deferred inflow of resources represents an acquisition of net position that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that future time.

### Equity Classifications

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

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

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

**Restricted Net Position** - Consists of net position with constraints placed on its use either by 1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments or, 2) law through constitutional provisions or enabling legislation.

**Unrestricted Net Position** - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and then unrestricted resources.

Equity is classified as fund balance in the fund financial statements and displayed in five components:

**Nonspendable** - includes amounts not in spendable form, such as inventory, or amounts required to be maintained intact legally or contractually (principal endowment) (e.g. inventory, pre-paid items, permanent scholarships).

**Restricted** - includes amounts constrained for a specific purpose by external parties (e.g. Debt Service, Capital Projects, State and Federal Grant Funds).

**Committed** - includes amounts constrained for a specific purpose by a government using its highest level of decision making authority, the Board of Education. This formal action (a resolution) must occur prior to the end of the reporting period, but the amount of the commitment, which will be subject to the constraints, may be determined in the subsequent period. Any changes to the constraints imposed require the same formal action of the Board of Education board that originally created the commitment.

**Assigned** - includes general fund amounts constrained for a specific purpose by the Board of Education or by an official that has been delegated authority to assign amounts. The Board of Education has declared that the Chief School Business Official may assign amounts for a specific purpose. The Board of Education may also take official action to assign amounts. Additionally, all remaining positive spendable amounts in governmental funds, other than the General Fund, that are neither restricted nor committed are considered assigned. Assignments may take place after the end of the reporting period.

**Unassigned** - includes residual positive fund balance within the General Fund which has not been classified within the other above mentioned categories. Unassigned fund balance may also include negative balances for any governmental fund if expenditures exceed amounts restricted, committed or assigned for those specific purposes.

In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

Governmental fund balances reported on the fund financial statements at June 30, 2025 are as follows:

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The nonspendable fund balance in the General Fund is comprised of \$442,823 for prepaid items. The restricted fund balance in the General Fund is comprised of \$7,608,107 for food service. The assigned fund balance in the General Fund is comprised of \$50,295 for student activity purposes and \$548,643 for tort immunity purposes. The remaining assigned and restricted fund balances are for the purpose of the respective funds as described above in the Major Governmental Funds section.

### Eliminations and Reclassifications

In the process of aggregating data for the government-wide financial statements, some amounts reported as interfund activity and balances were eliminated or reclassified.

## 2. Stewardship, Compliance and Accountability

### Excess of Expenditures Over Budget

For the year ended June 30, 2025, expenditures exceeded budget in the General Fund, Debt Service Fund and Capital Projects Fund by \$4,084,664, \$200 and \$2,741,558, respectively. These excesses in the General Fund and Debt Service fund were funded by available financial resources. The excess in the Capital Projects Fund contributed to a deficit fund balance of \$114,497 at year end.

### Deficit Fund Equity

The Capital Projects Fund had a deficit fund balance of \$114,497 as of June 30, 2025. District management expects to fund this deficit through state funding in fiscal year 2026.

## 3. Deposits and Investments

At year end, the District's cash and investments was comprised of the following:

	<u>Carrying Value</u>	<u>Statement Balances</u>
Deposits	\$ (2,717,893)	\$ 10,020,799
ISDLAF+	11,135,224	11,135,224
Investment sweep accounts, repurchase agreements	6,488,947	6,488,948
ISDLAF+ Term Series	1,500,000	1,500,000
Mutual funds, other than bond funds	8,406,501	8,406,502
U.S. treasuries	9,974,340	9,974,339
Total	<u>\$ 34,787,119</u>	<u>\$ 47,525,812</u>
Reconciliation to financial statements		
Per statement of net position:		
Cash and investments	\$ 34,736,824	
Student activity cash	<u>50,295</u>	
Total	<u>\$ 34,787,119</u>	

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's investments detailed in the interest rate risk table below are measured using the Level 1 valuation inputs.

**Interest Rate Risk** - Interest rate risk is the risk that changes in interest rates will adversely affect the value of an investment. The District's investment policy limits the maturities on its investment portfolio as follows: 1) Repurchase agreements must mature in less than 330 days, and 2) obligations of corporations must mature no later than three years from the date of purchase.

At year end, the District had the following investments:

Investment Type	Investment Maturity (In Years)				
	Fair Value	Less Than One	1-5	5-10	More Than 10
U.S. treasuries	\$ 9,974,339	\$ 4,494,209	\$ 5,480,130	\$ -	\$ -
Total	\$ 9,974,339	\$ 4,494,209	\$ 5,480,130	\$ -	\$ -

**Redemption Notice Period** - Investments in ISDLAF+ Term Series may be redeemed upon seven days' advance notice. Redemption prior to maturity may result in the realization of a loss on the investment, including a penalty in an amount necessary to recoup the Term Series penalty charges, losses and other costs attributable to the early redemption.

**Credit Risk** - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State Statutes limit the investments in commercial paper and corporate bonds to the top three ratings of two nationally recognized statistical rating organizations (NRSRO's). The District's investment policy limits investments in municipal bonds to those ranked in the four highest general classifications to those ranked established by nationally recognized rating service and investments in corporations exceeding \$500,000,000 in assets to one of the three highest classifications established by at least two standard rating services.

As of June 30, 2025, the District's investments were rated as follows:

Investment Type	Standard & Poor's	Moody's Investors Services
U.S. treasuries	AA+	Aaa/AA1

The Illinois School District Liquid Asset Fund Plus (ISDLAF+) is a not-for-profit investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Trustees elected from participating members. The trust is not registered with the SEC as an investment company. Investments are rated AAAM and are valued at share price, which is the price for which the investment could be sold.

**Custodial Credit Risk - Deposits** - With respect to deposits, custodial credit risk refers to the risk that, in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy limits the exposure to deposit custodial credit risk by requiring all deposits in excess of FDIC insurable limits to be secured by collateral in the event of default or failure of the financial institution holding the funds. As of June 30, 2025, the bank balance of the District's deposit with financial institutions totaled \$10,020,799; which was completely collateralized.

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

**Custodial Credit Risk - Investments** - With respect to investments, custodial credit risk is the risk that, in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy limits the exposure to investment custodial credit risk by requiring all investments be secured by private insurance or collateral.

Separate cash and investment accounts are not maintained for all District funds; instead, the individual funds maintain their invested and uninvested balances in the common checking and investment accounts, with accounting records being maintained to show the portion of the common account balance attributable to each participating fund.

### 4. Capital Assets

Capital asset activity for the District for the year ended June 30, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated:				
Land	\$ 711,700	\$ -	\$ -	\$ 711,700
Construction in progress	1,791,354	14,011,437	87,800	15,714,991
Total capital assets not being depreciated	<u>2,503,054</u>	<u>14,011,437</u>	<u>87,800</u>	<u>16,426,691</u>
Capital assets being depreciated:				
Land improvements	6,581,289	124,346	-	6,705,635
Buildings	225,393,159	6,074,720	-	231,467,879
Equipment	28,663,944	2,611,797	-	31,275,741
Total capital assets being depreciated	<u>260,638,392</u>	<u>8,810,863</u>	<u>-</u>	<u>269,449,255</u>
Less accumulated depreciation for:				
Land improvements	4,582,144	177,914	-	4,760,058
Buildings	86,848,190	4,361,316	-	91,209,506
Equipment	22,969,335	782,219	-	23,751,554
Total accumulated depreciation	<u>114,399,669</u>	<u>5,321,449</u>	<u>-</u>	<u>119,721,118</u>
Net capital assets being depreciated	<u>146,238,723</u>	<u>3,489,414</u>	<u>-</u>	<u>149,728,137</u>
Net governmental activities capital assets	<u>\$ 148,741,777</u>	<u>\$ 17,500,851</u>	<u>\$ 87,800</u>	<u>\$ 166,154,828</u>

Depreciation expense was recognized in the operating activities of the District as follows:

<u>Governmental Activities</u>	<u>Depreciation</u>
Operations and maintenance	<u>\$ 5,321,449</u>
Total depreciation expense, governmental activities	<u>\$ 5,321,449</u>

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### 5. Long-Term Liabilities

#### Changes in General Long-Term Liabilities

The following is the long-term liability activity for the District for the year ended June 30, 2025:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
General obligation bonds	\$ 8,400,000	\$ -	\$ 1,415,000	\$ 6,985,000	\$ 1,490,000
Unamortized premium	258,270	-	84,722	173,548	-
Total bonds payable	<u>8,658,270</u>	<u>-</u>	<u>1,499,722</u>	<u>7,158,548</u>	<u>1,490,000</u>
Workers compensation claims payable	832,951	1,295,682	1,445,025	683,608	-
Compensated absences (net)	6,815,024	105,439	-	6,920,463	-
Net pension liability	3,427,871	4,698,692	4,717,513	3,409,050	-
Total/Net OPEB liability	<u>11,996,635</u>	<u>2,234,248</u>	<u>810,724</u>	<u>13,420,159</u>	<u>-</u>
Total long-term liabilities, governmental activities	<u>\$ 31,730,751</u>	<u>\$ 8,334,061</u>	<u>\$ 8,472,984</u>	<u>\$ 31,591,828</u>	<u>\$ 1,490,000</u>

The obligations for the net pension liability and the Total/Net OPEB Liability will be repaid from the General Fund. The Workers compensation claims payable will be repaid from the Tort Immunity Accounts of the General Fund.

#### General Obligation Bonds

General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

<u>Purpose</u>	<u>Interest Rates</u>	<u>Original Amount</u>	<u>Carrying Amount</u>
Series 2023 General Obligation Bonds dated March 15, 2023 are due in annual installments through January 1, 2030	5.00%	\$ 9,610,000	\$ 6,985,000
Total		<u>\$ 9,610,000</u>	<u>\$ 6,985,000</u>

Annual debt service requirements to maturity for general obligation bonds are as follows for governmental type activities:

<u>Years</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,490,000	\$ 349,250	\$ 1,839,250
2027	1,565,000	274,750	1,839,750
2028	1,645,000	196,500	1,841,500
2029	1,730,000	114,250	1,844,250
2030	555,000	27,750	582,750
Total	<u>\$ 6,985,000</u>	<u>\$ 962,500</u>	<u>\$ 7,947,500</u>

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The District is subject to the Illinois School Code, which limits the amount of certain indebtedness to 13.8% of the most recent available equalized assessed valuation of the District. As of June 30, 2025, the statutory debt limit for the District was \$18,226,436, providing a debt margin of \$11,241,436.

### 6. Risk Management

The District is exposed to various risks of loss related to employee health benefits; workers' compensation claims; theft of, damage to, and destruction of assets; and natural disasters. The District has purchased insurance from private insurance companies for general liability and other coverages not included below. Premiums have been recorded as expenditures in the appropriate funds. There have been no significant reductions in insurance coverage from coverage in the prior years. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

Prior to September 30, 2022, the District was self-insured for workers compensation insurance. A third party administers claims for a monthly fee per participant. Expenditures are recorded as incurred in the form of direct contributions from the District to the third party administrator for payment of claims and administration fees. The District carried stop loss coverage for individual claims in excess of \$1,000,000 up to a maximum coverage of \$1,000,000 per claim.

At June 30, 2025, unpaid claims, including an estimate of claims that have been incurred but not reported to the administrative agent, totaled \$683,608. The estimates are developed based on reports prepared by the administrative agent. The District does not allocate overhead costs or other nonincremental costs to the claims liability. For the two years ended June 30, 2024 and June 30, 2025, changes in the liability reported in the Statement of Net Position for unpaid claims are summarized as follows:

<u>Years Ended</u>	<u>Claims Payable Beginning of Year</u>	<u>Current Year Claims and Changes in Estimates</u>	<u>Claims Payments</u>	<u>Claims Payable End of Year</u>
June 30, 2024	<u>\$ 2,466,284</u>	<u>\$ 110,149</u>	<u>\$ 1,743,482</u>	<u>\$ 832,951</u>
June 30, 2025	<u>\$ 832,951</u>	<u>\$ 1,295,682</u>	<u>\$ 1,445,025</u>	<u>\$ 683,608</u>

Effective September 30, 2022, the District transitioned to insurance for workers' compensation and participates in the Illinois Public Risk Fund. The District pays annual premiums to the pool for insurance coverage. The arrangement with the pool provides that it will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of certain levels established by the pool.

### 7. Related-Party Transactions

The District acts as the Administrative Agent for the East St. Louis Area Joint Agreement and the East St. Louis Regional Vocational System (the Joint Agreements) and is also a member of both of these organizations. The District provides services and purchases supplies for the Joint Agreements and is subsequently reimbursed by the Joint Agreements. Funds owed to the District from the East St. Louis Regional Vocational System for these services and supplies were \$3,528 at June 30, 2025. These amounts are anticipated to be repaid to the District within one year as a repayment schedule has been agreed upon by all parties as of the date the financial statements were issued.

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### 8. Other Postemployment Benefits

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	<u>Total OPEB Liability</u>	<u>Net OPEB Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense/ (Income)</u>
THIS	\$ -	\$ 12,139,894	\$ 6,994,969	\$ 25,351,591	\$ (3,277,493)
Retirees' Healthplan	<u>1,280,265</u>	<u>-</u>	<u>173,481</u>	<u>505,474</u>	<u>139,173</u>
Total	<u>\$ 1,280,265</u>	<u>\$ 12,139,894</u>	<u>\$ 7,168,450</u>	<u>\$ 25,857,065</u>	<u>\$ (3,138,320)</u>

### Teachers' Health Insurance Security

#### Plan Description

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

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

#### Benefits Provided

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

#### On Behalf Contributions to THIS Fund

The State of Illinois makes employer retiree health insurance contributions on behalf of the District. State contributions are intended to match contributions to THIS Fund from active members which were 0.90% of pay during the year ended June 30, 2025. State of Illinois contributions of \$421,862 were recognized as revenues and expenditures by the District during the year in the General Fund based on the current financial resources measurement basis. On the economic resources measurement basis, the District recognizes revenues and expenses of \$(4,406,917) in Governmental Activities equal to the proportion of the State of Illinois's OPEB expense associated with the employer.

## East St. Louis School District 189

Notes to Basic Financial Statements  
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### Contributions

The District also makes contributions to THIS Fund. The District's THIS Fund contribution was 0.67% during the year ended June 30, 2025. The percentage of employer required contributions in the future will not exceed 105% of the percentage of salary actually required to be paid in the previous fiscal year. For the year ended June 30, 2025, the District paid \$314,053 to the THIS Fund, respectively, which was 100% of the required contribution for the year.

### THIS Fiduciary Net Position

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

### Net OPEB Liability

At June 30, 2025, the District reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for the state's retiree insurance support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net OPEB liability, the related state support and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collection net OPEB liability	\$ 12,139,894
State's proportionate share of the collective net OPEB liability associated with the District	<u>16,486,524</u>
Total	<u>\$ 28,626,418</u>

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024. The District's proportion of the net OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating THIS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.153465% and 0.151178%, respectively.

### Actuarial Assumptions

The net OPEB liability in the June 30, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.25%
Salary Increases	3.50% to 8.50%
Investment Rate of Return	2.75%
Healthcare Cost Trend Rates, Initial	8.00%
Healthcare Cost Trend Rates, Ultimate	4.25%
Fiscal Year the Ultimate Rate is Reached	2041

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

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of an actuarial experience study for the period July 1, 2017 through June 30, 2020.

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### Discount Rate

At June 30, 2024, the discount rate used to measure the total OPEB liability was a blended rate of 3.97%, which was a change from the June 30, 2023 rate of 3.86%. Since THIS is financed on a pay-as-you-go basis, the discount rate is based on the 20-year general obligation bond index.

### Sensitivity of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (2.97%) or 1-percentage-point higher (4.97%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 13,548,115	\$ 12,139,894	\$ 10,898,484

### Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1-percentage-point lower (initial rate of 7.00% decreasing to an ultimate rate of 3.25%) or 1-percentage-point higher (initial rate of 9.00% decreasing to an ultimate rate of 5.25%) than the current healthcare cost trend rate:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability	\$ 10,452,436	\$ 12,139,894	\$ 14,147,878

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$(3,277,493) and on-behalf revenue and expense of \$(4,406,917) for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to OPEBs were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 334,992	\$ 5,116,699
Changes in assumptions	366,901	17,443,967
Net difference between projected and actual earnings on OPEB plan investments	-	6,591
Changes in proportion and differences between District contributions and proportionate share of contributions	5,979,023	2,784,334
District contributions subsequent to the measurement date	314,053	-
Total	<u>\$ 6,994,969</u>	<u>\$ 25,351,591</u>

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net OPEB liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to OPEB was \$(18,670,675). Amounts will be recognized in OPEB expense as follows in these reporting years:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ (2,317,292)
2027	(2,317,292)
2028	(2,317,292)
2029	(2,317,291)
2030	(2,315,644)
Thereafter	<u>(7,085,864)</u>
Total	<u>\$ (18,670,675)</u>

### Retirees' Health Plan

#### Plan Description

The District's group health insurance plan provides coverage to active employees and retirees (or other qualified terminated employees) at blended premium rates. This results in an other postemployment benefit (OPEB) for the retirees, commonly referred to as an implicit rate subsidy.

#### Contributions and Benefits Provided

Contribution requirements are established through collective bargaining agreements and may be amended only through negotiations between the board and the union. Plan members receiving benefits contribute 100 percent of their premium costs for a family plan and a single plan.

#### Employees Covered by Benefit Term

At June 30, 2024, the actuarial valuation date, the following employees were covered by the benefit terms:

Active employees	477
Active employees not yet eligible	-
Inactive employees currently receiving benefits	<u>1</u>
Total	<u><u>478</u></u>

#### Total OPEB Liability

The District's total OPEB liability of \$1,280,265 was measured as of June 30, 2025, and was determined by an actuarial valuation as of June 30, 2024.

Inflation	3.00%
Election at Retirement	20.00%
Discount Rate	4.81%
Healthcare Cost Trend Rate, Initial	7.50%
Healthcare Cost Trend Rate, Ultimate	4.50%
Fiscal Year the Ultimate Rate is Reached	2039

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The discount rate was based on S&P Municipal Bond 20-Year High-Grade Rate Index as of June 30, 2025.

Mortality rates were based on 2023 IMRF Actuarial Valuation Report.

The actuarial assumptions used in the June 30, 2024 valuation were based on the results of the estimates of future events.

### Changes in Total OPEB Liability

The District's changes in total OPEB liability for the year ended June 30, 2025 was as follows:

	<b>Total OPEB Liability</b>
Balance at June 30, 2024	\$ 1,221,614
Changes for the year:	
Service cost	82,597
Interest	50,863
Changes in assumptions and other inputs	(47,875)
Benefit payments	(26,934)
Net changes	<u>58,651</u>
Balance at June 30, 2025	<u>\$ 1,280,265</u>

### Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.81%) or 1-percentage-point higher (5.81%) than the current discount rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,372,801	\$ 1,280,265	\$ 1,194,682

### Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower (6.50%) or 1-percentage-point higher (8.50%) than the current healthcare cost trend rates:

	<u>1% Decrease</u>	<u>Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
Total OPEB Liability	\$ 1,164,646	\$ 1,280,265	\$ 1,412,352

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

For the year ended June 30, 2025, the District recognized OPEB expense of \$139,173. The District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Difference between expected and actual experience	\$ 6,865	\$ 294,616
Assumption changes	166,616	210,858
Total	<u>\$ 173,481</u>	<u>\$ 505,474</u>

The amounts reported as deferred outflows and inflows of resources related to OPEB (\$(331,993)) will be recognized in OPEB expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ (9,089)
2027	(90,436)
2028	(99,456)
2029	(93,603)
2030	(33,351)
Thereafter	(6,058)
Total	<u>\$ (331,993)</u>

### 9. Retirement Systems

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

For the year ended June 30, 2025, the District recognized the following balances in the government-wide financial statements:

	<u>Net Pension Asset</u>	<u>Net Pension Liability</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Pension Expense/ (Income)</u>
TRS	\$ -	\$ 3,409,050	\$ 1,094,271	\$ 333,693	\$ 476,182
IMRF	(17,255,124)	-	3,329,754	1,444,420	1,852,421
Total	<u>\$(17,255,124)</u>	<u>\$ 3,409,050</u>	<u>\$ 4,424,025</u>	<u>\$ 1,778,113</u>	<u>\$ 2,328,603</u>

### Teachers' Retirement System

#### Plan Description

The District participates in the Teachers' Retirement System of the State of Illinois (TRS). TRS is a cost-sharing multiple-employer defined benefit pension plan that was created by the Illinois legislature for the benefit of Illinois public school teachers employed outside the city of Chicago. TRS members include all active nonannuitants who are employed by a TRS-covered employer to provide services for which teacher licensure is required. The Illinois Pension Code outlines the benefit provisions of TRS, and amendments to the plan can be made only by legislative action with the Governor's approval. The TRS Board of Trustees is responsible for the System's administration.

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

#### Benefits Provided

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

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

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

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

#### Contributions

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

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

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

### **On Behalf Contributions to TRS**

The State of Illinois makes employer pension contributions on behalf of the District. For the year ended June 30, 2025, State of Illinois contributions recognized by the District were based on the state's proportionate share of with the pension expense associated with the District, and the District recognized revenue and expenses of \$22,753,982 in governmental activities based on the economic resources measurement basis and revenues and expenditures in the amount of \$21,775,932 in the General Fund based on the current financial resources measurement basis.

### **2.2 Formula Contributions**

Employers contribute 0.58% of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were \$271,489, and are deferred because they were paid after the June 30, 2024 measurement date.

### **Federal and Special Trust Fund Contributions**

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

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

For the year ended June 30, 2025, the District pension contribution was 10.34% of salaries paid from federal and special trust funds. Contributions for the year ended June 30, 2025, were \$562,794. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

### **Salary Increases Over 6%**

The District is also required to make a one-time contribution to TRS for members granted salary increases over 6% if those salaries are used to calculate a retiree's final average salary. For the year ended June 30, 2025, the District paid \$17,618 to TRS for employer contributions due on salary increases in excess of 6%.

### **TRS Fiduciary Net Position**

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

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

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### Net Pension Liability

At June 30, 2025, the District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided to the District. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 3,409,050
State's proportionate share of the collective net pension liability associated with the District	<u>284,241,622</u>
Total	<u>\$ 287,650,672</u>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024. The District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the projected contributions of all participating TRS employers and the state during that period. At June 30, 2024 and 2023, the District's proportion was 0.00397021% and 0.00403371%, respectively.

### Summary of Significant Accounting Policies

For purposes of measuring the collective net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of TRS and additions to/deductions from TRS fiduciary net position have been determined on the same basis as they are reported by TRS. 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.

### Actuarial Assumptions

The assumptions used to measure the total pension liability in the June 30, 2024 actuarial valuation included (a) 7.00% investment rate of return net of pension plan investment expense, including inflation, (b) projected salary increases varies by amount of service credit and (c) inflation of 2.5%. These actuarial assumptions were based on an experience study dated August 16, 2024.

### Mortality

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

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### Long-Term Expected Real Rate of Return

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. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	37.00 %	7.55 %
Private equity	15.00	10.28
Public income	18.00	5.81
Private credit	8.00	9.20
Real assets	18.00	7.01
Diversifying strategies	4.00	5.18

### Discount Rate

At June 30, 2024, the discount rate used to measure the total pension liability was a blended rate of 7.00%, which was the same as the prior valuation. The projection of cash flows used to determine the discount rate assumed that employee contributions, employer contributions and state contributions will be made at the current statutorily-required rates.

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

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### Discount Rate Sensitivity

The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00%) or 1-percentage-point higher (8.00%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
District's proportionate share of the collective net pension liability	\$ 4,210,273	\$ 3,409,050	\$ 2,744,872

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

For the year ended June 30, 2025, the District recognized pension expense of \$476,182 and on-behalf revenue and expense of \$22,753,982 for support provided by the state. At June 30, 2025, the District's deferred outflows of resources and deferred inflows of resources related to pensions were from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 12,819	\$ 8,849
Net difference between projected and actual earnings on pension plan investments	-	29,268
Assumption changes	46,972	1,809
Changes in proportion and differences between District contributions and proportionate share of contributions	200,197	293,767
District contributions subsequent to the measurement date	834,283	-
Total	<u>\$ 1,094,271</u>	<u>\$ 333,693</u>

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$(73,705). Amounts will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ (63,490)
2027	(4,307)
2028	(17,606)
2029	11,944
2030	(246)
Total	<u>\$ (73,705)</u>

# East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

## Illinois Municipal Retirement Fund

### Plan Description

The District's defined benefit pension plan for Regular employees provides retirement and disability benefits, post retirement increases, and death benefits to plan members and beneficiaries. The District's plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of a multi-employer pension plan. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available financial report that includes financial statements and required supplementary information. The report may be obtained on-line at [www.imrf.org](http://www.imrf.org).

All employees hired in positions that meet or exceed the prescribed annual hourly standard must be enrolled in IMRF as participating members. Public Act 96-0889 created a second tier for IMRF's Regular Plan. IMRF assigns a benefit tier to a member when he or she is enrolled in IMRF. The tier is determined by the member's first IMRF participation date. If the member first participated in IMRF before January 1, 2011, they participate in *Regular Tier 1*. If the member first participated in IMRF on or after January 1, 2011, they participate in *Regular Tier 2*.

For *Regular Tier 1*, pension benefits vest after eight years of service. Participating members who retire at or after age 60 with 8 years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any consecutive 48 months within the last 10 years of service, divided by 48. Under *Regular Tier 1*, the pension is increased by 3% of the original amount on January 1 every year after retirement. For *Regular Tier 2*, pension benefits vest after ten years of service. Participating members who retire at or after age 67 with 10 years of service are entitled to an annual 2% for each year of service credit after 15 years to a maximum of 75% of their *Regular Tier 2*, final rate retirement benefit, payable monthly for life, in an amount equal to 1-2/3% of the final rate of earnings for the first 15 years of service credit, plus 2% for each year of service credit after 15 years to a maximum of 75% of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under *Regular Tier 2*, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of 3% of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount. IMRF also provides death and disability benefits. These benefit provisions and all other requirements are established by state statute.

### Plan Membership

At December 31, 2024, the measurement date, membership of the plan was as follows:

Retirees and beneficiaries	389
Inactive, nonretired members	227
Active members	<u>459</u>
Total	<u><u>1,075</u></u>

## East St. Louis School District 189

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Notes to Basic Financial Statements  
June 30, 2025

### Contributions

As set by statute, District employees participating in IMRF are required to contribute 4.50% of their annual covered salary. The statute requires the District to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's actuarially determined contribution rate for calendar year 2024 was 0.91% of annual covered payroll. The District also contributes for disability benefits, death benefits and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by the IMRF Board of Trustees, while the supplemental retirement benefits rate is set by statute.

### Net Pension Liability/(Asset)

The net pension liability/(asset) was measured as of December 31, 2024, and the total pension liability used to calculate the net pension liability/(asset) was determined by an annual actuarial valuation as of that date.

### Summary of Significant Accounting Policies

For purposes of measuring the net pension liability/(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of IMRF and additions to/deductions from IMRF fiduciary net position have been determined on the same basis as they are reported by IMRF. 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.

### Actuarial Assumptions

The assumptions used to measure the total pension liability in the December 31, 2024 annual actuarial valuation included (a) 7.25% investment rate of return, (b) projected salary increases from 2.85% to 13.75%, and (c) price inflation of 2.25%. The actuarial cost method was entry age normal and asset valuation method was market value. The retirement age is based on experience-based table of rates that are specific to the type of eligibility condition. The tables were last updated for the 2023 valuation pursuant to an experience study of the period 2020-2022.

### Mortality

For non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108.0%) and Female (adjusted 106.4%) tables, and future mortality improvements projected using scale MP-2021. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables and future mortality improvements projected using scale MP-2021.

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### Long-Term Expected Real Rate of Return

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

Asset Class	Target Allocation	Projected Returns/Risk	
		One Year Arithmetic	Ten Year Geometric
Equities	33.50 %	5.70 %	4.35 %
International equities	18.00	7.10	5.40
Fixed income	24.50	5.30	5.20
Real estate	10.50	7.30	6.40
Alternatives	12.50		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	1.00	3.60	3.60

### Discount Rate

The discount rate used to measure the total pension liability for IMRF was 7.25%, the same rate as the prior valuation. The projection of cash flows used to determine the discount rate assumed that member contributions will be made at the current contribution rate and that District contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the 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 was applied to all periods of projected benefits payments to determine the total pension liability.

### Discount Rate Sensitivity

The following is a sensitivity analysis of the net pension liability/(asset) to changes in the discount rate. The table below presents the pension liability of the District calculated using the discount rate of 7.25% as well as what the net pension liability/(asset) would be if it were to be calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	<u>1% Decrease</u>	<u>Current Discount Rate</u>	<u>1% Increase</u>
Net pension liability/(asset)	\$ (7,192,362)	\$ (17,255,124)	\$ (25,391,900)

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

### Changes in Net Pension Liability/(Asset)

The District's changes in net pension liability/(asset) for the calendar year ended December 31, 2024 was as follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/ (Asset) (a) - (b)
Balances at December 31, 2023	\$ 102,083,279	\$ 116,920,409	\$ (14,837,130)
Service cost	1,923,042	-	1,923,042
Interest on total pension liability	7,214,169	-	7,214,169
Differences between expected and actual experience of the total pension liability	(839,895)	-	(839,895)
Benefit payments, including refunds of employee contributions	(7,078,050)	(7,078,050)	-
Contributions, employer	-	177,787	(177,787)
Contributions, employee	-	879,079	(879,079)
Net investment income	-	12,058,746	(12,058,746)
Other (net transfer)	-	(2,400,302)	2,400,302
Balances at December 31, 2024	<u>\$ 103,302,545</u>	<u>\$ 120,557,669</u>	<u>\$ (17,255,124)</u>

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

For the year ended June 30, 2025, the District recognized pension expense of \$1,852,421. The District's deferred outflows and inflows of resources related to pension were from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 407,341	\$ 1,403,276
Assumption changes	-	41,144
Net difference between projected and actual earnings on pension plan investments	2,839,536	-
Contributions subsequent to the measurement date	82,877	-
Total	<u>\$ 3,329,754</u>	<u>\$ 1,444,420</u>

## East St. Louis School District 189

Notes to Basic Financial Statements  
June 30, 2025

The amount reported as deferred outflows resulting from contributions subsequent to the measurement date in the above table will be recognized as a reduction in the net pension liability/(asset) for the year ending June 30, 2026. The remaining amounts reported as deferred outflows and inflows of resources related to pensions was \$1,802,457. Amounts will be recognized in pension expense as follows:

<u>Years Ending June 30,</u>	<u>Amount</u>
2026	\$ 1,137,107
2027	3,300,665
2028	(1,857,856)
2029	<u>(777,459)</u>
Total	<u>\$ 1,802,457</u>

### 10. Interfund Loans

The composition of interfund loan balances as of June 30, 2025 for the District's individual major funds, is as follows:

<u>Loan Receivable Fund</u>	<u>Loan Payable Fund</u>	<u>Amount</u>
General	Capital Projects	\$ 13,010,256
Total		<u>\$ 13,010,256</u>

The above interfund balances exist because the District's federal grant reimbursement was received after fiscal year end. All amounts will be repaid within one year.

### 11. Contingent Liabilities

The District is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the District's attorneys, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

### 12. State and Federal Aid Contingencies

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

## East St. Louis School District 189

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Notes to Basic Financial Statements

June 30, 2025

### 13. Effect of New Accounting Standards on Current-Period Financial Statements

The Governmental Accounting Standards Board (GASB) has approved GASB Statement No. 103, *Financial Reporting Model Improvements* and GASB Statement No. 104, *Disclosure of Certain Capital Assets*.

When they become effective, application of these standards may restate portions of these financial statements.

### 14. Changes in Accounting Principles

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized in financial statements prepared using the economic resources measurement focus for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This standard was implemented July 1, 2024.

### 15. Construction Commitments

As of June 30, 2025, the District is committed to approximately \$12,576,231 in expenditures in the upcoming years for various construction projects. These expenditures will be paid through the available fund balances and future grant revenues.

**East St. Louis School District 189**

Schedule of Changes in the District's Net Pension Liability/(Asset)  
and Related Ratios -  
Illinois Municipal Retirement Fund  
Ten Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total Pension Liability</b>				
Service cost	\$ 1,923,042	\$ 1,944,026	\$ 1,664,740	\$ 1,492,876
Interest	7,214,169	7,187,404	6,933,684	6,854,217
Differences between expected and actual experience	(839,895)	(1,573,004)	1,772,269	(259,812)
Changes of assumptions	-	(81,310)	-	-
Benefit payments, including refunds of member contributions	<u>(7,078,050)</u>	<u>(7,116,863)</u>	<u>(6,904,643)</u>	<u>(7,249,582)</u>
Net change in total pension liability	1,219,266	360,253	3,466,050	837,699
<b>Total Pension Liability, Beginning</b>	<u>102,083,279</u>	<u>101,723,026</u>	<u>98,256,976</u>	<u>97,419,277</u>
<b>Total Pension Liability, Ending (a)</b>	<u>\$ 103,302,545</u>	<u>\$ 102,083,279</u>	<u>\$ 101,723,026</u>	<u>\$ 98,256,976</u>
<b>Plan Fiduciary Net Position</b>				
Employer contributions	\$ 177,787	\$ 263,902	\$ 183,347	\$ 430,549
Employee contributions	879,079	996,946	925,741	748,561
Net investment income	12,058,746	12,342,582	(18,639,500)	21,380,337
Benefit payments, including refunds of member contributions	(7,078,050)	(7,116,863)	(6,904,643)	(7,249,582)
Other (net transfer)	<u>(2,400,302)</u>	<u>1,195,207</u>	<u>(1,863,003)</u>	<u>(812,289)</u>
Net change in plan fiduciary net position	3,637,260	7,681,774	(26,298,058)	14,497,576
<b>Plan Fiduciary Net Position, Beginning</b>	<u>116,920,409</u>	<u>109,238,635</u>	<u>135,536,693</u>	<u>121,039,117</u>
<b>Plan Fiduciary Net Position, Ending (b)</b>	<u>\$ 120,557,669</u>	<u>\$ 116,920,409</u>	<u>\$ 109,238,635</u>	<u>\$ 135,536,693</u>
<b>Employer's Net Pension Liability/(Asset), Ending (a) - (b)</b>	<u>\$ (17,255,124)</u>	<u>\$ (14,837,130)</u>	<u>\$ (7,515,609)</u>	<u>\$ (37,279,717)</u>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	116.70%	114.53%	107.39%	137.94%
<b>Covered Payroll</b>	\$ 19,536,916	\$ 20,903,486	\$ 19,939,451	\$ 15,874,226
<b>Employer's Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	-88.32%	-70.98%	-37.69%	-234.84%

**Notes to Schedule:**

Actuary valuations are as of December 31st, which is 6 months prior to the end of the fiscal year.

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$	1,540,161	\$ 1,409,390	\$ 1,292,438	\$ 1,410,528	\$ 1,292,189	\$ 1,192,240
	6,862,035	6,861,711	6,885,041	7,151,685	6,997,460	6,878,191
	(520,005)	(1,241,725)	(370,632)	(1,503,030)	863,610	519,483
	(858,492)	-	2,235,504	(3,341,746)	-	-
	<u>(6,966,207)</u>	<u>(7,214,374)</u>	<u>(7,299,797)</u>	<u>(7,127,497)</u>	<u>(7,184,684)</u>	<u>(6,914,576)</u>
	57,492	(184,998)	2,742,554	(3,410,060)	1,968,575	1,675,338
	<u>97,361,785</u>	<u>97,546,783</u>	<u>94,804,229</u>	<u>98,214,289</u>	<u>96,245,714</u>	<u>94,570,376</u>
\$	<u>97,419,277</u>	<u>\$ 97,361,785</u>	<u>\$ 97,546,783</u>	<u>\$ 94,804,229</u>	<u>\$ 98,214,289</u>	<u>\$ 96,245,714</u>
\$	527,556	\$ 123,015	\$ 702,526	\$ 650,782	\$ 641,486	\$ 605,197
	694,519	657,088	622,227	584,847	580,889	514,065
	16,663,192	20,056,933	(7,585,605)	19,274,045	6,908,631	513,525
	(6,966,207)	(7,214,374)	(7,299,797)	(7,127,497)	(7,184,684)	(6,914,576)
	<u>(1,178,252)</u>	<u>(1,804,156)</u>	<u>1,062,559</u>	<u>(3,740,753)</u>	<u>584,724</u>	<u>484,460</u>
	9,740,808	11,818,506	(12,498,090)	9,641,424	1,531,046	(4,797,329)
	<u>111,298,309</u>	<u>99,479,803</u>	<u>111,977,893</u>	<u>102,336,469</u>	<u>100,805,423</u>	<u>105,602,752</u>
\$	<u>121,039,117</u>	<u>\$ 111,298,309</u>	<u>\$ 99,479,803</u>	<u>\$ 111,977,893</u>	<u>\$ 102,336,469</u>	<u>\$ 100,805,423</u>
\$	<u>(23,619,840)</u>	<u>\$ (13,936,524)</u>	<u>\$ (1,933,020)</u>	<u>\$ (17,173,664)</u>	<u>\$ (4,122,180)</u>	<u>\$ (4,559,709)</u>
	124.25%	114.31%	101.98%	118.11%	104.20%	104.74%
\$	15,134,314	\$ 14,365,643	\$ 13,279,318	\$ 12,927,043	\$ 12,917,992	\$ 11,200,638
	-156.07%	-97.01%	-14.56%	-132.85%	-31.91%	-40.71%

See notes to required supplementary information

**East St. Louis School District 189**

Schedule of District Contributions -  
Illinois Municipal Retirement Fund  
Ten Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 177,786	\$ 194,402	\$ 175,467	\$ 398,443	\$ 508,513
Contributions in relation to the actuarially determined contribution	<u>(177,787)</u>	<u>(263,902)</u>	<u>(183,347)</u>	<u>(430,549)</u>	<u>(527,556)</u>
Contribution deficiency (excess)	<u>\$ (1)</u>	<u>\$ (69,500)</u>	<u>\$ (7,880)</u>	<u>\$ (32,106)</u>	<u>\$ (19,043)</u>
Covered payroll	\$ 19,536,916	\$ 20,903,486	\$ 19,939,451	\$ 15,874,226	\$ 15,134,314
Contributions as a percentage of covered payroll	0.91%	1.26%	0.92%	2.71%	3.49%
	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ -	\$ 683,885	\$ 602,400	\$ 642,024	\$ 604,834
Contributions in relation to the actuarially determined contribution	<u>-</u>	<u>(702,526)</u>	<u>(48,382)</u>	<u>(641,486)</u>	<u>(605,197)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ (18,641)</u>	<u>\$ 554,018</u>	<u>\$ 538</u>	<u>\$ (363)</u>
Covered payroll	\$ 14,365,643	\$ 13,279,318	\$ 12,927,043	\$ 12,917,992	\$ 11,200,638
Contributions as a percentage of covered payroll	0.00%	5.29%	0.37%	4.97%	5.40%

**Notes to Schedule:**

Valuation date:

Actuarially determined contribution rates are calculated as of December 31 each year, which are 6 months prior to the beginning of the fiscal year in which contributions are reported.

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Aggregate Entry age normal
Amortization method	Level percentage of payroll, closed
Remaining amortization period	19 years
Asset valuation method	5-Year Smoothed Market, 20% corridor
Wage growth	2.75%
Inflation	2.25%
Salary increases	2.75% to 13.75%, including inflation
Investment rate of return	7.25%
Retirement Age	Experience-based table of rates that are specific to the type of eligibility condition
Mortality	MP-2020

Other information:

There were no benefit changes during the year.

**East St. Louis School District 189**

Schedule of District's Proportionate Share of the Collective Net Pension Liability and District Contributions -  
 Teachers' Retirement System  
 Ten Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability	0.00397021%	0.00403371%	0.00381367%	0.00446602%
District's proportionate share of the net pension liability	\$ 3,409,050	\$ 3,427,871	\$ 3,197,396	\$ 3,484,003
State's proportionate share of the net pension liability	<u>284,241,622</u>	<u>295,827,053</u>	<u>277,352,890</u>	<u>291,996,486</u>
Total net pension liability	<u>\$ 287,650,672</u>	<u>\$ 299,254,924</u>	<u>\$ 280,550,286</u>	<u>\$ 295,480,489</u>
Covered payroll	\$ 45,904,034	\$ 39,318,186	\$ 39,020,665	\$ 40,102,226
District's proportionate share of the net pension liability as a percentage of covered payroll	7.43%	8.72%	8.19%	8.69%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.1%
Contractually required contribution	\$ 753,372	\$ 2,073,820	\$ 302,403	\$ 727,780
Contributions in relation to the contractually required contribution	<u>(834,283)</u>	<u>(968,476)</u>	<u>(730,699)</u>	<u>(728,519)</u>
Contribution deficiency (excess)	<u>\$ (80,911)</u>	<u>\$ 1,105,344</u>	<u>\$ (428,296)</u>	<u>\$ (739)</u>
Covered payroll	\$ 46,873,567	\$ 45,904,034	\$ 39,318,186	\$ 39,020,665
Contributions as a percentage of covered payroll	1.7799%	2.1098%	1.8584%	1.8670%

**Notes to Schedule:**

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net pension liability is reported.

**Key Assumptions:**

Long-term expected rate of return	7.00%	7.00%	7.00%	7.00%
Municipal bond index	3.93%	3.65%	3.54%	2.16%
Single equivalent discount rate	7.00%	7.00%	7.00%	7.00%
Inflation rate	2.50%	2.50%	2.50%	2.25%
Projected salary increases	4.00% to 8.50%	3.75% to 8.75%	3.75% to 8.75%	3.50% to 8.50%
	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
0.00411716%	0.00420834%	0.00439506%	0.09113824%	0.06914590%	0.06038650%
\$ 3,549,619	\$ 3,413,306	\$ 3,425,721	\$ 69,627,918	\$ 54,581,040	\$ 39,559,239
<u>278,024,575</u>	<u>242,921,232</u>	<u>234,676,240</u>	<u>207,655,470</u>	<u>288,229,496</u>	<u>196,327,033</u>
\$ <u>281,574,194</u>	\$ <u>246,334,538</u>	\$ <u>238,101,961</u>	\$ <u>277,283,388</u>	\$ <u>342,810,536</u>	\$ <u>235,886,272</u>
\$ 34,639,509	\$ 32,933,697	\$ 31,531,003	\$ 31,644,271	\$ 32,823,419	\$ 30,433,527
10.25%	10.36%	10.86%	220.03%	166.29%	129.99%
37.8%	39.6%	40.0%	39.3%	36.4%	41.5%
\$ 1,029,198	\$ 674,504	\$ 791,678	\$ 851,901	\$ 2,967,847	\$ 2,686,773
<u>(1,010,516)</u>	<u>(675,676)</u>	<u>(791,378)</u>	<u>(926,904)</u>	<u>(2,968,310)</u>	<u>(2,686,773)</u>
\$ <u>18,682</u>	\$ <u>(1,172)</u>	\$ <u>300</u>	\$ <u>(75,003)</u>	\$ <u>(463)</u>	\$ <u>-</u>
\$ 40,102,226	\$ 34,639,509	\$ 32,933,697	\$ 31,531,003	\$ 31,644,271	\$ 32,823,419
2.5199%	1.9506%	2.4029%	2.9397%	9.3802%	8.1855%
7.00%	7.00%	7.00%	7.00%	7.00%	7.50%
2.21%	3.50%	3.87%	3.58%	2.85%	3.73%
7.00%	7.00%	7.00%	7.00%	6.83%	7.47%
2.50%	2.50%	2.50%	2.50%	2.50%	3.00%
4.00% to 9.50%	4.00% to 9.50%	4.00% to 9.50%	3.25% to 9.25%	3.25% to 9.25%	3.75% to 9.75%
varying by service	varying by service	varying by service	varying by service	varying by service	varying by service

See notes to required supplementary information

**East St. Louis School District 189**Schedule of Changes in the District's Total OPEB Liability  
and Related Ratios -  
Retirees' Health Plan  
Eight Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Total OPEB Liability</b>				
Service cost	\$ 82,597	\$ 89,454	\$ 114,837	\$ 144,690
Interest	50,863	57,637	52,305	33,056
Differences between expected and actual experience	-	(243,089)	-	(255,976)
Changes of assumptions	(47,875)	(58,152)	(4,215)	(113,869)
Benefit payments, including refunds of member contributions	(26,934)	(39,631)	(52,754)	(38,049)
Other (net transfer)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in total OPEB liability	58,651	(193,781)	110,173	(230,148)
<b>Total OPEB Liability, Beginning</b>	<u>1,221,614</u>	<u>1,415,395</u>	<u>1,305,222</u>	<u>1,535,370</u>
<b>Total OPEB Liability, Ending (a)</b>	<u>\$ 1,280,265</u>	<u>\$ 1,221,614</u>	<u>\$ 1,415,395</u>	<u>\$ 1,305,222</u>
<b>Covered-Employee Payroll</b>	\$ 20,911,366	\$ 20,911,366	Not Available	Not Available
<b>District's Total OPEB Liability as a Percentage of Covered Payroll</b>	6.12%	5.84%	N/A	N/A

**Notes to Schedule:**

The District implemented GASB Statement No. 75 in fiscal year 2018. Information prior to fiscal year 2018 is not available. There are no assets accumulated in a trust that meets the criteria of GASB codification P52.101 to pay related benefits for the OPEB plan.

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	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$	164,863	\$ 156,000	\$ 25,497	\$ 25,832
	34,345	14,180	15,425	16,493
	-	55,646	-	-
	69,293	215,227	5,942	4,452
	(48,720)	(69,313)	(36,816)	(31,194)
	<u>-</u>	<u>400,987</u>	<u>(3,209)</u>	<u>(22,088)</u>
	219,781	772,727	6,839	(6,505)
	<u>1,315,589</u>	<u>542,862</u>	<u>536,023</u>	<u>542,528</u>
\$	<u>1,535,370</u>	\$ <u>1,315,589</u>	\$ <u>542,862</u>	\$ <u>536,023</u>
\$	13,388,791	\$ 13,388,791	\$ 10,131,235	\$ 10,131,235
	11.47%	9.83%	5.36%	5.29%

See notes to required supplementary information

**East St. Louis School District 189**

Schedule of District's Proportionate Share  
of the Net OPEB Liability and District Contributions -  
Teachers' Health Insurance Security Fund  
Eight Most Recent Fiscal Years

	<u>2025</u>	<u>2024</u>	<u>2023</u>
District's proportion of the net OPEB liability	0.153465%	0.151178%	0.141434%
District's proportionate share of the net OPEB liability	\$ 12,139,894	\$ 10,775,021	\$ 9,680,678
State's proportionate share of the net OPEB liability	<u>16,486,524</u>	<u>14,571,261</u>	<u>13,169,610</u>
Total net OPEB liability	<u>\$ 28,626,418</u>	<u>\$ 25,346,282</u>	<u>\$ 22,850,288</u>
Covered payroll	\$ 45,904,034	\$ 39,318,186	\$ 39,020,665
District's proportionate share of the net OPEB liability as a percentage of covered payroll	26.45%	27.40%	24.81%
Plan fiduciary net position as a percentage of the total pension liability	7.43%	6.21%	5.24%
Contractually required contribution	\$ 314,053	\$ 307,557	\$ 263,432
Contributions in relation to the contractually required contribution	<u>(314,053)</u>	<u>(307,557)</u>	<u>(263,432)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 46,873,567	\$ 45,904,034	\$ 39,318,186
Contributions as a percentage of covered payroll	0.6700%	0.6700%	0.6700%

**Notes to Schedule:**

The District implemented GASB 75 in fiscal year 2018. Information for fiscal years prior to 2018 is not applicable.

Actuary valuations are as of June 30 of the fiscal year prior to the fiscal year in which the net OPEB liability is reported.

**Key Assumptions:**

Long-term expected rate of return	2.75%	2.75%	2.75%
Municipal bond index	3.97%	3.86%	3.69%
Single equivalent discount rate	3.97%	3.86%	3.69%
Inflation rate	2.25%	2.25%	2.25%
Healthcare cost trend rates - initial	Medicare and Non-Medicare -	Medicare and Non-Medicare -	Medicare and Non-Medicare -
	8.00%	8.00%	8.00%
Healthcare cost trend rates - ultimate	4.25%	4.25%	4.25%
Mortality	PubT-2010	PubT-2010	PubT-2010

<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
0.154497%	0.137086%	0.133995%	0.133010%	0.137206%
\$ 34,081,556	\$ 36,651,285	\$ 37,082,183	\$ 35,137,419	\$ 35,604,412
<u>46,209,616</u>	<u>49,652,510</u>	<u>50,214,007</u>	<u>47,181,976</u>	<u>46,757,440</u>
\$ <u>80,291,172</u>	\$ <u>86,303,795</u>	\$ <u>87,296,190</u>	\$ <u>82,319,395</u>	\$ <u>82,361,852</u>
\$ 40,102,226	\$ 34,639,509	\$ 32,933,697	\$ 31,531,003	\$ 31,644,271
84.99%	105.81%	112.60%	111.44%	112.51%
1.40%	0.70%	0.25%	-0.07%	-0.17%
\$ 261,438	\$ 368,940	\$ 318,683	\$ 302,990	\$ 277,473
<u>(261,438)</u>	<u>(368,940)</u>	<u>(318,683)</u>	<u>(302,990)</u>	<u>(277,473)</u>
\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>-</u>
\$ 39,020,665	\$ 40,102,226	\$ 34,639,509	\$ 32,933,697	\$ 31,531,003
0.6700%	0.9200%	0.9200%	0.9200%	0.8800%
2.75%	0.00%	0.00%	0.00%	0.00%
1.92%	2.45%	3.13%	3.62%	3.56%
1.92%	2.45%	3.13%	3.62%	3.56%
2.50%	2.50%	2.50%	2.75%	2.75%
Medicare and Non-Medicare - 8.00%	Medicare and Non-Medicare - 8.25%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%	Medicare - 9.00% Non-Medicare - 8.00%
4.25%	4.25%	4.50%	4.50%	4.50%
RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables	RP-2014 Tables

See notes to required supplementary information

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
General Fund  
Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 2,477,829	\$ 2,007,662	\$ (470,167)
Tort immunity levy	3,469,400	2,931,247	(538,153)
Leasing levy	63,210	51,219	(11,991)
Special education levy	50,568	40,972	(9,596)
Corporate personal property replacement taxes	6,509,281	4,366,709	(2,142,572)
Other payments in lieu of taxes	35,027	20,710	(14,317)
Summer school tuition from pupils or parents (in state)	-	46,278	46,278
Special education tuition from pupils or parents (in state)	147,356	-	(147,356)
Special education tuition from other LEA's (in state)	-	510,515	510,515
Investment income	1,995,077	2,353,969	358,892
Other food service	58,522	82,616	24,094
Admissions, athletic	121,849	46,894	(74,955)
Admissions, other	31,020	-	(31,020)
Fees	-	89,516	89,516
Student activities	40,568	98,016	57,448
Rentals	37,361	9,482	(27,879)
Payments of surplus monies from TIF districts	644,110	560,629	(83,481)
Payment from other LEA's	-	684	684
Other local fees	-	40,000	40,000
Other	1,539,665	171,920	(1,367,745)
Total local sources	<u>17,220,843</u>	<u>13,429,038</u>	<u>(3,791,805)</u>
<b>State Sources</b>			
Evidence based funding	51,210,000	50,561,237	(648,763)
Special education, private facility tuition	396,500	743,780	347,280
Special education, orphanage, individual	371,000	2,999,197	2,628,197
Special education, orphanage, summer	20,200	330,447	310,247
State free lunch and breakfast	-	35,956	35,956
Driver education	-	10,965	10,965
Truant alternative/optional education	44,483	44,273	(210)
Early childhood, block grant	5,737,435	5,913,399	175,964
Other restricted revenue from state sources	591,215	1,908,310	1,317,095
On behalf payment to TRS from the state	21,788,300	22,197,794	409,494
Total state sources	<u>80,159,133</u>	<u>84,745,358</u>	<u>4,586,225</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Federal Sources</b>			
National school lunch program	\$ 100,000	\$ 2,604,958	\$ 2,504,958
School breakfast program	-	1,160,715	1,160,715
Summer food service admin/program	90,000	580	(89,420)
Child care commodity/SFS 13-adult day care	318,270	125,815	(192,455)
Fresh fruits and vegetables	159,800	62,306	(97,494)
Food service, other	32,000	174,873	142,873
Title I, low income	6,427,788	5,968,810	(458,978)
Title I, low income, neglected, private	-	108,628	108,628
Title I, other	345,244	615,386	270,142
Title IV, safe and drug free schools, formula	335,744	326,661	(9,083)
Title IV, 21st Century	409,652	428,052	18,400
Federal, special education, preschool flow-through	127,020	103,778	(23,242)
Federal, special education, IDEA, flow-through	2,329,273	2,181,603	(147,670)
Title II, teacher quality	606,774	521,729	(85,045)
Medicaid matching funds, administrative outreach	-	313,490	313,490
Medicaid matching funds, fee-for-service program	-	641,725	641,725
Other restricted revenue from federal sources	7,556,160	1,178,721	(6,377,439)
	<u>18,837,725</u>	<u>16,517,830</u>	<u>(2,319,895)</u>
Total federal sources			
	<u>116,217,701</u>	<u>114,692,226</u>	<u>(1,525,475)</u>
Total revenues			
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular Programs</b>			
Salaries	15,990,924	21,643,441	(5,652,517)
Employee benefits	5,630,815	5,720,620	(89,805)
Purchased services	415,805	293,123	122,682
Supplies and materials	1,009,577	663,239	346,338
Capital outlay	100,000	84,344	15,656
Other objects	11,950	3,805	8,145
Termination benefits	-	126,063	(126,063)
	<u>23,159,071</u>	<u>28,534,635</u>	<u>(5,375,564)</u>
Total			
<b>Tuition Payment to Charter Schools</b>			
Purchased services	1,720,000	1,373,414	346,586
	<u>1,720,000</u>	<u>1,373,414</u>	<u>346,586</u>
Total			

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Pre-K Programs</b>			
Salaries	\$ 3,041,372	\$ 3,093,099	\$ (51,727)
Employee benefits	977,936	995,003	(17,067)
Purchased services	47,000	35,187	11,813
Supplies and materials	20,000	37,748	(17,748)
Total	<u>4,086,308</u>	<u>4,161,037</u>	<u>(74,729)</u>
<b>Special Education Programs</b>			
Salaries	7,887,754	8,810,692	(922,938)
Employee benefits	3,246,119	2,888,813	357,306
Purchased services	42,000	35,449	6,551
Supplies and materials	95,648	84,904	10,744
Capital outlay	34,258	3,873	30,385
Termination benefits	-	66,857	(66,857)
Total	<u>11,305,779</u>	<u>11,890,588</u>	<u>(584,809)</u>
<b>Special Education Programs Pre-K</b>			
Salaries	331,649	349,095	(17,446)
Employee benefits	136,996	117,554	19,442
Total	<u>468,645</u>	<u>466,649</u>	<u>1,996</u>
<b>Remedial and Supplemental Programs K - 12</b>			
Salaries	4,442,933	3,579,604	863,329
Employee benefits	1,763,195	1,425,622	337,573
Purchased services	454	329,156	(328,702)
Supplies and materials	11,728	45,755	(34,027)
Termination benefits	-	28,823	(28,823)
Total	<u>6,218,310</u>	<u>5,408,960</u>	<u>809,350</u>
<b>CTE Programs</b>			
Salaries	573,524	724,337	(150,813)
Employee benefits	253,174	235,403	17,771
Total	<u>826,698</u>	<u>959,740</u>	<u>(133,042)</u>
<b>Interscholastic Programs</b>			
Salaries	521,301	633,185	(111,884)
Employee benefits	92,444	51,831	40,613
Purchased services	1,359,988	1,285,991	73,997
Supplies and materials	609,139	710,641	(101,502)
Capital outlay	27,000	103,203	(76,203)
Other objects	71,850	39,983	31,867
Total	<u>2,681,722</u>	<u>2,824,834</u>	<u>(143,112)</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Summer School Programs</b>			
Salaries	\$ 800,000	\$ 568,036	\$ 231,964
Employee benefits	-	76,403	(76,403)
Supplies and materials	150,000	111,010	38,990
Total	<u>950,000</u>	<u>755,449</u>	<u>194,551</u>
<b>Driver's Education Programs</b>			
Salaries	81,110	86,595	(5,485)
Employee benefits	33,679	25,365	8,314
Purchased services	6,400	264	6,136
Supplies and materials	2,545	-	2,545
Total	<u>123,734</u>	<u>112,224</u>	<u>11,510</u>
<b>Bilingual Programs</b>			
Salaries	203,057	152,853	50,204
Employee benefits	82,920	53,473	29,447
Purchased services	33,400	14,625	18,775
Supplies and materials	18,500	12,747	5,753
Total	<u>337,877</u>	<u>233,698</u>	<u>104,179</u>
<b>Special Education Programs K-12 - Private Tuition</b>			
Other objects	6,134,500	5,974,568	159,932
Total	<u>6,134,500</u>	<u>5,974,568</u>	<u>159,932</u>
<b>Student Activities</b>			
Other objects	40,568	88,289	(47,721)
Total	<u>40,568</u>	<u>88,289</u>	<u>(47,721)</u>
Total instruction	<u>58,053,212</u>	<u>62,784,085</u>	<u>(4,730,873)</u>
<b>Support Services</b>			
<b>Pupils</b>			
<b>Attendance and Social Work Services</b>			
Salaries	3,832,371	3,225,489	606,882
Employee benefits	924,312	951,908	(27,596)
Purchased services	955,568	609,367	346,201
Supplies and materials	190,619	115,577	75,042
Total	<u>5,902,870</u>	<u>4,902,341</u>	<u>1,000,529</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
General Fund  
Year Ended June 30, 2025

	2025		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Guidance Services</b>			
Salaries	\$ 1,398,085	\$ 1,713,228	\$ (315,143)
Employee benefits	514,481	515,493	(1,012)
Purchased services	156,855	91,088	65,767
Supplies and materials	10,000	851	9,149
Total	<u>2,079,421</u>	<u>2,320,660</u>	<u>(241,239)</u>
<b>Health Services</b>			
Salaries	572,034	700,917	(128,883)
Employee benefits	165,173	206,802	(41,629)
Purchased services	620,250	653,144	(32,894)
Total	<u>1,357,457</u>	<u>1,560,863</u>	<u>(203,406)</u>
<b>Psychological Services</b>			
Salaries	352,805	439,917	(87,112)
Employee benefits	96,092	128,644	(32,552)
Purchased services	15,000	5,913	9,087
Total	<u>463,897</u>	<u>574,474</u>	<u>(110,577)</u>
<b>Speech Pathology and Audiology Services</b>			
Salaries	438,373	189,482	248,891
Employee benefits	132,680	62,318	70,362
Total	<u>571,053</u>	<u>251,800</u>	<u>319,253</u>
<b>Other Support Services - Pupils</b>			
Purchased services	-	797	(797)
Total	<u>-</u>	<u>797</u>	<u>(797)</u>
Total pupils	<u>10,374,698</u>	<u>9,610,935</u>	<u>763,763</u>
<b>Instructional Staff</b>			
<b>Improvement of Instructional Services</b>			
Salaries	1,126,667	1,279,104	(152,437)
Employee benefits	268,011	272,278	(4,267)
Purchased services	2,129,441	1,791,151	338,290
Supplies and materials	580,077	533,152	46,925
Capital outlay	-	637	(637)
Other objects	12,885	4,262	8,623
Total	<u>4,117,081</u>	<u>3,880,584</u>	<u>236,497</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Educational Media Services</b>			
Salaries	\$ 1,102,370	\$ 1,149,417	\$ (47,047)
Employee benefits	339,553	354,722	(15,169)
Purchased services	147,600	120,539	27,061
Supplies and materials	561,000	466,613	94,387
Total	<u>2,150,523</u>	<u>2,091,291</u>	<u>59,232</u>
<b>Assessment and Testing</b>			
Purchased services	-	82,950	(82,950)
Supplies and materials	9,000	1,400	7,600
Total	<u>9,000</u>	<u>84,350</u>	<u>(75,350)</u>
Total instructional staff	<u>6,276,604</u>	<u>6,056,225</u>	<u>220,379</u>
<b>General Administration</b>			
<b>Board of Education Services</b>			
Salaries	546,384	102,978	443,406
Employee benefits	179,997	24,386	155,611
Purchased services	77,000	16,919	60,081
Supplies and materials	10,000	10,674	(674)
Other objects	30,000	20,650	9,350
Total	<u>843,381</u>	<u>175,607</u>	<u>667,774</u>
<b>Executive Administration Services</b>			
Salaries	645,644	773,595	(127,951)
Employee benefits	106,502	126,810	(20,308)
Purchased services	373,520	175,405	198,115
Supplies and materials	112,200	82,611	29,589
Other objects	9,600	8,888	712
Total	<u>1,247,466</u>	<u>1,167,309</u>	<u>80,157</u>
<b>Special Area Administration Services</b>			
Salaries	821,737	1,618,498	(796,761)
Employee benefits	214,094	408,139	(194,045)
Purchased services	22,200	19,890	2,310
Supplies and materials	10,000	12,837	(2,837)
Termination benefits	-	128,052	(128,052)
Total	<u>1,068,031</u>	<u>2,187,416</u>	<u>(1,119,385)</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
General Fund  
Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Tort Immunity Services</b>			
Salaries	\$ 1,506,979	\$ 1,756,047	\$ (249,068)
Employee benefits	550,130	532,851	17,279
Purchased services	2,851,500	2,263,366	588,134
Supplies and materials	95,000	169,690	(74,690)
Capital outlay	455,000	59,567	395,433
Other objects	1,010,000	902,009	107,991
Total	<u>6,468,609</u>	<u>5,683,530</u>	<u>785,079</u>
Total general administration	<u>9,627,487</u>	<u>9,213,862</u>	<u>413,625</u>
<b>School Administration</b>			
<b>Office of the Principal Services</b>			
Salaries	3,849,828	3,774,232	75,596
Employee benefits	1,162,848	1,023,171	139,677
Purchased services	403,955	357,011	46,944
Supplies and materials	142,800	196,899	(54,099)
Capital outlay	90,000	48,453	41,547
Other objects	4,500	3,544	956
Total	<u>5,653,931</u>	<u>5,403,310</u>	<u>250,621</u>
<b>Other Support Services - School Administration</b>			
Salaries	107,059	106,013	1,046
Employee benefits	39,274	27,157	12,117
Total	<u>146,333</u>	<u>133,170</u>	<u>13,163</u>
Total school administration	<u>5,800,264</u>	<u>5,536,480</u>	<u>263,784</u>
<b>Business</b>			
<b>Direction of Business Support Services</b>			
Salaries	152,470	222,753	(70,283)
Employee benefits	30,203	47,282	(17,079)
Total	<u>182,673</u>	<u>270,035</u>	<u>(87,362)</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Fiscal Services</b>			
Salaries	\$ 520,421	\$ 613,312	\$ (92,891)
Employee benefits	87,360	119,213	(31,853)
Purchased services	264,882	405,768	(140,886)
Supplies and materials	36,200	9,157	27,043
Capital outlay	5,000	1,547	3,453
Other objects	155,000	510,942	(355,942)
Termination benefits	60,000	-	60,000
Total	<u>1,128,863</u>	<u>1,659,939</u>	<u>(531,076)</u>
<b>Operation and Maintenance of Plant Services</b>			
Salaries	-	3,102	(3,102)
Purchased services	232,600	160,341	72,259
Supplies and materials	23,500	18,142	5,358
Capital outlay	60,000	451,117	(391,117)
Total	<u>316,100</u>	<u>632,702</u>	<u>(316,602)</u>
<b>Food Services</b>			
Salaries	64,083	67,891	(3,808)
Employee benefits	14,560	15,253	(693)
Purchased services	3,846,100	3,595,023	251,077
Supplies and materials	5,000	39,192	(34,192)
Capital outlay	83,600	59,099	24,501
Other objects	2,750	1,166	1,584
Total	<u>4,016,093</u>	<u>3,777,624</u>	<u>238,469</u>
<b>Internal Services</b>			
Salaries	245,070	259,762	(14,692)
Employee benefits	72,800	74,311	(1,511)
Purchased services	76,450	56,424	20,026
Supplies and materials	50,100	50,198	(98)
Total	<u>444,420</u>	<u>440,695</u>	<u>3,725</u>
Total business	<u>6,088,149</u>	<u>6,780,995</u>	<u>(692,846)</u>
<b>Central</b>			
<b>Direction of Central Support Services</b>			
Salaries	559,080	528,489	30,591
Employee benefits	143,819	142,531	1,288
Purchased services	5,100	6,809	(1,709)
Total	<u>707,999</u>	<u>677,829</u>	<u>30,170</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Planning, Research, Development and Evaluation Services</b>			
Salaries	\$ 340,829	\$ 336,549	\$ 4,280
Employee benefits	79,573	83,598	(4,025)
Purchased services	60,260	36,868	23,392
Supplies and materials	800	596	204
Total	<u>481,462</u>	<u>457,611</u>	<u>23,851</u>
<b>Information Services</b>			
Purchased services	93,120	123,054	(29,934)
Supplies and materials	14,400	18,656	(4,256)
Total	<u>107,520</u>	<u>141,710</u>	<u>(34,190)</u>
<b>Staff Services</b>			
Salaries	909,590	683,915	225,675
Employee benefits	162,928	129,322	33,606
Purchased services	177,852	64,901	112,951
Supplies and materials	46,809	57,214	(10,405)
Other objects	129,800	72,954	56,846
Total	<u>1,426,979</u>	<u>1,008,306</u>	<u>418,673</u>
<b>Data Processing Services</b>			
Salaries	430,552	801,006	(370,454)
Employee benefits	83,023	168,214	(85,191)
Purchased services	346,000	322,326	23,674
Supplies and materials	1,375,000	960,145	414,855
Capital outlay	1,585,000	1,434,654	150,346
Total	<u>3,819,575</u>	<u>3,686,345</u>	<u>133,230</u>
Total central	<u>6,543,535</u>	<u>5,971,801</u>	<u>571,734</u>
<b>Other Supporting Services</b>			
Salaries	387,777	348,078	39,699
Employee benefits	64,162	58,558	5,604
Purchased services	215,095	45,744	169,351
Supplies and materials	3,359	56,748	(53,389)
Total	<u>670,393</u>	<u>509,128</u>	<u>161,265</u>
Total support services	<u>45,381,130</u>	<u>43,679,426</u>	<u>1,701,704</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 General Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Community Services</b>			
Salaries	\$ 404,788	\$ 827,972	\$ (423,184)
Employee benefits	104,211	345,078	(240,867)
Purchased services	174,750	214,442	(39,692)
Supplies and materials	49,832	97,683	(47,851)
Capital outlay	5,000	13,251	(8,251)
Total community services	<u>738,581</u>	<u>1,498,426</u>	<u>(759,845)</u>
<b>Intergovernmental</b>			
<b>State Retirement Contributions</b>			
On-behalf payments to TRS from the state	21,788,300	22,197,794	(409,494)
Total	<u>21,788,300</u>	<u>22,197,794</u>	<u>(409,494)</u>
<b>Payments to Other Districts and Governmental Units</b>			
<b>Payments for Regular Programs</b>			
Purchased services	-	33,524	(33,524)
Other objects	-	3,797	(3,797)
Total	<u>-</u>	<u>37,321</u>	<u>(37,321)</u>
<b>Payments for Community College Programs - Tuition</b>			
Other objects	164,862	13,697	151,165
Total	<u>164,862</u>	<u>13,697</u>	<u>151,165</u>
Total payments to other districts and governmental units	<u>164,862</u>	<u>51,018</u>	<u>113,844</u>
Total intergovernmental	<u>21,953,162</u>	<u>22,248,812</u>	<u>(295,650)</u>
Total expenditures	<u>126,126,085</u>	<u>130,210,749</u>	<u>(4,084,664)</u>
Net change in fund balance	<u>\$ (9,908,384)</u>	<u>(15,518,523)</u>	<u>\$ (5,610,139)</u>
<b>Fund Balance, Beginning</b>		<u>53,515,974</u>	
<b>Fund Balance, Ending</b>		<u>\$ 37,997,451</u>	

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Operations and Maintenance Fund  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 632,100	\$ 512,156	\$ (119,944)
Investment income	-	173,468	173,468
Other	30,000	78,430	48,430
Total local sources	<u>662,100</u>	<u>764,054</u>	<u>101,954</u>
<b>State Sources</b>			
Evidence based funding	7,000,000	6,656,835	(343,165)
School infrastructure, maintenance projects	-	50,000	50,000
Total state sources	<u>7,000,000</u>	<u>6,706,835</u>	<u>(293,165)</u>
<b>Federal Sources</b>			
Other restricted revenue from federal sources	114,890	52,047	(62,843)
Total federal sources	<u>114,890</u>	<u>52,047</u>	<u>(62,843)</u>
Total revenues	<u>7,776,990</u>	<u>7,522,936</u>	<u>(254,054)</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Operation and Maintenance of Plant Services</b>			
Salaries	2,854,941	3,090,530	(235,589)
Employee benefits	909,411	942,974	(33,563)
Purchased services	1,654,050	1,996,711	(342,661)
Supplies and materials	2,018,400	2,246,988	(228,588)
Capital outlay	1,656,000	750,954	905,046
Total	<u>9,092,802</u>	<u>9,028,157</u>	<u>64,645</u>
Total business	<u>9,092,802</u>	<u>9,028,157</u>	<u>64,645</u>
Total support services	<u>9,092,802</u>	<u>9,028,157</u>	<u>64,645</u>
Total expenditures	<u>9,092,802</u>	<u>9,028,157</u>	<u>64,645</u>
Net change in fund balance	<u>\$ (1,315,812)</u>	<u>(1,505,221)</u>	<u>\$ (189,409)</u>
<b>Fund Balance, Beginning</b>		<u>4,271,610</u>	
<b>Fund Balance, Ending</b>		<u>\$ 2,766,389</u>	

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Transportation Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 252,840	\$ 204,869	\$ (47,971)
Investment income	-	135,159	135,159
Total local sources	<u>252,840</u>	<u>340,028</u>	<u>87,188</u>
<b>State Sources</b>			
Evidence based funding	2,300,000	1,815,500	(484,500)
Transportation, regular/vocational	1,201,000	1,740,701	539,701
Transportation, special education	810,300	1,047,154	236,854
Early childhood, block grant	18,275	12,426	(5,849)
Other restricted revenue from state sources	8,419	32,856	24,437
Total state sources	<u>4,337,994</u>	<u>4,648,637</u>	<u>310,643</u>
<b>Federal Sources</b>			
Title I, low income	509,571	520,642	11,071
Title I, other	32,710	14,876	(17,834)
Title IV, safe and drug free schools, formula	-	28,566	28,566
Title IV, 21st Century	129,336	127,005	(2,331)
Other restricted revenue from federal sources	117,385	51,917	(65,468)
Total federal sources	<u>789,002</u>	<u>743,006</u>	<u>(45,996)</u>
Total revenues	<u>5,379,836</u>	<u>5,731,671</u>	<u>351,835</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Pupil Transportation Services</b>			
Salaries	289,363	742,518	(453,155)
Employee benefits	16,193	108,726	(92,533)
Purchased services	8,814,550	6,241,681	2,572,869
Supplies and materials	14,845	14,930	(85)
Capital outlay	-	169,504	(169,504)
Total	<u>9,134,951</u>	<u>7,277,359</u>	<u>1,857,592</u>
Total business	<u>9,134,951</u>	<u>7,277,359</u>	<u>1,857,592</u>
Total support services	<u>9,134,951</u>	<u>7,277,359</u>	<u>1,857,592</u>
Total expenditures	<u>9,134,951</u>	<u>7,277,359</u>	<u>1,857,592</u>
Net change in fund balance	<u>\$ (3,755,115)</u>	<u>(1,545,688)</u>	<u>\$ 2,209,427</u>
<b>Fund Balance, Beginning</b>		<u>3,755,682</u>	
<b>Fund Balance, Ending</b>		<u>\$ 2,209,994</u>	

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 465,575	\$ 346,148	\$ (119,427)
Social security/Medicare only levy	1,502,095	1,234,295	(267,800)
Corporate personal property replacement taxes	650,000	28,377	(621,623)
Investment income	-	211,098	211,098
Total local sources	<u>2,617,670</u>	<u>1,819,918</u>	<u>(797,752)</u>
<b>State Sources</b>			
CTE, secondary program improvement	888	920	32
Truant alternative/optional education	2,663	2,873	210
Early childhood, block grant	276,543	195,160	(81,383)
Other restricted revenue from state sources	2,535	11,304	8,769
Total state sources	<u>282,629</u>	<u>210,257</u>	<u>(72,372)</u>
<b>Federal Sources</b>			
Title I, low income	285,039	149,240	(135,799)
Title I, low income, neglected, private	-	1,445	1,445
Title I, other	-	12,214	12,214
Title IV, safe and drug free schools, formula	2,231	731	(1,500)
Title IV, 21st Century	11,012	13,897	2,885
Federal, special education, preschool flow-through	5,687	6,218	531
Federal, special education, IDEA, flow-through	136,373	133,623	(2,750)
CTE, perkins, title III E, tech. prep.	-	1,025	1,025
CTE, other	938	-	(938)
Title II, teacher quality	6,178	5,623	(555)
Other restricted revenue from federal sources	16,455	15,715	(740)
Total federal sources	<u>463,913</u>	<u>339,731</u>	<u>(124,182)</u>
Total revenues	<u>3,364,212</u>	<u>2,369,906</u>	<u>(994,306)</u>
<b>Expenditures</b>			
<b>Instruction</b>			
Regular programs	414,903	431,955	(17,052)
Pre-K programs	182,794	124,425	58,369
Special education programs	378,551	361,152	17,399
Special education programs Pre-K	25,714	18,275	7,439
Remedial and supplemental programs K - 12	264,179	103,531	160,648
CTE programs	8,316	10,412	(2,096)
Interscholastic programs	30,043	31,340	(1,297)
Summer school programs	-	29,331	(29,331)
Driver's education programs	1,176	1,216	(40)
Bilingual programs	12,413	8,560	3,853
Total instruction	<u>1,318,089</u>	<u>1,120,197</u>	<u>197,892</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Support Services</b>			
<b>Pupils</b>			
Attendance and social work services	\$ 183,689	\$ 133,782	\$ 49,907
Guidance services	36,558	36,200	358
Health services	56,870	60,322	(3,452)
Psychological services	5,067	6,355	(1,288)
Speech pathology and audiology services	6,237	2,728	3,509
Total pupils	<u>288,421</u>	<u>239,387</u>	<u>49,034</u>
<b>Instructional Staff</b>			
Improvement of instructional staff	52,190	20,439	31,751
Educational media services	52,318	37,231	15,087
Total instructional staff	<u>104,508</u>	<u>57,670</u>	<u>46,838</u>
<b>General Administration</b>			
Board of education services	39,928	1,480	38,448
Executive administration services	-	28,753	(28,753)
Special area administration services	41,214	57,002	(15,788)
Claims paid from self insurance fund	137,140	-	137,140
Risk management and claims services payments	-	146,069	(146,069)
Total general administration	<u>218,282</u>	<u>233,304</u>	<u>(15,022)</u>
<b>School Administration</b>			
Office of the principal services	154,800	129,178	25,622
Other support services - school administration	1,552	1,524	28
Total school administration	<u>156,352</u>	<u>130,702</u>	<u>25,650</u>
<b>Business</b>			
Direction of business support services	2,189	3,220	(1,031)
Fiscal services	34,742	78,613	(43,871)
Operations and maintenance of plant services	250,900	258,460	(7,560)
Pupil transportation services	17,587	55,100	(37,513)
Food services	5,444	5,755	(311)
Internal services	20,694	22,001	(1,307)
Total business	<u>331,556</u>	<u>423,149</u>	<u>(91,593)</u>
<b>Central</b>			
Direction of central support services	10,193	15,894	(5,701)
Planning, research, development and evaluation services	14,722	16,962	(2,240)
Staff services	49,488	45,427	4,061
Data processing services	34,774	67,139	(32,365)
Total central	<u>109,177</u>	<u>145,422</u>	<u>(36,245)</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Municipal Retirement/Social Security Fund  
Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Other Supporting Services</b>	<u>\$ 22,023</u>	<u>\$ 26,517</u>	<u>\$ (4,494)</u>
Total support services	<u>1,230,319</u>	<u>1,256,151</u>	<u>(25,832)</u>
<b>Community Services</b>	<u>45,796</u>	<u>65,733</u>	<u>(19,937)</u>
Total expenditures	<u>2,594,204</u>	<u>2,442,081</u>	<u>152,123</u>
Net change in fund balance	<u><u>\$ 770,008</u></u>	<u>(72,175)</u>	<u><u>\$ (842,183)</u></u>
<b>Fund Balance, Beginning</b>		<u>4,740,569</u>	
<b>Fund Balance, Ending</b>		<u><u>\$ 4,668,394</u></u>	

## **East St. Louis School District 189**

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Notes to Required Supplementary Information  
Year Ended June 30, 2025

### **Stewardship, Compliance and Accountability**

#### **Budgetary Data**

The budgeted amounts for the Governmental Funds are adopted on the modified accrual basis, which is consistent with accounting principles generally accepted in the United States of America.

The Board of Education follows these procedures in establishing the budgetary data reflected in the general purpose financial statements:

1. The Administration submits to the Board of Education a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted and the proposed budget is available for inspection to obtain taxpayer comments.
3. Prior to September 30, the budget is legally adopted through passage of a resolution. By the last Tuesday in December, a tax levy resolution is filed with the county clerk to obtain tax revenues.
4. Management is authorized to transfer budget amounts, provided funds are transferred between the same function and object codes. The Board of Education is authorized to transfer up to a legal level of 10% of the total budget between functions within any fund; however, any revisions that alter the total expenditures of any fund must be approved by the Board of Education, after following the public hearing process mandated by law.
5. Formal budgetary integration is employed as a management control device during the year for all governmental funds.
6. All budget appropriations lapse at the end of the fiscal year.

The budget amounts shown in the financial statements are as originally adopted because there were no amendments during the past fiscal year.

#### **Excess of Expenditures Over Budget**

For the year ended June 30, 2025, expenditures exceeded budget in the General Fund by \$4,084,664. This excess was funded by available financial resources.

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Debt Service Fund  
Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 1,709,644	\$ 1,426,363	\$ (283,281)
Investment income	28,458	3,397	(25,061)
Total local sources	<u>1,738,102</u>	<u>1,429,760</u>	<u>(308,342)</u>
Total revenues	<u>1,738,102</u>	<u>1,429,760</u>	<u>(308,342)</u>
<b>Expenditures</b>			
<b>Debt Services</b>			
<b>Payments on Long-Term Debt</b>			
Interest on long term debt	420,000	420,000	-
Principal payments on long term debt	<u>1,415,000</u>	<u>1,415,000</u>	<u>-</u>
Total	<u>1,835,000</u>	<u>1,835,000</u>	<u>-</u>
<b>Other Debt Service</b>			
Other objects	<u>1,000</u>	<u>1,200</u>	<u>(200)</u>
Total	<u>1,000</u>	<u>1,200</u>	<u>(200)</u>
Total debt services	<u>1,836,000</u>	<u>1,836,200</u>	<u>(200)</u>
Total expenditures	<u>1,836,000</u>	<u>1,836,200</u>	<u>(200)</u>
Net change in fund balance	<u><u>\$ (97,898)</u></u>	<u>(406,440)</u>	<u><u>\$ (308,542)</u></u>
<b>Fund Balance, Beginning</b>		<u>1,185,625</u>	
<b>Fund Balance, Ending</b>		<u><u>\$ 779,185</u></u>	

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Capital Projects Fund  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
<b>Local Sources</b>			
Investment income	\$ -	\$ 1	\$ 1
Other	-	1,500	1,500
Total local sources	-	1,501	1,501
<b>State Sources</b>			
Evidence based funding	-	1,485,397	1,485,397
Other unrestricted grants-in-aid from state sources	2,346,520	-	(2,346,520)
School infrastructure, maintenance projects	-	50,000	50,000
Other restricted revenue from state sources	-	742,431	742,431
Total state sources	2,346,520	2,277,828	(68,692)
<b>Federal Sources</b>			
Other restricted revenue from federal sources	15,588,193	18,282,445	2,694,252
Total federal sources	15,588,193	18,282,445	2,694,252
Total revenues	17,934,713	20,561,774	2,627,061
<b>Expenditures</b>			
<b>Support Services</b>			
<b>Business</b>			
<b>Facilities Acquisition and Construction Service</b>			
Purchased services	48,000	31,688	16,312
Supplies and materials	17,886,713	-	17,886,713
Capital outlay	-	20,644,583	(20,644,583)
Total	17,934,713	20,676,271	(2,741,558)
Total business	17,934,713	20,676,271	(2,741,558)
Total support services	17,934,713	20,676,271	(2,741,558)
Total expenditures	17,934,713	20,676,271	(2,741,558)
Net change in fund balance	\$ -	(114,497)	\$ (114,497)
<b>Fund Balance, Beginning</b>		-	
<b>Fund Balance (Deficit), Ending</b>		\$ (114,497)	

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Fire Prevention and Life Safety Fund  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 63,210	\$ 51,219	\$ (11,991)
Investment income	-	58,417	58,417
Total local sources	<u>63,210</u>	<u>109,636</u>	<u>46,426</u>
Total revenues	<u>63,210</u>	<u>109,636</u>	<u>46,426</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 63,210</u>	109,636	<u>\$ 46,426</u>
<b>Fund Balance, Beginning</b>		<u>1,208,993</u>	
<b>Fund Balance, Ending</b>		<u>\$ 1,318,629</u>	

## East St. Louis School District 189

Combining Balance Sheet -  
General Fund  
June 30, 2025

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Eliminations	Total
<b>Assets</b>					
Cash and investments	\$ 23,013,469	\$ -	\$ 846,137	\$ -	\$ 23,859,606
Student activity cash	50,295	-	-	-	50,295
Receivables (net allowance for uncollectibles):					
Interest	175,292	-	-	-	175,292
Property taxes	2,480,088	3,560,664	62,002	-	6,102,754
Replacement taxes	757,897	-	-	-	757,897
Intergovernmental	5,545,614	-	-	-	5,545,614
Tuition	135,077	-	-	-	135,077
Other	3,528	-	-	-	3,528
Loan to capital projects fund	13,010,256	-	-	-	13,010,256
Loan to tort immunity/judgment accounts	474,106	-	-	(474,106)	-
Prepaid items	-	442,823	-	-	442,823
<b>Total assets</b>	<b>\$ 45,645,622</b>	<b>\$ 4,003,487</b>	<b>\$ 908,139</b>	<b>\$ (474,106)</b>	<b>\$ 50,083,142</b>
<b>Liabilities, Deferred Inflows of Resources and Fund Balance</b>					
<b>Liabilities</b>					
Accounts payable	\$ 168,928	\$ 5,507	\$ -	\$ -	\$ 174,435
Salaries and wages payable	6,133,550	-	-	-	6,133,550
Loan from educational accounts	-	474,106	-	(474,106)	-
<b>Total liabilities</b>	<b>6,302,478</b>	<b>479,613</b>	<b>-</b>	<b>(474,106)</b>	<b>6,307,985</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for a future period	1,763,883	2,532,408	44,097	-	4,340,388
Unavailable state and federal aid receivable	1,262,026	-	-	-	1,262,026
Unavailable interest receivable	175,292	-	-	-	175,292
<b>Total deferred inflows of resources</b>	<b>3,201,201</b>	<b>2,532,408</b>	<b>44,097</b>	<b>-</b>	<b>5,777,706</b>
<b>Fund Balance</b>					
Nonspendable	-	442,823	-	-	442,823
Restricted	7,608,107	-	-	-	7,608,107
Assigned	50,295	548,643	-	-	598,938
Unassigned	28,483,541	-	864,042	-	29,347,583
<b>Total fund balance</b>	<b>36,141,943</b>	<b>991,466</b>	<b>864,042</b>	<b>-</b>	<b>37,997,451</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 45,645,622</b>	<b>\$ 4,003,487</b>	<b>\$ 908,139</b>	<b>\$ (474,106)</b>	<b>\$ 50,083,142</b>

## East St. Louis School District 189

Combining Statement of Revenues, Expenditures and Changes in Fund Balances -  
 General Fund  
 Year Ended June 30, 2025

	Educational Accounts	Tort Immunity and Judgment Accounts	Working Cash Accounts	Total
<b>Revenues</b>				
Property taxes	\$ 2,048,634	\$ 2,931,247	\$ 51,219	\$ 5,031,100
Corporate personal property replacement taxes	4,366,709	-	-	4,366,709
State aid	81,994,587	2,750,771	-	84,745,358
Federal aid	16,517,830	-	-	16,517,830
Investment income	2,316,136	-	37,833	2,353,969
Student activities	98,016	-	-	98,016
Other	1,579,244	-	-	1,579,244
<b>Total revenues</b>	<b>108,921,156</b>	<b>5,682,018</b>	<b>89,052</b>	<b>114,692,226</b>
<b>Expenditures</b>				
Current:				
Instruction:				
Regular programs	29,823,705	-	-	29,823,705
Special programs	23,736,892	-	-	23,736,892
Other instructional programs	8,943,779	-	-	8,943,779
Student activities	88,289	-	-	88,289
Support services:				
Pupils	9,610,935	-	-	9,610,935
Instructional staff	6,055,588	-	-	6,055,588
General administration	3,530,332	5,623,963	-	9,154,295
School administration	5,488,027	-	-	5,488,027
Business	6,087,647	-	-	6,087,647
Operations and maintenance	181,585	-	-	181,585
Central	4,537,147	-	-	4,537,147
Other supporting services	509,128	-	-	509,128
Community services	1,485,175	-	-	1,485,175
Intergovernmental:				
State retirement contributions	22,197,794	-	-	22,197,794
Payments to other districts and government units	51,018	-	-	51,018
Capital outlay	1,935,162	324,583	-	2,259,745
<b>Total expenditures</b>	<b>124,262,203</b>	<b>5,948,546</b>	<b>-</b>	<b>130,210,749</b>
<b>Net change in fund balance</b>	<b>(15,341,047)</b>	<b>(266,528)</b>	<b>89,052</b>	<b>(15,518,523)</b>
<b>Fund Balance, Beginning</b>	<b>51,482,990</b>	<b>1,257,994</b>	<b>774,990</b>	<b>53,515,974</b>
<b>Fund Balance, Ending</b>	<b>\$ 36,141,943</b>	<b>\$ 991,466</b>	<b>\$ 864,042</b>	<b>\$ 37,997,451</b>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 2,414,619	\$ 1,956,443	\$ (458,176)
Leasing levy	63,210	51,219	(11,991)
Special education levy	50,568	40,972	(9,596)
Corporate personal property replacement taxes	6,509,281	4,366,709	(2,142,572)
Other payments in lieu of taxes	35,027	20,710	(14,317)
Summer school tuition from pupils or parents (in state)	-	46,278	46,278
Special education tuition from pupils or parents (in state)	147,356	-	(147,356)
Special education tuition from other LEA's (in state)	-	510,515	510,515
Investment income	1,995,077	2,316,136	321,059
Other food service	58,522	82,616	24,094
Admissions, athletic	121,849	46,894	(74,955)
Admissions, other	31,020	-	(31,020)
Fees	-	89,516	89,516
Student activities	40,568	98,016	57,448
Rentals	37,361	9,482	(27,879)
Payments of surplus monies from TIF districts	644,110	560,629	(83,481)
Payment from other LEA's	-	684	684
Other local fees	-	40,000	40,000
Other	1,539,665	171,920	(1,367,745)
Total local sources	<u>13,688,233</u>	<u>10,408,739</u>	<u>(3,279,494)</u>
<b>State Sources</b>			
Evidence based funding	48,130,000	47,810,466	(319,534)
Special education, private facility tuition	396,500	743,780	347,280
Special education, orphanage, individual	371,000	2,999,197	2,628,197
Special education, orphanage, summer	20,200	330,447	310,247
State free lunch and breakfast	-	35,956	35,956
Driver education	-	10,965	10,965
Truant alternative/optional education	44,483	44,273	(210)
Early childhood, block grant	5,737,435	5,913,399	175,964
Other restricted revenue from state sources	591,215	1,908,310	1,317,095
On behalf payment to TRS from the state	21,788,300	22,197,794	409,494
Total state sources	<u>77,079,133</u>	<u>81,994,587</u>	<u>4,915,454</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Federal Sources</b>			
National school lunch program	\$ 100,000	\$ 2,604,958	\$ 2,504,958
School breakfast program	-	1,160,715	1,160,715
Summer food service admin/program	90,000	580	(89,420)
Child care commodity/SFS 13-adult day care	318,270	125,815	(192,455)
Fresh fruits and vegetables	159,800	62,306	(97,494)
Food service, other	32,000	174,873	142,873
Title I, low income	6,427,788	5,968,810	(458,978)
Title I, low income, neglected, private	-	108,628	108,628
Title I, other	345,244	615,386	270,142
Title IV, safe and drug free schools, formula	335,744	326,661	(9,083)
Title IV, 21st Century	409,652	428,052	18,400
Federal, special education, preschool flow-through	127,020	103,778	(23,242)
Federal, special education, IDEA, flow-through	2,329,273	2,181,603	(147,670)
Title II, teacher quality	606,774	521,729	(85,045)
Medicaid matching funds, administrative outreach	-	313,490	313,490
Medicaid matching funds, fee-for-service program	-	641,725	641,725
Other restricted revenue from federal sources	7,556,160	1,178,721	(6,377,439)
<b>Total federal sources</b>	<b>18,837,725</b>	<b>16,517,830</b>	<b>(2,319,895)</b>
<b>Total revenues</b>	<b>109,605,091</b>	<b>108,921,156</b>	<b>(683,935)</b>
<b>Expenditures</b>			
<b>Instruction</b>			
<b>Regular Programs</b>			
Salaries	15,990,924	21,643,441	(5,652,517)
Employee benefits	5,630,815	5,720,620	(89,805)
Purchased services	415,805	293,123	122,682
Supplies and materials	1,009,577	663,239	346,338
Capital outlay	100,000	84,344	15,656
Other objects	11,950	3,805	8,145
Termination benefits	-	126,063	(126,063)
<b>Total</b>	<b>23,159,071</b>	<b>28,534,635</b>	<b>(5,375,564)</b>
<b>Tuition Payment to Charter Schools</b>			
Purchased services	1,720,000	1,373,414	346,586
<b>Total</b>	<b>1,720,000</b>	<b>1,373,414</b>	<b>346,586</b>
<b>Pre-K Programs</b>			
Salaries	3,041,372	3,093,099	(51,727)
Employee benefits	977,936	995,003	(17,067)
Purchased services	47,000	35,187	11,813
Supplies and materials	20,000	37,748	(17,748)
<b>Total</b>	<b>4,086,308</b>	<b>4,161,037</b>	<b>(74,729)</b>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Educational Accounts  
Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Special Education Programs</b>			
Salaries	\$ 7,887,754	\$ 8,810,692	\$ (922,938)
Employee benefits	3,246,119	2,888,813	357,306
Purchased services	42,000	35,449	6,551
Supplies and materials	95,648	84,904	10,744
Capital outlay	34,258	3,873	30,385
Termination benefits	-	66,857	(66,857)
Total	<u>11,305,779</u>	<u>11,890,588</u>	<u>(584,809)</u>
<b>Special Education Programs Pre-K</b>			
Salaries	331,649	349,095	(17,446)
Employee benefits	<u>136,996</u>	<u>117,554</u>	<u>19,442</u>
Total	<u>468,645</u>	<u>466,649</u>	<u>1,996</u>
<b>Remedial and Supplemental Programs K - 12</b>			
Salaries	4,442,933	3,579,604	863,329
Employee benefits	1,763,195	1,425,622	337,573
Purchased services	454	329,156	(328,702)
Supplies and materials	11,728	45,755	(34,027)
Termination benefits	-	28,823	(28,823)
Total	<u>6,218,310</u>	<u>5,408,960</u>	<u>809,350</u>
<b>CTE Programs</b>			
Salaries	573,524	724,337	(150,813)
Employee benefits	<u>253,174</u>	<u>235,403</u>	<u>17,771</u>
Total	<u>826,698</u>	<u>959,740</u>	<u>(133,042)</u>
<b>Interscholastic Programs</b>			
Salaries	521,301	633,185	(111,884)
Employee benefits	92,444	51,831	40,613
Purchased services	1,359,988	1,285,991	73,997
Supplies and materials	609,139	710,641	(101,502)
Capital outlay	27,000	103,203	(76,203)
Other objects	<u>71,850</u>	<u>39,983</u>	<u>31,867</u>
Total	<u>2,681,722</u>	<u>2,824,834</u>	<u>(143,112)</u>
<b>Summer School Programs</b>			
Salaries	800,000	568,036	231,964
Employee benefits	-	76,403	(76,403)
Supplies and materials	<u>150,000</u>	<u>111,010</u>	<u>38,990</u>
Total	<u>950,000</u>	<u>755,449</u>	<u>194,551</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Driver's Education Programs</b>			
Salaries	\$ 81,110	\$ 86,595	\$ (5,485)
Employee benefits	33,679	25,365	8,314
Purchased services	6,400	264	6,136
Supplies and materials	2,545	-	2,545
Total	<u>123,734</u>	<u>112,224</u>	<u>11,510</u>
<b>Bilingual Programs</b>			
Salaries	203,057	152,853	50,204
Employee benefits	82,920	53,473	29,447
Purchased services	33,400	14,625	18,775
Supplies and materials	18,500	12,747	5,753
Total	<u>337,877</u>	<u>233,698</u>	<u>104,179</u>
<b>Special Education Programs K -12 - Private Tuition</b>			
Other objects	6,134,500	5,974,568	159,932
Total	<u>6,134,500</u>	<u>5,974,568</u>	<u>159,932</u>
<b>Student Activities</b>			
Other objects	40,568	88,289	(47,721)
Total	<u>40,568</u>	<u>88,289</u>	<u>(47,721)</u>
Total instruction	<u>58,053,212</u>	<u>62,784,085</u>	<u>(4,730,873)</u>
<b>Support Services</b>			
<b>Pupils</b>			
<b>Attendance and Social Work Services</b>			
Salaries	3,832,371	3,225,489	606,882
Employee benefits	924,312	951,908	(27,596)
Purchased services	955,568	609,367	346,201
Supplies and materials	190,619	115,577	75,042
Total	<u>5,902,870</u>	<u>4,902,341</u>	<u>1,000,529</u>
<b>Guidance Services</b>			
Salaries	1,398,085	1,713,228	(315,143)
Employee benefits	514,481	515,493	(1,012)
Purchased services	156,855	91,088	65,767
Supplies and materials	10,000	851	9,149
Total	<u>2,079,421</u>	<u>2,320,660</u>	<u>(241,239)</u>

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Educational Accounts  
Year Ended June 30, 2025

	2025		
	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance With Final Budget</u>
<b>Health Services</b>			
Salaries	\$ 572,034	\$ 700,917	\$ (128,883)
Employee benefits	165,173	206,802	(41,629)
Purchased services	620,250	653,144	(32,894)
Total	<u>1,357,457</u>	<u>1,560,863</u>	<u>(203,406)</u>
<b>Psychological Services</b>			
Salaries	352,805	439,917	(87,112)
Employee benefits	96,092	128,644	(32,552)
Purchased services	15,000	5,913	9,087
Total	<u>463,897</u>	<u>574,474</u>	<u>(110,577)</u>
<b>Speech Pathology and Audiology Services</b>			
Salaries	438,373	189,482	248,891
Employee benefits	132,680	62,318	70,362
Total	<u>571,053</u>	<u>251,800</u>	<u>319,253</u>
<b>Other Support Services - Pupils</b>			
Purchased services	-	797	(797)
Total	<u>-</u>	<u>797</u>	<u>(797)</u>
Total pupils	<u>10,374,698</u>	<u>9,610,935</u>	<u>763,763</u>
<b>Instructional Staff</b>			
<b>Improvement of Instructional Services</b>			
Salaries	1,126,667	1,279,104	(152,437)
Employee benefits	268,011	272,278	(4,267)
Purchased services	2,129,441	1,791,151	338,290
Supplies and materials	580,077	533,152	46,925
Capital outlay	-	637	(637)
Other objects	12,885	4,262	8,623
Total	<u>4,117,081</u>	<u>3,880,584</u>	<u>236,497</u>
<b>Educational Media Services</b>			
Salaries	1,102,370	1,149,417	(47,047)
Employee benefits	339,553	354,722	(15,169)
Purchased services	147,600	120,539	27,061
Supplies and materials	561,000	466,613	94,387
Total	<u>2,150,523</u>	<u>2,091,291</u>	<u>59,232</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		Variance With Final Budget
	Original and Final Budget	Actual	
<b>Assessment and Testing</b>			
Purchased services	\$ -	\$ 82,950	\$ (82,950)
Supplies and materials	9,000	1,400	7,600
Total	9,000	84,350	(75,350)
Total instructional staff	6,276,604	6,056,225	220,379
<b>General Administration</b>			
<b>Board of Education Services</b>			
Salaries	546,384	102,978	443,406
Employee benefits	179,997	24,386	155,611
Purchased services	77,000	16,919	60,081
Supplies and materials	10,000	10,674	(674)
Other objects	30,000	20,650	9,350
Total	843,381	175,607	667,774
<b>Executive Administration Services</b>			
Salaries	645,644	773,595	(127,951)
Employee benefits	106,502	126,810	(20,308)
Purchased services	373,520	175,405	198,115
Supplies and materials	112,200	82,611	29,589
Other objects	9,600	8,888	712
Total	1,247,466	1,167,309	80,157
<b>Special Area Administration Services</b>			
Salaries	821,737	1,618,498	(796,761)
Employee benefits	214,094	408,139	(194,045)
Purchased services	22,200	19,890	2,310
Supplies and materials	10,000	12,837	(2,837)
Termination benefits	-	128,052	(128,052)
Total	1,068,031	2,187,416	(1,119,385)
Total general administration	3,158,878	3,530,332	(371,454)
<b>School Administration</b>			
<b>Office of the Principal Services</b>			
Salaries	3,849,828	3,774,232	75,596
Employee benefits	1,162,848	1,023,171	139,677
Purchased services	403,955	357,011	46,944
Supplies and materials	142,800	196,899	(54,099)
Capital outlay	90,000	48,453	41,547
Other objects	4,500	3,544	956
Total	5,653,931	5,403,310	250,621

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Other Support Services - School Administration</b>			
Salaries	\$ 107,059	\$ 106,013	\$ 1,046
Employee benefits	39,274	27,157	12,117
Total	<u>146,333</u>	<u>133,170</u>	<u>13,163</u>
Total school administration	<u>5,800,264</u>	<u>5,536,480</u>	<u>263,784</u>
<b>Business</b>			
<b>Direction of Business Support Services</b>			
Salaries	152,470	222,753	(70,283)
Employee benefits	30,203	47,282	(17,079)
Total	<u>182,673</u>	<u>270,035</u>	<u>(87,362)</u>
<b>Fiscal Services</b>			
Salaries	520,421	613,312	(92,891)
Employee benefits	87,360	119,213	(31,853)
Purchased services	264,882	405,768	(140,886)
Supplies and materials	36,200	9,157	27,043
Capital outlay	5,000	1,547	3,453
Other objects	155,000	510,942	(355,942)
Termination benefits	60,000	-	60,000
Total	<u>1,128,863</u>	<u>1,659,939</u>	<u>(531,076)</u>
<b>Operation and Maintenance of Plant Services</b>			
Salaries	-	3,102	(3,102)
Purchased services	232,600	160,341	72,259
Supplies and materials	23,500	18,142	5,358
Capital outlay	60,000	186,101	(126,101)
Total	<u>316,100</u>	<u>367,686</u>	<u>(51,586)</u>
<b>Food Services</b>			
Salaries	64,083	67,891	(3,808)
Employee benefits	14,560	15,253	(693)
Purchased services	3,846,100	3,595,023	251,077
Supplies and materials	5,000	39,192	(34,192)
Capital outlay	83,600	59,099	24,501
Other objects	2,750	1,166	1,584
Total	<u>4,016,093</u>	<u>3,777,624</u>	<u>238,469</u>
<b>Internal Services</b>			
Salaries	245,070	259,762	(14,692)
Employee benefits	72,800	74,311	(1,511)
Purchased services	76,450	56,424	20,026
Supplies and materials	50,100	50,198	(98)
Total	<u>444,420</u>	<u>440,695</u>	<u>3,725</u>
Total business	<u>6,088,149</u>	<u>6,515,979</u>	<u>(427,830)</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Central</b>			
<b>Direction of Central Support Services</b>			
Salaries	\$ 559,080	\$ 528,489	\$ 30,591
Employee benefits	143,819	142,531	1,288
Purchased services	5,100	6,809	(1,709)
Total	<u>707,999</u>	<u>677,829</u>	<u>30,170</u>
<b>Planning, Research, Development and Evaluation Services</b>			
Salaries	340,829	336,549	4,280
Employee benefits	79,573	83,598	(4,025)
Purchased services	60,260	36,868	23,392
Supplies and materials	800	596	204
Total	<u>481,462</u>	<u>457,611</u>	<u>23,851</u>
<b>Information Services</b>			
Purchased services	93,120	123,054	(29,934)
Supplies and materials	14,400	18,656	(4,256)
Total	<u>107,520</u>	<u>141,710</u>	<u>(34,190)</u>
<b>Staff Services</b>			
Salaries	909,590	683,915	225,675
Employee benefits	162,928	129,322	33,606
Purchased services	177,852	64,901	112,951
Supplies and materials	46,809	57,214	(10,405)
Other objects	129,800	72,954	56,846
Total	<u>1,426,979</u>	<u>1,008,306</u>	<u>418,673</u>
<b>Data Processing Services</b>			
Salaries	430,552	801,006	(370,454)
Employee benefits	83,023	168,214	(85,191)
Purchased services	346,000	322,326	23,674
Supplies and materials	1,375,000	960,145	414,855
Capital outlay	1,585,000	1,434,654	150,346
Total	<u>3,819,575</u>	<u>3,686,345</u>	<u>133,230</u>
Total central	<u>6,543,535</u>	<u>5,971,801</u>	<u>571,734</u>
<b>Other Supporting Services</b>			
Salaries	387,777	348,078	39,699
Employee benefits	64,162	58,558	5,604
Purchased services	215,095	45,744	169,351
Supplies and materials	3,359	56,748	(53,389)
Total	<u>670,393</u>	<u>509,128</u>	<u>161,265</u>
Total support services	<u>38,912,521</u>	<u>37,730,880</u>	<u>1,181,641</u>

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Educational Accounts  
 Year Ended June 30, 2025

	2025		
	Original and Final Budget	Actual	Variance With Final Budget
<b>Community Services</b>			
Salaries	\$ 404,788	\$ 827,972	\$ (423,184)
Employee benefits	104,211	345,078	(240,867)
Purchased services	174,750	214,442	(39,692)
Supplies and materials	49,832	97,683	(47,851)
Capital outlay	5,000	13,251	(8,251)
Total community services	<u>738,581</u>	<u>1,498,426</u>	<u>(759,845)</u>
<b>Intergovernmental</b>			
<b>State Retirement Contributions</b>			
On-behalf payments to TRS from the state	<u>21,788,300</u>	<u>22,197,794</u>	<u>(409,494)</u>
Total	<u>21,788,300</u>	<u>22,197,794</u>	<u>(409,494)</u>
<b>Payments to Other Districts and Governmental Units</b>			
<b>Payments for Regular Programs</b>			
Purchased services	-	33,524	(33,524)
Other objects	-	3,797	(3,797)
Total	<u>-</u>	<u>37,321</u>	<u>(37,321)</u>
<b>Payments for Community College Programs - Tuition</b>			
Other objects	<u>164,862</u>	<u>13,697</u>	<u>151,165</u>
Total	<u>164,862</u>	<u>13,697</u>	<u>151,165</u>
Total payments to other districts and governmental units	<u>164,862</u>	<u>51,018</u>	<u>113,844</u>
Total intergovernmental	<u>21,953,162</u>	<u>22,248,812</u>	<u>(295,650)</u>
Total expenditures	<u>119,657,476</u>	<u>124,262,203</u>	<u>(4,604,727)</u>
Net change in fund balance	<u>\$ (10,052,385)</u>	<u>(15,341,047)</u>	<u>\$ (5,288,662)</u>
<b>Fund Balance, Beginning</b>		<u>51,482,990</u>	
<b>Fund Balance, Ending</b>		<u>\$ 36,141,943</u>	

## East St. Louis School District 189

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
Tort Immunity and Judgment Accounts  
Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
Tort immunity levy	\$ 3,469,400	\$ 2,931,247	\$ (538,153)
Total local sources	<u>3,469,400</u>	<u>2,931,247</u>	<u>(538,153)</u>
<b>State Sources</b>			
Evidence based funding	<u>3,080,000</u>	<u>2,750,771</u>	<u>(329,229)</u>
Total state sources	<u>3,080,000</u>	<u>2,750,771</u>	<u>(329,229)</u>
Total revenues	<u>6,549,400</u>	<u>5,682,018</u>	<u>(867,382)</u>
<b>Expenditures</b>			
<b>Support Services</b>			
<b>General Administration</b>			
<b>Claims Paid From Self Insurance Fund</b>			
<b>Risk Management and Claims Service Payments</b>			
Salaries	1,506,979	1,756,047	(249,068)
Employee benefits	550,130	532,851	17,279
Purchased services	2,851,500	2,263,366	588,134
Supplies and materials	95,000	169,690	(74,690)
Capital outlay	455,000	59,567	395,433
Other objects	<u>1,010,000</u>	<u>902,009</u>	<u>107,991</u>
Total	6,468,609	5,683,530	785,079
Total general administration	<u>6,468,609</u>	<u>5,683,530</u>	<u>785,079</u>
<b>Business</b>			
<b>Operation and Maintenance of Plant Services</b>			
Capital outlay	<u>-</u>	<u>265,016</u>	<u>(265,016)</u>
Total	<u>-</u>	<u>265,016</u>	<u>(265,016)</u>
Total business	<u>-</u>	<u>265,016</u>	<u>(265,016)</u>
Total support services	<u>6,468,609</u>	<u>5,948,546</u>	<u>520,063</u>
Total expenditures	<u>6,468,609</u>	<u>5,948,546</u>	<u>520,063</u>
Net change in fund balance	<u>\$ 80,791</u>	<u>(266,528)</u>	<u>\$ (347,319)</u>
<b>Fund Balance, Beginning</b>		<u>1,257,994</u>	
<b>Fund Balance, Ending</b>		<u>\$ 991,466</u>	

**East St. Louis School District 189**

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget to Actual -  
 Working Cash Accounts  
 Year Ended June 30, 2025

	<b>2025</b>		
	<b>Original and Final Budget</b>	<b>Actual</b>	<b>Variance With Final Budget</b>
<b>Revenues</b>			
<b>Local Sources</b>			
General levy	\$ 63,210	\$ 51,219	\$ (11,991)
Investment income	-	37,833	37,833
Total local sources	<u>63,210</u>	<u>89,052</u>	<u>25,842</u>
Total revenues	<u>63,210</u>	<u>89,052</u>	<u>25,842</u>
<b>Expenditures</b>			
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ 63,210</u>	89,052	<u>\$ 25,842</u>
<b>Fund Balance, Beginning</b>		<u>774,990</u>	
<b>Fund Balance, Ending</b>		<u>\$ 864,042</u>	

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**APPENDIX B-1 — PROPOSED FORM OF LEGAL OPINION (2026A BONDS)**

**[PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE AUTHORITY]**

**[TO BE DATED THE DATE OF CLOSING]**

Southwestern Illinois Development Authority  
Collinsville, Illinois

Re: Southwestern Illinois Development Authority  
\$ \_\_\_\_\_,000 Taxable Local Government Program Refunding Revenue Bonds,  
Series 2026A  
\_\_\_\_\_  
(East St. Louis School District Number 189 Project)

Ladies and Gentlemen:

We have examined certified copy of the proceedings (the "*Proceedings*") of the Board of Directors of the Southwestern Illinois Development Authority, a political subdivision, a body politic and a municipal corporation organized and existing under the laws of the State of Illinois (the "*Authority*"), passed preliminary to and in connection with the issuance by the Authority of its fully registered Taxable Local Government Program Refunding Revenue Bonds, Series 2026A (East St. Louis School District Number 189 Project) in the aggregate principal amount of \$ \_\_\_\_\_ (the "*Bonds*"), dated the date hereof, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2030	\$	%
2031		%

The Bonds are being issued pursuant to 70 ILCS 520/1 *et seq.*, as supplemented and amended (the "*Act*"), and a resolution adopted by the Board of Directors of the Authority on the 16th day of April, 2026 (the "*Resolution*"), as supplemented by a related bond order, for the purpose of purchasing the Taxable General Obligation Refunding School Bonds, Series 2026A, of School District Number 189, St. Clair County, Illinois (the "*Local Government Unit*"), in the aggregate principal amount of \$ \_\_\_\_\_ (the "*Local Government Securities*"), and from such examination of the Proceedings, we are of the opinion that the Proceedings show lawful authority for said issue of Bonds under the Act and the laws of the State of Illinois now in force.

We have examined an executed counterpart of the Depository Agreement dated as of the date hereof (the "*Depository Agreement*") by and between the Authority and Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and registrar (the "*Registrar*"), pursuant to which the Authority has assigned and pledged the Local Government Securities to the Registrar for the benefit and on behalf of the owners of the Bonds, the Authority having purchased the Local Government Securities (except for certain rights) pursuant to the Local Government Securities Purchase Agreement. In our opinion, the Depository Agreement has been duly authorized, executed and delivered by the Authority, and constitutes the legal, valid and binding obligation of

the Authority, enforceable against the Authority in accordance with its terms, except that the rights of the parties thereto and the enforceability of the Depository Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors' rights and by equitable remedies, whether considered at law or in equity, including the exercise of judicial discretion.

We have also examined the form of Bond, and find the same in due form of law, and, in our opinion, the Bonds to the amount named are legal, valid and binding special, limited obligations of the Authority according to the import thereof and as provided in the Resolution, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws, creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The principal of and interest on the Bonds are payable by the Authority solely and only from the revenues derived by the Authority from the payments of the principal of and interest on the Local Government Securities and certain funds and accounts held by the Registrar.

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

It is also our opinion, under the laws of the State of Illinois, as presently enacted and construed, that the interest on the Bonds is exempt from the income tax imposed by the State of Illinois pursuant to the Illinois Income Tax Act. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

As Bond Counsel, we are passing only upon those matters set forth in this opinion, and are not passing upon the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

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

**APPENDIX B-2 — PROPOSED FORM OF LEGAL OPINION (2026B BONDS)**

**[PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE AUTHORITY]**

**[TO BE DATED THE DATE OF CLOSING]**

Southwestern Illinois Development Authority  
Collinsville, Illinois

Re: Southwestern Illinois Development Authority  
\$ \_\_\_\_\_ Local Government Program Revenue Bonds, Series 2026B  
\_\_\_\_\_ (East St. Louis School District Number 189 Project)

Ladies and Gentlemen:

We have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Directors of the Southwestern Illinois Development Authority, a political subdivision, a body politic and a municipal corporation organized and existing under the laws of the State of Illinois (the “*Authority*”), passed preliminary to and in connection with the issuance by the Authority of its fully registered Local Government Program Revenue Bonds, Series 2026B (East St. Louis School District Number 189 Project) in the aggregate principal amount of \$\_\_\_\_\_ (the “*Bonds*”), dated the date hereof, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2031	\$	%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%
2044		%
2045		%
2046		%
2047		%

the Bonds due on or after January 1, 20\_\_ being subject to optional redemption prior to maturity as a whole, or in part in the same order of maturity of the Local Government Securities (hereinafter-defined) being redeemed on that date (less than all of the Bonds of a single maturity and interest

rate to be selected by the Registrar), on January 1, 20\_\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date. The Bonds are being issued pursuant to 70 ILCS 520/1 *et seq.*, as supplemented and amended (the “*Act*”), and a resolution adopted by the Board of Directors of the Authority on the 16th day of April, 2026 (the “*Resolution*”), as supplemented by a related bond order, for the purpose of purchasing the General Obligation School Bonds, Series 2026B, of School District Number 189, St. Clair County, Illinois (the “*Local Government Unit*”), in the aggregate principal amount of \$ \_\_\_\_\_ (the “*Local Government Securities*”), and from such examination of the Proceedings, we are of the opinion that the Proceedings show lawful authority for said issue of Bonds under the Act and the laws of the State of Illinois now in force.

We have examined an executed counterpart of the Depository Agreement dated as of the date hereof (the “*Depository Agreement*”) by and between the Authority and Amalgamated Bank of Chicago, Chicago, Illinois, as paying agent and registrar (the “*Registrar*”), pursuant to which the Authority has assigned and pledged the Local Government Securities to the Registrar for the benefit and on behalf of the owners of the Bonds, the Authority having purchased the Local Government Securities (except for certain rights) pursuant to the Local Government Securities Purchase Agreement. In our opinion, the Depository Agreement has been duly authorized, executed and delivered by the Authority, and constitutes the legal, valid and binding obligation of the Authority, enforceable against the Authority in accordance with its terms, except that the rights of the parties thereto and the enforceability of the Depository Agreement may be limited by bankruptcy, insolvency, moratorium, reorganization, or other similar laws affecting creditors’ rights and by equitable remedies, whether considered at law or in equity, including the exercise of judicial discretion.

We have also examined the form of Bond, and find the same in due form of law, and, in our opinion, the Bonds to the amount named are legal, valid and binding special, limited obligations of the Authority according to the import thereof and as provided in the Resolution, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization or other similar laws, creditors’ rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The principal of and interest on the Bonds are payable by the Authority solely and only from the revenues derived by the Authority from the payments of the principal of and interest on the Local Government Securities and certain funds and accounts held by the Registrar.

It is also our opinion that, subject to the compliance by the Authority and the Local Government Unit with certain covenants, under present law, interest on the Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such covenants of the Authority and the Local Government Unit could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds. In rendering this opinion, we have relied upon a Tax Exemption Certificate and Agreement of the

Authority and certain other certificates of the Authority and the Local Government Unit of even date herewith with respect to certain facts which are within the respective knowledge of the Authority and the Local Government Unit.

It is also our opinion, under the laws of the State of Illinois, as presently enacted and construed, that the interest on the Bonds is exempt from the income tax imposed by the State of Illinois pursuant to the Illinois Income Tax Act. Ownership of the Bonds may result in other state and local tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

As Bond Counsel, we are passing only upon those matters set forth in this opinion, and are not passing upon the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds.

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

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**APPENDIX C-1 — PROPOSED FORM OF LEGAL OPINION  
(2026A LOCAL GOVERNMENT SECURITIES)**

**[PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE DISTRICT]**

**[TO BE DATED THE DATE OF CLOSING]**

School District Number 189  
St. Clair County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of School District Number 189, St. Clair County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Refunding School Bonds, Series 2026A (the “*Bonds*”), to the amount of \$ \_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2030	\$	%
2031		%

and we are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force.

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

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

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

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

**APPENDIX C-2 — PROPOSED FORM OF LEGAL OPINION  
(2026B LOCAL GOVERNMENT SECURITIES)**

**[PROPOSED FORM OF OPINION OF BOND COUNSEL TO THE DISTRICT]**

**[TO BE DATED THE DATE OF CLOSING]**

School District Number 189  
St. Clair County, Illinois

We hereby certify that we have examined certified copy of the proceedings (the “*Proceedings*”) of the Board of Education of School District Number 189, St. Clair County, Illinois (the “*District*”), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026B (the “*Bonds*”), to the amount of \$\_\_\_\_\_, dated \_\_\_\_\_, 2026, due serially on January 1 of the years and in the amounts and bearing interest as follows:

2031	\$	%
2032		%
2033		%
2034		%
2035		%
2036		%
2037		%
2038		%
2039		%
2040		%
2041		%
2042		%
2043		%
2044		%
2045		%
2046		%
2047		%

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

We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District and is payable from any funds of the District legally available for

such purpose, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

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

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

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

## APPENDIX D

### PROPOSED FORM OF CONTINUING DISCLOSURE UNDERTAKING FOR THE PURPOSE OF PROVIDING CONTINUING DISCLOSURE INFORMATION UNDER SECTION (b)(5) OF RULE 15c2-12

This Continuing Disclosure Undertaking (this “*Agreement*”) is executed and delivered by School District Number 189, St. Clair County, Illinois (the “*District*”), in connection with the issuance of \$ \_\_\_\_\_ Taxable General Obligation Refunding School Bonds, Series 2026A (the “*2026A Bonds*”), and \$ \_\_\_\_\_ General Obligation School Bonds, Series 2026B (the “*2026B Bonds*” and, together with the 2026A Bonds, the “*Bonds*”). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 21st day of April, 2026 (as supplemented by a notification of sale, the “*Resolution*”) to the Southwestern Illinois Development Authority (“*SWIDA*”), a political subdivision, body politic and municipal corporation duly organized and validly existing under the laws of the State of Illinois (the “*State*”), and, further, in connection with the issuance by the SWIDA of its Taxable Local Government Program Refunding Revenue Bonds, Series 2026A (East St. Louis School District Number 189 Project), and Local Government Program Revenue Bonds, Series 2026B (East St. Louis School District Number 189 Project) (together, the “*SWIDA Bonds*”), pursuant to a resolution duly adopted by the Board of Directors of SWIDA on the 16th day of April, 2026, as supplemented by a bond order, and pursuant to a Local Government Securities Purchase Agreement between the District and SWIDA.

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

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

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

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

THE DISTRICT—Enrollment

FINANCIAL INFORMATION AND ECONOMIC CHARACTERISTICS OF THE DISTRICT

—Direct General Obligation Bonds (Principal Only)

—Selected Financial Information (only as it relates to direct debt)

—Composition of EAV

—Trend of EAV

—Taxes Extended and Collected

—School District Tax Rates by Purpose

—Ten Largest Taxpayers

Exhibit A—Combined Statement of Revenues, Expenditures and Changes in Fund Balance

Exhibit C—General Fund Revenue Sources

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

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

*Commission* means the Securities and Exchange Commission.

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

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

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

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

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Official Statement, dated \_\_\_\_\_, 2026, and relating to the SWIDA Bonds.

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

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

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

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

*State* means the State of Illinois.

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

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

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

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

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

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

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

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

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

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

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

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

In the event that the Commission or the MSRB or other regulatory authority shall approve or require Annual Financial Information Disclosure or Reportable Events Disclosure to be made to a central post office, governmental agency or similar entity other than EMMA or in lieu of

EMMA, the District shall, if required, make such dissemination to such central post office, governmental agency or similar entity without the necessity of amending this Agreement.

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

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

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

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

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

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

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

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

SCHOOL DISTRICT NUMBER 189,  
ST. CLAIR COUNTY, ILLINOIS

By \_\_\_\_\_  
President, Board of Education

Date: \_\_\_\_\_, 2026

**EXHIBIT I**  
**ANNUAL FINANCIAL INFORMATION AND TIMING AND AUDITED**  
**FINANCIAL STATEMENTS**

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

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

Audited Financial Statements will be prepared in accordance with accounting principles generally accepted in the United States of America.

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

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

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

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

**EXHIBIT III  
CUSIP NUMBERS**

**2026A BONDS**

YEAR OF MATURITY (JANUARY 1)	CUSIP NUMBER (84552Y)
2030	
2031	

**2026B BONDS**

YEAR OF MATURITY (JANUARY 1)	CUSIP NUMBER (84552Y)
2031	
2032	
2033	
2034	
2035	
2036	
2037	
2038	
2039	
2040	
2041	
2042	
2043	
2044	
2045	
2046	
2047	

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APPENDIX E



MUNICIPAL BOND INSURANCE POLICY

ISSUER: [NAME OF ISSUER]

Policy No: \_\_\_\_\_

MEMBER: [NAME OF MEMBER]

BONDS: \$ \_\_\_\_\_ in aggregate principal amount of [NAME OF TRANSACTION] [and maturing on]

Effective Date: \_\_\_\_\_

Risk Premium: \$ \_\_\_\_\_

Member Surplus Contribution: \$ \_\_\_\_\_

Total Insurance Payment: \$ \_\_\_\_\_

BUILD AMERICA MUTUAL ASSURANCE COMPANY ("BAM"), for consideration received, hereby UNCONDITIONALLY AND IRREVOCABLY agrees to pay to the trustee (the "Trustee") or paying agent (the "Paying Agent") for the Bonds named above (as set forth in the documentation providing for the issuance and securing of the Bonds), for the benefit of the Owners or, at the election of BAM, directly to each Owner, subject only to the terms of this Policy (which includes each endorsement hereto), that portion of the principal of and interest on the Bonds that shall become Due for Payment but shall be unpaid by reason of Nonpayment by the Issuer.

On the later of the day on which such principal and interest becomes Due for Payment or the first Business Day following the Business Day on which BAM shall have received Notice of Nonpayment, BAM will disburse (but without duplication in the case of duplicate claims for the same Nonpayment) to or for the benefit of each Owner of the Bonds, the face amount of principal of and interest on the Bonds that is then Due for Payment but is then unpaid by reason of Nonpayment by the Issuer, but only upon receipt by BAM, in a form reasonably satisfactory to it, of (a) evidence of the Owner's right to receive payment of such principal or interest then Due for Payment and (b) evidence, including any appropriate instruments of assignment, that all of the Owner's rights with respect to payment of such principal or interest that is Due for Payment shall thereupon vest in BAM. A Notice of Nonpayment will be deemed received on a given Business Day if it is received prior to 1:00 p.m. (New York time) on such Business Day; otherwise, it will be deemed received on the next Business Day. If any Notice of Nonpayment received by BAM is incomplete, it shall be deemed not to have been received by BAM for purposes of the preceding sentence, and BAM shall promptly so advise the Trustee, Paying Agent or Owner, as appropriate, any of whom may submit an amended Notice of Nonpayment. Upon disbursement under this Policy in respect of a Bond and to the extent of such payment, BAM shall become the owner of such Bond, any appurtenant coupon to such Bond and right to receipt of payment of principal of or interest on such Bond and shall be fully subrogated to the rights of the Owner, including the Owner's right to receive payments under such Bond. Payment by BAM either to the Trustee or Paying Agent for the benefit of the Owners, or directly to the Owners, on account of any Nonpayment shall discharge the obligation of BAM under this Policy with respect to said Nonpayment.

Except to the extent expressly modified by an endorsement hereto, the following terms shall have the meanings specified for all purposes of this Policy. "Business Day" means any day other than (a) a Saturday or Sunday or (b) a day on which banking institutions in the State of New York or the Insurer's Fiscal Agent (as defined herein) are authorized or required by law or executive order to remain closed. "Due for Payment" means (a) when referring to the principal of a Bond, payable on the stated maturity date thereof or the date on which the same shall have been duly called for mandatory sinking fund redemption and does not refer to any earlier date on which payment is due by reason of call for redemption (other than by mandatory sinking fund redemption), acceleration or other advancement of maturity (unless BAM shall elect, in its sole discretion, to pay such principal due upon such acceleration together with any accrued interest to the date of acceleration) and (b) when referring to interest on a Bond, payable on the stated date for payment of interest. "Nonpayment" means, in respect of a Bond, the failure of the Issuer to have provided sufficient funds to the Trustee or, if there is no Trustee, to the Paying Agent for payment in full of all principal and interest that is Due for Payment on such Bond. "Nonpayment" shall also include, in respect of a Bond, any payment made to an Owner by or on behalf of the Issuer of principal or interest that is Due for Payment, which payment has been recovered from such Owner pursuant to the United States Bankruptcy Code in accordance with a final, nonappealable order of a court having competent jurisdiction. "Notice" means delivery to BAM of a notice of claim and certificate, by certified mail, email or telecopy as set forth on the attached Schedule or other acceptable electronic delivery, in a form satisfactory to BAM, from and signed by an Owner, the Trustee or the Paying Agent, which notice shall specify (a) the person or entity making the claim, (b) the Policy Number, (c) the claimed amount, (d) payment instructions and (e) the date such claimed amount becomes or became Due for Payment. "Owner" means, in respect of a Bond, the person or entity who, at the time of Nonpayment, is entitled under the terms of such Bond to payment thereof, except that "Owner" shall not include the Issuer, the Member or any other person or entity whose direct or indirect obligation constitutes the underlying security for the Bonds.

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

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_

Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

28 Liberty Street, 59th Floor

New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

SPECIMEN

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