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

NEW ISSUES – BOOK-ENTRY ONLY
– BANK QUALIFIED (2026B BONDS)

RATINGS+: BAM Insured
S&P: "AA" (STABLE OUTLOOK)
MOODY'S UNDERLYING RATING: "Aa3"

Interest on the 2026A Bonds is includible in gross income of the owners thereof for federal income tax purposes. Subject to compliance by the District with certain covenants, in the opinion of Chapman and Cutler LLP, Chicago, Illinois ("Bond Counsel"), under present law, interest on the 2026B Bonds is excludible from gross income of the owners thereof for federal income tax purposes and is not includible as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the 2026B Bonds may affect the corporate alternative minimum tax for certain corporations. The 2026B Bonds are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein. Interest on the Bonds is not exempt from present State of Illinois income taxes. See "TAX MATTERS" herein for a more complete discussion.

SCHOOL DISTRICT NUMBER 162
COOK COUNTY, ILLINOIS
(MATTESON)
$5,585,000* TAXABLE GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2026A
$665,000* GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2026B

Dated: Date of Issuance **Due: December 1, as Shown on the Inside Cover Page**

The Taxable General Obligation Limited Tax School Bonds, Series 2026A (the "2026A Bonds"), and the General Obligation Limited Tax Refunding School Bonds, Series 2026B (the "2026B Bonds" and, together with the 2026A Bonds, the "Bonds"), of School District Number 162, Cook County, Illinois (the "District"), are issuable as fully-registered bonds under the global book-entry system operated by The Depository Trust Company, New York, New York ("DTC"). Individual purchases will be made in book-entry system form only. Beneficial owners of the Bonds will not receive physical delivery of the Bonds. The Bonds are issued in fully-registered form in denominations of $5,000 and integral multiples thereof, and will bear interest payable on June 1 and December 1 of each year, with June 1, 2027, as the first interest payment date. Amalgamated Bank of Chicago, Chicago, Illinois, will act as registrar and paying agent for the Bonds. Details of payment of the Bonds are described herein. Interest is calculated based on a 360-day year consisting of twelve 30-day months.

Proceeds of the 2026A Bonds will be used to (i) increase the District's working cash fund, (ii) refund a portion of the District's outstanding Taxable General Obligation Limited Tax Refunding School Bonds, Series 2019A, and (iii) pay costs associated with the issuance of the 2026A Bonds. See "USE OF PROCEEDS" herein.

Proceeds of the 2026B Bonds will be used to (i) refund a portion of the District's outstanding General Obligation Refunding Limited School Bonds, Series 2015B, and (ii) pay costs associated with the issuance of the 2026B Bonds. See "USE OF PROCEEDS" herein.

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

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

The scheduled payment of principal of and interest on the Bonds when due will be guaranteed under separate insurance policies (each a "Policy" and collectively, the "Policies") to be issued concurrently with the delivery of the Bonds by Build America Mutual Assurance Company ("BAM"). See "BOND INSURANCE" and Appendix D - Specimen Municipal Bond Insurance Policy.

The Bonds are offered when, as and if issued by the District and received by Stifel, Nicolaus & Company, Incorporated, Chicago, Illinois (the "Underwriter"), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Bond Counsel. Chapman and Cutler LLP, Chicago, Illinois, is also acting as Disclosure Counsel to the District. Delivery of the Bonds through the facilities of DTC will be on or about November 23, 2026.

STIFEL
AS UNDERWRITER

PMA
Part of PTMA Financial Solutions
AS MUNICIPAL ADVISOR

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

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

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

$5,585,000* Taxable General Obligation Limited Tax School Bonds, Series 2026A

Maturity (December 1)	Amount ($)*	Rate (%)	Yield (%)	CUSIP[(1)] (215291)
2031	885,000			
2032	940,000			
2033	1,000,000			
2034	1,060,000			
2035	1,130,000			
2036	570,000			

$665,000* General Obligation Limited Tax Refunding School Bonds, Series 2026B

Maturity (December 1)	Amount ($)*	Rate (%)	Yield (%)	CUSIP[(1)] (215291)
2036	635,000			
2037	30,000			

*Preliminary, subject to change.

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

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

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

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

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

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

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

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

Build America Mutual Assurance Company ("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 D – Specimen Municipal Bond Insurance Policy".

School District Number 162
Cook County, Illinois
(Matteson)
4601 Sauk Trail
Richton Park, Illinois 60471
(708) 748-0100

* * * * * * * * * * * * * * * * * * * *

Board of Education
Jeffrey Johnson, President
Sandi Gordon, Vice President
LaSandra Hutchinson, Secretary
Karen McCray
Dr. Darnell Leatherwood
Rachel Ware
Dr. Steven Wright

Superintendent
Dr. Blondean Y. Davis

Chief Financial Officer
Craig Englert

* * * * * * * * * * * * * * * * * * * *

Paying Agent/Registrar/Escrow Agent
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Independent Auditors
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Oakbrook Terrace, Illinois 60181

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School District Number 162
Cook County, Illinois
(Matteson)
$5,585,000* Taxable General Obligation Limited Tax School Bonds, Series 2026A
$665,000* General Obligation Limited Tax Refunding School Bonds, Series 2026B

INTRODUCTION

The purpose of this Official Statement is to set forth certain information concerning School District Number 162, Cook County, Illinois (the "District"), in connection with the offering and sale of its $5,585,000* Taxable General Obligation Limited Tax School Bonds, Series 2026A (the "2026A Bonds"), and $665,000* General Obligation Limited Tax Refunding School Bonds, Series 2026B (the "2026B Bonds" and, together with the 2026A Bonds, the "Bonds"). This Official Statement includes the cover page, the reverse thereof and the Appendices. Certain factors that may affect an investment decision concerning the Bonds are described throughout this Official Statement. Persons considering a purchase of the Bonds should read this Official Statement in its entirety.

THE BONDS

General Description

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

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

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

*Preliminary, subject to change.

Registration and Exchange

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

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

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

Authority and Purpose

The Bonds are issued pursuant to the School Code of the State of Illinois (the "School Code"), the Local Government Debt Reform Act of the State of Illinois (the "Debt Reform Act"), and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of Education (the "Board") of the District on October 20, 2026, as supplemented by a notification of sale (together, the "Bond Resolution"). Proceeds of the 2026A Bonds will be used to (i) increase the District's working cash fund, (ii) refund a portion of the District's outstanding Taxable General Obligation Limited Tax Refunding School Bonds, Series 2019A, dated January 30, 2019 (the "2019A Bonds" and the portion being refunded, the "2019A Refunded Bonds"), and (iii) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (i) refund a portion of the District's outstanding General Obligation Refunding Limited School Bonds, Series 2015B, dated October 22, 2015 (the "2015B Bonds" and the portion being refunded, the "2015B Refunded Bonds" and, together with the 2019A Refunded Bonds, the "Refunded Bonds"), and (ii) pay costs associated with the issuance of the 2026B Bonds. See "USE OF PROCEEDS" herein.

Security and Payment

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

The Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate, upon all taxable property within the District in amounts to pay, as and when due, all principal of and interest on the Bonds to the amount of the Base (as hereinafter defined). The District expects to pay debt service on the Bonds in excess of the Base from funds of the District on hand and lawfully available for such purpose. The Bond Resolution will be filed with the County Clerk of The County of Cook, Illinois (the "County Clerk"), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Bond Resolution to pay the Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel.

Limited Bonds

The Bonds are limited bonds and are issued pursuant to the School Code, as supplemented by the Debt Reform Act. Although the obligation of the District to pay the Bonds is a general obligation under the School Code and all taxable property in the District is subject to the levy of taxes to pay the Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Bonds is limited pursuant to the Limitation Law.

The Debt Reform Act provides that the Bonds are payable from the debt service extension base of the District (the "Base"), which is an amount equal to that portion of the extension for the District for the 1994 levy year constituting an extension for payment of principal and interest on bonds issued by the District without referendum, but not including alternate bonds issued under Section 15 of the Debt Reform Act or refunding obligations issued to refund or to continue to refund obligations of the District initially issued pursuant to referendum, increased each year commencing with the 2009 levy year, by the lesser of 5% or the percentage increase in the Consumer Price Index (as defined in the Limitation Law, the "CPI") during the 12-month calendar year preceding the levy year (the "Annual Increase"). The Limitation Law further provides that the annual amount of taxes to be extended to pay the Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

As of the closing of the Bonds, the Bonds will constitute two of seven series of limited bonds of the District that are payable from the Base. Payments on the Bonds from the Base will be made on a parity with the payments on the District's outstanding General Obligation Refunding Limited School Bonds, Series 2015A (the "2015A Bonds"), 2015B Bonds, 2019A Bonds, General Obligation Limited Tax School Bonds, Series 2019B (the "2019B Bonds"), and General Obligation Limited Tax School Bonds, Series 2022 (the "2022 Bonds" and collectively, the "Outstanding Limited Bonds"). The District is authorized to issue from time to time additional limited bonds payable from the Base, as permitted by law, and to determine the lien priority of payments to be made from the Base to pay the District's limited bonds. The amount of the Base for the 2026 levy year has been determined to be $1,684,155.49 which is calculated as follows:

Levy Year	The Base	Annual Increase (%) or 5%	Annnual Increase ($)	New Base ($)
2009	$ 1,126,609.00	0.10%	$ 1,126.60	$ 1,127,735.60
2010	1,127,735.60	2.70%	30,448.86	1,158,184.46
2011	1,158,184.46	1.50%	17,372.76	1,175,557.22
2012	1,175,557.22	3.00%	35,266.71	1,210,823.93
2013	1,210,823.93	1.70%	20,584.00	1,231,407.93
2014	1,231,407.93	1.50%	18,471.11	1,249,879.04
2015	1,249,879.04	0.80%	9,999.03	1,259,878.07
2016	1,259,878.07	0.70%	8,819.14	1,268,697.21
2017	1,268,697.21	2.10%	26,642.64	1,295,339.85
2018	1,295,339.85	2.10%	27,202.13	1,322,541.98
2019	1,322,541.98	1.90%	25,128.29	1,347,670.27
2020	1,347,670.27	2.30%	30,996.41	1,378,666.68
2021	1,378,666.68	1.40%	19,301.33	1,397,968.01
2022	1,397,968.01	5.00%	69,898.40	1,467,866.41
2023	1,467,866.41	5.00%	73,393.32	1,541,259.73
2024	1,541,259.73	3.40%	52,402.83	1,593,662.56
2025	1,593,662.56	2.90%	46,216.21	1,639,878.77
2026	1,639,878.77	2.70%	44,276.72	1,684,155.49

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The following chart shows the Base of the District, the debt service on the District's Outstanding Limited Bonds and the Bonds, and the available Base after the issuance of the Bonds and the refunding of the Refunded Bonds.

Levy Year	Calendar Year	Debt Service on the Outstanding Limited Bonds	Less: Funds on Hand	Less: Debt Service on the 2015B Refunded Bonds*	Less: Debt Service on the 2019A Refunded Bonds*	Debt Service on the 2026A Bonds*	Debt Service on the 2026B Bonds*	Total Limited Bonds Debt Service*	Base [1]	Available Base*
2025	2026	$ 1,653,195	$ (1,096,000)	$ -	$ -	$ -	$ -	$ 557,195	$ 1,639,879	$ 1,082,684
2026	2027	1,669,063	-	(366,400)	(25,000)	370,038	33,989	1,681,690	1,684,155	2,466
2027	2028	1,687,158	-	(332,800)	(25,000)	361,994	33,250	1,724,602	1,726,259	1,658
2028	2029	1,697,200	-	-	(335,000)	361,994	33,250	1,757,444	1,760,785	3,341
2029	2030	1,727,800	-	-	(327,600)	361,994	33,250	1,795,444	1,796,000	556
2030	2031	550,000	-	-	-	1,246,994	33,250	1,830,244	1,831,920	1,676
2031	2032	545,375	-	-	-	1,246,947	33,250	1,825,572	1,868,559	42,987
2032	2033	550,300	-	-	-	1,247,633	33,250	1,831,183	1,905,930	74,747
2033	2034	549,325	-	-	-	1,243,533	33,250	1,826,108	1,944,048	117,940
2034	2035	547,675	-	-	-	1,245,375	33,250	1,826,300	1,982,929	156,629
2035	2036	550,350	-	-	-	608,874	668,250	1,827,474	2,022,588	195,114
2036	2037	547,125	-	-	-	-	31,500	578,625	2,063,040	1,484,415
2037	2038	548,225	-	-	-	-	-	548,225	2,104,301	1,556,076
2038	2039	548,425	-	-	-	-	-	548,425	2,146,387	1,597,962
2039	2040	547,725	-	-	-	-	-	547,725	2,189,314	1,641,589
2040	2041	546,125	-	-	-	-	-	546,125	2,233,101	1,686,976
2041	2042	546,656	-	-	-	-	-	546,656	2,277,763	1,731,106
		$ 15,011,721	$ (1,096,000)	$ (699,200)	$ (712,600)	$ 8,295,376	$ 999,739	$ 21,799,036		

*Preliminary, subject to change.

(1) Pursuant to Public Act 96-0501, the District's Base will increase by the lesser of CPI or 5% each year. In this chart, the applicable CPI increase has been applied to levy years 2025 and 2026, and is assumed to be 2.50% in levy year 2027, and 2.00% per year thereafter. In order to access the growth of the Base, if any, the Board will need to adopt a supplemental tax levy resolution and file the same with the County Clerk. If actual CPI increases are less than expected or if the Base does not otherwise increase, the District will pay debt service on the Bonds in excess of the Base from funds of the District on hand and lawfully available for such purpose.

Note: Amounts are rounded.

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USE OF PROCEEDS

The 2026A Bonds

A portion of the proceeds of the 2026A Bonds will be used to increase the District's working cash fund and are expected to be used for cash flow purposes. Specifically, the proceeds will provide additional liquidity particularly given the ongoing delays in fall property tax distributions (see "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Collections" herein). See "MANAGEMENT DISCUSSION" herein.

A portion of the proceeds of the 2026A Bonds, together with funds of the District on hand and legally available for such purpose (the "Available Funds"), will be used to refund the 2019A Refunded Bonds. The purpose of the refunding is to restructure the annual debt service burden of the District. The 2019A Refunded Bonds are further described below.

2019A Bonds
(Dated Date: January 30, 2019)

CUSIP (215291)	Maturities (December 1)	Original Outstanding Amount	2019A Refunded Bonds*	Remaining Amount*	Redemption Price [1]	Redemption Date
PT6	2026	$ 410,000	$ -	$ 410,000	N/A	N/A
PU3	2027	845,000	-	845,000	N/A	N/A
PV1	2028	915,000	-	915,000	N/A	N/A
PW9	2029	1,360,000	310,000	1,050,000	100.00%	December 1, 2028
PX7	2030	1,445,000	315,000	1,130,000	100.00%	December 1, 2028
		$ 4,975,000	$ 625,000	$ 4,350,000		

*Preliminary, subject to change.
(1) Expressed as a percentage of par.

Proceeds of the 2026A Bonds used to refund the 2019A Refunded Bonds, together with the Available Funds, will be used to fund an irrevocable escrow account (the "Escrow Account") consisting of cash and direct obligations of the United States of America (the "Government Obligations"). The Escrow Account will be held by Amalgamated Bank of Chicago, Chicago, Illinois (the "Escrow Agent"), and will be used to pay the principal of and interest on the 2019A Refunded Bonds to and including the redemption date thereof. The Escrow Account will be held by the Escrow Agent pursuant to an escrow agreement between the District and the Escrow Agent which irrevocably directs the Escrow Agent to (i) make all payments of the principal of and interest on the 2019A Refunded Bonds to and including the redemption date, and (ii) take all steps necessary to call the 2019A Refunded Bonds on such date. The Escrow Account will be funded in such amounts so that the initial cash deposit and the principal and interest payments received on the Government Obligations will be sufficient, without reinvestment, to pay the principal of and interest on the 2019A Refunded Bonds to and including the redemption date.

Verification

The accuracy of the mathematical computations regarding the adequacy of the maturing principal of and interest earnings on the Government Obligations together with the initial cash deposit in the Escrow Account to pay the debt service on the 2019A Refunded Bonds will be verified by Robert Thomas CPA, LLC, Overland Park, Kansas. Such verification will be based upon information supplied by PMA Securities, LLC, Naperville, Illinois ("PMA" or the "Municipal Advisor").

The 2026B Bonds

Proceeds of the 2026B Bonds, together with the Available Funds, will be used to refund the 2015B Refunded Bonds. The purpose of the refunding is to restructure the annual debt service burden of the District. The 2015B Refunded Bonds are further described below.

2015B Bonds
(Dated Date: October 22, 2015)

CUSIP (215291)	Maturities (December 1)	Original Outstanding Amount	2015B Refunded Bonds*	Remaining Amount*	Redemption Price (1)	Redemption Date*
MX0	2026	$ 300,000	$ -	$ 300,000	N/A	N/A
MY8	2027	345,000	340,000	5,000	100.00%	December 10, 2026
MZ5	2028	360,000	320,000	40,000	100.00%	December 10, 2026
		$ 1,005,000	$ 660,000	$ 345,000		

*Preliminary, subject to change.
(1) Expressed as a percentage of par.

Proceeds of the 2026B Bonds and the Available Funds will be deposited with the paying agent for the 2015B Refunded Bonds (the "Prior Paying Agent") and will be used by the Prior Paying Agent to make all payments of the principal of and interest on the 2015B Refunded Bonds upon redemption prior to maturity.

SOURCES AND USES

Estimated Sources of Funds

	2026A Bonds	2026B Bonds
Par Amount of the Bonds	$	$
[Net] Original Issue Premium/(Discount)		
Available Funds		
Total Sources	$ -	$ -

Estimated Uses of Funds

	2026A Bonds	2026B Bonds
Deposit to Working Cash Fund	$	$
Deposit with Prior Paying Agent		
Deposit to Escrow Account		
Costs of Issuance[1]		
Total Uses	$ -	$ -

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

BOND INSURANCE

Bond Insurance Policy

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

The Policy is not covered by any insurance security or guaranty fund established under New York, 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. 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.

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 June 30, 2026 and as prepared in accordance with statutory accounting practices prescribed or permitted by the New York State Department of Financial Services were $505.6 million, $295.6 million and $210.0 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, 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.

BOOK-ENTRY SYSTEM

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

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

within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934, as amended (the "Exchange Act"). DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has an S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission (the "Commission"). More information about DTC can be found at www.dtcc.com.

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

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

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or

regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment transmission to them of notices of significant events with respect to the Bonds, such as redemptions, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the Registrar and request that copies of notices be provided directly to them.

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

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

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

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

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

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

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

REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES

Summary of Property Assessment, Tax Levy and Collection Procedures

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

Real Property Assessment

The County Assessor (the "Assessor") is responsible for the assessment of all taxable real property within the County, including such property located within the boundaries of the District, except for certain railroad property, pollution control facilities and low sulfur dioxide emission coal-fueled devices, which are assessed directly by the Illinois Department of Revenue (the "Department"). For triennial reassessment purposes, Cook County is divided into three districts: west and south suburbs (the "South Tri"), north and northwest suburbs (the "North Tri"), and the City of Chicago (the "City Tri"). The District is located in the South Tri and was last reassessed for the 2023 tax levy year. The District will next be reassessed for the 2026 levy year.

Real property in the County is separated into classes for assessment purposes. After the Assessor establishes the fair market value of a parcel of property, that value is multiplied by the appropriate classification percentage to arrive at the assessed valuation (the "Assessed Valuation") for the parcel. Such classification percentages range from 10% for certain residential, commercial and industrial property to 25% for other industrial and commercial property.

Property is classified for assessment into six basic categories, each of which is assessed at various percentages of fair market value as follows: Class 1 - unimproved real estate (10%); Class 2 - residential (10%); Class 3 - rental-residential (16% in tax year 2009, 13% in tax year 2010, and 10% in tax year 2011 and subsequent years); Class 4 - not-for-profit (25%); Class 5a - commercial (25%); and Class 5b - industrial (25%).

In addition, property may be temporarily classified into one of eight additional assessment classification categories. Upon expiration of such classification, property so classified will revert to one of the basic six assessment classifications described above. The additional assessment classifications are as follows:

CLASS	DESCRIPTION OF QUALIFYING PROPERTY	ASSESSMENT PERCENTAGE	REVERTS TO CLASS
6b	Newly constructed industrial properties or substantially rehabilitated sections of existing industrial properties	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
C	Industrial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5b
	Commercial property that has undergone environmental testing and remediation	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7a/7b	Newly constructed or substantially rehabilitated commercial properties in an area in need of commercial development	10% for first 10 years, 15% in year 11, 20% in year 12	5a
7c	Newly constructed or rehabilitated commercial buildings and acquisition of abandoned property and rehabilitation of buildings thereon including the land upon which the buildings are situated and the land related to the rehabilitation	10% for first 3 years and any 3-year renewal; if not renewed, 15% in year 4, 20% in year 5	5a
8	Industrial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	5b
	Commercial properties in enterprise communities or zones in need of substantial revitalization	10% for first 10 years, 15% in year 11, 20% in year 12	5a
9	New or substantially rehabilitated multi-family residential properties in target areas, empowerment or enterprise zones	10% for first 10 years and any 10-year renewal	As Applicable
S	Class 3 properties subject to Section 8 contracts renewed under the "Mark up to Market" option	10% for term of Section 8 contract renewal and any subsequent renewal	3
L	Substantially rehabilitated Class 3, 4 or 5b properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years and any 10-year renewal; if not renewed, 15% in year 11, 20% in year 12	3, 4, or 5b
	Substantially rehabilitated Class 5a properties qualifying as "Landmark" or "Contributing" buildings	10% for first 10 years, 15% in year 11, 20% in year 12	5a

The Assessor has established procedures enabling taxpayers to contest their proposed Assessed Valuations. Once the Assessor certifies its final Assessed Valuations, a taxpayer can seek review of its assessment by appealing to the Cook County Board of Review (the "Board of Review"), which consists of three commissioners elected by the voters of the County. The Board of Review has the power to adjust the Assessed Valuations set by the Assessor.

Owners of residential property having six or fewer units are able to appeal decisions of the Board of Review to the Illinois Property Tax Appeal Board (the "PTAB"), a statewide administrative body. The PTAB has the power to determine the Assessed Valuation of real property based on equity and the weight of the evidence. Taxpayers may appeal the decision of PTAB to either the Circuit Court of Cook County (the "Circuit Court") or the Illinois Appellate Court under the Illinois Administrative Review Law.

As an alternative to seeking review of Assessed Valuations by PTAB, taxpayers who have first exhausted their remedies before the Board of Review may file an objection in the Circuit Court. The procedure under this alternative is similar to the judicial review procedure described in the immediately preceding paragraph, however, the standard of proof differs. In addition, in cases where the Assessor agrees that an assessment error has been made after tax bills have been issued, the Assessor can correct any factual error, and thus reduce the amount of taxes due, by issuing a Certificate of Error. Certificates of Error are not issued in cases where the only issue is the opinion of the valuation of the property.

Equalization

After the Assessor has established the Assessed Valuation for each parcel for a given year, and following any revisions by the Board of Review or PTAB, the Department is required by statute to review the Assessed Valuations. The Department establishes an equalization factor (the "Equalization Factor"), commonly called the "multiplier," for each county to make all valuations uniform among the 102 counties in the State of Illinois (the "State"). Under State law, the aggregate of the assessments within each county is equalized at 33-1/3% of the estimated fair cash value of real property located within the county prior to any applicable exemptions. One multiplier is applied to all property in the County, regardless of its assessment category, except for certain farmland property and wind energy assessable property, which are not subject to equalization. The following table sets forth the Equalization Factor for the County for the last ten tax levy years.

Tax Levy Year	Equalization Factor
2016	2.8032
2017	2.9627
2018	2.9109
2019	2.9160
2020	3.2234
2021	3.0027
2022	2.9237
2023	3.0163
2024	3.0355
2025	3.0300

Once the Equalization Factor is established, the Assessed Valuation, as revised by the Board of Review or PTAB, is multiplied by the Equalization Factor to determine the equalized assessed valuation (the "EAV") of that parcel. The EAV for each parcel is the final property valuation used for determination of tax liability. The aggregate EAV for all parcels in any taxing body's jurisdiction, plus the valuation of property assessed directly by the Department, constitute the total real estate tax base for the taxing body, which is used to calculate tax rates (the "Assessment Base").

Exemptions

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

An annual General Homestead Exemption provides that the 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 $10,000 for tax years 2017 and thereafter.

The Long-Time Occupant Homestead Exemption limits the increase in EAV of a taxpayer's homestead property to 10% per year if such taxpayer has owned the property for at least 10 years as of January 1 of the assessment year (or 5 years if purchased with certain government assistance) and has a household income of $100,000 or less ("Qualified Homestead Property"). If the taxpayer's annual income is $75,000 or less, the EAV of the Qualified Homestead Property may increase by no more than 7% per year. There is no exemption limit for Qualified Homestead Properties.

The Homestead Improvement Exemption applies to Residential Property that has been improved and to properties that have been 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 Valuation 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 $8,000 for tax years 2017 and thereafter.

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 $65,000 beginning in assessment year 2017. 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. Beginning in tax year 2017, the amount of the exemption is equal to the greater of the amount calculated as described in the previous sentence (as more completely set forth in the Property Tax Code) or $2,000.

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the applicable section of 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 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 equalized assessed value 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.

Tax Levy

As part of the annual budgetary process of governmental units (the "Units") with power to levy taxes in the County, the designated body for each Unit annually adopts proceedings to levy real estate taxes. The administration and collection of real estate taxes is statutorily assigned to the County Clerk and the County Treasurer. After the Units file their annual tax levies, the County Clerk computes the annual tax rate for each Unit. The County Clerk computes the Unit's maximum allowable levy by multiplying the maximum tax rate for that Unit by the prior year's EAV for all property currently in the District. The prior year's EAV includes the EAV of any new property, the current year value of any annexed property and any recovered tax increment value, minus any disconnected property for the current year under the Limitation Law. The tax rate for a Unit is computed by dividing the lesser of the maximum allowable levy or the actual levy by the current year's EAV.

Property Tax Extension Limitation Law

The Limitation Law is applied after the prior year EAV limitation. The Limitation Law limits the annual growth in the amount of property taxes to be extended for certain Illinois non-home rule units, including the District. 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 they are approved by referendum, are alternate bonds, are bonds issued for school fire prevention and safety purposes or are for certain refunding purposes.

The use of prior year EAVs to limit the allowable tax levy may reduce tax rates for funds that are at or near their maximum rates in taxing districts with rising EAVs. These reduced rates and all other rates for those funds subject to the Limitation Law are added together, which results in the aggregate preliminary rate. The aggregate preliminary rate is then compared to the limiting rate. If the limiting rate is more than the aggregate preliminary rate, there is no further reduction in rates due to the Limitation Law. If the limiting rate is less than the aggregate preliminary rate, the aggregate preliminary rate is further reduced to the limiting rate. In all cases, taxes are extended using current year EAV under Section 18-140 of the Property Tax Code.

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION – Tax Rates." The ceiling at any particular time on the rate at which these taxes may be extended for the District is either (a) unlimited (as provided by statute), (b) initially set by statute but permitted to be increased by referendum, (c) capped by statute, or (d) limited to the rate approved by referendum. The only ceiling on a particular tax rate is the ceiling set by statute,

at which the rate is not permitted to be further increased by referendum or otherwise. Therefore, taxing districts (such as the District) have flexibility to levy taxes for the purposes for which they most need the money. The total aggregate tax rate for the various purposes subject to the Limitation Law, however, will not be allowed to exceed the District's limiting rate computed in accordance with the provisions of the Limitation Law.

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. 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 the voters approve the proposition, the County Clerk will extend a rate for educational purposes that is no greater than the limiting rate for educational purposes computed in accordance with the Limitation Law. If such proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

In general, the annual growth permitted under the Limitation Law is the lesser of 5% or the percentage increase in the CPI during the calendar year preceding the levy year. Taxes can also be increased due to new construction, referendum approval of tax rate increases, mergers and consolidations. Local governments, including the District, can issue limited bonds (such as the Bonds) in lieu of general obligation bonds that have otherwise been authorized by applicable law. See "THE BONDS - Limited Bonds" herein.

Beginning with levy year 2021, each tax-capped taxing district (such as the District) receives an automatic levy increase in the amount of any property tax refunds paid by such taxing district in the prior year as a result of the issuance of certificates of error, court orders issued in connection with valuation tax objection complaints and PTAB decisions. For levy year 2025, the additional amount added to the District's tax levy as a result of this change was $0.

Pursuant to Section 18-190.7 of the Property Tax Code, school districts that have a designation of "recognition" or "review" according to the Illinois State Board of Education's ("ISBE") School District Financial Profile System, park districts, library districts and community college districts and for which taxes were not extended at the maximum amount permitted under the Limitation Law in a given levy year may be able to recapture all or a portion of such unrealized levy amount in a subsequent levy year. Section 18-190.7 directs county clerks, in calculating the limiting rate for a given taxing district, to use the greater of the taxing district's last preceding aggregate extension or the district's last preceding aggregate extension if the taxing district had utilized the maximum limiting rate permitted without referendum for each of the three immediately preceding levy years. The aggregate extension of a taxing district that includes any recapture for a particular levy year cannot exceed the taxing district's aggregate extension for the immediately preceding levy year by more than 5%. If a taxing district cannot

recapture the entire unrealized levy amount in a single levy year, the taxing district may increase its aggregate extension in each succeeding levy year until the entire levy amount is recaptured.

Illinois legislators have introduced several proposals to further 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.

Extensions

The County Clerk then computes the total tax rate applicable to each parcel of real property by aggregating the tax rates of all of the Units having jurisdiction over the particular parcel. The County Clerk extends the tax by entering the tax (determined by multiplying the total tax rate by the EAV of that parcel for the current assessment year) in the books prepared for the County Collector (the "Warrant Books") along with the tax rates, the Assessed Valuation and the EAV. The Warrant Books are the County Collector's authority for the collection of taxes and are used by the County Collector as the basis for issuing tax bills to all property owners.

Collections

Property taxes are collected by the County Collector, who also serves as the County Treasurer, who remits to each Unit its share of the collections. Taxes levied in one year become payable during the following year in two installments, the first due on March 1 and the second on the later of August 1 or 30 days after the mailing of the tax bills. A payment due is deemed to be paid on time if the payment is postmarked on the due date. Beginning with the first installment payable in 2010, the first installment is equal to 55% of the prior year's tax bill. However, if a Certificate of Error is approved by a court or certified on or before November 30 of the preceding year and before the estimated tax bills are prepared, then the first installment is instead based on the certain percentage of the corrected prior year's tax bill. The second installment covers the balance of the current year's tax bill, and is based on the then current tax year levy, Assessed Valuation and Equalization Factor, and reflects any changes from the prior year in those factors. The first installment penalty date has historically been the first business day in March. Due to delays in the second penalty installment date with respect to levy years 2021 and 2024, the subsequent first installment penalty date for levy years 2022 and 2025 was changed by legislation enacted by the General Assembly of the State of Illinois (the "General Assembly") from, with respect to levy year 2022, March 1, 2023 to April 1, 2023, and, with respect to levy year 2025, March 1, 2026, to April 1, 2026. The District did not experience any cash flow issues due to such changes with respect to levy years 2022 and 2025.

The following table sets forth the second installment penalty date for the last ten tax levy years in the County.

TAX LEVY YEAR	SECOND INSTALLMENT PENALTY DATE
2016	August 1, 2017
2017	August 1, 2018
2018	August 1, 2019
2019	August 3, 2020
2020	August 2, 2021
2021	December 30, 2022
2022	December 1, 2023
2023	August 1, 2024
2024	December 15, 2025
2025	October 1, 2026

The distribution of the County's property tax bills has been delayed several times in recent years. As a result of ongoing efforts to modernize technology within various County property tax agencies, personnel shortages and turnover attributable to COVID-19 and the complicated nature of the reassessment of property taxes in the City of Chicago, the distribution of amounts related to the second installment for each of the 2021 and 2022 tax years (for amounts payable in calendar years 2022 and 2023, respectively), were delayed. Due to further efforts to modernize the County's property tax system, the County's second installment property tax distributions were delayed again for tax year 2024 (collectible in calendar year 2025) and tax year 2025 (collectible in calendar year 2026). The District did not experience any cash flow issues due to such delays.

It is possible that the changes to the assessment appeals process described above will cause delays similar to those experienced in past years in preparation and mailing of the second installment in future years. In the future, the County may provide for tax bills to be payable in four installments instead of two.

During the periods of peak collections, tax receipts are forwarded to each Unit on a weekly basis. Upon receipt of taxes from the County Collector, the District promptly credits the taxes received to the funds for which they were levied.

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 0.75% 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, the County Treasurer is required to sell the delinquent property taxes at the "Annual Tax Sale", which is 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, the tax buyer can secure a court-ordered deed to the home. Tax buyers can seek the deed to a home after 2-1/2 years, with the option of a six-month extension.

If the property is abandoned, that time frame 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 remain 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.

Federal Court Decisions Regarding Tax Sale Systems

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 the County's tax sale system is likewise unconstitutional based on those earlier rulings. In response to these rulings, Public Act 104-0553, which became law on July 10, 2026, makes significant amendments to the Property Tax Code, including: (i) requiring that properties subject to tax deed proceedings be sold at a judicial tax deed auction to the highest bidder, rather than directly to the tax purchaser; (ii) entitling former property owners to receive any surplus proceeds from such auctions that exceed the amount of the tax deed judgment; (iii) establishing a surplus equity fund to compensate former owners who sustained losses from tax deeds recorded in the two years prior to the effective date of the legislation or from outstanding tax certificates issued prior to the effective date; (iv) enhancing notice requirements to property owners regarding tax sales, redemption rights, and tax deed auctions, including multilingual notice requirements in counties with 3,000,000 or more inhabitants; and (v) establishing a pilot program in the County under which the County may acquire tax certificates for up to 100 homestead properties with the lowest tax amounts. These provisions apply to tax certificates issued on or after July 10, 2026. The District makes no prediction as to the effect of such rulings or legislation on the State's tax sale process or on the District's receipt of property tax revenues.

Scavenger Sales

In the County, if a property's taxes go unpaid in at least three of the previous 20 years, the property is offered at a biennial "Scavenger Sale," which like the Annual Tax Sale, is a sale of unpaid taxes. The winning bidder is not required to pay any of the previous years' unpaid taxes. If the owner, however, does not redeem such back taxes, the winning bidder can seek deed to the property. To obtain the deed, the bidder must pay all unpaid taxes billed on the property between the last year covered by the Scavenger Sale and the date the bidder seeks the deed. Redemption periods vary from six months to two and a half years depending upon the type and occupancy of the property. As in the Annual Tax Sale, bidders at the Scavenger Sale can seek the deed to a home after 2-1/2 years, with the option of a six-month extension. If the property is

abandoned, that time frame can be shortened to two years. With a vacant, commercial or industrial property, the winning buyer can seek the deed after six months.

Public Act 103-0555, effective January 1, 2024, eliminates the County's mandatory Scavenger Sale and allows the County or local governments to take control of properties if they are not purchased in the Annual Tax Sale. The County, like all other Illinois counties, can cease selling tax liens and instead work to connect chronically-delinquent, forfeited tax liens to new development opportunities.

Truth in Taxation Law

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

RISK FACTORS

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

Finances of the State of Illinois

State funding sources constituted 41.69% of the District's combined Educational Fund and Operations and Maintenance Fund (the "General Fund") revenue sources for the fiscal year ended June 30, 2025. While the finances of the State have significantly improved in recent years, the State continues to deal with a severe underfunding of its pension systems, which, based on the comprehensive annual financial reports of the State's five retirement systems, have a combined unfunded pension liability of approximately $140 billion and a combined funded ratio of approximately 45%.

Federal Revenues

Illinois school districts receive direct and indirect funding from various federal programs, such as Title I, the Individuals with Disabilities Education Act, and nutrition programs such as the National School Lunch and Breakfast Programs. These programs are subject to the priorities and policies of the federal government, which may change significantly from one administration to another, and such programs may be modified through executive action or through legislation enacted by the Congress of the United States ("Congress"). Under the current administration, the federal government has taken executive actions to reduce the size and scope of the U.S. Department of Education, to terminate or restrict certain programs and services for students with disabilities, low-income students, and students from diverse backgrounds, and to impose new conditions and requirements for federal funding. These actions may impact the availability and amount of federal revenues received by Illinois school districts, such as the District. A reduction or interruption in federal funding, or an increase in compliance costs, could adversely affect the District's financial condition and operations. The District makes no prediction as to the effect of these actions on the District's federal revenues, which constituted 11.01% of the District's General Fund revenue sources for the fiscal year ended June 30, 2025, or the District's ability to comply with federal laws and regulations in the future.

Local Economy

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

Unemployment

Unemployment rates are not specifically compiled for the District. However, the Village of Matteson (the "Village") located within the District has had higher unemployment rates as compared to the County and the State for the last five years. See "SOCIO-ECONOMIC CHARACTERISTICS – Historical Unemployment Statistics" herein for more information. 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 Bonds and to fund the District's operations, which could adversely affect the District's ability to repay or the timing of repayment of the Bonds.

Tax Collections

The District has historically collected less than 90% of its taxes levied. See "FINANCIAL INFORMATION – Tax Extensions and Collections" herein. 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 Bonds could be adversely affected. In addition, delays in recovering delinquent taxes create risks for purchasers of the Bonds. 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."

Loss or Change of Bond Ratings

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

Cybersecurity

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

Secondary Market for the Bonds

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

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

Continuing Disclosure

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

Suitability of Investment

The interest rates borne by the Bonds are intended to compensate the investor for assuming the risk of investing in the Bonds. Furthermore, the tax-exempt feature of the 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 – The 2026B Bonds" 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 in violation of its covenants in the Bond Resolution. 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, with increasing frequency to determine whether, in the view of the Service, interest on such tax-exempt obligations is includible in the gross income of the owners thereof for federal income tax purposes. It cannot be predicted whether the Service will commence any such audit. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the 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.

Bankruptcy

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

THE DISTRICT

General Description

The District, organized in 1852, is located in south suburban Cook County, approximately 35 miles south of the Chicago "Loop". The District serves the Village (38.51% of the District's 2024 EAV), the Village of Olympia Fields (26.72% of the District's 2024 EAV), the Village of Park Forest (7.97% of the District's 2024 EAV), the Village of Richton Park (23.15% of the District's 2024 EAV) and the Village of University Park (0.68% of the District's 2024 EAV). The District's current population is estimated at 22,655.

Students of the District attend High School District Number 227. Higher education is available at Prairie State Community College District No. 515, as well as numerous other colleges and universities located throughout the Chicago area.

The District is easily accessed by various modes of transportation. The City of Chicago and the northwestern suburbs can be reached in approximately 30 minutes to an hour by way of I-57 or I-90/94. I-80 provides direct access to the City of Joliet and northwest Indiana, including the Indiana Dunes. I-294 allows access to the northern suburbs and Wisconsin. Running north and south, I-294 and I-355 provide access to the suburbs farther west. O'Hare Airport is approximately one hour's drive from the District, while Midway Airport is approximately a thirty-minute drive.

The District is also served by the public transportation network, which includes METRA trains and PACE bus service. Private transportation is provided by local bus lines. METRA trains

bring commuters to and from the City of Chicago and the south suburbs. PACE bus service links commuters with METRA as well as other areas in the community.

Educational Facilities

The District operates seven facilities, satisfying the educational needs of about 2,529 students in grades PK-8.

Facility	Grades	2026-2027 Enrollment[(1)]	Capacity Enrollment	Constructed	Years of Additions/Renovations
Richton Square.....	Pre-K	171	300	1958	2006, 2026
Matteson Elementary School.....	K-3	421	680	1964	2002, 2003, 2004, 2022, 2026
Arcadia School.....	K-3	398	640	1958	2002, 2003, 2004, 2021, 2022, 2025
Illinois School.....	K-8	456	640	1959	2002, 2003, 2005, 2006, 2021
Indiana School.....	4-6	315	520	1961	2002, 2004, 2022
Sauk Elementary School.....	4-6	320	560	1970	2004, 2007, 2008, 2021
Huth Middle School.....	7-8	369	840	1929	2005, 2023, 2024, 2025

(1) Does not include 79 outplaced students.
Source: The District

Proceeds of the District's Taxable General Obligation Debt Certificates (Limited Tax), Series 2026 (the "2026 Certificates"), were used to purchase Saint Lawrence O'Toole (the "Facility") from the Archdiocese of Chicago for a purchase price of $1.9 million. The Facility consists of approximately 62,000 square feet of usable building area, together with an approximately 2,000 square foot residential structure located on the property, which the District anticipates may be demolished. The Facility, which sits on 15 acres, was constructed in 1961 and includes a complex of buildings, including a former school building that was closed in 2015. The Facility includes 19 classrooms, a gymnasium, a church and a basement lunchroom area. The District acquired the Facility for purposes of accommodating future enrollment growth or to provide facilities for special education programming through the District's special education cooperative. In addition, purchasing the Facility resulted in an increase in pre-kindergarten or kindergarten space in the District. The 2026 Certificates were issued on a taxable basis to preserve maximum flexibility with respect to the District's prospective use of the Facility.

At present, the District has no immediate plans to renovate the Facility, as there is no current operational use. Upon the District's determination that the Facility is to be placed into service for student use, the Facility is expected to require life safety upgrades and related renovations. The newest portion of the complex (consisting generally of a gymnasium, four classrooms, bathrooms and a cafeteria) is expected to require minimal renovation and could be made available for lease to the special education cooperative at an approximate cost of $1,000,000 to $2,000,000.

Enrollments

The table below includes historical enrollment utilizing the Fall Housing Count (Housed) which reflects students enrolled as of the last school day in September and the projected enrollment for the next five years. The projected enrollment figures are based on District projections utilizing historical growth assumptions by grade, birth rates, and the cohort method.

School Year	Enrollment	School Year	Projected Enrollment
2022-2023	2,456	2027-2028	2,576
2023-2024	2,367	2028-2029	2,614
2024-2025	2,425	2029-2030	2,634
2025-2026	2,488	2030-2031	2,669
2026-2027	2,529	2031-2032	2,709

Note: Students placed in facilities outside of the District have been added in to the overall enrollment projections.
Source: The District

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 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 Bonds under the Community Reinvestment Act.

Facility	Eligibility Percent[(1)]
Richton Square	100.00%
Matteson Elementary School	100.00%
Sauk Elementary School	100.00%
Arcadia School	100.00%
Huth Middle School	95.00%
Indiana School	92.59%
Illinois School	86.74%

(1) Program Year 2026 Eligibility Data.
Source: ISBE

Board of Education

The District is governed by a seven-member Board, elected at large for four year overlapping terms. The Board is the governing body of the District, while the day-to-day operations are administered by the Superintendent and staff. The Board is a policy making body whose primary functions are to establish policies for the District, provide for the general operation and personnel of the District, and oversee the property and facilities of the District. The Board elects a President, Vice President and Secretary from its membership. The present members are as follows:

Title	Name	Current Term Expires
President.....	Jeffrey Johnson	April 2029
Vice President.....	Sandi Gordon	April 2029
Secretary.....	LaSandra Hutchinson	April 2029
Member.....	Karen McCray	April 2027
Member.....	Dr. Darnell Leatherwood	April 2027
Member.....	Rachel Ware	April 2029
Member.....	Dr. Steven Wright	April 2027
School Treasurer.....	Craig Englert	Appointed

Administration

The District's Superintendent is Dr. Blondean Y. Davis, who has been with the District since 2002. Craig Englert joined the District in 2014 as the Chief Financial Officer. His prior position was Business Manager at Lincoln-Way Area Special Education District Number 843. Craig Englert plans to retire at the end of the fiscal year ending June 30. 2027. The District intends to retain the Chief Financial Officer position and has recently posted the position. The District expects his successor to begin on July 1, 2027, or earlier if available.

Employees

The District has 399 employees, of whom 273 are certified and 126 are not certified. Of the total number, 234 are represented by the Matteson Education Association. The District's current collective bargaining agreement with its teachers ends on June 30, 2029. The Support Staff Matteson Educational Association represents 43 employees and the three-year contract expires June 30, 2029. The District considers its relationship with its employees to be very good.

SOCIO-ECONOMIC CHARACTERISTICS

Population Trend

Below are the population statistics for the District, the Village, the Village of Olympia Fields, the Village of Richton Park, the County and the State.

	2000	2010	2020	% Change 2010-2020
The District.....	N/A	25,603	24,246	-5.30
The Village.....	12,928	19,009	19,073	+ 0.34
Village of Olympia Fields.....	4,732	4,988	4,718	-5.41
Village of Richton Park.....	12,533	13,646	12,775	-6.38
The County	5,376,741	5,194,675	5,275,541	+ 1.56
The State	12,419,293	12,830,632	12,812,508	-0.14

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

Income and Housing

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

	The District	The County	The State	United States
Median Home Value.....	$222,800	$324,500	$263,300	$332,700
Median Household Income....	76,665	83,498	83,390	80,734
Median Family Income.....	96,260	104,836	106,018	99,999
Per Capita Income.....	40,912	49,329	46,406	44,673

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

Residential Housing Building Permits

The following table sets forth the reported number of residential building permits issued and relative construction costs in the Village and the Village of Olympia Fields for each of the years listed.

	The Village		Village of Olympia Fields	
Year	Reported Number of Building Permits	Construction Cost	Reported Number of Building Permits	Construction Cost
2021.....	6	$ 1,339,893	1	$ 380,000
2022.....	7	1,778,655	1	380,000
2023.....	2	830,155	0	-
2024.....	0	-	0	-
2025.....	1	677,664	0	-
2026.....[(1)]	0	-	0	-

(1) Through August.
Source: U.S. Census Bureau

Retail Sales

The following table demonstrates the estimated sales reported by retailers in the Village and the Village of Olympia Fields for the last five calendar years and through the second quarter of 2026.

Calendar Year	The Village	Village of Olympia Fields
2021	$ 755,730,758	$ 148,812,052
2022	778,458,082	148,994,053
2023	959,318,856	177,667,825
2024	1,016,592,117	184,873,540
2025 [(1)]	1,187,641,470	214,945,499
2026 [(2)]	589,316,953	103,518,274

(1) Significant increase is due in part to a change in State law. Effective January 1, 2025, Public Act 103-0983 changed the tax treatment of certain retail sales. Retail sales originating outside the State but made by retailers with a physical presence in the State, are now subject to destination-based Retailers' Occupation Tax (ROT) rather than Use Tax (UT). ROT collections and allocations are based on the jurisdiction where the item is shipped, delivered or received by the purchaser. As a result, each unit of local government may be affected differently and may experience fluctuations in allocations.
(2) Through the second quarter of 2026.
Source: The Department

Corporate Personal Property Replacement Taxes

Corporate Personal Property Replacement Taxes ("CPPRT") are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the CPPRT is to replace revenues lost by units of local government (including the District) as a result of the abolishment of the corporate personal property tax (the "Personal Property Tax") with the adoption of the Illinois Constitution of 1970. The State Revenue Sharing Act (the "Sharing Act") was passed in 1979, implementing the CPPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of CPPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of CPPRT received by the District during fiscal year ended June 30, 2022, through the most recently completed fiscal year of June 30, 2026, and the estimated amount of CPPRT to be received in fiscal year ending June 30, 2027:

Fiscal Year Ended June 30	CPPRT Receipts
2022	$ 1,234,040
2023	1,287,804
2024	776,004
2025	520,371
2026	549,780
2027 (1)	670,315

(1) Estimated.
Source: The District's Annual Comprehensive Financial Report for the fiscal years ended June 30, 2022-2025 and the Department for fiscal years 2026 and 2027.

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Largest Area Employers

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

Company Name	Product or Service	Location	Approximate employees at location
Olympia Fields Hospital	General hospital	Chicago Heights & Olympia Fields	1,500
Yellow Roadway Corporation	International freight transportation services	Olympia Fields	1,500
Governors State University	Public university	University Park	1,200
Ford Motor Co., Chicago Stamping Plt	Automobile body stamping	Chicago Heights	1,047
Central Steel & Wire Co	Metals distributor and fabricator	Chicago Heights	900
Applied Systems, Inc	Computer equipment	University Park	600
Federal Signal Corp	Audible & visible vehicle warning equipment	University Park	500
Manheim Chicago	Wholesale auto auction	Matteson	500
Newstal, Inc	Industrial packaging, sorting & assembly	Chicago Heights	500
Agrati, Inc	Corporate headquarters & specialty fasteners	Park Forest	250
Bimba Manufacturing Co	Fluid power cylinders & actuators	University Park	250
Chicago Heights Steel	Steel bars & fenceposts	Chicago Heights	250
Voestalpine Nortrak, Inc	Railroad & public transit tracks & supplies	Chicago Heights	230
Dot Foods, Inc	Wholesaler of dry, frozen & refrigerated food service	University Park	200
Gerresheimer Glass-Chicago Heights Plt	Glass containers	Chicago Heights	200

Source: 2026 Manufacturers' News, Inc. Illinois Manufacturers and Illinois Services Directories

Historical Unemployment Statistics

Unemployment statistics are not compiled specifically for the District. The following table shows the trend in annual average unemployment rates as well as the monthly unemployment rates for August 2025 and August 2026 for the Village, the Village of Olympia Fields and the Village of Richton Park compared with the County and the State.

	The Village	Village of Olympia Fields	Village of Richton	The County	The State
Average, 2021[1]	9.5%	9.1%	10.9%	7.0%	6.1%
Average, 2022	6.6	6.5	7.3	5.0	4.6
Average, 2023	5.9	6.6	6.0	4.5	4.5
Average, 2024	7.0	7.0	7.2	5.4	5.0
Average, 2025	6.2	5.9	6.5	4.8	4.6
August, 2025	N/A[2]	N/A[2]	N/A[2]	4.3	4.3
August, 2026	N/A[2]	N/A[2]	N/A[2]	4.7	4.2

(1) The District attributes the higher unemployment rates to the COVID-19 pandemic.
(2) There is no monthly data available for the Village, the Village of Olympia Fields and the Village of Richton Park since they are communities with a population of less than 25,000.
Source: Illinois Department of Employment Security

FINANCIAL INFORMATION

Trend of EAV

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

The following table reflects the EAV trend of the District by property type, growth rate and new property. The District's EAV peaked at $587,147,163 in levy year 2009. The current EAV is 14.96% below the peak EAV.

Property Type	2021	2022	2023	2024	2025
Residential	$ 270,620,955	$ 265,013,951	$ 412,509,034	$ 396,834,640	$ 389,957,644
Farm	119,576	117,957	185,935	186,726	186,500
Commercial	102,514,662	98,853,847	94,012,271	95,973,102	96,550,111
Industrial	1,873,050	1,421,147	1,663,938	2,022,157	2,018,493
Railroad	2,619,324	2,746,816	2,913,837	3,131,628	3,057,289
Total[1]	$ 377,747,567	$ 368,153,718	$ 511,285,015	$ 498,148,253	$ 491,770,037
Percent of Change	-12.01%	[2] -2.54%	+ 38.88%	[3] -2.57%	-1.28%
New Property Amounts	$59,453	$474,535	$1,011,457	$1,354,824	$1,137,224

(1) Excludes tax increment financing ("TIF") incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
(2) Based on the District's 2020 EAV of $429,296,253.
(3) Reassessment year.
Source: County Clerk's Office

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Tax Increment Financing Districts Located within the District

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

Location	Year Established	Adjusted Base EAV	2025 EAV	Incremental EAV
Village of Matteson - Lincoln Hwy/Governors 6	2011	$ 177,675	$ 810,470	$ 632,795
Village of Matteson - Market Square Crossing	2023	3,617,956	4,443,317	825,361
Village of Olympia Fields - Lincoln/Western	2010	809,944	1,615,318	805,374
Village of Olympia Fields - Lincoln/Western 2	2014	4,132,352	10,965,234	6,832,882
Village of Olympia Fields - Governor's Hwy/Vollmer	2022	1,948,837	2,055,253	106,416
Village of Olympia Fields - Governor's Hwy/Vollmer Rd 2	2023	39,638	40,009	371
Village of Richton Park - Sauk Tr/Gov Hwy 4	2003	981,602	2,338,006	1,356,404
Village of Richton Park - Town Center	2013	13,699,797	20,989,832	7,290,035
Village of Richton Park - Sauk West Corridor	2015	118,747	263,037	144,290
Total				$ 17,993,928

Source: County Clerk's Office

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Tax Rates
(Per $100 EAV)

	2021	2022	2023	2024	2025	Statutory Maximum Rate[1]
IMRF	$ 0.117	$ 0.132	$ 0.099	$ 0.055	$ 0.078	N/A
Social Security	0.204	0.230	0.174	0.055	0.179	N/A
Transportation	0.291	0.299	0.538	0.166	0.615	N/A
Education	4.429	4.269	2.993	3.620	3.674	N/A[2]
Operations and Maintenance	0.550	0.550	0.397	0.550	0.550	$0.550
Bond & Interest (Building Bonds)	0.454	0.476	0.368	0.199	0.000	N/A
Working Cash	0.050	0.050	0.036	0.050	0.050	0.050
Special Education	0.400	0.400	0.289	0.400	0.400	0.400
Lease	0.000	0.000	0.000	0.000	0.000	0.100
Limited Bonds	0.365	0.439	0.316	0.260	0.301	N/A
Revenue Recapture[3]	0.077	0.175	0.000	0.000	0.000	N/A
Total	$ 6.937[4]	$ 7.020[4]	$ 5.210	$ 5.355	$ 5.848	

(1) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law" herein for information on the operation of such maximum rates under the Limitation Law.
(2) The District does not have a maximum tax rate for educational fund purposes. The aggregate tax rate for the various purposes subject to the Limitation Law, however, may not exceed the District's limiting rate under the Limitation Law.
(3) See "REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES – Property Tax Extension Limitation Law" herein for information on the property tax refund revenue recapture provisions of the Limitation Law.
(4) Under the Limitation Law, the limiting rate will increase if the annual increase in the District's EAV is less than the lesser of CPI or 5% which occurred in levy years 2021, 2022, 2024 and 2025. As detailed above, the District's EAV declined in levy years 2021, 2022, 2024 and 2025. As a result, the District's fund rates increased to capture new tax revenues permitted by the Limitation Law and levied by the District.
Source: County Clerk's Office

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Representative Tax Rates – The Village
(Per $100 EAV)

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

Taxing Body	2021	2022	2023	2024	2025
The County	$ 0.446	$ 0.431	$ 0.386	$ 0.390	$ 0.356
Consolidated Elections	0.019	0.000	0.032	0.000	0.029
Forest Preserve	0.058	0.081	0.075	0.069	0.067
Metropolitan Water Reclamation District	0.382	0.374	0.345	0.340	0.337
South Cook County Mosquito Abatement	0.019	0.021	0.017	0.017	0.018
Rich Township.[(1)]	0.443	0.445	0.308	0.321	0.343
The Village	2.121	1.993	1.433	1.440	1.484
Matteson Area Public Library District	0.676	0.672	0.520	0.524	0.564
The District	6.937	7.020	5.210	5.355	5.848
High School District Number 227	6.702	6.973	4.976	5.298	5.832
Community College District No. 515	0.512	0.546	0.401	0.429	0.458
Total	$ 18.315	$ 18.556	$ 13.703	$ 14.184	$ 15.335

(1) Includes Road & Bridge and General Assistance.
Source: County Clerk's Office

Representative Tax Rates – Village of Olympia Fields
(Per $100 EAV)

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

Taxing Body	2021	2022	2023	2024	2025
The County	$ 0.446	$ 0.431	$ 0.386	$ 0.390	$ 0.356
Consolidated Elections	0.019	0.000	0.032	0.000	0.029
Forest Preserve	0.058	0.081	0.075	0.069	0.067
Metropolitan Water Reclamation District	0.382	0.374	0.345	0.340	0.337
South Cook County Mosquito Abatement	0.019	0.021	0.017	0.017	0.018
Rich Township.[(1)]	0.443	0.445	0.308	0.321	0.343
Village of Olympia Fields	2.184	2.379	1.731	1.755	1.818
Village of Olympia Fields Library Fund	0.132	0.136	0.099	0.099	0.103
Olympia Fields Park District	0.935	1.019	0.847	0.874	0.926
The District	6.937	7.020	5.210	5.355	5.848
High School District Number 227	6.702	6.973	4.976	5.298	5.832
Community College District No. 515	0.512	0.546	0.401	0.429	0.458
Total	$ 18.769	$ 19.425	$ 14.427	$ 14.948	$ 16.134

(1) Includes Road & Bridge and General Assistance.
Source: County Clerk's Office

Tax Extensions and Collections

	2021	2022	2023	2024	2025
Extensions	$26,204,349	$25,844,420	$26,637,968	$26,676,611	$28,758,195
Collections	23,429,445	23,035,089	24,072,452	23,436,268	12,597,074 [2]
% Collected [1] ...	89.41%	89.13%	90.37%	87.85%	43.80%

(1) The District has historically collected approximately 90% of its extended taxes. The District budgets accordingly. Collections are less than 100% due in large part to unpaid taxes and property tax refunds after successful appeals. Also, see "-Largest Taxpayers" for Marketplace IL Realty's tax delinquency. See "RISK FACTORS – Tax Collections" herein.
(2) In process of collection, as of October 20, 2026.
Source: Cook County Treasurer's Office

Largest Taxpayers

The taxpayers listed below represent 10.91% of the District's 2024 EAV which is $498,148,253 (which excludes TIF incremental EAV totaling $18,084,293). Reasonable efforts have been made to determine and report the largest taxpayers and to include all taxable property of those taxpayers listed. Many of the taxpayers listed, however, may own multiple parcels, and it is possible that some parcels and their valuations may not be included. The 2024 EAV for largest taxpayers is the most current available.

Taxpayer	Description	2024 EAV	% of EAV
Marketplace IL Realty.[1]	Retail Store Property.....	$ 10,383,140	2.08%
Walmart Trust.....	Grocery Store.....	6,960,817	1.40%
Applewood Nursing.....	Nursing and Rehabilitation Center.....	6,091,502	1.22%
Glenshire RE LP.....	Nursing and Rehabilitation Center.....	5,463,900	1.10%
Governors SAI LLC.....	Commercial Space.....	4,959,734	1.00%
Park Tower Morgan Property.....	Apartment Homes.....	4,695,931	0.94%
Olympia Fields Country Club.....	Country Club.....	4,553,250	0.91%
RMS Properties.....	Retail Store Property.....	4,027,076	0.81%
Castle Ridge Builders.....	Construction/Development.....	3,759,183	0.75%
Cyclone Richton Park 1.....	Apartment Homes.....	3,476,443	0.70%
Total.....		$ 54,370,976	10.91%

(1) This taxpayer is a large strip mall with mostly vacant buildings. The Assessor has continued to over assess this taxpayer (whose EAV doubled this year). The property owner has been challenging its assessments and has not been paying its property taxes. This taxpayer owes $3.8 million to the District for cumulative back taxes. The District understands that the Village has acquired the smallest of the three Property Index Numbers (PIN) that make up the property. The District has been encouraging the Village to consider options for the remaining property including, but not limited to, the Village potentially purchasing the remaining portions of the property.
Source: County Clerk's Office, other than the taxpayer descriptions, which are derived from publicly-available sources.

Summary of Outstanding Debt

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

Issue Description	Dated Date	Original Amount of Issue		Current Amount Outstanding		Final Maturity Date	
The 2015A Bonds	07/22/15	$ 3,475,000		$ 415,000		12/01/26	
The 2015B Bonds	10/22/15	3,285,000		345,000	*	12/01/28	
G.O. School Bonds (ARS), Series 2018B (the "2018B Bonds")	03/08/18	2,180,000		1,595,000		12/01/37	
The 2019A Bonds	01/30/19	6,485,000		4,350,000	*	12/01/30	
The 2019B Bonds	01/30/19	765,000		115,000		12/01/28	
G.O. School Bonds (ARS), Series 2019C (the "2019C Bonds")	06/03/19	8,520,000		6,605,000		12/01/38	
G.O. School Bonds (ARS), Series 2020A (the "2020A Bonds")	04/29/20	5,980,000		4,570,000		12/01/38	
G.O. Refunding School Bonds (ARS), Series 2020B (the "2020B Bonds")	09/03/20	7,110,000		3,390,000		12/01/29	
The 2022 Bonds	11/01/22	5,000,000		5,000,000		11/01/42	
G.O. School Bonds (ARS), Series 2023 (the "2023 Bonds")	06/12/23	4,975,000		4,975,000		12/01/43	
G.O. School Bonds, Series 2025	03/12/25	14,510,000		14,130,000		12/01/45	
The 2026 Certificates	06/29/26	1,985,000		1,985,000		06/01/41	
The 2026A Bonds	11/23/26	5,585,000	*	5,585,000	*	12/01/36	*
The 2026B Bonds	11/23/26	665,000	*	665,000	*	12/01/37	*
Total				$ 53,725,000	*		

*Preliminary, subject to change.

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Debt Repayment Schedule

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

Fiscal Year	Principal Outstanding	Less: The 2015B Refunded Bonds*	Less: The 2019A Refunded Bonds*	The 2026A Bonds*	The 2026B Bonds*	Total Principal*	Cumulative Amount*	Retirement Percent*
2027	$ 2,990,000	$ -	$ -	$ -	$ -	$ 2,990,000	$ 2,990,000	5.57%
2028	3,275,000	(340,000)	-	-	-	2,935,000	5,925,000	11.03
2029	3,320,000	(320,000)	-	-	-	3,000,000	8,925,000	16.61
2030	3,470,000	-	(310,000)	-	-	3,160,000	12,085,000	22.49
2031	2,690,000	-	(315,000)	-	-	2,375,000	14,460,000	26.91
2032	2,215,000	-	-	885,000	-	3,100,000	17,560,000	32.68
2033	2,310,000	-	-	940,000	-	3,250,000	20,810,000	38.73
2034	2,425,000	-	-	1,000,000	-	3,425,000	24,235,000	45.11
2035	2,535,000	-	-	1,060,000	-	3,595,000	27,830,000	51.80
2036	2,645,000	-	-	1,130,000	-	3,775,000	31,605,000	58.83
2037	2,775,000	-	-	570,000	635,000	3,980,000	35,585,000	66.24
2038	2,895,000	-	-	-	30,000	2,925,000	38,510,000	71.68
2039	2,845,000	-	-	-	-	2,845,000	41,355,000	76.98
2040	1,860,000	-	-	-	-	1,860,000	43,215,000	80.44
2041	1,950,000	-	-	-	-	1,950,000	45,165,000	84.07
2042	1,850,000	-	-	-	-	1,850,000	47,015,000	87.51
2043	1,935,000	-	-	-	-	1,935,000	48,950,000	91.11
2044	2,030,000	-	-	-	-	2,030,000	50,980,000	94.89
2045	1,695,000	-	-	-	-	1,695,000	52,675,000	98.05
2046	1,050,000	-	-	-	-	1,050,000	53,725,000	100.00
	$ 48,760,000	$ (660,000)	$ (625,000)	$ 5,585,000	$ 665,000	$ 53,725,000		

*Preliminary, subject to change.

Overlapping General Obligation Bonded Debt
(As of September 17, 2026)

		Allocated to the District	
Taxing Body	Bonded Debt[(1)]	Percent	Amount
The County	$1,739,330,000	0.239%	$4,156,999
Cook County Forest Preserve District	39,410,000	0.239%	94,190
Metropolitan Water Reclamation District	1,877,755,000[(2)]	0.242%	4,544,167
The Village	1,115,000	29.260%	326,249
Village of Park Forest	980,000	18.898%	185,200
Richton Park Public Library District	2,490,000	55.958%	1,393,354
Olympia Fields Park District	397,595	89.479%	355,764
Rich Twp. High School District 227	70,400,000	33.745%	23,756,480
Prairie State Community College District No. 515	20,865,000	10.523%	2,195,624
Total			$37,008,027

(1) Does not include alternate revenue bonds. Under the Debt Reform Act, alternate revenue bonds are not included in the computation of indebtedness of the overlapping taxing bodies unless the taxes levied to pay the principal of and interest on the alternate revenue bonds are extended for collection. The District provides no assurance that any of the taxes so levied have not been extended, nor can the District predict whether any of such taxes will be extended in the future.
(2) Excludes IEPA Revolving Loan Bonds.
Source: With respect to the applicable taxing bodies and the percentage of overlapping EAV, the County Clerk's Office. Information regarding the outstanding indebtedness of the overlapping taxing bodies was obtained from publicly-available sources.

Debt Statement

General Obligation Direct Debt	$48,760,000	
Less: 2015B Refunded Bonds	($660,000)	*
Less: 2019A Refunded Bonds	($625,000)	*
The 2026A Bonds	$5,585,000	*
The 2026B Bonds	$665,000	*
Leases	$173,306	
Less: Self Supporting Debt[(1)]	($21,135,000)	
Net Direct Debt	$32,763,306	*
Overlapping Bonded Debt	$37,008,027	
Net Direct Debt and Overlapping Bonded Debt	$69,771,333	*
EAV (2025) [(2)]	$491,770,037	
Statutory Debt Limit (6.9% of EAV)	$33,932,132	
Statutory Debt Margin	$1,168,826	*

(1) Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2018B Bonds, 2019C Bonds, 2020A Bonds, 2020B Bonds and 2023 Bonds) are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerk.
(2) Excludes TIF incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
*Preliminary, subject to change.

Debt Ratios [1]

Estimated Market Valuation (2025)	$1,475,310,111
EAV (2025).[2]	$491,770,037
2020-2024 American Community Survey Population Estimate	22,655
Net Direct Debt to EAV	6.66% *
Net Direct Debt to Estimated Market Valuation	2.22% *
Net Direct Debt and Overlapping Bonded Debt to EAV	14.19% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation	4.73% *
Net Direct Debt Per Capita	$1,446.18 *
Net Direct Debt and Overlapping Bonded Debt Per Capita	$3,079.73 *

(1) Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2018B Bonds, 2019C Bonds, 2020A Bonds, 2020B Bonds and 2023 Bonds) are not included in the computation of indebtedness of the District unless the taxes levied to pay the principal of and interest on such alternate revenue bonds are extended for collection by the County Clerk.
(2) Excludes TIF incremental EAV. See "Tax Increment Financing Districts Located within the District" herein.
*Preliminary, subject to change.

Short-Term Financing Record

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

Future Financing

The District does not intend to issue any additional long-term debt in the next six months. The District expects to issue approximately $13.4 million of school fire prevention and safety bonds in 2028 or later to fund the next three-year cycle of construction projects.

Default Record

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

SUMMARY OF OPERATING RESULTS

General Fund Revenue Sources
(Years Ended June 30)

Below is a summary of the General Fund revenue sources exclusive of "on-behalf" payments made by the State to TRS, as defined herein. This summary is provided since Moody's combines these funds as the "General Fund" in its report. However, the District's general fund in its Annual Comprehensive Financial Report includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund and Tort Fund.

	2022	2023	2024	2025	Preliminary 2026
Local Sources.....	50.15 %	51.30 %	49.97 %	47.30 %	55.14 %
State Sources.....	36.52	32.40	37.15	41.69	34.70
Federal Sources.....	13.32 [(1)]	16.30 [(1)]	12.87 [(1)]	11.01 [(1)]	10.16
Total.....	100.00 %	100.00 %	100.00 %	100.00 %	100.00 %

(1) Increase in Federal Sources due in large part to the District's receipt of federal COVID-19 funds. See "STATE AID—Federal COVID-19 Funds Distributed to the District" herein.
Source: Compiled from the District's Annual Financial Reports filed with ISBE for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

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

Below is a combined summary of the operating funds of the District (consisting of the Educational Fund, Operations and Maintenance Fund, Transportation Fund, Working Cash Fund, IMRF/Social Security Fund and Tort Fund) in addition to the Debt Service Fund exclusive of "on-behalf" payments made by the State to TRS. The District's general fund in its Annual Comprehensive Financial Report includes the Educational Fund, Operations and Maintenance Fund, Working Cash Fund and Tort Fund.

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund [1]	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
2022									
Receipts	$ 37,860,974	$ 4,110,704	$ 41,971,678	$ 1,880,063	$ 174,532	$ 1,165,184	$ 94	$ 4,751,055	$ 49,942,606
Disbursements	35,245,381	4,005,196	39,250,577	2,789,929	-	985,424	-	4,867,429	47,893,359
Net Surplus (Deficit)	2,615,593	105,508	2,721,101	(909,866)	174,532	179,760	94	(116,374)	2,049,247
Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	2,207,097	(161,473)	2,045,624	2,763,620	8,171,580	219,054	193	1,063,148	14,263,219
Ending Fund Balance	$ 4,822,690	$ (55,965)	$ 4,766,725	$ 1,853,754	$ 8,346,112	$ 398,814	$ 287	$ 946,774	$ 16,312,466
2023									
Receipts	$ 39,762,715	$ 4,590,921	$ 44,353,636	$ 2,908,901	$ 423,004	$ 1,262,144	$ 106	$ 5,255,327	$ 54,203,118
Disbursements	39,187,647	4,440,665	43,628,312	3,635,565	271,350	988,808	-	5,039,200	53,563,235
Net Surplus (Deficit)	575,068	150,256	725,324	(726,664)	151,654	273,336	106	216,127	639,883
Other Sources (Uses)	433,375	1,000,000	1,433,375	-	4,149,769	-	-	112,018	5,695,162
Beginning Fund Balance	4,822,690	(55,965)	4,766,725	1,853,754	8,346,112	398,814	287	946,774	16,312,466
Ending Fund Balance	$ 5,831,133	$ 1,094,291	$ 6,925,424	$ 1,127,090	$ 12,647,535	$ 672,150	$ 393	$ 1,274,919	$ 22,647,511
2024									
Receipts	$ 39,799,614	$ 4,264,583	$ 44,064,197	$ 4,955,405	$ 510,121	$ 1,350,932	$ 105	$ 5,606,261	$ 56,487,021
Disbursements	39,982,128	4,631,635	44,613,763	4,582,471	-	1,135,438	-	5,407,720	55,739,392
Net Surplus (Deficit)	(182,514)	(367,052)	(549,566) [2]	372,934	510,121	215,494	105	198,541	747,629
Other Sources (Uses)	-	-	-	-	(4,118,132) [3]	-	-	-	(4,118,132)
Beginning Fund Balance	5,831,133	1,094,291	6,925,424	1,127,090	12,647,535	672,150	393	1,274,919	22,647,511
Ending Fund Balance	$ 5,648,619	$ 727,239	$ 6,375,858	$ 1,500,024	$ 9,039,524	$ 887,644	$ 498	$ 1,473,460	$ 19,277,008
2025									
Receipts	$ 41,979,647	$ 4,994,018	$ 46,973,665	$ 3,775,679	$ 462,747	$ 896,367	$ 83	$ 5,124,332	$ 57,232,873
Disbursements	41,583,212	4,991,348	46,574,560	5,093,326	-	1,208,627	-	5,970,839	58,847,352
Net Surplus (Deficit)	396,435	2,670	399,105	(1,317,647)	462,747	(312,260)	83	(846,507)	(1,614,479)
Other Sources (Uses)	-	-	-	-	-	-	-	-	-
Beginning Fund Balance	5,648,619	727,239	6,375,858	1,500,024	9,039,524	887,644	498	1,473,460	19,277,008
Ending Fund Balance	$ 6,045,054	$ 729,909	$ 6,774,963	$ 182,377 [4]	$ 9,502,271	$ 575,384	$ 581	$ 626,953	$ 17,662,529
Preliminary 2026									
Receipts	$ 39,874,379	$ 5,513,995	$ 45,388,374	$ 6,133,817 [5]	$ 335,232	$ 1,309,158	$ 87	$ 5,553,638	$ 58,720,306
Disbursements	45,314,521	5,121,815	50,436,336	6,447,061	-	1,330,447	-	5,684,392	63,898,236
Net Surplus (Deficit)	(5,440,142)	392,180	(5,047,962)	(313,244)	335,232	(21,289)	87	(130,754)	(5,177,930)
Other Sources (Uses)	2,903,500	-	2,903,500	1,000,000	(5,250,000)	-	-	1,346,500	-
Beginning Fund Balance	5,988,394 [6]	729,909	6,718,303	182,377	9,502,271	575,384	581	626,953	17,605,869
Ending Fund Balance	$ 3,451,752	$ 1,122,089	$ 4,573,841	$ 869,133	$ 4,587,503	$ 554,095	$ 668	$ 1,842,699	$ 12,427,939
Fund Balance as % of Disbursements			9.07%						19.45%

See footnotes on next page.

(1) See "Working Cash Fund" herein for a description of the Working Cash Fund.
(2) Deficit due to Evidence-Based Funding being allocated to the Capital Projects Fund for a large amount of construction done in fiscal year 2024.
(3) Transfer of proceeds of the 2022 Bonds to the Capital Projects Fund for fiscal year 2024 construction projects.
(4) The decrease in fund balance is due in large part to increases in transportation contractor costs, increases in the number of special education students requiring special transportation to facilities outside of the District, late distribution of property taxes by the County and lower transportation reimbursement from the State.
(5) Significant increase in revenue is due in large part to the District increasing the 2025 tax rate for Transportation from $0.166 to $0.615.
(6) Restated beginning balance.
Source: Compiled from the District's Annual Comprehensive Financial Report for fiscal years ended June 30, 2022-2025 and preliminary, unaudited fiscal year 2026 results provided by the District.

Fiscal Year 2026 Preliminary Results

The District attributes the fiscal year 2026 operating deficit to the following: lost interest income of $330,000 due to the delay in fall 2025 property tax distributions; a $2.2 million increase in special education costs over fiscal year 2025; changes in mandated categorical state aid proration; an expected loss of $500,000 in property tax revenue from fall property tax collections; and the loss of $1 million in expected spring 2026 property tax distributions.

The Board adopted a balanced operating budget for fiscal year 2027. The operating funds surplus is due, in large part, to the receipt of the Property Tax Relief Grant (as described below) and the timing of property tax collections. Currently, the District is expecting a $2.8 million operating funds surplus (net of the proceeds of the 2026A Bonds being used for Working Cash Fund purposes).

The District has also implemented a deficit reduction plan that includes the following:

- Significant operating revenue increases include:
  - The District is allocating $2.3 million of Evidence-Based Funding to construction in fiscal year 2027 versus $3 million in fiscal year 2026 ($700,000 reduction). In fiscal year 2028, the District expects to allocate only $500,000 to construction ($1.8 million reduction from fiscal year 2027).
  - $2 million in additional property taxes recognized in fiscal year 2027 due to the loss of the Property Tax Relief Grant
  - Fiscal year 2027 Property Tax Relief Grant Evidence-Based Funding revenue will be received in May 2027

- Significant expenditure reductions include:
  - Reductions in bus routes and bus monitors: $240,000. Due to the contract with a new carrier, the District has not implemented this measure yet, but expects to do so in November 2026, provided transportation service is showing improvement (see "- Federal COVID-19 Funds Distributed to the District" herein).
  - The District expected to save $500,000 in Special Education outplaced student tuition but given the number of students requiring

outplacement this year, the District is not confident it can achieve that level of savings.

The District understands it still has the following future budgetary pressures:

- Transportation contract costs
- Rising special education costs
- The State's uncertain financial future and its impact on Evidence-Based Funding and Mandated Categorical State Aid

The District, however, remains committed to achieving balanced operating budgets. The following upcoming retirements are expected to reduce personnel expenses:

- Fiscal year 2027: four teachers
- Fiscal year 2028: six teachers

On-Behalf Payments Summary
(Years Ended June 30)

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

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

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

Fiscal Year	On-Behalf Payments
2021	$ 1,791,143
2022	1,849,977
2023	2,044,716
2024	2,195,916
2025	2,219,393

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

Working Cash Fund

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

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

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

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

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

Budget Summary

Below is the District's budget summary for the fiscal year ending June 30, 2027.

Fund	Preliminary Fund Balances July 1, 2026 [1]	FY27 Revenue	FY27 Expenditures	FY27 Other Sources/ (Uses)	Estimated Fund Balances June 30, 2027
Educational	$ 3,451,752	$ 48,551,767	$ 46,686,637	$ -	$ 5,316,882
Operations & Maintenance	1,122,089	5,575,836	5,408,423	-	1,289,502
Transportation	869,133	6,060,218	5,771,071	-	1,158,280
IMRF/Social Security	554,095	1,375,876	1,347,638	-	582,333
Working Cash	4,587,503	486,101	-	3,309,904	8,383,508
Total Operating Funds	$ 10,584,572	$ 62,049,798	$ 59,213,769	$ 3,309,904	$ 16,730,505
Debt Service	$ 1,842,699	$ 3,940,971	$ 5,303,629	$ -	$ 480,041
Fire Prevention & Safety	8,566,342	225,000	3,646,342	-	5,145,000
Capital Projects	(1,800,450)	2,378,761	2,378,761	1,690,096	(110,354)
Tort	668	109	-	-	777
Total All Funds	$ 19,193,831	$ 68,594,639	$ 70,542,501	$ 5,000,000	$ 22,245,969

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

STATE AID

General

The State provides aid to local school districts on an annual basis as part of the State's appropriation process. Many school districts throughout the State rely on such State aid as a significant part of their budgets. For the fiscal year ended June 30, 2025, 41.69% of the District's General Fund revenue came from State funding sources. See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for more information concerning the breakdown of the District's revenue sources.

General State Aid - Evidence-Based Funding Model

Beginning with fiscal year 2018, general State funds ("General State Aid") have, pursuant to Public Act 100-0465, been distributed to school districts under the "Evidence-Based Funding Model". The Evidence-Based Funding Model sets forth a school funding formula that ties individual district funding to evidence-based best practices that certain research shows enhance student achievement in the classroom. Under the funding formula, ISBE will calculate

an adequacy target (the "Adequacy Target") each year for each district based upon its unique student population, regional wage differences and best practices. Each district will be placed in one of four tiers depending on how close the sum of its local resources available to support education (based on certain State resources and its expected property tax collections, its "Local Capacity Target") and its Base Funding Minimum (as hereinafter defined) are to its Adequacy Target; Tier One and Tier Two for those districts that are the furthest away from their Adequacy Targets and Tier Three and Tier Four for those districts that are the closest to (or above) their Adequacy Targets. For each school year, all State funds appropriated for General State Aid in excess of the amount needed to fund the Base Funding Minimum for all school districts ("New State Funds") will be distributed to districts based on tier placement. Of any New State Funds available, Tier One receives 50%, Tier Two receives 49%, Tier Three receives 0.9%, and Tier Four receives 0.1%. Tier Two includes all Tier One districts for the purpose of the allocation percentages for New State Funds.

On June 16, 2026, Governor Pritzker signed the State's $55.9 billion general funds budget (Public Act 104-0464) for the fiscal year ending June 30, 2027 (the "Fiscal Year 2027 Budget"). The Fiscal Year 2027 Budget increased mandated categorical state aid by approximately $68 million. The Fiscal Year 2027 Budget also appropriated General State Aid in an amount $350 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 provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district's "Base Funding Minimum"). The Base Funding Minimum for the District for school year 2017-2018 was $11,232,253 (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 Evidence-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in fiscal year ending June 30, 2027.

Fiscal Year	Base Funding Minimum	Tier Number	Amount of New State Funds	Total Evidence-Based Funding
2022	$ 14,151,180	2	$ 264,219	$ 14,415,399
2023	16,245,173	2	215,305	16,460,478
2024	18,597,124	2	93,677	18,690,801
2025	20,576,666	2	61,357	20,638,023
2026 (1)	22,572,007	2	87,678	22,659,685
2027 (2)	22,659,685	2	121,750	22,781,435

(1) Estimated.
(2) Projected.
Source: ISBE

Property Tax Relief Pool Funds

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the "Property Tax Relief Pool"). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district's percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. Beginning in Fiscal Year 2027, 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 for each of the two succeeding levy years. 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.

In the Fiscal Year 2027 Budget, $48.7 million of General State Aid was allocated to the Property Tax Relief Pool.

The District has received Property Tax Relief Grants as described in the following chart:

Fiscal Year of Grant Award	Grant Amount	Abatement Amount	Levy Years of Abatement	Fiscal Year Grant Added to EBF
2020	$ 1,836,999	$ 1,972,837	2019 and 2020	2020
2021	No Grants			
2022	1,829,774	1,939,938	2021 and 2022	2022
2023	2,136,646	2,262,781	2022 and 2023	2023
2024	1,885,864	1,995,504	2023 and 2024	2024
2025	1,933,984	2,018,999	2024 and 2025	2025
2026	No Grants			

The District will apply for a Property Tax Relief Grant for fiscal year 2027. The District is guaranteed $1.5 million in grant funding and could receive approximately $2.8 million. Under the revised program rules, the District will be required to abate its property tax levy for three years—the grant year and the two succeeding levy years—rather than the two levy years applicable to its prior grants.

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 Mandated Categorical State Aid requirements. As such, the District's revenues may be impacted in the future by increases or decreases in the level of funding appropriated by the State for Mandated Categorical State Aid.

Competitive Grant State Aid

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

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

Payment for Mandated Categorical State Aid and Competitive Grant State Aid

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

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

See "SUMMARY OF OPERATING RESULTS – General Fund Revenue Sources" herein for a summary of the District's general fund revenue sources.

Federal COVID-19 Funds Distributed to the District

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

The District received $814,424 pursuant to ESSER I, $3,189,045 pursuant to ESSER II and $7,365,910 pursuant to ESSER III. All ESSER funds have been spent. Most of the ESSER funds were spent on PPE, Chromebooks, COVID test kits, bus monitors, learning loss and facility renovations such as air purification, HVAC equipment and bathroom renovations. The District has retained bus monitors that were previously paid from ESSER funds and are now being paid from operating funds at an approximate annual cost of $600,000. Under the bus contract that is in effect for fiscal year 2027, the District plans to remove the monitors from the buses in November 2026, provided transportation service is showing improvement.

SCHOOL DISTRICT FINANCIAL PROFILE

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

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

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

- Financial Recognition. A school district with a score of 3.54-4.00 is assigned to this category, which is the best category of financial strength. These districts require minimal or no active monitoring by ISBE unless requested by the district.

- Financial Review. A school district with a score of 3.08-3.53 is assigned to this category, the next highest financial strength category. These districts receive a limited review by ISBE, but are monitored for potential downward trends. ISBE staff also review the next year's school budget for further negative trends.

- Financial Early Warning. A school district with a score of 2.62-3.07 is placed in this category. ISBE monitors these districts closely and offers proactive technical assistance, such as financial projections and cash flow analysis. These districts also are reviewed to determine whether they meet the criteria set forth in Article 1A-8 of the School Code to be certified in financial difficulty and possibly qualify for a Financial Oversight Panel.

- Financial Watch. A school district with a score of 1.00-2.61 is in this category, the highest risk category. ISBE monitors these districts very closely and offers technical assistance with, but not limited to, financial projections, cash flow analysis, budgeting, personnel inventories and enrollment projections. These districts are also assessed to determine if they qualify for a Financial Oversight Panel.

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

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

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

Fiscal Year (June 30)	Original Score	Designation Based on Original Score	Adjusted Score	Designation Based on Adjusted Score
2021	3.60	Financial Recognition	3.60	Financial Recognition
2022	3.60	Financial Recognition	3.60	Financial Recognition
2023	3.60	Financial Recognition	3.60	Financial Recognition
2024	3.60	Financial Recognition	3.60	Financial Recognition
2025	3.25	Financial Review	3.25	Financial Review

Source: ISBE

RETIREMENT PLANS

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

The following summarizes certain provisions of the Pension Plans and the funded status of the Pension Plans, as more completely described in Note 8 to the Audit, attached hereto as Appendix B.

Background Regarding Pension Plans

The Actuarial Valuation

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

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

GASB Standards

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

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

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

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

Pension Plans Remain Governed by the Pension Code

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

Teachers' Retirement System of the State of Illinois

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

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

For information relating to the actuarial assumptions and methods used by TRS, including the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate, see Note 8 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 TRS on behalf of the District, except for a small portion contributed by the teacher's employer, such as the District. For the fiscal years ended June 30, 2021 through June 30, 2025, all amounts contributed by the District to TRS were as follows:

Fiscal Year Ended June 30	TRS Contribution
2021	$ 200,726
2022	246,280
2023	334,883
2024	241,846
2025	198,902

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

For information regarding additional contributions the District may be required to make to TRS with respect to certain salary increases and other programs, see Note 8 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 8 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 2025 was 6.48% of covered payroll.

For the calendar years ended December 31, 2021 through December 31, 2025, the District contributed the following amounts to IMRF:

Calendar Year Ended December 31	IMRF Contribution
2021	$ 394,269
2022	324,468
2023	340,148
2024	401,208
2025	449,680

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2021-2025.

Measures of Financial Position

The following table presents the measures of the IMRF Account's financial position as of December 31, 2021 through December 31, 2025, which are presented pursuant to the GASB Standards.

Calendar Year Ended December 31	Total Pension Liability	Fiduciary Net Position	Net Pension Liability/(Asset)	Fiduciary Net Position as a % of Total Pension Liability	Discount Rate
2021	$ 19,340,910	$ 21,816,353	$ (2,475,443)	112.80%	7.25%
2022	20,161,602	18,408,206	1,753,396	91.30%	7.25%
2023	20,950,042	20,135,295	814,747	96.11%	7.25%
2024	22,942,517	21,984,171	958,346	95.82%	7.25%
2025	23,763,730	24,186,218	(422,488)	101.78%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2021-2025.

See Note 8 to the Audit, and the related required supplementary information disclosures, for a description of the IMRF, the IMRF Account, the District's funding policy, information on the assumptions and methods used by the actuary, and the financial reporting information required by the GASB Standards.

Post-Employment Benefit Trust

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

The District also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67% during the year ended June 30, 2025, 0.67% during the year ended June 30, 2024 and 0.67% during the year ended June 30, 2023. For the year ended June 30, 2025, the District paid $137,097 to the THIS fund. For the years ended June 30, 2024 and June 30, 2023, the District paid $135,208 and $131,613, respectively, to the THIS Fund, which was 100% of the required contribution.

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.

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

The 2026B Bonds

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 District has 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 the District's compliance 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 Internal Revenue Code of 1986, as amended (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 District with respect to certain material facts within the District's knowledge. Bond Counsel's opinion represents its legal judgment based upon its review of the law and the facts that it deems relevant to render such opinion and is not a guarantee of a result.

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

Owners of 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 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.

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

QUALIFIED TAX-EXEMPT OBLIGATIONS

Subject to the District's compliance with certain covenants, in the opinion of Bond Counsel, the 2026B Bonds are "qualified tax-exempt obligations" under the small issuer exception provided under Section 265(b)(3) of the Code, which affords banks and certain other financial institutions more favorable treatment of their deduction for interest expense than would otherwise be allowed under Section 265(b)(2) of the Code.

LITIGATION

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

BOND RATINGS

S&P is expected to assign its municipal bond rating of "AA" (Stable Outlook) to the Bonds with the understanding that upon delivery of the Bonds the Policy will be issued by BAM. See "BOND INSURANCE" above. Moody's has assigned its municipal underlying rating of "Aa3" to the Bonds.

The ratings reflect only the views of S&P and Moody's (together, the "Rating Agencies") and any explanation of the significance of such rating may only be obtained from the 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 may not be changed by the Rating Agencies, if, in the rating agency's judgment, circumstances so warrant. Any downward change in or withdrawal of the ratings may have an adverse effect on the market price of the Bonds. Except as may be required by the Undertaking described below under the heading "CONTINUING DISCLOSURE," neither the District nor the Underwriter undertakes responsibility to bring to the attention of the owners of the Bonds any proposed change in or withdrawal of such ratings or to oppose any such revision or withdrawal.

CONTINUING DISCLOSURE

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

The District implemented the March, 2019 update (Issue 100) of the Illinois Association of School Boards' Policy Reference Education Subscription Service (PRESS) that includes disclosure policies and procedures as 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.

The District has not failed to comply in the previous five years in any material respect with undertakings previously entered into by it pursuant to the Rule. The District has retained PMA to act as the District's Dissemination Agent for its continuing disclosure filings. A failure by the District to comply with the Undertaking will not constitute a default under the Bond Resolution and beneficial owners of the Bonds are limited to the remedies described in the Undertaking. The District must report any failure to comply with the Undertaking in accordance with the Rule. Any broker, dealer or municipal securities dealer must consider such report before recommending the purchase or sale of the Bonds in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Bonds and their market price.

CERTAIN LEGAL MATTERS

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

UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, Chicago, Illinois (the "Underwriter" or "Stifel"), has agreed, subject to the terms of a purchase contract (the "Purchase Contract") to purchase the 2026A Bonds from the District at a price of $_____ and the 2026B Bonds from the District at a price of $_____. The Purchase Contract provides, in part, that the obligation of the Underwriter is subject to certain conditions precedent and that the Underwriter will be obligated to purchase all of the Bonds if any of the Bonds are purchased. The Underwriter has further agreed to offer the Bonds to the public at the approximate initial offering yields as set forth on the inside cover hereto. The Underwriter may offer and sell the Bonds to

certain dealers and others at yields different than the offering yields stated on the inside cover hereto. The offering yields may be changed from time to time by the Underwriter. The aggregate underwriting fee for the Bonds equals ____ percent of the par amount of the Bonds.

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

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

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

MUNICIPAL ADVISOR

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

PMA is a broker-dealer and municipal advisor registered with the Commission and the MSRB and is a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In these roles, PMA generally provides fixed income brokerage services and public finance services to municipal entity clients, including municipal advisory services and advice with respect to the investment of proceeds of municipal securities. PMA is affiliated with PMA Financial Network, LLC, a financial services provider, and PMA Asset Management, LLC, and Public Trust Advisors, LLC, both investment advisers registered with the Commission. These entities operate under common ownership with PMA and are collectively referred to in this disclosure as the "Affiliates." Each of these Affiliates also provides services to municipal entity clients and PMA and Affiliates market the services of the other Affiliates.

Unless otherwise stated, separate fees are charged for each of these products and services and referrals to its Affiliates result in an increase in revenue to the overall Affiliated companies.

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

THE OFFICIAL STATEMENT

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

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

Accuracy and Completeness of the Official Statement

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

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

/s/_____
Chief Financial Officer
School District Number 162
Cook County, Illinois

November __, 2026

Appendix A

Forms of Legal Opinions of Bond Counsel

PROPOSED FORM OF OPINION OF BOND COUNSEL – 2026A BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 162
Cook 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 162, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Limited Tax School Bonds, Series 2026A (the *"Bonds"*), to the amount of $_____, dated _____, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2031	$	%
2032		%
2033		%
2034		%
2035		%
2036		%

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, 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, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Law"*). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

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.

PROPOSED FORM OF OPINION OF BOND COUNSEL – 2026B BONDS

[LETTERHEAD OF CHAPMAN AND CUTLER LLP]

[TO BE DATED CLOSING DATE]

School District Number 162
Cook 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 162, Cook County, Illinois (the *"District"*), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax Refunding School Bonds, Series 2026B (the *"Bonds"*), to the amount of $_____, dated _____, 2026, due serially on December 1 of the years and in the amounts and bearing interest as follows:

2036	$	%
2037		%

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, 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, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. The amount of said taxes that may be extended to pay the Bonds is limited as provided by the Property Tax Extension Limitation Law of the State of Illinois, as amended (the *"Law"*). The Law provides that the annual amount of said taxes to be extended to pay the Bonds and all other limited bonds (as defined in the Local Government Debt Reform Act of the State of Illinois, as amended) heretofore and hereafter issued by the District shall not exceed the debt service extension base (as defined in the Law) of the District, as more fully described in the Proceedings.

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 (the *"Code"*). 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.

It is also our opinion that the Bonds are "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Code.

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

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

Appendix B

Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025

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

Matteson Elementary School District No. 162
Richton Park, Illinois

Annual Comprehensive Financial Report
Year Ended June 30, 2025

Prepared by
Dr. Blondean Y. Davis
Superintendent

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MATTESON ELEMENTARY SCHOOL DISTRICT NO. 162

Matteson, Illinois

LIST OF DISTRICT OFFICIALS

June 30, 2025

BOARD OF EDUCATION

Ron Bean	President
Jeffrey Johnson	Vice President
Sandi Gordon	Secretary
LaSandra Hutchinson	Member
Dr. Darnell Leatherwood	Member
Karen McCray	Member
Rachel Ware	Member

DISTRICT ADMINISTRATION

Blondean Y. Davis, Ed.D.	Superintendent
Douglas Hamilton, Ed.D.	Associate Superintendent
Marvin Talley	Associate Superintendent
Robert Tomic, Ed.D.	Associate Superintendent
Craig Englert	Chief Financial Officer

OFFICIAL ISSUING REPORT

Blondean Y. Davis, Ed.D.	Superintendent

ADMINISTRATIVE CENTER

4601 Sauk Trail
Richton Park, Illinois 60471

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT

Board of Education
Matteson School District No. 162
Richton Park, Illinois

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Matteson School District No. 162 (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, each major fund and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position 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 Auditor's 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.

Emphasis of Matter

As discussed in Note 1 to the financial statements, the District has adopted GASB Statement No. 101, *Compensated Absences* as of July 1, 2024. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 statements date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with 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 Management's Discussion and Analysis and other 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 are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, as listed in the table of contents, is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated February 27, 2026 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 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.

Crowe LLP

Crowe LLP

Oakbrook Terrace, Illinois
February 27, 2026

Required Supplementary Information

Management's Discussion And Analysis (MD&A)

This section of Matteson Elementary School District No. 162's (the District) annual financial report presents its discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2025. Please read it in conjunction with the District's financial statements.

The Management's Discussion and Analysis (MD&A) is an element of the reporting model adopted by the Governmental Accounting Standards Board (GASB) in their Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for State and Local Governments*, issued June 1999.

Financial Highlights

- General revenues accounted for $48,372,450 or 69.4 percent of all revenue. Program specific revenues in the form of charges for services and operating grants and contributions accounted for $21,313,458 or 30.6 percent of total revenues of $69,685,908.
- The District had $68,346,061 in expenses; only $21,313,458 of these expenses were offset by program specific charges for services, grants or contributions. General revenues (primarily taxes and state aid-formula grants) of $48,372,450 were used to provide for these programs.
- Enrollment has stabilized since decline from its peak in the mid to late 2000's.

Overview of the Financial Statements

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

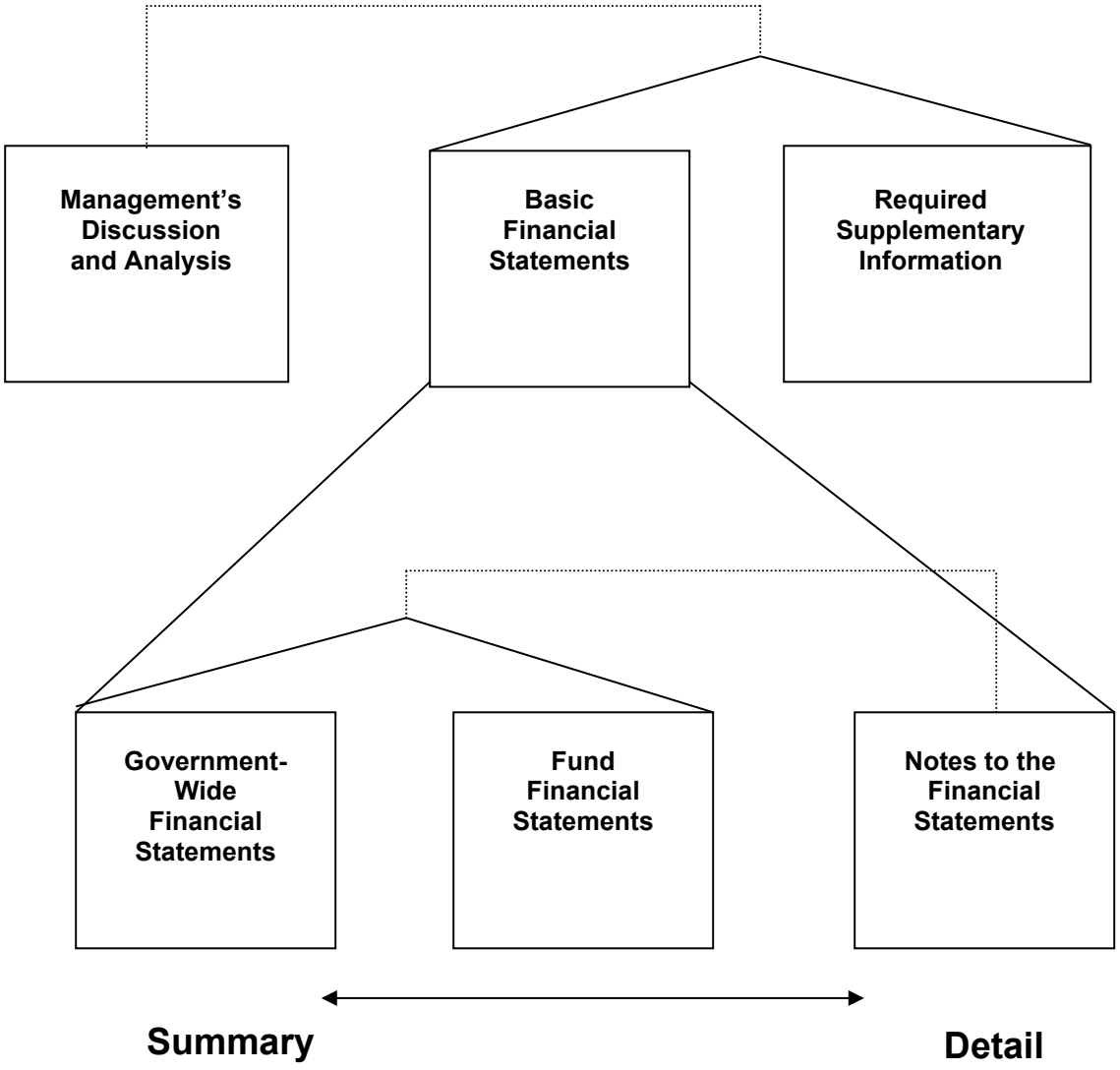
- The first two statements are *government-wide financial statements* that provide both *short-term* and *long-term* information about the District's *overall* financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the District, reporting the District's operations in *more detail* than the government-wide statements. The *fund financial statements* tell how basic services such as regular and special education were financed in the *short-term* as well as what remains for future spending.
- *Fiduciary funds* statements (which are a part of the fund financial statements) provide information about the financial relationships in which the District acts solely as a *trustee* or *agent* for the benefit of others.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data. The statements are followed by a section of required supplementary information that further explains and supports the financial statements.

Figure A-1 shows how the various parts of this annual report are arranged and relate to one another.

Figure A-1

Organization of Matteson Elementary School District No. 162 Annual Financial Report



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

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

Figure A-2

Major Features of the Government-Wide and Fund Financial Statements

	Government-Wide Statements	Fund Financial Statements	
		Governmental Funds	Fiduciary Funds
Scope	Entire District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary, such as Educational and Operations and Maintenance.	Instances in which the District holds assets in a fiduciary capacity, such as parent teacher organizations.
Required financial statements	• Statements of net position • Statement of activities	• Balance sheet • Statement of revenues, expenditures and changes in fund balances.	• Statement of fiduciary net position • Statement of changes in fiduciary net position.
Accounting basis and measurement focus	Accrual accounting and economic resources focus.	Modified accrual accounting and current financial focus.	Accrual accounting and economic resources focus.
Type of asset and deferred outflow of resources / liability and deferred inflow of resources	All assets, deferred outflows of resources, liabilities, and deferred inflows of resources, both financial and capital, short-term and long-term.	Generally assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets or long-term liabilities included.	All assets and liabilities, both short-term and long-term; funds do not currently contain capital assets, although they can.
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid.	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and the related liability is due and payable.	All additions and deductions during the year, regardless of when cash is received or paid.

Government-Wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the District's assets, deferred outflows of resources, liabilities and deferred inflows of resources. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's *net position* and how they have changed. Net position – the difference between the District's assets, deferred outflows of resources, liabilities, and deferred inflows of resources – is one way to measure the District's financial health or *position.*

- Over time, increases or decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the District's overall health, you need to consider additional non-financial factors such as changes in the District's property tax base and the condition of school buildings and other facilities.

In the government-wide financial statements, the District's activities are all categorized as *Governmental activities.* All of the District's basic services are included here, such as regular and special education, transportation and administration. Property taxes and state aid finance most of these activities.

Fund Financial Statements

Matteson Elementary School District No. 162's fund financial statements provide more detailed information about the District's funds, focusing on its most significant or "major" funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by state law and by bond covenants.
- The District establishes other funds to control and manage money for particular purposes (such as repaying its long-term debts) or to show that it is properly using certain revenues (such as Working Cash).

The District has two categories of funds:

- *Governmental funds*: Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information after each of the governmental funds statements explains the relationship (or differences) between them.

- *Fiduciary funds*: The District is the trustee, or *fiduciary,* for assets that belong to others, such as the parent teacher organizations funds. The District excludes these activities from the government-wide financial statements because it cannot use these assets to finance its operation.

Financial Analysis of the District as a Whole

Net position: The District's net position as of June 30, 2025 totaled a surplus of $10.7 million. (See Figure A-3).

Figure A-3
Condensed Statement of Net Position
(in millions of dollars)

	Governmental Activities	
	2025	**2024**
Current and other assets	$ 57.7	$ 38.5
Capital assets	54.8	53.0
Deferred outflows	2.7	2.8
Total assets and deferred outflows	115.2	94.3
Long-term obligations outstanding	67.6	49.3
Other liabilities	7.3	5.4
Deferred inflows	29.6	24.8
Total liabilities and deferred inflows	104.5	79.5
Net position		
Net investment in capital assets	24.2	28.3
Restricted	16.1	5.4
Unrestricted	(29.6)	(18.9)
Total net position	$ 10.7	$ 14.8

Current and other assets increased by $19.2 million, which can be attributed to increased cash and investments from the issuance of bonds and an increased lease receivable from the extension of the District's lease with Southland.

Capital assets increased by $1.8 million in the current year, net of accumulated depreciation of $2.9 million. The increase can be attributed to the purchase and renovation of the school buildings.

Long-term obligations increased by $18.3 million from prior year. This increase can be attributed to $14.5 million in new Life Safety Bond.

Other liabilities increased by $1.9 million over the prior fiscal year. This increase can be attributed to increase in summer construction projects at year-end.

Deferred inflows increased by $4.8 million and deferred outflows decreased by $0.1 million. These changes are mainly pension and OPEB actuarial adjustments, which are required to be amortized over the next five years.

Changes in net position: The District's total revenues were $69.6 million (See Figure A-4.) Real estate taxes accounted for most of the District's revenue, contributing about 34.5 cents of every dollar raised. (See Figure A-5.) Another 57.9 cents came from state formula aid, formula grants, and operating grants and the remainder from fees charged for services and miscellaneous sources.

The total cost of all programs and services was $68.3 million. The District's expenses are predominantly related to instruction, pupil services, and administration and business (76.1 percent). (See Figure A-6.) The District's transportation activities accounted for 7.8 percent of total costs.

Total revenues exceeded expenses, increasing net position by $1.3 million over last year. Net position as of July 1, 2024 was restated for the implementation of GASB Statement No. 101, *Compensated Absences*.

Figure A-4
Changes in Net Position from Operating Results (in millions of dollars)

	2025		2024	
	Governmental Activities	**Percentage of Total**	**Governmental Activities**	**Percentage of Total**
Revenues				
Program revenues				
Charges for services	$ 3.7	5.3%	$ 2.5	3.6%
Operating grants and contributions	17.6	25.3%	18.5	27.0%
Capital grants and contributions	-	0.0%	2.1	3.1%
General revenues				
Taxes	24.0	34.5%	23.3	33.9%
State formula aid and formula grants	22.7	32.6%	20.7	30.2%
Miscellaneous	1.6	2.3%	1.5	2.2%
Total revenues	69.6	100.0%	68.6	100.0%
Expenses				
Instruction	25.8	37.8%	27.2	42.9%
Pupil and instructional services	5.5	8.0%	5.2	8.2%
Administration and business	20.7	30.3%	16.1	25.4%
Maintenance and operations	5.5	8.1%	5.1	7.9%
Transportation	5.3	7.8%	4.8	7.6%
Other	5.5	8.0%	5.1	8.0%
Total expenses	68.3	100.0%	63.5	100.0%
Change in net position	1.3		5.1	
Net position:				
Beginning, restated	9.4		9.7	
Ending	**$ 10.7**		**$ 14.8**	

Figure A-5 Government-Wide Revenues By Source - 2025

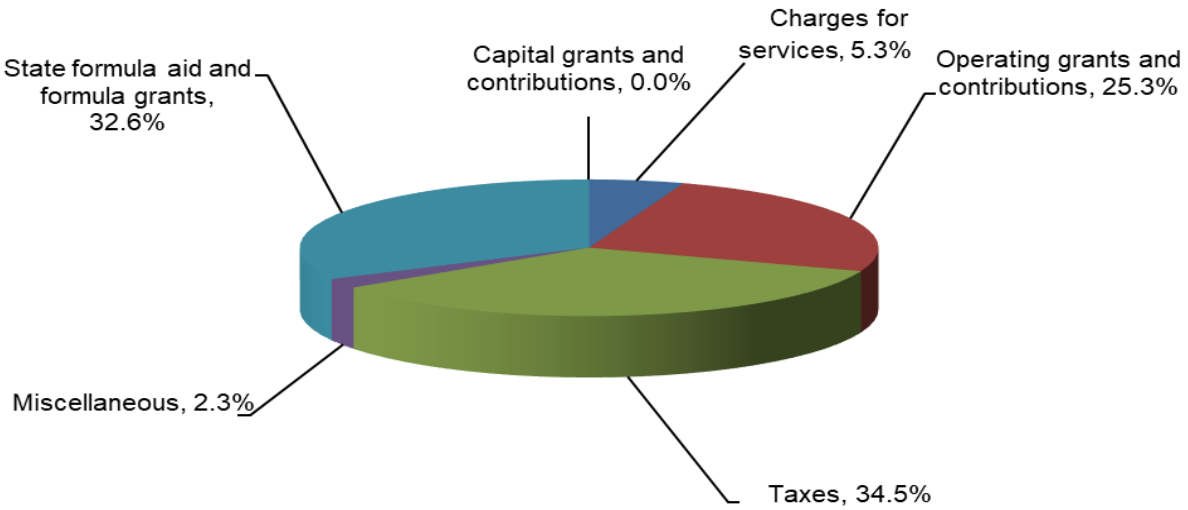


Figure A-6 Government-Wide Expenses - 2025

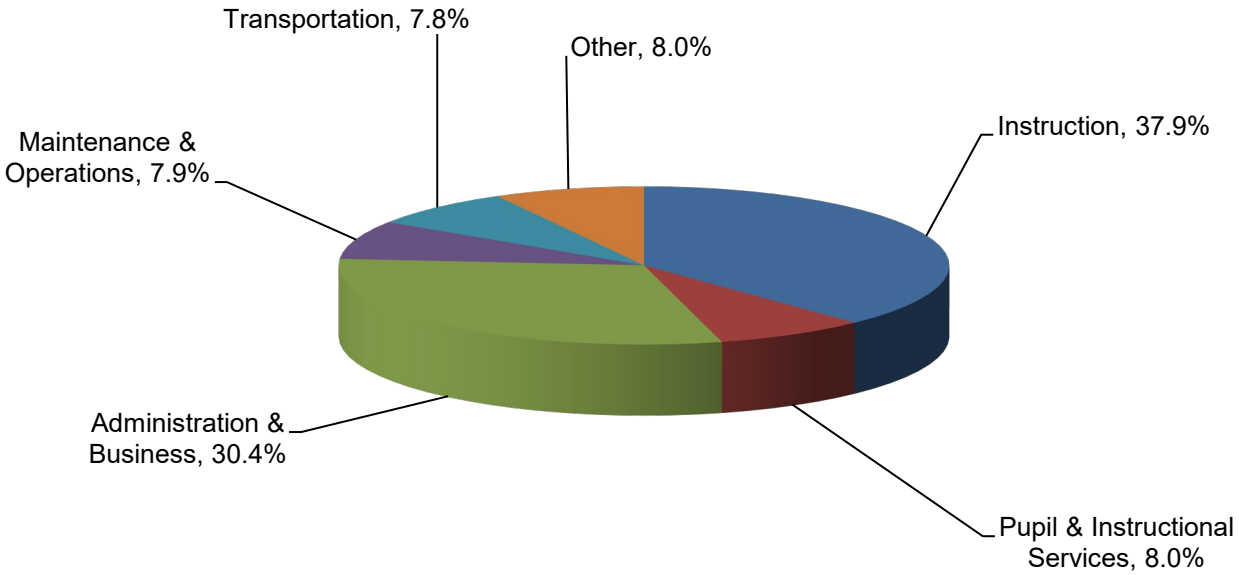


Figure A-7 Government-Wide Revenues By Source - 2024

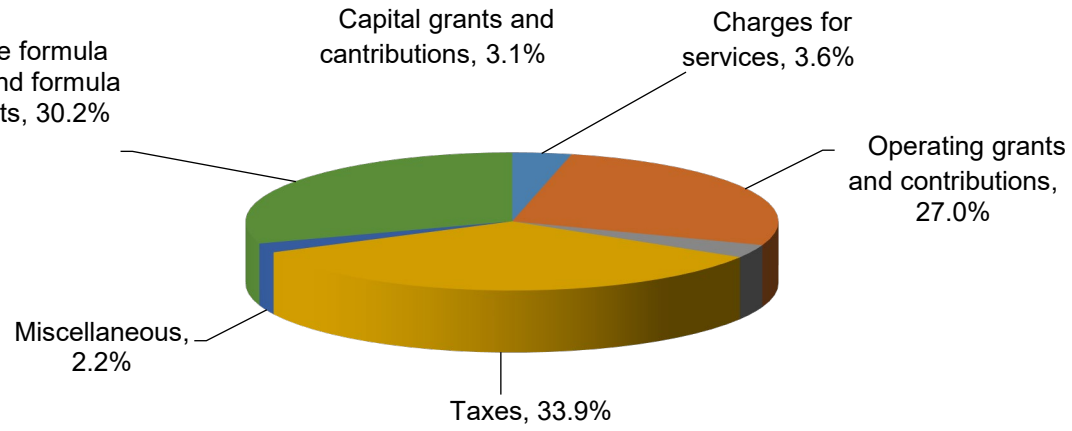
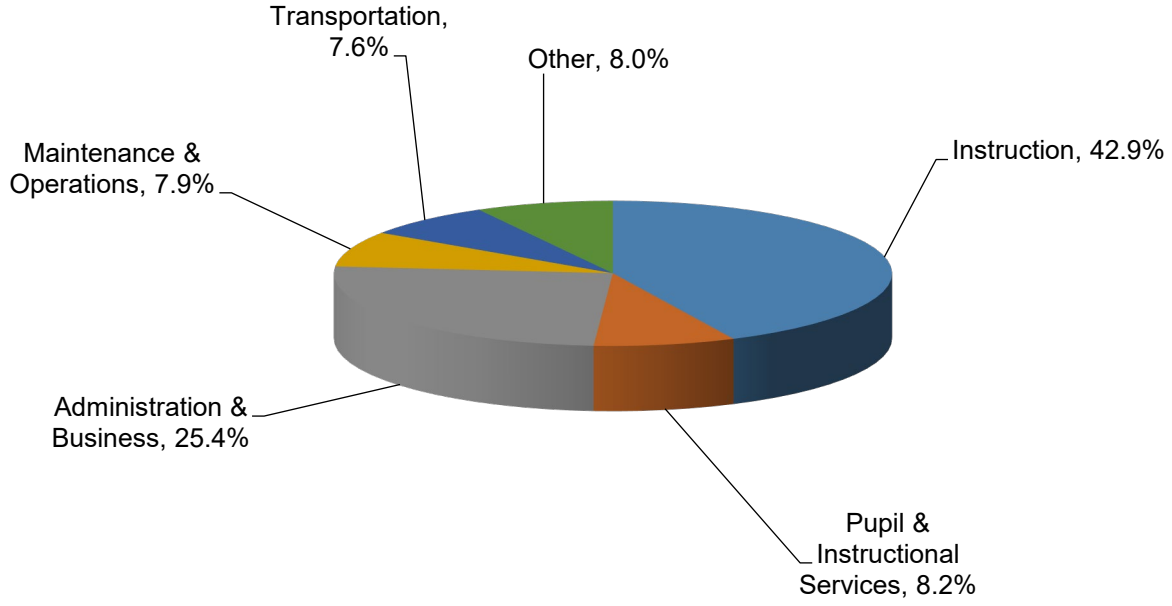


Figure A-8 Government-Wide Expenses - 2024



Governmental Activities

Revenues for the District's governmental activities were $69.6 million in 2025 and $68.6 million in 2024. Total expenses in 2025 were $68.3 million and $63.5 million in 2024. Net position increased $1.3 million in 2025 and $5.1 million in 2024.

Figure A-9 presents the cost of six major District activities: instruction, pupil and instructional services, administration and business, maintenance and operations, transportation and other. The table also shows each activity's *net cost* (total cost less fees generated by the activities and intergovernmental aid provided for specific programs). The net cost shows the financial burden placed on the District's taxpayers by each of these functions.

Figure A-9
Net cost of Governmental Activities
(in millions of dollars)

	Total Cost of Services 2025	Net Cost of Services 2025	Total Cost of Services 2024	Net Cost of Services 2024
Instruction	$ 25.8	$ 19.4	$ 27.2	$ 15.7
Pupil and instructional services	5.5	4.6	5.2	3.6
Administration and business	20.7	11.9	16.1	10.7
Maintenance and operations	5.5	2.8	5.1	3.0
Transportation	5.3	3.1	4.8	2.5
Other	5.5	5.2	5.1	5.0
TOTAL	$ 68.3	$ 47.0	$ 63.5	$ 40.5

Financial Analysis of the District's Funds

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed the year, its governmental funds reported combined fund balances of $27.8 million in 2025, which is a $9.0 million increase from 2024.

The District's major funds are comprised of the General Fund, Fire Prevention and Safety Fund and Capital Projects Fund.

The General Fund had a net increase in fund balance of $861,935. Total revenues were $49,655,888, which is approximately $2.9 million higher than fiscal year 2024 revenue of $46,770,339. Total expenditures were $48,793,953, which is approximately $2.0 million higher than fiscal year 2024 expenditures of $46,809,679. The increased revenue can mainly be attributed to increased general state aid and rent revenue. The increased expenditures can be attributed to employee raises, increased benefit costs and additional employees hired.

The Fire Prevention and Safety Fund had a net increase in fund balance of $12,496,411, driven primarily by the issuance of bonds in the amount of $14,510,000.

The Transportation Fund had a net decrease in fund balance of $1,317,647, which is lower than expectations. Total revenues were $3,775,679, which is approximately $1.1 million lower than fiscal year 2024 revenue of $4,955,405. Total expenditures increased 11% to $5,093,326. The decrease in fund balance is due to significant increases in transportation contractor costs. Transportation cost rates rose faster than inflation and the district has seen an increase in the number of special education students requiring special transportation to facilities outside of the district. In addition, the State of Illinois has not raised the appropriation for transportation reimbursement in several years at a time when costs are increasing. This has resulted in state transportation revenue actually declining as a fixed amount of state revenue gets allocated throughout the state of Illinois when costs are still rising. Finally, Cook County's late property tax bills resulted in less than a full year of property tax revenue recognition.

The Capital Projects Fund had a net decrease in fund balance of $1,894,217. This fund accounts for the acquisition, construction, renovation and additions of major capital facilities. The District accounts for major renovations and the purchase and construction of a new food service and training facility. The projects were funded using state aid.

General Fund Budgetary Highlights

Actual revenues in the General Fund were $1.4 million higher than expected. Actual expenditures were $0.2 million higher than expected. Overall, the change in fund balance of $861,935 exceeded the budgeted change in fund balance of $186,684.

Capital Assets

By the end of 2025 and 2024, the District had invested $54.8 million and $53.1 million, respectively (net of accumulated depreciation of $39.2 million and $36.3 million, respectively) in a broad range of capital assets, including school buildings, computer equipment, audio-visual equipment and administrative offices. (See Figure A-10.) (More detailed information about capital assets can be found in Note 4 to the financial statements.) Total depreciation expense for the year was approximately $2.9 million, while building improvements and additions to equipment and furniture amounted to approximately $6.5 million.

Figure A-10
Capital Assets (net of depreciation)
(in millions of dollars)

	2025	2024
Land	$ 0.4	$ 0.4
Construction in progress	0.3	2.0
Improvements, other than buildings	0.4	0.4
Buildings and improvements	51.6	48.0
Machinery and equipment	1.8	2.0
Leased equipment	0.3	0.3
TOTAL	$ 54.8	$ 53.1

The current facilities adequately accommodate the District's enrollment. The near-term future plans call for repair and maintenance to existing facilities as the main capital needs of the District.

Long-Term Obligations

At year-end, the District had $67.6 million in bonds and other long-term obligations outstanding – as shown in Figure A-11. (More detailed information about the District's long-term liabilities is presented in Note 5 to the financial statements.)

Figure A-11
Outstanding Long-Term Obligations (in millions of dollars)

	2025	(Restated) 2024
General obligation, limited tax, and alternate revenue bonds	$ 49.7	$ 39.2
Other	17.9	15.5
TOTAL	$ 67.6	$ 54.7

Factors Bearing on the District's Future

The District received is 2nd half 2024 property tax collections over four months late due to late tax bills sent by the Cook County Clerk. This shifted some of the 2024 property tax revenue recognition to the 2025-2026 fiscal year. The District has noted that overall collections have continued to decline somewhat in recent years. In 2024-2025 the district had an unprecedented number of property tax refunds it had to issue back to the County due to residents appealing their property valuations. This was likely a result of the EAV shift from commercial to residential on the 2023 property tax assessments. The 2025-2026 budget assumes that the 2025 2nd half property taxes will be collected on-time. However, any shift in that timeline or change in the collection rate could affect the property tax revenue projections.

The State of Illinois' finances are under pressure again after several years of positive news. The state made cut backs to its 2026 budget and will likely have to tighten its belt again next year in light of the current economy, loss of Federal COVID revenue and the uncertainty surrounding funding from the Federal government. This may have a negative effect on revenue received from the State of Illinois in the future.

Teacher shortages continue to put financial pressure on the district. The district has collective bargaining agreements with two groups of staff members: teachers and support staff. Both contracts will expire on June 30, 2026. Raises for existing staff are set at 5.0% - 6.0% for teachers in each of the three years with a range of increases for support staff that average out to just over 4.0% for 2024-2025 and 2025-2026. The district continues to see increases in the costs of food, transportation, utilities, employee benefits and other areas. However, inflation increases appear to be slowing in comparison to the past few years. The December, 2025 CPIU was published at 2.7%, much lower than the 5% or greater CPIU rates of past years. The district is projected to end fiscal year 2025-2026 with an operating surplus and is expected to be assigned an Illinois State Board of Education Financial Profile Rating of "Recognition," the highest rating assigned by the state.

The district is continuing to work through its building improvement plans with major bathroom renovation completed district-wide. Security upgrades have also been a priority with new security systems, camera systems, doors and other upgrades nearing completion. Major renovation is now complete at OW Huth School. Future projects include roof maintenance, flooring replacement, classroom renovations and other upgrades district-wide. These are being funded by a combination of Evidence Based Funding and Life Safety Bonds.

Contacting the District's Financial Management

This financial report is designed to provide the District's citizens, taxpayers, customers and investors 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, 4601 Sauk Trail, Richton Park, Illinois 60471.

Basic Financial Statements

Government-Wide
Financial Statements (GWFS)

Matteson Elementary School District No. 162
Statement of Net Position
June 30, 2025

	Governmental Activities
Assets	
Current assets:	
Cash and investments	$ 33,074,179
Receivables:	
Real estate taxes, net of allowance for uncollectibles	11,330,810
Lease	1,707,706
Interest	37,201
Other	27,000
Due from other governments	4,127,947
Prepaid items	10,121
Total current assets	50,314,964
Noncurrent assets:	
Capital assets not being depreciated/amortized	658,279
Capital assets being depreciated/amortized, net	54,154,597
Lease receivable	7,436,616
Total noncurrent assets	62,249,492
Deferred Outflows of Resources	
Deferred charge on refunding	319,939
Deferred bond insurance premiums	132,830
Deferred pension actuarial adjustments	960,623
Deferred OPEB actuarial adjustments	736,745
Deferred pension contributions	421,344
Deferred OPEB contributions	137,097
Total deferred outflows of resources	2,708,578
Total assets and deferred outflows of resources	$ 115,273,034
Liabilities	
Current liabilities:	
Accounts payable	$ 4,074,635
Accrued payroll	3,058,344
Accrued interest	206,314
Total current liabilities	7,339,293
Long-term liabilities:	
Long-term liabilities, due within one year	4,782,082
Long-term liabilities, due in more than one year	62,844,209
Total long-term liabilities	67,626,291
Total liabilities	74,965,584
Deferred Inflows of Resources	
Deferred lease revenue	9,144,322
Deferred real estate tax revenue	9,398,110
Deferred pension actuarial adjustments	99,490
Deferred OPEB actuarial adjustments	10,985,768
Total deferred inflows of resources	29,627,690
Net Position	
Net investment in capital assets	24,160,390
Restricted for:	
Leasing	45,295
Student activities	56,745
Tort	581
Debt service	565,862
Transportation	2,335,010
Retirement benefits	580,977
Fire prevention and life safety	12,496,411
Unrestricted	(29,561,511)
Total net position	10,679,760
Total liabilities, deferred inflows of resources and net position	$ 115,273,034

See Notes to the Basic Financial Statements.

Matteson Elementary School District No. 162
Statement of Activities
Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental activities:					
Instruction:					
Regular programs	$ 16,527,490	$ 25,455	$ 2,136,060	$ -	$ (14,365,975)
Special programs	5,689,460	-	1,347,208	-	(4,342,252)
Other instructional programs	3,602,114	61,567	2,851,629	-	(688,918)
Support services:					
Pupils	4,388,432	-	537,976	-	(3,850,456)
Instructional staff	1,152,884	-	380,470	-	(772,414)
General administration	6,292,559	672,753	1,672,461	-	(3,947,345)
School administration	6,479,167	-	3,607,616	-	(2,871,551)
Business	7,901,830	254,980	2,575,129	-	(5,071,721)
Transportation	5,344,092	57,997	2,233,315	-	(3,052,780)
Operations and maintenance	5,503,097	2,639,669	100,000	-	(2,763,428)
Central	2,632,339	-	159,173	-	(2,473,166)
Community services	194,834	-	-	-	(194,834)
Payments to other governments	969,202	-	-	-	(969,202)
Interest, fees and issuance costs	1,668,561	-	-	-	(1,668,561)
Total governmental activities	$ 68,346,061	$ 3,712,421	$ 17,601,037	$ -	(47,032,603)
General revenues:					
Taxes:					
Real estate taxes, general purposes					21,058,436
Real estate taxes, debt service					2,428,109
Personal property replacement taxes					520,371
State aid formula grants					22,716,081
Investment earnings					1,252,217
Miscellaneous					397,236
Total general revenues					48,372,450
Change in net position					1,339,847
Net position:					
July 1, 2024 - As previously reported					14,860,528
Cumulative effect of a change in accounting principle					(5,520,615)
July 1, 2024 - As restated					9,339,913
June 30, 2025					$ 10,679,760

Fund Financial Statements (FFS)

Matteson Elementary School District No. 162
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				
	General Fund	Fire Prevention and Safety Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets					
Cash and investments	$ 16,055,013	$ 14,594,426	$ 879,062	$ 1,545,678	$ 33,074,179
Receivables:					
Real estate taxes, net of allowance for uncollectibles	9,857,554	-	-	1,473,256	11,330,810
Lease	9,144,322	-	-	-	9,144,322
Interest	37,201	-	-	-	37,201
Other	-	-	-	27,000	27,000
Due from other funds	2,500,000	-	-	-	2,500,000
Due from other governments	1,921,680	-	-	2,206,267	4,127,947
Prepaids	10,121	-	-	-	10,121
Total assets	$ 39,525,891	$ 14,594,426	$ 879,062	$ 5,252,201	$ 60,251,580
Liabilities					
Accounts payable	$ 1,076,961	$ 2,098,015	$ 730,513	$ 169,146	$ 4,074,635
Accrued payroll	2,987,329	-	-	71,015	3,058,344
Due to other funds	-	-	2,500,000	-	2,500,000
Total liabilities	4,064,290	2,098,015	3,230,513	240,161	9,632,979
Deferred Inflows of Resources					
Deferred intergovernmental revenue	352,800	-	-	2,185,226	2,538,026
Deferred lease revenue	9,144,322	-	-	-	9,144,322
Deferred interest revenue	37,201	-	-	-	37,201
Deferred real estate tax revenue	9,649,363	-	-	1,442,100	11,091,463
Total deferred inflows of resources	19,183,686	-	-	3,627,326	22,811,012
Fund Balances					
Nonspendable for:					
Prepaid items	10,121	-	-	-	10,121
Restricted for:					
Leasing	45,295	-	-	-	45,295
Student activities	56,745	-	-	-	56,745
Tort	581	-	-	-	581
Transportation	-	-	-	155,377	155,377
Debt service	-	-	-	626,953	626,953
Retirement benefits	-	-	-	575,384	575,384
Fire prevention and life safety	-	12,496,411	-	-	12,496,411
Assigned for:					
Transportation	-	-	-	27,000	27,000
Unassigned	16,165,173	-	(2,351,451)	-	13,813,722
Total fund balances	16,277,915	12,496,411	(2,351,451)	1,384,714	27,807,589
Total liabilities, deferred inflows of resources, and fund balances	$ 39,525,891	$ 14,594,426	$ 879,062	$ 5,252,201	$ 60,251,580

Matteson Elementary School District No. 162
Reconciliation of the Governmental Funds
Balance Sheet to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds		$ 27,807,589
Amounts reported for governmental activities in the statement of net position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the funds. This amount is net of accumulated depreciation.		54,812,876
Certain revenues that are deferred inflows of resources in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.		4,268,580
Certain pension-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		1,381,967
Certain pension-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(99,490)
Certain OPEB-related items are reported as deferred outflows of resources in the government-wide financial statements but not in the fund financial statements.		873,842
Certain OPEB-related items are reported as deferred inflows of resources in the government-wide financial statements but not in the fund financial statements.		(10,985,768)
Premiums on bonds that are other financing sources in the fund financial statements are liabilities that are amortized over the life of the bonds in the government-wide financial statements.		(3,132,773)
Deferred amounts on refunded debt that are other financing uses in the fund financial statements, are deferred outflows of resources that are amortized over the life of the bonds in the government-wide financial statements.		319,939
Deferred bond insurance premiums that are expenditures in the fund financial statements, are deferred outflows of resources that are amortized over the life of the bonds in the government-wide financial statements.		132,830
Some liabilities reported in the statement of net position do not require the use of current financial resources and, therefore, are not reported as liabilities in governmental funds:		
General obligation bonds	$ (14,510,000)	
Limited tax bonds	(12,595,000)	
Alternate revenue bonds	(22,635,000)	
Leases and financed purchases	(969,990)	
Compensated absences	(5,864,119)	
Accrued interest	(206,314)	
Net pension liability	(2,567,758)	
Net OPEB liability	(5,351,651)	
Total long-term liabilities		(64,699,832)
Net position of governmental activities		$ 10,679,760

Matteson Elementary School District No. 162
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
Year Ended June 30, 2025

	Major Funds					
	General Fund	Fire Prevention and Safety Fund	Capital Projects Fund	Transportation Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
Real estate and replacement taxes	$ 17,978,095	$ -	$ -		$ 4,335,468	$ 22,313,563
Charges for services	87,022	-	-		-	87,022
State aid	21,801,233	-	2,007,034		5,224,158	29,032,425
Federal aid	5,173,657	-	-		23,057	5,196,714
Miscellaneous	3,511,167	-	254,980		213,695	3,979,842
Interest	1,104,714	198,400	-		-	1,303,114
Total revenues	49,655,888	198,400	2,262,014		9,796,378	61,912,680
Expenditures:						
Current:						
Instruction:						
Regular programs	14,738,403	-	-		180,457	14,918,860
Special programs	3,627,983	-	-		137,262	3,765,245
Other instructional programs	4,383,325	-	-		31,899	4,415,224
Support services:						
Pupils	3,968,059	-	-		82,038	4,050,097
Instructional staff	1,027,097	-	-		6,779	1,033,876
General administration	4,812,211	-	-		160,202	4,972,413
School administration	4,343,035	-	-		81,544	4,424,579
Business	3,345,898	-	924,472		406,077	4,676,447
Transportation	-	-	-		5,093,326	5,093,326
Operations and maintenance	4,951,971	357,183	-		-	5,309,154
Central	2,318,831	-	-		104,069	2,422,900
Community services	171,908	-	-		18,300	190,208
Payments to other governments	969,202	-	-		-	969,202
Capital outlay	57,530	2,848,932	4,429,759		-	7,336,221
Debt service:						
Principal	78,500	-	-		4,406,316	4,484,816
Interest, fees and issuance costs	-	285,681	-		1,564,523	1,850,204
Total expenditures	48,793,953	3,491,796	5,354,231		12,272,792	69,912,772
Excess (deficiency) of revenues over expenditures	861,935	(3,293,396)	(3,092,217)		(2,476,414)	(8,000,092)
Other financing sources:						
Bond proceeds	-	14,510,000	-		-	14,510,000
Proceeds from financed purchase	-	-	1,198,000		-	1,198,000
Premium on bonds	-	1,279,807	-		-	1,279,807
Total other financing sources	-	15,789,807	1,198,000		-	16,987,807
Change in fund balances	861,935	12,496,411	(1,894,217)		(2,476,414)	8,987,715
Fund balances (deficits):						
July 1, 2024	15,415,980	-	(457,234)	$ 1,500,024	2,361,104	18,819,874
Change within financial reporting entity	-	-	-	(1,500,024)	1,500,024	-
July 1, 2024, as adjusted	15,415,980	-	(457,234)	$ -	3,861,128	18,819,874
June 30, 2025	$ 16,277,915	$ 12,496,411	$ (2,351,451)		$ 1,384,714	$ 27,807,589

See Notes to the Basic Financial Statements.

Matteson Elementary School District No. 162
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	$ 8,987,715
Amounts reported for governmental activities in the Statement of Activities are different because:	
Capital outlays are reported in governmental funds as expenditures. However, in the Statement of Activities, the cost of those assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation expense and loss on disposal exceeded additions the current period.	
Depreciation expense	(2,914,983)
Capital outlays	4,709,693
Revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available are recognized as revenues in the government-wide financial statements.	
Prior year deferred balance	(2,982,850)
Current year deferred balance	4,268,580
Items related to pension expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements but are not reported in the fund financial statements.	
Prior year deferred outflows related to pension expense	(1,580,681)
Current year deferred outflows related to pension expense	1,381,967
Prior year deferred inflows related to pension expense	154,443
Current year deferred inflows related to pension expense	(99,490)
Items related to OPEB expense and revenue are reported as deferred inflows and outflows on the government-wide financial statements but are not reported in the fund financial statements.	
Prior year deferred outflows related to OPEB expense	(740,072)
Current year deferred outflows related to OPEB expense	873,842
Prior year deferred inflows related to OPEB expense	13,284,767
Current year deferred inflows related to OPEB expense	(10,985,768)
In governmental funds, long-term debt is considered other financing sources, but in the Statement of Net Position, debt in recorded as a liability. In the current period, proceeds were received from:	
General obligation bonds	(14,510,000)
Financed purchase	(1,198,000)
Repayment of principal on long-term debt is an expenditure in the governmental funds, but the but the repayment reduces long-term liabilities in the Statement of Net Position.	
Bond principal retirement	4,005,000
Financed purchase retirement	401,316
Lease retirement	78,500
Premiums on bond issuances are recorded as other financing sources in the fund financial statements, but the premiums are recorded as a liability in the Statement of Net Position and is amortized over the life of the bond. These are the amount for the current period.	
Premium on bonds	(1,279,807)
Amortization of premium on bonds	286,037
Deferred charges on refunded debt are recorded as an other financing use in the fund financial statements, but the charge is recorded as a deferred outflow of resources in the Statement of Net Position and is amortized over the life of the bond. This is the amounts in the current period.	
Amortization of deferred amount on refunding	(72,254)
Deferred bond insurance premiums is an expenditure in the governmental funds, but the statements, but the premium is recorded as a deferred outflow of resources in the Statement of Not Position and is amortized over the life of the bond. These are the amounts in the current period.	
Bond insurance premium	50,785
Amortization of bond insurance premium	(8,767)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. This activity consists of:	
Compensated absences	(201,866)
Accrued interest	(74,158)
Net pension liability (asset)	(157,774)
Net OPEB liability	(336,328)
Change in net position of governmental activities	$ 1,339,847

See Notes to the Basic Financial Statements.

Matteson Elementary School District No. 162
Statement of Fiduciary Net Position
June 30, 2025

	Custodial Funds Parent Teacher Organizations
Assets	
Cash and investments	$ 11,694
Net Position	
Restricted for:	
Parent Teacher Organizations	$ 11,694

See Notes to the Basic Financial Statements.

Matteson Elementary School District No. 162
Statement of Changes in Fiduciary Net Position
Year Ended June 30, 2025

	Custodial Funds Parent Teacher Organizations
Additions	
Fundraising	$ 62,098
Deductions	
Student and teacher gifts/donations	74,000
Net increase (decrease) in fiduciary net position	(11,902)
Net Position	
July 1, 2024	23,596
June 30, 2025	$ 11,694

Note 1. Summary of Significant Accounting Policies

Nature of Activities

Matteson Elementary School District No. 162 (the District) operates as a public school system under the direction of its Board of Education. The District is organized under The School Code of the State of Illinois, as amended. The District also operates a school lunch and breakfast program and provides student transportation services.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the more significant accounting policies:

Financial Reporting Entity

As defined by generally accepted accounting principles (GAAP) established by the GASB, the financial reporting entity consists of the primary government, as well as component units, which are legally separate organizations for which elected officials of the primary government are financially accountable. Financial accountability is defined as:

1) Appointment of a voting majority of the organization's governing board, and either a) it is able to impose its will on that organization, or b) there is a potential for the organization to provide a financial benefit to or impose a financial burden on the primary government; or

2) Fiscal dependency on the primary government and there is potential for the component unit to provide specific financial benefits to or impose specific financial burdens on the primary government.

Financial benefit or financial burden is created if any one of the following relationships exists:

1) The primary government is legally entitled to or has access to the component unit's resources.

2) The primary government is legally required or has assumed the obligation to finance the deficits of, or provide support to, the component unit.

3) The primary government is obligated in some manner for the other component unit's debt.

Based upon the application criteria, no component units have been included within the reporting entity.

Basis of Presentation

Government-Wide Financial Statements (GWFS): The government-wide Statement of Net Position and Statement of Activities report the overall financial activity of the District. Eliminations have been made to minimize the double counting of internal activities of the District. The financial activities of the District consist of governmental activities, which are primarily supported by taxes and intergovernmental revenues.

Note 1. Summary of Significant Accounting Policies (continued)

Basis of Presentation (continued)

The Statement of Activities demonstrates the degree to which the direct expenses of a given function (i.e., instruction, support services, etc.) are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs (including fines and fees), and (b) grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fiduciary funds are excluded from the government-wide financial statements.

Fund Financial Statements (FFS): Separate financial statements are provided for governmental funds and fiduciary (custodial) funds, even though the latter are excluded from the government-wide financial statements. The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column.

The District administers the following major governmental funds:

General Fund – This is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Fire Prevention and Safety Fund – (Special Revenue Fund) **–** This fund accounts for the fire prevention and safety-related expenditures of the District. Revenue is derived primarily from general obligation bond proceeds.

Capital Projects Fund – This fund accounts for the acquisition, construction, renovation and additions of major capital facilities.

Non-major funds are aggregated in the fund financial statements. Additionally, the District administers a custodial fund that is used to account for assets held by the District in a fiduciary capacity. These funds are held on behalf of the Parent Teacher Organizations.

Change within Financial Reporting Entity – During fiscal year 2025, the Transportation Fund was reclassified from major to a nonmajor fund, and the Fire Prevention and Safety Fund was reclassified from nonmajor to a major fund due to the issuance of general obligation bonds, the proceeds of which were recognized in the Fire Prevention and Life Safety Fund.

Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "how" transactions are recorded within various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

Note 1. Summary of Significant Accounting Policies (continued)

Measurement Focus and Basis of Accounting (continued)

The government-wide financial statements and fiduciary fund statements are reported using the economic resources measurement focus. The government-wide financial statements and the fiduciary statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include various taxes, state-shared revenues and various state, federal and local grants. On an accrual basis, revenues from taxes are recognized when the District has a legal claim to the resources and for property taxes, in the year for which they are levied (i.e., intended to finance). Grants, entitlements, state-shared revenues and similar items are recognized in the fiscal year in which all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal year.

Significant revenue sources which are susceptible to accrual include property taxes, other taxes, grants, and interest. All other revenue sources are considered to be measurable and available only when cash is received.

Expenditures generally are recorded when the liability is incurred, as under accrual accounting. However, in the governmental fund financial statements, compensated absences are recorded only when payment is due (upon employee retirement or termination). General capital asset acquisitions are reported as expenditures in governmental funds.

Real Estate Taxes

The 2024 tax levy was passed by the Board of Education on December 17, 2024, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in March and August 2024, and are collected by the county, which in turn remits to the District its respective share. The District receives the remittances from the county treasurer approximately one month after collection. Property tax receivable represents the uncollected 2024 property tax levy which was recognized as a receivable at the time the taxes were levied. The District recognizes no more than 55 percent (net 3 percent reduction) of the 2024 levy in the current fiscal year as revenue with the remainder of the 2024 levy to be recognized in the following fiscal year. Accordingly, the remaining amount is reflected as deferred inflows of resources in the current year. This methodology conforms to the measurable and available criteria for revenue recognition. An allowance for the estimated uncollectible taxes has been provided based on prior-year collection experiences. Due to Cook County not sending out the second installment of property tax bills until November 2024, the District's property tax collection through 60 days of year end were not sufficient to meet the availability criteria, the District was not able to recognize up to 55 percent (net of a 3 percent reduction) of the 2024 levy as revenue in the current fiscal year on the fund financial statements.

The Property Tax Extension Limitation Law imposes mandatory property tax limitations on the ability of taxing districts in Illinois to raise revenues through unlimited property tax increases. The increase in property tax extensions is limited to the lessor of 5 percent or the percentage increase in the Consumer Price Index for all Urban Consumers. The limitation includes taxes levied for purposes without a statutory maximum rate. The amount of the limitation may be adjusted for new property added or annexed to the tax base or due to voter approved increases.

Note 1. Summary of Significant Accounting Policies (continued)

Investments

Investments are reported at fair value based on quoted market prices for the same and similar investments. The District's checking account sweeps from its investments as checks are presented for payment.

Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items. The method used to report prepaid items is the purchase method.

Interfund Receivables, Payables and Activity

Loans – amounts provided with a requirement for repayment. Interfund loans are reported as due from other funds in lender funds and due to other funds in borrower funds for short-term borrowings and advances to other funds in lender funds and advances from other funds in borrower funds for long-term borrowings. Amounts are reported as internal balances in the government-wide statement of net position.

Transfers – flows of assets (such as cash or goods) without equivalent flows of assets in return and without a requirement for repayment. In governmental funds, transfers are reported as other financing uses in the funds making transfers and as other financing sources in the funds receiving transfers.

Leases

The District is a lessor for a noncancellable lease of a building. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

1) The District uses its estimated incremental borrowing rate as the discount rate for leases.

2) The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Note 1. Summary of Significant Accounting Policies (continued)

Capital Assets

Capital assets which include land, buildings, and other equipment, are reported in the Statement of Net Position. Capital assets are defined as assets with an initial individual cost of more than $500 and an estimated useful life of greater than one year. Additions or improvements that significantly extend the useful life of an asset or that significantly increase the capacity of an asset are capitalized. Expenditures for asset acquisitions and improvements are stated as capital outlay expenditures in the governmental funds.

These assets have been valued at historical cost or estimated historical cost if purchased or constructed. Donated assets are recorded at their estimated acquisition value at the date of donation.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets' lives are not capitalized.

Depreciation of capital assets is recorded in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position and is provided on the straight-line basis over the following estimated useful lives:

Land improvements	20 years
Buildings and improvements	10 - 40 years
Machinery and equipment	5 - 10 years

Deferred Inflows or Outflows of Resources and Unearned Revenue

Deferred inflows of resources are the acquisition of net position or fund balance that is applicable to future reporting periods. Property taxes that are received or recorded as receivables prior to the period the levy is intended to finance are recorded as deferred inflows of resources on both the fund financial statements and government-wide financial statements. Potential grant revenue is recorded as deferred inflows of resources on the fund financial statements when it has not yet met both the "measurable" and "available" criteria for recognition in the current period.

Deferred outflows of resources are the consumption of net position that is applicable to future reporting periods. The differences between expected and actual experience, net difference between projected and actual earnings on pension and OPEB plan investments, changes in assumptions, and changes in proportion and differences between employer contributions and proportionate share of contributions are reported as deferred outflows or inflows of resources on the government-wide financial statements. The District's pension and OPEB payments made subsequent to the pension and OPEB liability measurement date are also considered to be deferred outflows of resources on the government-wide financial statements. See Note 8 for further discussion on the deferred outflows and inflows of resources related to pensions and Note 9 for further discussion on the deferred outflows and inflows of resources related to OPEB.

Unearned revenues arise when resources are received by the District before it has a legal claim to them. In subsequent periods, when revenue recognition criteria are met or when the District has a legal claim to the resources, the liability for unearned revenue is reduced from the financial statements and revenue is recognized.

Note 1. Summary of Significant Accounting Policies (continued)

Compensated Absences

Certified employees working less than 12 months a year do not earn vacation days; however, administrators and noncertified full-time employees earn vacation days, which accumulate as they accrue.

All certified and noncertified employees that work a 12-month year receive between 14 and 18 sick days and between 3 and 4 personal days per year. All certified and noncertified personnel who work a 10-month year receive between 12 and 17 sick days and between 3 and 4 personal days per year. These sick days accumulate from year to year. These sick and personal days do not vest, except upon retirement. The retirees are paid $25 per day for each day in excess of 170.

All vacation and sick pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is recorded in the governmental funds only if they have matured, as a result of employee resignations or retirements. The General Fund is typically used to liquidate these liabilities.

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment.

In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The implementation of GASB 101 resulted in a reduction of the District's net position by $5,520,615 for governmental activities, and recognition of long-term obligations in the same amount as of July 1, 2024.

Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, including compensated absences, net pension liability and net OPEB liability, are reported as liabilities in the Statement of Net Position. Items such as premiums, discounts, and gains or losses on bond sales are capitalized and amortized over the life of the related debt.

In the fund financial statements, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Net Position

The District's net position is classified as follows:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds and other debt that are attributable to the acquisition, construction, or improvement of those assets.

Restricted net position results when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Note 1. Summary of Significant Accounting Policies (continued)

Net Position (continued)

Unrestricted net position consists of net position that does not meet the criteria of the two preceding categories.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first to finance qualifying activities, then unrestricted resources as they are needed.

Fund Balances

Within the governmental fund types, the District's fund balances are reported in one of the following classifications:

Nonspendable – includes amounts that cannot be spent because they are either: a) not in spendable form; or b) legally or contractually required to be maintained intact.

Restricted – includes amounts that are restricted to specific purposes, that is, when constraints placed on the use of resources are either: a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or b) imposed by law through constitutional provisions or enabling legislation.

Committed – includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. Committed amounts cannot be used for any other purpose unless the District removes or changes the specified use by taking the same type of action it employed to previously commit those amounts. The District's highest level of decision-making authority rests with the District's Board of Education. The District passes formal resolutions to commit their fund balances. At June 30, 2025, the District has no committed fund balances.

Assigned – includes amounts that are constrained by the District's intent to be used for specific purposes, but that are neither restricted nor committed. Intent is expressed by: a) the District's Board of Education itself; or b) a body or official to which the Board of Education has delegated the authority to assign amounts to be used for specific purposes. The District's Board of Education has not delegated authority to any other body or official to assign amounts for a specific purpose within the General Fund. Within the other governmental fund types (special revenue, debt service, capital projects) resources are assigned in accordance with the established fund purpose and approved budget/appropriation. Residual fund balances in these fund types that are not restricted or committed are reported as assigned.

Unassigned – includes the residual fund balance that has not been restricted, committed, or assigned within the General Fund and unassigned deficit fund balances of other governmental funds.

It is the District's policy to consider restricted resources to have been spent first when an expenditure is incurred for which both restricted and unrestricted (i.e. committed, assigned or unassigned fund balances) are available, followed by committed and then assigned fund balances. Unassigned amounts are used only after the other resources have been used.

Note 1. Summary of Significant Accounting Policies (continued)

Fund Balances (continued)

The General Fund includes the Working Cash stabilization account. Under the State of Illinois School Code, the District is authorized to incur indebtedness and issue bonds and to levy a tax annually on all taxable property of the District in order to enable the District to have in its treasury at all times sufficient money to meet demands thereon. These working cash funds may be lent to other District governmental funds in need, but may only be expended for other purposes upon the passage of a resolution by the Board of Education to abolish the funds to the General Fund educational account or abate the fund to any fund of the District most in need. At June 30, 2025, the District had working cash stabilization fund balances of $9,502,371 that have been classified as unassigned fund balances in the General Fund.

Elimination and Reclassification

In the process of aggregating data for the government-wide Statement of Activities, some amounts reported as interfund activity and interfund balances in the funds are eliminated or reclassified.

Use of Estimates

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

Note 2. Cash and Investments

Deposits

State statutes authorize the District to make deposits directly to interest bearing depository accounts in federally insured and/or state chartered banks, savings and loan associations and credit unions. As of June 30, 2025, the District had certificates of deposit and savings deposit accounts with federally insured financial institutions of $523,189.

Custodial Credit Risk. In the case of deposits, this is the risk that in the event of bank failure, the District's deposits may not be returned to it. The District investment policy limits the exposure to custodial credit risk by requiring deposits in excess of FDIC insurable limits to be secured by collateral or private party insurance in the event of default or failure of the financial institution holding the funds. As of June 30, 2025, none of the District's bank balances were exposed to custodial credit risk.

Investments

As of June 30, 2025, the District had the following investments:

	Fair Value	Investment Maturities (in Years)	
		< 1 Year	1 - 5 Years
Illinois School District Liquid Asset Fund Plus	$ 32,562,684	$ 32,562,684	$ -

Note 2. Cash and Investments (continued)

Investments (continued)

The Illinois School District Liquid Asset Fund Plus is shown as maturing in less than one year because the weighted average maturity of the pool is less than one year.

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 does not limit its investment portfolio to specific maturities.

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

Credit Risk. The Illinois School Code Section 105 ILCS 5/1E-165 authorizes the District to invest in direct obligations of, or obligations guaranteed by, the United States Treasury or agencies of the United States, and short-term obligations of corporations organized in the United States with assets exceeding $500,000,000. The District is also authorized to invest in ISDLAF and The Illinois Funds. The District restricted its investments to only those investments described above. Investments in the ISDLAF are rated AAAm by Standard & Poor's as of June 30, 2025.

Concentration of Credit Risk. Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The District's investment policy does not restrict the amount of investment in any one issuer. The ISDLAF is not subject to concentration of credit risk.

Custodial Credit Risk. For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The ISDLAF is not subject to custodial credit risk.

The above deposits of $523,189 and investments of $32,562,684 that total $33,085,873 are presented in the basic financial statements as cash and investments as follows:

Statement of Net Position (GWFS)	$ 33,074,179
Statement of Fiduciary Net Position (FFS)	11,694
	$ 33,085,873

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy estbalished by generally accepted accounting principles. The hierarchy is based on the valuation input 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 which include quoted prices for similar assets or liabilities in active markets; quoted prices for identical assets or liabilities in markets that are not active; or using other inputs such as interest rates and yield curves at commonly quoted intervals, implied volatilities and credit spreads or market-corroborated inputs.
- Level 3 inputs are significant unobservable inputs.

Note 2. Cash and Investments (continued)

Fair Value Measurements (continued)

The District has investments as of June 30, 2025 measured at net asset value (NAV) as follows:

Investment Measured at Net Asset Value	Amount	Unfunded Commitments	Frequency (if currently eligible)	Notice Period
ISDLAF	$ 32,562,684	n/a	Daily	1 Day

Note 3. Real Estate Taxes Receivable and Due to Other Governments

Real estate taxes receivable, reduced for estimated uncollectible amounts as of June 30, 2025, were as follows:

	Gross Tax Levy Receivable	Estimated Uncollectible Allowance	Net Receivable
General Fund	$ 12,526,440	$ (2,668,886)	$ 9,857,554
Nonmajor Governmental Funds	1,872,181	(398,925)	1,473,256
	$ 14,398,621	$ (3,067,811)	$ 11,330,810

Due from other governmental units is comprised of the following as of June 30, 2025:

	State Aid	Federal Aid	Replacement Taxes	Other Local Governments	Total
General Fund	$ 250,827	$ 1,466,764	$ 89,734	$ 114,355	$ 1,921,680
Nonmajor Governmental	2,176,667	21,042	-	8,558	2,206,267
	$ 2,427,494	$ 1,487,806	$ 89,734	$ 122,913	$ 4,127,947

Note 4. Capital Assets

Capital asset balances and activity for the year ended June 30, 2025, are as follows:

	Balance July 1, 2024	Additions and Transfers	Retirements and Transfers	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated/amortized:				
Land	$ 403,497	$ -	$ -	$ 403,497
Construction in progress	2,000,700	150,306	1,896,224	254,782
Total capital assets not being depreciated/amortized	2,404,197	150,306	1,896,224	658,279
Capital assets, being depreciated/amortized:				
Land improvements	1,457,817	135,960	-	1,593,777
Buildings and improvements	77,398,600	5,983,049	-	83,381,649
Machinery and equipment	7,651,688	336,602	-	7,988,290
Leased equipment	433,375	-	-	433,375
Total capital assets being depreciated/amortized	86,941,480	6,455,611	-	93,397,091
Less accumulated depreciation/amortization:				
Land improvements	1,171,295	51,573	-	1,222,868
Buildings and improvements	29,399,823	2,355,725	-	31,755,548
Machinery and equipment	5,663,527	445,774	-	6,109,301
Leased equipment	92,866	61,911	-	154,777
Total accumulated depreciation/amortization	36,327,511	2,914,983	-	39,242,494
Total capital assets being depreciated/amortized, net	50,613,969	3,540,628	-	54,154,597
Governmental activities Capital assets, net	$ 53,018,166	$ 3,690,934	$ 1,896,224	$ 54,812,876

Depreciation/amortization expense was charged to governmental activities as follows:

Instruction	$ 1,392,774
Support services	1,522,209
	$ 2,914,983

Note 5. Long-Term Obligations

General long-term obligations as of June 30, 2025, and a summary of activity for the year then ended are as follows:

	(Restated) Outstanding Obligations as of July 1, 2024	Additions	Reductions	Outstanding Obligations as of June 30, 2025	Due within one year
General obligation bonds	$ 1,645,000	$ 14,510,000	$ 1,645,000	$ 14,510,000	$ 380,000
Limited tax bonds	13,520,000	-	925,000	12,595,000	1,085,000
Alternate revenue bonds	24,070,000	-	1,435,000	22,635,000	1,500,000
Premiums on bonds	2,139,003	1,279,807	286,037	3,132,773	-
Financed purchase	-	1,198,000	401,316	796,684	183,154
Leases*	251,806	-	78,500	173,306	83,815
Compensated absences *	5,662,253	201,866	-	5,864,119	1,550,113
Net pension liability *	2,409,984	157,774	-	2,567,758	-
Net OPEB liability *	5,015,323	336,328	-	5,351,651	-
	$ 54,713,369	$ 17,683,775	$ 4,770,853	$ 67,626,291	$ 4,782,082

*The General and Municipal Retirement/Social Security Funds are used to liquidate these liabilities.

The beginning balance of compensated absences has been restated for the implementation of GASB Statement No. 101, *Compensated Absences*.

Changes in compensated absences, net pension liability, and net OPEB liability are presented net.

Note 5. Long-Term Obligations (continued)

Interest rates on the outstanding bonds range from 2.75 percent to 5.00 percent. As of June 30, 2025, the future annual debt service requirements on the outstanding long-term debt are as follows:

Year Ending June 30	General Obligation Bonds		Limited Tax Bonds	
	Principal	Interest	Principal	Interest
2026	$ 380,000	$ 875,207	$ 1,085,000	$ 505,763
2027	165,000	702,375	1,170,000	458,629
2028	145,000	694,625	1,235,000	410,610
2029	-	691,000	1,300,000	362,179
2030	-	691,000	1,360,000	310,000
2031-2035	2,560,000	3,207,250	2,830,000	1,032,738
2036-2040	3,995,000	2,334,875	2,110,000	584,324
2041-2045	6,215,000	1,149,125	1,505,000	101,644
2046	1,050,000	26,250	-	-
	$ 14,510,000	$ 10,371,707	$ 12,595,000	$ 3,765,887

Year Ending June 30	Alternate Revenue Bonds		
	Principal	Interest	Total
2026	$ 1,500,000	$ 877,319	$ 5,223,289
2027	1,555,000	823,944	4,874,948
2028	1,800,000	763,794	5,049,029
2029	1,920,000	695,843	4,969,022
2030	2,005,000	624,294	4,990,294
2031-2035	6,175,000	2,311,769	18,116,757
2036-2040	6,125,000	905,267	16,054,466
2041-2045	1,555,000	140,548	10,666,317
2046	-	-	1,076,250
	$ 22,635,000	$ 7,142,778	$ 71,020,372

The District's legal limitation of $34,372,229 based on 6.9 percent of the 2024 equalized assessed valuation of $498,148,253, less the outstanding general obligation bonds of $14,510,000 and limited tax bonds of $12,595,000 results in a legal debt margin of $7,267,229 as of June 30, 2025.

Note 5. Long-Term Obligations (continued)

General Obligation Limited Tax School Bonds, Series 2015A
In July 2015, the District issued $3,475,000 of general obligation bonds with principal payable in annual installments on December 1 and interest rates ranging from 3.00 percent to 5.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2026. The bonds were used to current refund outstanding debt of the District.

General Obligation Limited Tax School Bonds, Series 2015B
In October 2015, the District issued $3,285,000 of general obligation bonds with principal payable in annual installments on December 1 and interest rates ranging from 2.00 percent to 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2028. The bonds were used to advance refund outstanding debt of the District.

General Obligation School Bonds, Series 2016
In February 2016, the District issued $9,035,000 of general obligation bonds with principal payable in annual installments on December 1 and interest at of 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment was made December 1, 2024. The bonds were used to current refund outstanding debt of the District.

General Obligation School Bonds (Alternate Revenue Source), Series 2018B
In March 2018, the District issued $2,180,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest at rate of 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2037. The bonds were to build and equip an addition for educational purposes. The District has pledged a portion of Evidence-Based funding received from the Illinois State Board of Education.

General Obligation Limited Tax School Bonds, Series 2019A
In January 2019, the District issued $6,485,000 of general obligation bonds with principal payable in annual installments on December 1 and interest rates ranging from 3.25 percent to 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2030. The bonds were used to advance refund outstanding debt of the District.

General Obligation Limited Tax School Bonds, Series 2019B
In January 2019, the District issued $765,000 of general obligation bonds with principal payable in annual installments on December 1 and interest at rates ranging from 2.75 percent to 3.15 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2028. The bonds were used to equip existing education facilities.

General Obligation School Bonds (Alternate Revenue Source), Series 2019C
In June 2019, the District issued $8,520,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest at rate of 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2038. The bonds were to build and equip an addition for educational purposes. The District has pledged a portion of Evidence-Based funding received from the Illinois State Board of Education.

General Obligation School Bonds (Alternate Revenue Source), Series 2020A
In April 2020, the District issued $5,980,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest at rate of 4.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2038. The bonds were to build and equip an addition for educational purposes. The District has pledged a portion of Evidence-Based funding received from the Illinois State Board of Education.

Note 5. Long-Term Obligations (continued)

General Obligation School Bonds (Alternate Revenue Source), Series 2020B
In September 2020, the District issued $7,110,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest at rate of 3.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2029. The bonds were used to current refund outstanding debt of the District. The District has pledged a portion of Evidence-Based funding received from the Illinois State Board of Education.

General Obligation Limited Tax School Bonds, Series 2022
In November 2022, the District issued $5,000,000 of general obligation bonds with principal payable in annual installments on December 1 and interest at rate of 4.50 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2042. The bonds were used to remodel and equip existing education facilities and construct new food service facility.

General Obligation School Bonds (Alternate Revenue Source), Series 2023
In June 2023, the District issued $4,975,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest rates ranging from 4.25 percent to 5.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2043. The bonds were used to construct and equip a new food service facility. The District has pledged a portion of Evidence-Based funding received from the Illinois State Board of Education.

General Obligation School Bonds, Series 2025
In February 2025, the District issued $14,510,000 of general obligation bonds with principal payable in annual installments on December 1 of each year and interest at rate of 5.00 percent, payable semiannually on June 1 and December 1. The final principal and interest payment is due December 1, 2045. The bonds will be used to conform the District's existing facilities that house students to the building code by altering and reconstructing said facilities and having equipment purchased and installed therein.

Pledge of Future Revenues
The District has pledged future portions of Evidence-Based Funding received from the Illinois State Board of Education to repay Series 2018B, 2019C, 2020A, 2020B, and 2023 bonds. Proceeds from the bonds provided financing to build and equip and two additions, renovate existing educational facilities, install new HVAC in several District educational facilities, and construct and equip and new food service facility. The bonds paid from Evidence-Based Funding mature between years ended June 30, 2030 and 2045. If the pledged revenue from this source is insufficient to provide for the principal and interest payments on the bonds, property taxes, or other available funds, would be used to make the payments. The total principal and interest remaining to be paid on the bonds is $29,777,778. The District was required to make principal or interest payments totaling $2,363,544 during the current year and the Evidence-Based Funding for the current year was $22,716,081.

Note 6. Leases

Lease Payable

The District leases equipment under a lease set to expire in August 2026. Annual lease payments, including interest at 6.77 percent, are $95,550. The net book value of the capital assets acquired under the lease is $402,420, which is included with machinery and equipment.

As of June 30, 2025, the future annual payment requirements on the outstanding leases are as follows:

Year Ending June 30	Principal	Interest	Total
2026	$ 83,815	$ 11,735	$ 95,550
2027	89,491	6,059	95,550
	$ 173,306	$ 17,794	$ 191,100

Lease Receivable

The District entered into a lease agreement to lease a portion of District owned facilities, including utilities and the use of furniture and other furnishings, effective July 1, 2021 through June 30, 2030. The lease agreement requires the Lessee to make monthly payments of $168,245 to lease 103,007 square feet at $19.60 per square foot. The lease will automatically terminate if the Lessee's charter is not renewed by the Illinois State Board of Education for any reason. For the year ended June 30, 2025 the District recorded $1,583,001 in rent revenue and $34,193 in interest income related to such leases. At June 30, 2025, future lease payments on this lease are as follows:

Year ended June 30:	
2026	$ 2,018,937
2027	2,018,937
2028	2,018,937
2029	2,018,937
2030	2,018,937
Total future lease payments	10,094,685
Less amount representing interest income	950,363
Lease receivable/Deferred lease revenue	9,144,322
Less current portion	1,707,706
Long-term portion	$ 7,436,616

Note 7. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction to assets; errors and omissions; injuries to employees; and natural disasters. The District participates in the Suburban School Cooperative Insurance Pool (SSCIP) for its general liability and property coverages. SSCIP is an organization of school districts in Illinois which has formed an association under the Illinois Intergovernmental Cooperation's Statute to pool its risk management needs. The District pays annual premiums to SSCIP and assumes various deductibles for each occurrence depending on the specific type of liability.

SSCIP is governed by a nine-member Board of Directors elected from its membership. The District does not exercise any control over the activities of the pool beyond its representation on the Board of Directors or the election of the Board members.

The cooperative agreements provide that SSCIP will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of $1,000,000 per occurrence and $2,835,000 in aggregate for general liability and property.

SSCIP can assess supplemental premiums for years in which the District was a member. There has been no such assessment during the past three years.

The District also participates in the Illinois Public Risk Fund (IPRF) for its workers' compensation coverages. IPRF is an organization of public entities in Illinois which have pooled their workers' compensation exposures and controlled costs through a unified loss prevention and claims management program. A Board of Trustees elected by participants oversees the operation of the Fund and governs it in accordance with State of Illinois rules and guidelines.

Note 8. Retirement Fund Commitments

Teachers' Retirement System

Plan Description

The District (employer) participates in the Teachers' Retirement System of the State of Illinois (TRS or System). 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) 877-0890, option 2.

Benefits Provided

TRS provides retirement, disability and death benefits. Tier I members have TRS or reciprocal system service prior to January 1, 2011. Tier I 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 percent of final average salary up to a maximum of 75 percent with 34 years of service. Disability and death benefits are also provided.

Note 8. Retirement Fund Commitments (continued)

Teachers' Retirement System (continued)

Benefits Provided (continued)

Tier II 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 last four. Disability provisions for Tier II are identical to those of Tier I. Death benefits are payable under a formula that is different from Tier I.

Essentially all Tier I retirees receive an annual 3 percent increase in the current retirement benefit beginning January 1 following the attainment of age 61 or on January 1 following the member's first anniversary in retirement, whichever is later. Tier II annual increases will be the lesser of three percent of the original benefit or one-half the increase in the Consumer Price Index 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 III hybrid retirement plan, but 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 I members to receive a partial lump-sum payment in exchange for accepting a lower, delayed annual increase. The other allows inactive vested Tier I and II 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 percent of the total actuarial liabilities of the System by the end of fiscal year 2045.

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

On behalf contributions to TRS. The State of Illinois makes employer pension contributions on behalf of the employer. For the year ended June 30, 2025, State of Illinois contributions recognized by the employer were based on the state's proportionate share of the collective net pension liability associated with the employer, and the employer recognized revenue and expenditures of $2,035,260 in pension contributions from the State of Illinois.

2.2 formula contributions. Employers contribute 0.58 percent of total creditable earnings for the 2.2 formula change. The contribution rate is specified by statute. Contributions for the year ended June 30, 2025, were $118,679 and are deferred because they were paid after the June 30, 2024 measurement date.

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

Note 8. Retirement Fund Commitments (continued)

Teachers' Retirement System (continued)

Contributions (continued)

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

For the year ended June 30, 2025, the employer pension contribution was 10.34 percent of salaries paid from federal and special trust funds. For the year ended June 30, 2025, salaries totaling $775,847 were paid from federal and special trust funds that required employer contributions of $80,223. These contributions are deferred because they were paid after the June 30, 2024 measurement date.

Employer retirement cost contributions. Under GASB Statement No. 68, contributions that an employer is required to pay because of a TRS member retiring are categorized as specific liability payments. The employer is required to make a one-time contribution to TRS for members granted salary increases over 6 percent if those salaries are used to calculate a retiree's final average salary.

A one-time contribution is also required for members granted sick leave days in excess of the normal annual allotment if those days are used as TRS service credit. For the year ended June 30, 2025, the District paid $0 to TRS for employer contributions due on salary increases in excess of 6 percent The District was not required to make any payments for sick leave days granted in excess of the normal annual allotment.

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

At June 30, 2025, the employer 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 employer. The state's support and total are for disclosure purposes only. The amount recognized by the employer 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 employer were as follows:

District's proportionate share of the net pension liability	$	1,609,412
State's proportionate share of the net pension liability associated with the District		134,190,423
Total	$	135,799,835

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2024. The employer's proportion of the net pension liability was based on the employer's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the employer's proportion was .0019 percent, which was the same as its proportion measured as of June 30, 2023.

Note 8. Retirement Fund Commitments (continued)

Teachers' Retirement System (continued)

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

For the year ended June 30, 2025, the employer recognized pension expense of $264,281 and revenue of $10,742,151 for support provided by the State. At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 6,052	$ 4,178
Net difference between Projected and Actual Earnings on Pension Plan Investments	-	13,818
Changes of Assumptions	22,175	854
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	9,729	80,640
District Contributions Subsequent to the Measurement Date	198,903	-
Total Deferred Amounts to be Recognized in Pension Expense in Future Periods	$ 236,859	$ 99,490

$198,903 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the reporting year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ (53,492)
2027	(4,967)
2028	(6,977)
2029	2,157
2030	1,745
Total	$ (61,534)

Actuarial Assumptions

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

Inflation	2.5 percent
Salary increases	3.75% - 8.75%, varies by amount of service credit
Investment rate of return	7.00 percent, net of pension plan investment expense, including inflation

Note 8. Retirement Fund Commitments (continued)

Teachers' Retirement System (continued)

Actuarial Assumptions (continued)

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 MP-2021. In the June 30, 2023 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 MP-2020.

The long-term (20-year) expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class that were used by the actuary are summarized in the following table:

Asset Class	Target Allocation		Long-Term Expected Real Rate of Return	
Global Equity	37.0	%	7.60	%
Private Equity	15.0		10.30	
Public Income	18.0		5.80	
Private Credit	8.0		9.20	
Real Assets	18.0		7.00	
Diversifying Strategies	4.0		5.20	
	100	%		

Discount Rate

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

Note 8. Retirement Fund Commitments (continued)

Teachers' Retirement System (continued)

Discount Rate (continued)

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

Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

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

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
Employer's proportionate share of the net pension liability	$ 1,987,669	$ 1,609,412	$ 1,295,853

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*.

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 an agent multi-employer public pension fund. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Details of all benefits are available from IMRF. Benefit provisions are established by statute and may only be changed by the General Assembly of the State of Illinois. IMRF issues a publicly available Annual Comprehensive Financial Report that includes financial statements, detailed information about the pension plan's fiduciary net position, and required supplementary information. The report is available for download at www.imrf.org.

Note 8. Retirement Fund Commitments (continued)

Illinois Municipal Retirement Fund (continued)

Benefits Provided

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

Employees hired on or after January 1, 2011, are eligible for Tier II benefits. For Tier II employees, pension benefits vest after ten years of service. Participating employees who retire at age 62 (at reduced benefits) or after age 67 (at full benefits) with ten years of service are entitled to an annual retirement benefit, payable monthly for life, in an amount equal to 1-2/3 percent of the final rate of earnings for the first 15 years of service credit, plus 2 percent for each year of service credit after 15 years to a maximum of 75 percent of their final rate of earnings. Final rate of earnings is the highest total earnings during any 96 consecutive months within the last 10 years of service, divided by 96. Under Tier II, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the lesser of:

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

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

Retirees and Beneficiaries currently receiving benefits	323
Inactive Plan Members entitled to but not yet receiving benefits	212
Active Plan Members	140
Total	675

Contributions

As set by statute, the District's Regular Plan Members are required to contribute 4.5% of their annual covered salary. The statute requires employers to contribute the amount necessary, in addition to member contributions, to finance the retirement coverage of its own employees. The District's annual contribution rates for calendar years 2025 and 2024 were 6.27 percent and 6.33 percent, respectively. For the fiscal year ended June 30, 2025, the District contributed $411,257 to the plan. The District also contributes for disability benefits, death benefits, and supplemental retirement benefits, all of which are pooled at the IMRF level. Contribution rates for disability and death benefits are set by IMRF's Board of Trustees, while the supplemental retirement benefits rate is set by statute.

Note 8. Retirement Fund Commitments (continued)

Illinois Municipal Retirement Fund (continued)

Net Pension Liability

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

Actuarial Assumptions

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

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Asset Valuation Method** used was Fair Value of Assets.
- The **Inflation Rate** was assumed to be 2.25%.
- **Salary Increases** were expected to be 2.85% to 13.75%, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25%.
- **Projected Retirement Age** was from the Experience-based Table of Rates, specific to the type of eligibility condition, last updated for the 2023 valuation according to an experience study from years 2020 to 2022.
- **Mortality** for non-disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108%) and Female (adjusted 106%) 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.

Note 8. Retirement Fund Commitments (continued)

Illinois Municipal Retirement Fund (continued)

Actuarial Assumptions (continued)

- The **long-term expected rate of return** on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return to the target asset allocation percentage and adding expected inflation. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table as of December 31, 2024:

Asset Class	Portfolio Target Percentage	Long-Term Expected Real Rate of Return
Equities	33.5%	4.35%
International Equities	18.0%	5.40%
Fixed Income	24.5%	5.20%
Real Estate	10.5%	6.40%
Alternatives	12.5%	4.85%-6.25%
Cash Equivalents	1.0%	3.60%
Total	100.0%	

Discount Rate

A Single Discount Rate of 7.25 percent was used to measure the total pension liability as of December 31, 2024. The projection of cash flow used to determine this Single Discount Rate assumed that the plan members' contributions will be made at the current contribution rate, and that employer contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. The Single Discount Rate reflects:

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

For the purpose of the most recent valuation, the expected rate of return on plan investments is 7.25 percent, the municipal bond rate is 4.08 percent and the resulting single discount rate is 7.25 percent, which is no change over the prior year.

Note 8. Retirement Fund Commitments (continued)

Illinois Municipal Retirement Fund (continued)

Changes in the Net Pension (Asset) Liability

The following table shows the components of the District's annual pension (asset) liability and related plan fiduciary net position for the calendar year ended December 31, 2024:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension (Asset) Liability
Balances at December 31, 2023	$ 20,950,042	$ 20,135,295	$ 814,747
Changes for the year:			
Service cost	527,845	-	527,845
Interest on the total pension liability	1,491,723	-	1,491,723
Changes of benefit terms	-	-	-
Differences between expected and actual experience of the total pension liability	1,249,858	-	1,249,858
Changes of assumptions	-	-	-
Contributions - employer	-	401,208	(401,208)
Contributions - employees	-	284,225	(284,225)
Net investment income	-	1,992,305	(1,992,305)
Benefit payments, including refunds of employee contributions	(1,276,951)	(1,276,951)	-
Other (net transfer)	-	448,089	(448,089)
Net changes	1,992,475	1,848,876	143,599
Balances at December 31, 2024	$ 22,942,517	$ 21,984,171	$ 958,346

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the plan's net pension liability, calculated using a Single Discount Rate of 7.25 percent, as well as what the plan's net pension (asset) liability would be if it were calculated using a Single Discount Rate that is 1 percent lower or 1 percent higher:

	1% Lower 6.25%	Current Discount Rate 7.25%	1% Higher 8.25%
Total Net Pension Liability	$ 25,316,811	$ 22,942,517	$ 20,990,898
Plan Fiduciary Net Pension	21,984,171	21,984,171	21,984,171
Net Pension Liability	$ 3,332,640	$ 958,346	$ (993,273)

Note 8. Retirement Fund Commitments (continued)

Illinois Municipal Retirement Fund (continued)

Pension Expense, 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 $716,761. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 401,173	$ -
Net difference between projected and actual earnings on pension plan investments	521,494	-
Employer contribution subsequent to the measurement date	222,441	-
Total deferred amounts related to pensions	$ 1,145,108	$ -

Of the amounts reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date, $222,441 will be recognized as a reduction of the net pension liability in the reporting year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

2026	$ 650,233
2027	628,712
2028	(248,739)
2029	(107,539)
	$ 922,667

Note 8. Retirement Fund Commitments (continued)

Below is a summary of the various pension items at June 30, 2025:

	TRS	IMRF	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	$ 6,052	$ 401,173	$ 407,225
Net difference between projected and actual earnings on pension plan investments	-	521,494	521,494
Changes of assumptions	22,175	-	22,175
Changes in proportion and differences between employer contributions and proportionate share of contributions	9,729	-	9,729
Employer contribution subsequent to the measurement date	198,903	222,441	421,344
	$ 236,859	$ 1,145,108	$ 1,381,967
Net Pension (Asset) Liability	$ 1,609,412	$ 958,346	$ 2,567,758
Deferred Inflows of Resources			
Differences between expected and actual experience	$ 4,178	$ -	$ 4,178
Net difference between projected and actual earnings on pension plan investments	13,818	-	13,818
Changes of assumptions	854	-	854
Changes in proportion and differences between employer contributions and proportionate share of contributions	80,640	-	80,640
	$ 99,490	$ -	$ 99,490
Pension Expense	$ 264,281	$ 716,761	$ 981,042

Note 9. Other Post Employment Benefits

Teachers' Health Insurance Security Fund

Plan Description

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

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.

Contributions

Section 6.6 of the State Employees Group Insurance Act of 1971 requires all active contributors to TRS who are not employees of the state to make a contribution to the THIS Fund. The percentage of employer-required contributions in the future will not exceed 105 percent of the percentage of salary actually required to be paid in the previous fiscal year.

On behalf contributions to the THIS Fund. The State of Illinois makes employer retiree health insurance contributions on behalf of the employer. State contributions are intended to match contributions to the THIS Fund from active members which were 0.90 percent of pay during the year ended June 30, 2025. State of Illinois contributions were $184,133, and the District recognized revenue and expenditures of this amount during the year.

Employer contributions to the THIS Fund. The employer also makes contributions to the THIS Fund. The employer THIS Fund contribution was 0.67 percent during the year ended June 30, 2025. For the year ended June 30, 2025, the employer paid $137,097 to the THIS Fund, which was 100 percent of the required contribution.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2025, the employer reported a liability for its proportionate share of the net OPEB liability (first amount shown below) that reflected a reduction for State OPEB support provided to the employer. The amount recognized by the employer 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 employer were as follows:

District's proportionate share of the net OPEB liability	$ 5,351,651
State's proportionate share of the net OPEB liability associated with the District	7,267,784
Total	$ 12,619,435

Note 9. Other Post Employment Benefits (continued)

Teachers' Health Insurance Security Fund (continued)

OPEB Liabilities, OPEB Income, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB (continued)

The net OPEB liability was measured as of June 30, 2024, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023, and rolled forward to June 30, 2024. The employer's proportion of the net OPEB liability was based on the employer's share of contributions to the OPEB plan for the measurement year ended June 30, 2023, relative to the contributions of all participating OPEB plan employers and the state during that period. At June 30, 2024, the employer's proportion was 0.0677 percent, which was decrease of 0.0027 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the employer recognized OPEB income of $1,959,511 and revenue of $(2,595,533) for support provided by the State. At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following source:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Experience	$ 147,675	$ 2,255,604
Net difference between Projected and Actual Earnings on OPEB Plan Investments	-	2,905
Changes of Assumptions	161,742	7,689,855
Changes in Proportion and Differences between District Contributions and Proportionate Share of Contributions	427,328	1,037,404
District Contributions Subsequent to the Measurement Date	137,097	-
	$ 873,842	$ 10,985,768

$137,097 reported as deferred outflows of resources related to OPEB resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the reporting year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in pension expense as follows:

Year ended June 30:	
2026	$ (2,058,014)
2027	(1,992,317)
2028	(1,966,968)
2029	(1,813,237)
2030	(1,404,352)
Thereafter	(1,014,135)
Total	$ (10,249,023)

Note 9. Other Post Employment Benefits (continued)

Teachers' Health Insurance Security Fund (continued)

Actuarial Assumptions

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

Inflation	2.25 percent
Salary increases	Depends on service and ranges from 8.50 percent at 1 year of service to 3.50 percent at 20 or more years of service. Includes 2.25% wage inflation.
Investment rate of return	2.75 percent, net of OPEB plan investment expense, including inflation.
Healthcare cost trend rates	Trend rates for fiscal year 2025 are based on actual premium increases. For non-Medicare costs, trend rates start at 8.00% for plan year 2026 and decrease gradually to an ultimate rate of 4.25% in 2041. For MAPD costs, trend rates are 15% in 2026 to 2030, 7% in 2031, declining gradually to an ultimate rate of 4.25% in 2041.

Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for the TRS experience. For disabled annuitants morality rates were based on the PubNS-2010 Non-Safety Disabled Annuitant Table. Morality 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, 2023 valuation were based on the results of an actuarial experience study for the Period July 1, 2017 through June 30, 2020.

The following changes were made in assumptions from the previous actuarial valuation of June 30, 2022. Per capita claim costs for plan year end June 30, 2024, were updated based on projected claims and enrollment experience through June 30, 2024, and updated premium rates through plan year 2025. The healthcare trend assumption was updated based on claim and enrollment experience through June 30, 2023, projected plan cost for plan year end June 30, 2024, premium changes through plan year end 2025, and expectation of future trend increases after June 30, 2024. The discount rate was changed from 3.86 percent at June 30, 2023, to 3.97 percent at June 30, 2024.

Discount Rate

Projected benefit payments were discounted to their actuarial present value using a Single Discount Rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the plan's fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate as reported in Fidelity Index's 20-year municipal GO AA index as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met). Since TRIP is financed on a pay-as-you-go basis, a discount rate consistent with the 20-year general obligation bond index has been selected. The discount rates are 3.97% as of June 30, 2024, and 3.86% as of June 30, 2023, an increase of 0.11%.

During the Plan year ending June 30, 2024, the trust earned $21,998,000 in interest, and the market value of assets at June 30, 2024, was $634.5 million. The long-term expected rate of return assumption was set to 2.75 percent.

Note 9. Other Post Employment Benefits (continued)

Teachers' Health Insurance Security Fund (continued)

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

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

	1% Decrease 2.97%	Current Discount Rate 3.97%	1% Increase 4.97%
District's proportionate share of the collective net OPEB Liability	$ 5,972,429	$ 5,351,651	$ 4,804,390

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

The following presents the District's proportionate share of the collective net OPEB liability, as well as what the District's proportionate share of the collective net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point higher or lower than the current healthcare cost trend rates. The current pre-Medicare per capita costs are 6.00% in 2024, 8.00% in 2025, decreasing by 0.25% per year to an ultimate rate of 4.25% in 2040. The current post-Medicare per capita costs are 0.00% from 2024 to 2028, 19.42% from 2029 to 2033, 6.08% in 2034 decreasing ratably to an ultimate trend rate of 4.25% in 2040.

	1% Decrease [(a)]	Healthcare Cost Trend Rates Assumption	1% Increase [(b)]
District's proportionate share of the collective net OPEB Liability	$ 4,607,758	$ 5,351,651	$ 6,236,823

(a) One percentage point decrease in healthcare trend rates
- Pre-Medicare per capita costs: 5.00% in 2025, 7.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 3.25% in 2041
- Post-Medicare per capita costs: 14.00% from 2026 to 2030, 6.00% in 2031 decreasing ratably to an ultimate trend rate of 3.25% in 2041

(b) One percentage point increase in healthcare trend rates
- Pre-Medicare per capita costs: 7.00% in 2025, 9.00% in 2026, decreasing by 0.25% per year to an ultimate rate of 5.25% in 2041
- Post-Medicare per capita costs:16.00% from 2026 to 2030, 8.00% in 2031 decreasing ratably to an ultimate trend rate of 5.25% in 2041

Further information on the THIS Fund

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

Note 10. Other Financial Disclosures (FFS Only)

Interfund Balances

As of June 30, 2025, $2,500,000 is due from the Capital Projects Fund to the General Fund. The interfund loan enabled the General Fund to cover construction expenditures while waiting to receive evidence-based funding. It is expected to be repaid within the next fiscal year.

Budget Over Expenditures

The following funds over expended their budget for the year ended June 30, 2025:

Governmental Funds	
Major:	
General Fund	$ 179,583
Capital Projects Fund	2,723,245
Fire Prevention and Life Safety Fund	3,491,796
Non-major:	
Transportation Fund	412,646
Debt Service Fund	224,077

Fund Deficit

As of June 30, 2025, the Capital Projects Fund has a deficit fund balance of $2,351,451.

Note 11. Debt Defeasance

In the current and prior years, the District advance-refunded certain general obligation bonds by placing a portion of the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account holds the assets and the liability for the defeased bonds which are not included in the District's financial statements. As of June 30, 2025, there are no defeased bonds outstanding.

Note 12. Related Party

Southland College Prep Charter School (Southland) is a charter school incorporated in December 2009. The Superintendent and a board member of the District serve as Southland's CEO and Board President, respectively. During the fiscal year 2025, the District charged Southland $1,293,630 for services and for invoices which were initially paid by the District to be reimbursed by Southland.

Note 13. Commitments

As of June 30, 2025, the District has committed approximately $4,366,494 under construction and purchase contracts.

Note 14. Tax Abatements

Tax abatements are a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to take a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

Note 15. Tax Abatements (continued)

The District is affected by Cook County's Class 8 property tax incentive program. The purpose of the Class 8 program is to encourage commercial and industrial development in areas with severe economic stagnation by offering a significant reduction in the property assessment level.

Properties receiving a Class 8 incentive are assessed at 10% of market value for the first 10 years, 15% in the 11th year, and 20% in the 12th year. This constitutes a substantial reduction in the level of assessment and results in significant tax savings. In the absence of this incentive, industrial real estate would normally be assessed at 25% of its market value.

Municipalities within the District area have granted Class 8 incentives to businesses that, as a result, have occupied abandoned properties, constructed new buildings, or expanded existing facilities. In many instances, the program has produced more property tax revenue for the District and the other impacted taxing districts than would have been generated if the development had not occurred. The District's tax revenues are reduced due to the agreements entered into by these municipalities.

For the fiscal year ending June 30, 2025, the District's share of the abatement granted to the Class 8 properties was approximately $155,000.

Required Supplementary Information

Matteson Elementary School District No. 162
Schedule of the Employer's Proportionate Share of the Net Pension Liability
Teachers' Retirement System
Last Ten Fiscal Years

	2025*	2024*	2023 *	2022 *	2021 *
Employer's proportion of the net pension liability	0.0019 %	0.0019 %	0.0019 %	0.0020 %	0.0021 %
Employer's proportion share of the net pension liability	$ 1,609,412	$ 1,595,236	$ 1,558,697	$ 1,575,542	$ 1,773,133
State's proportionate share of the net pension liability associated with the employer	134,190,423	137,669,728	135,206,615	132,047,132	138,881,010
Total	$ 135,799,835	$ 139,264,964	$ 136,765,312	$ 133,622,674	$ 140,654,143
Covered payroll	$ 20,180,142	$ 19,643,694	$ 19,189,987	$ 18,099,508	$ 17,237,330
Employer's proportionate share of the net pension liability as a percentage of covered payroll	8.0 %	8.1 %	8.1 %	8.7 %	10.3 %
Plan fiduciary net position as a percentage of the total pension liability	45.4 %	43.9 %	42.8 %	45.1 %	37.8 %

	2020 *	2019*	2018 *	2017 *	2016 *
Employer's proportion of the net pension liability	0.0022 %	0.0024 %	0.0061 %	0.0062 %	0.0065 %
Employer's proportion share of the net pension liability	$ 1,744,106	$ 1,855,164	$ 4,682,038	$ 4,876,535	$ 4,287,010
State's proportionate share of the net pension liability associated with the employer	129,163,701	127,086,514	126,472,823	119,029,098	103,987,077
Total	$ 130,907,807	$ 128,941,678	$ 131,154,861	$ 123,905,633	$ 108,274,087
Covered payroll	$ 17,373,292	$ 16,945,538	$ 16,792,652	$ 16,584,967	$ 16,002,063
Employer's proportionate share of the net pension liability as a percentage of covered payroll	10.0 %	10.9 %	27.9 %	29.4 %	26.8 %
Plan fiduciary net position as a percentage of the total pension liability	39.6 %	40.0 %	39.3 %	36.4 %	41.5 %

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

Note to Schedule:

Changes of Assumptions

For the 2024 measurement year, the actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

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

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

Matteson Elementary School District No. 162
Schedule of Employer Contributions
Teachers' Retirement System
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually-required contribution	$ 198,903	$ 241,846	$ 309,634	$ 239,812	$ 197,993
Contributions in relation to the contractually-required contribution	198,903	241,846	309,810	233,487	198,962
Contribution deficiency (excess)	$ -	$ -	$ (176)	$ 6,325	$ (969)
Covered payroll	$ 20,459,212	$ 20,180,142	$ 19,643,694	$ 19,189,987	$ 18,099,508
Contributions as a percentage of covered payroll	0.97 %	1.20 %	1.58 %	1.25 %	1.09 %

	2020	2019	2018	2017	2016
Contractually-required contribution	$ 149,312	$ 154,201	$ 142,805	$ 250,839	$ 248,463
Contributions in relation to the contractually-required contribution	150,670	156,987	147,539	252,491	248,463
Contribution deficiency (excess)	$ (1,358)	$ (2,786)	$ (4,734)	$ (1,652)	$ -
Covered payroll	$ 17,237,330	$ 17,373,292	$ 16,945,538	$ 16,792,652	$ 16,584,967
Contributions as a percentage of covered payroll	0.87 %	0.89 %	0.84 %	1.49 %	1.50 %

Note to Schedule:
Changes of Assumptions
For the 2024 measurement year, the actuarial assumptions were based on an experience study dated August 16, 2024.

For the 2022 measurement year, the assumed investment rate of return was of 7.0 percent, including an inflation rate of 2.50 percent and a real return of 4.50 percent. Salary increases were assumed to vary by service credit. These actuarial assumptions were based on an experience study dated September 30, 2021.

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

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

Matteson Elementary School District No. 162
Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios
Illinois Municipal Retirement Fund
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Total Pension Liability:										
Service cost	$ 527,845	$ 466,657	$ 446,098	$ 398,794	$ 402,106	$ 374,924	$ 324,200	$ 333,396	$ 300,949	$ 284,157
Interest on the total pension liability	1,491,723	1,434,607	1,377,227	1,274,578	1,243,898	1,208,892	1,166,443	1,163,181	1,148,001	1,111,933
Changes of benefit terms	-	-	-	-	-	-	-	-	-	-
Differences between expected and actual experience of the total pension liability	1,249,858	124,858	132,815	871,420	18,845	(152,417)	42,726	(88,189)	(405,362)	(110,826)
Changes of assumptions	-	(23,183)	-	-	(142,197)	-	434,220	(492,502)	(34,282)	16,980
Benefit payments, including refunds of employee contributions	(1,276,951)	(1,214,499)	(1,135,448)	(1,169,748)	(1,025,907)	(898,378)	(843,916)	(891,678)	(836,427)	(780,776)
Net change in total pension liability	1,992,475	788,440	820,692	1,375,044	496,745	533,021	1,123,673	24,208	172,879	521,468
Total pension liability - beginning	20,950,042	20,161,602	19,340,910	17,965,866	17,469,121	16,936,100	15,812,427	15,788,219	15,615,340	15,093,872
Total pension liability - ending	$ 22,942,517	$ 20,950,042	$ 20,161,602	$ 19,340,910	$ 17,965,866	$ 17,469,121	$ 16,936,100	$ 15,812,427	$ 15,788,219	$ 15,615,340
Plan Fiduciary Net Position:										
Contributions - employer	$ 401,208	$ 340,148	$ 324,468	$ 394,269	$ 401,096	$ 294,664	$ 350,688	$ 343,395	$ 345,178	$ 318,052
Contributions - employees	284,225	244,787	211,786	211,469	189,146	178,893	159,956	146,612	134,081	134,963
Net investment income	1,992,305	2,029,624	(2,826,644)	3,260,452	2,447,290	2,764,810	(919,129)	2,527,312	960,628	70,661
Benefit payments, including refunds of employee contributions	(1,276,951)	(1,214,499)	(1,135,448)	(1,169,748)	(1,025,907)	(898,378)	(843,916)	(891,678)	(836,427)	(780,776)
Other (net transfer)	448,089	327,029	17,691	98,220	(36,756)	91,985	(82,778)	(360,104)	(382,779)	(75,265)
Net change in plan fiduciary net position	1,848,876	1,727,089	(3,408,147)	2,794,662	1,974,869	2,431,974	(1,335,179)	1,765,537	220,681	(332,365)
Plan fiduciary net position - beginning	20,135,295	18,408,206	21,816,353	19,021,691	17,046,822	14,614,848	15,950,027	14,184,490	13,963,809	14,296,174
Plan fiduciary net position - ending	$ 21,984,171	$ 20,135,295	$ 18,408,206	$ 21,816,353	$ 19,021,691	$ 17,046,822	$ 14,614,848	$ 15,950,027	$ 14,184,490	$ 13,963,809
Net Pension (Asset) Liability	$ 958,346	$ 814,747	$ 1,753,396	$ (2,475,443)	$ (1,055,825)	$ 422,299	$ 2,321,252	$ (137,600)	$ 1,603,729	$ 1,651,531
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	95.82%	96.11%	91.30%	112.80%	105.88%	97.58%	86.29%	100.87%	89.84%	89.42%
Covered Payroll	$ 6,338,183	$ 5,433,660	$ 4,702,432	$ 4,558,032	$ 4,139,273	$ 3,882,038	$ 3,517,435	$ 3,258,017	$ 2,978,241	$ 2,802,262
Net Pension (Asset) Liability as a Percentage of Covered Payroll	15.12%	14.99%	37.29%	-54.31%	-25.51%	10.88%	65.99%	-4.22%	53.85%	58.94%

** - The amounts presented for each fiscal year were determined as of the calendar yearend that occurred within the fiscal year.*

Matteson Elementary School District No. 162
Schedule of Employer Contributions - Illinois Municipal Retirement Fund
Last Ten Fiscal Years

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2016	$ 332,996	$ 332,996	$ -	$ 2,882,551	11.55%
2017	344,632	344,632	-	3,129,449	11.01%
2018	343,896	343,896	-	3,361,452	10.23%
2019	323,276	323,276	-	3,714,977	8.70%
2020	365,082	365,082	-	4,170,752	8.75%
2021	382,466	382,466	-	4,202,599	9.10%
2022	357,111	357,111	-	4,628,899	7.71%
2023	325,490	325,490	-	4,969,195	6.55%
2024	382,521	382,521	-	6,122,100	6.25%
2025	411,257	411,257	-	6,560,207	6.27%

Notes to Schedule of Contributions
Summary of Actuarial Methods and Assumptions Used in Calculations of the 2024 Contribution Rate*

Valuation Date: 12/31/2024

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

** Based on Valuation Assumptions used in the December 31, 2022 actuarial valuation."*

Methods and Assumptions Used to Determine 2024 Contribution Rates:

Actuarial Cost Method:	Aggregate entry age = normal
Amortization Method:	Level percentage of payroll, closed
Remaining Amortization Period:	19-year closed period
Asset Valuation Method:	5-year smoothed market; 20% corridor
Wage Growth:	2.75%
Price Inflation:	2.25%
Salary Increases:	2.75% to 13.75%, including inflation
Investment Rate of Return:	7.25%
Retirement Age:	Experience-based table of rates that are specific to the type of eligibility condition; last updated for the 2020 valuation pursuant to an experience study of the period 2017 to 2019.
Mortality:	For non-disabled retires, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 106%), and Female (adjusted 105%) tables, and future mortality improvements projected using scale MP-2020. For disabled retirees, the Pub-2010, Amount-Weighted, below-median income, General, Disabled Retiree, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020. For active members, the Pub-2010, Amount-Weighted, below-median income, General, Employee, Male and Female (both unadjusted) tables, and future mortality improvements projected using scale MP-2020.

Other Information:

Notes: There were no benefit changes in the current year

Matteson Elementary School District No. 162
Schedule of the Employer's Proportionate Share of the Net OPEB Liability
Teachers' Health Insurance Security Fund
Last Nine Fiscal Years

	2025*	2024*	2023 *	2022 *	2021 *
Employer's proportion of the net OPEB liability	0.0677 %	0.0704 %	0.0695 %	0.0698 %	0.0683 %
Employer's proportion share of the net OPEB liability	$ 5,351,651	$ 5,015,323	$ 4,759,385	$ 15,390,571	$ 18,266,264
State's proportionate share of the net OPEB liability associated with the employer	7,267,784	6,782,315	6,474,675	20,867,368	24,745,813
Total	$ 12,619,435	$ 11,797,638	$ 11,234,060	$ 36,257,939	$ 43,012,077
Covered payroll	$ 20,180,142	$ 19,643,694	$ 19,189,987	$ 18,099,508	$ 17,237,330
Employer's proportionate share of the net OPEB liability as a percentage of covered payroll	26.5 %	25.5 %	24.8 %	85.0 %	106.0 %

	2020 *	2019*	2018*	2017*
Employer's proportion of the net OPEB liability	0.0705 %	0.0714 %	0.0732 %	0.0716 %
Employer's proportion share of the net OPEB liability	$ 19,513,862	$ 18,803,723	$ 19,001,674	$ 19,583,043
State's proportionate share of the net OPEB liability associated with the employer	26,424,259	25,249,345	24,953,920	27,153,924
Total	$ 45,938,121	$ 44,053,068	$ 43,955,594	$ 46,736,967
Covered payroll	$ 17,373,292	$ 16,945,537	$ 16,792,652	$ 16,584,967
Employer's proportionate share of the net OPEB liability as a percentage of covered payroll	112.3 %	111.0 %	113.2 %	118.1 %

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

Note to Schedule:
Other
This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, information is presented for those years for which information is available.

Matteson Elementary School District No. 162
Schedule of Employer Contributions
Teachers' Health Insurance Security Fund
Last Ten Fiscal Years

	2025	2024	2023	2022	2021
Contractually-required contribution	$ 137,097	$ 135,207	$ 131,613	$ 128,573	$ 166,515
Contributions in relation to the contractually-required contribution	137,097	135,207	131,613	128,573	166,515
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 20,459,212	$ 20,180,142	$ 19,643,694	$ 19,189,987	$ 18,099,508
Contributions as a percentage of covered payroll	0.67 %	0.67 %	0.67 %	0.67 %	0.92 %

	2020	2019	2018	2017	2016
Contractually-required contribution	$ 158,583	$ 159,834	$ 149,120	$ 141,058	$ 132,680
Contributions in relation to the contractually-required contribution	158,583	159,834	149,120	141,058	132,680
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 17,237,330	$ 17,373,292	$ 16,945,537	$ 16,792,652	$ 16,584,967
Contributions as a percentage of covered payroll	0.92 %	0.92	0.88 %	0.84 %	0.80 %

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
General Fund - Budgetary Basis
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Real estate and replacement taxes	$ 18,765,959	$ 17,978,095	$ (787,864)
Charges for services	28,500	87,022	58,522
State aid	19,403,542	19,581,840	178,298
Federal aid	4,600,522	5,173,657	573,135
Miscellaneous	2,408,138	3,511,167	1,103,029
Interest	850,000	1,104,714	254,714
Total revenues	46,056,661	47,436,495	1,379,834
Expenditures:			
Current:			
Instruction:			
Regular programs	15,794,470	14,429,000	1,365,470
Special programs	3,778,121	3,580,549	197,572
Other instructional programs	3,259,873	4,112,126	(852,253)
Support services:			
Pupils	3,454,788	3,910,511	(455,723)
Instructional staff	978,990	993,627	(14,637)
General administration	4,118,589	4,385,900	(267,311)
School administration	3,430,914	3,423,451	7,463
Business	2,845,545	3,232,027	(386,482)
Operations and maintenance	4,576,317	4,951,971	(375,654)
Central	1,893,690	2,277,982	(384,292)
Other support services	1,500	276	1,224
Community services	100,323	171,908	(71,585)
Payments to other governments	1,223,750	969,202	254,548
Capital outlay	393,000	57,530	335,470
Debt service:			
Principal	-	78,500	(78,500)
Interest, fees and issuance costs	45,107	-	45,107
Provision for contingencies	500,000	-	500,000
Total expenditures	46,394,977	46,574,560	(179,583)
Excess (deficiency) of revenues over expenditures	(338,316)	861,935	1,200,251
Other financing sources (uses):			
Transfers in	825,000	-	(825,000)
Transfers (out)	(300,000)	-	300,000
Total other financing sources (uses)	525,000	-	(525,000)
Change in fund balance	$ 186,684	861,935	$ 675,251
Fund balance:			
July 1, 2024		15,415,980	
June 30, 2025		$ 16,277,915	

See Note to Required Supplementary Information.

Note 1. Budgetary Basis of Accounting

Budgets and Budgetary Information

Annual budgets are adopted for all funds with the exception of the District's Custodial Fund. These budgets are adopted on a basis consistent with generally accepted accounting principles, except as noted below. All annual appropriations lapse at fiscal year-end.

On or before July 1 of each year, the Superintendent is to submit for review by the Board of Education a proposed budget for the school year commencing on that date. After reviewing the proposed budget, the Board of Education holds public hearings and a final budget must be prepared and adopted no later than September 30.

The appropriated budget is prepared by fund and by function. The Board of Education may make transfers between functions within a fund not exceeding in the aggregate 10% of the total of such fund, and may amend the total budget following the same procedures required to adopt the original budget. The legal level of budgetary control is at the fund level. The District adopted a supplemental budgets during the year.

For budgetary purposes, the District does not recognize as revenue the retirement and retirement healthcare contributions made by the State of Illinois to the Teachers' Retirement System of the State of Illinois (TRS) and Teachers' Health Insurance Security (THIS) Fund on behalf of the District, as well as the expenditures related to the contributions paid.

The following schedule reconciles the revenues and expenditures on the budgetary basis with the amounts presented in accordance with accounting principles generally accepted in the United States of America for the District's General Fund only.

Revenues - GAAP budgetary basis	$ 47,436,495
Unbudgeted contributions for retirement benefits	2,219,393
Revenues - GAAP basis	$ 49,655,888
Expenditures - GAAP budgetary basis	$ 46,574,560
Unbudgeted contributions for retirement benefits	2,219,393
Expenditures - GAAP basis	$ 48,793,953

Supplementary Information

General Fund, by Accounts

Educational Account – This is the District's primary operating account. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Operations and Maintenance Account – This fund accounts for the operations and maintenance of the District.

Working Cash Account – Accounts for property taxes which are levied for working cash purposes.

Tort Account – Accounts for property taxes which are levied for tort immunity purposes.

Matteson Elementary School District No. 162
Combining Balance Sheet
General Fund, By Accounts
June 30, 2025

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Account	Total
Assets					
Cash and investments	$ 8,148,701	$ 905,280	$ 7,000,452	$ 580	$ 16,055,013
Receivables:					
Real estate taxes, net of allowance for uncollectibles	8,767,428	999,245	90,841	40	9,857,554
Lease	-	9,144,322	-	-	9,144,322
Interest	-	-	37,201	-	37,201
Due from other funds	-	-	2,500,000	-	2,500,000
Due from other governments	1,820,990	100,690	-	-	1,921,680
Prepaids	7,396	2,725	-	-	10,121
Total assets	$ 18,744,515	$ 11,152,262	$ 9,628,494	$ 620	$ 39,525,891
Liabilities					
Accounts payable	$ 849,813	$ 227,148	$ -	$ -	$ 1,076,961
Accrued payroll	2,940,554	46,775	-	-	2,987,329
Total liabilities	3,790,367	273,923	-	-	4,064,290
Deferred Inflows of Resources					
Deferred intergovernmental revenue	326,832	25,968	-	-	352,800
Deferred lease revenue	-	9,144,322	-	-	9,144,322
Deferred interest revenue	-	-	37,201	-	37,201
Deferred real estate tax revenue	8,582,262	978,140	88,922	39	9,649,363
Total deferred inflows of resources	8,909,094	10,148,430	126,123	39	19,183,686
Fund Balance					
Nonspendable:					
Prepaid items	7,396	2,725	-	-	10,121
Restricted for:					
Leasing	45,295	-	-	-	45,295
Student activities	56,745	-		-	56,745
Tort	-	-	-	581	581
Unassigned	5,935,618	727,184	9,502,371	-	16,165,173
Total fund balance	6,045,054	729,909	9,502,371	581	16,277,915
Total liabilities, deferred inflows of resources, and fund balance	$ 18,744,515	$ 11,152,262	$ 9,628,494	$ 620	$ 39,525,891

Matteson Elementary School District No. 162
Combining Statement of Revenues, Expenditures and Changes in Fund Balance -
General Fund, By Accounts
Year Ended June 30, 2025

	Educational Account	Operations and Maintenance Account	Working Cash Account	Tort Account	Total
Revenues:					
Real estate and replacement taxes	$ 16,017,418	$ 1,796,124	$ 164,470	$ 83	$ 17,978,095
Charges for services	87,022	-	-	-	87,022
State aid	21,251,233	550,000	-	-	21,801,233
Federal aid	5,173,657	-	-	-	5,173,657
Miscellaneous	897,466	2,613,701	-	-	3,511,167
Interest	772,244	34,193	298,277	-	1,104,714
Total revenues	44,199,040	4,994,018	462,747	83	49,655,888
Expenditures:					
Current:					
Instruction:					
Regular programs	14,738,403	-	-	-	14,738,403
Special programs	3,627,983	-	-	-	3,627,983
Other instructional programs	4,383,325	-	-	-	4,383,325
Support services:					
Pupils	3,968,059	-	-	-	3,968,059
Instructional staff	1,027,097	-	-	-	1,027,097
General administration	4,812,211	-	-	-	4,812,211
School administration	4,343,035	-	-	-	4,343,035
Business	3,345,898	-	-	-	3,345,898
Operations and maintenance	-	4,951,971	-	-	4,951,971
Central	2,318,831	-	-	-	2,318,831
Community services	171,908	-	-	-	171,908
Payments to other governments	969,202	-	-	-	969,202
Capital outlay	18,153	39,377	-	-	57,530
Debt service:					
Principal	78,500	-	-	-	78,500
Total expenditures	43,802,605	4,991,348	-	-	48,793,953
Change in fund balance	396,435	2,670	462,747	83	861,935
Fund balance:					
July 1, 2024	5,648,619	727,239	9,039,624	498	15,415,980
June 30, 2025	$ 6,045,054	$ 729,909	$ 9,502,371	$ 581	$ 16,277,915

Matteson Elementary School District No. 162
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
General Fund, By Accounts
Year Ended June 30, 2025

	Educational Account		Operations and Maintenance Account		Working Cash Account	
	Original and Final Budget	Actual	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues:						
Real estate and replacement taxes	$ 16,412,973	$ 16,017,418	$ 2,173,077	$ 1,796,124	$ 179,800	$ 164,470
Charges for services	28,500	87,022	-	-	-	-
State aid	18,903,542	19,031,840	500,000	550,000	-	-
Federal aid	4,565,522	5,173,657	35,000	-	-	-
Miscellaneous	361,000	897,466	2,047,138	2,613,701	-	-
Interest	550,000	772,244	-	34,193	300,000	298,277
Total revenues	40,821,537	41,979,647	4,755,215	4,994,018	479,800	462,747
Expenditures:						
Current:						
Instruction:						
Regular programs	15,794,470	14,429,000	-	-	-	-
Special programs	3,778,121	3,580,549	-	-	-	-
Other instructional programs	3,259,873	4,112,126	-	-	-	-
Support services:						
Pupils	3,454,788	3,910,511	-	-	-	-
Instructional staff	978,990	993,627	-	-	-	-
General administration	4,118,589	4,385,900	-	-	-	-
School administration	3,430,914	3,423,451	-	-	-	-
Business	2,845,545	3,232,027	-	-	-	-
Operations and maintenance	-	-	4,576,317	4,951,971	-	-
Central	1,893,690	2,277,982	-	-	-	-
Other support services	1,500	276	-	-	-	-
Community services	100,323	171,908	-	-	-	-
Payments to other governments	1,223,750	969,202	-	-	-	-
Capital outlay	218,000	18,153	175,000	39,377	-	-
Debt service:						
Principal	-	78,500	-	-	-	-
Interest, fees and issuance costs	45,107	-	-	-	-	-
Provision for contingencies	500,000	-	-	-	-	-
Total expenditures	41,643,660	41,583,212	4,751,317	4,991,348	-	-
Excess (deficiency) of revenues over expenditures	(822,123)	396,435	3,898	2,670	479,800	462,747
Other financing sources (uses):						
Transfers in	825,000	-	-	-	-	-
Transfers (out)	-	-	-	-	(300,000)	-
Total other financing sources (uses)	825,000	-	-	-	(300,000)	-
Change in fund balance	$ 2,877	396,435	$ 3,898	2,670	$ 179,800	462,747
Fund balance (deficit):						
July 1, 2024		5,648,619		727,239		9,039,624
June 30, 2025		$ 6,045,054		$ 729,909		$ 9,502,371

(Continued)

Matteson Elementary School District No. 162
Combining Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual - Budgetary Basis
General Fund, By Accounts
Year Ended June 30, 2025

	Tort Account		Total	
	Original and Final Budget	Actual	Original and Final Budget	Actual
Revenues:				
Real estate and replacement taxes	$ 109	$ 83	$ 18,765,959	$ 17,978,095
Charges for services	-	-	28,500	87,022
State aid	-	-	19,403,542	19,581,840
Federal aid	-	-	4,600,522	5,173,657
Miscellaneous	-	-	2,408,138	3,511,167
Interest	-	-	850,000	1,104,714
Total revenues	109	83	46,056,661	47,436,495
Expenditures:				
Current:				
Instruction:				
Regular programs	-	-	15,794,470	14,429,000
Special programs	-	-	3,778,121	3,580,549
Other instructional programs	-	-	3,259,873	4,112,126
Support services:				
Pupils	-	-	3,454,788	3,910,511
Instructional staff	-	-	978,990	993,627
General administration	-	-	4,118,589	4,385,900
School administration	-	-	3,430,914	3,423,451
Business	-	-	2,845,545	3,232,027
Operations and maintenance	-	-	4,576,317	4,951,971
Central	-	-	1,893,690	2,277,982
Other support services	-	-	1,500	276
Community services	-	-	100,323	171,908
Payments to other governments	-	-	1,223,750	969,202
Capital outlay	-	-	393,000	57,530
Debt service:				
Principal	-	-	-	78,500
Interest and fees	-	-	45,107	-
Provision for contingencies	-	-	500,000	-
Total expenditures	-	-	46,394,977	46,574,560
Excess (deficiency) of revenues over expenditures	109	83	(338,316)	861,935
Other financing sources (uses):				
Transfers in	-	-	825,000	-
Transfers (out)	-	-	(300,000)	-
Total other financing sources (uses)	-	-	525,000	-
Change in fund balance	$ 109	83	$ 186,684	861,935
Fund balance (deficit):				
July 1, 2024		498		15,415,980
June 30, 2025		$ 581		$ 16,277,915

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Capital Projects Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
State aid	$ 2,007,032	$ 2,007,034	$ 2
Miscellaneous	-	254,980	254,980
Total revenues	2,007,032	2,262,014	254,982
Expenditures:			
Current:			
Support services:			
Business	-	924,472	(924,472)
Capital outlay	2,630,986	4,429,759	(1,798,773)
Total expenditures	2,630,986	5,354,231	(2,723,245)
Excess (deficiency) of revenues over expenditures	(623,954)	(3,092,217)	(2,468,263)
Other financing sources:			
Proceeds from financed purchase	-	1,198,000	1,198,000
Total other financing sources	-	1,198,000	1,198,000
Change in fund balance	$ (623,954)	(1,894,217)	$ (1,270,263)
Fund balance (deficit):			
July 1, 2024		(457,234)	
June 30, 2025		$ (2,351,451)	

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Fire Prevention and Life Safety Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Interest	$ -	$ 198,400	$ 198,400
Total revenues	-	198,400	198,400
Expenditures:			
Current:			
Support services:			
Operations and maintenance	-	357,183	(357,183)
Capital outlay	-	2,848,932	(2,848,932)
Debt service:			
Interest, fees and issuance costs	-	285,681	(285,681)
Total expenditures	-	3,491,796	(3,491,796)
Excess (deficiency) of revenues over expenditures	-	(3,293,396)	(3,293,396)
Other financing sources:			
Bond proceeds	-	14,510,000	14,510,000
Premium on bonds	-	1,279,807	1,279,807
Total other financing sources (uses)	-	15,789,807	15,789,807
Change in fund balance	$ -	12,496,411	$ 12,496,411
Fund balance:			
July 1, 2024		-	
June 30, 2025		$ 12,496,411	

Nonmajor Governmental Funds

Municipal Retirement / Social Security Fund – Accounts for resources accumulated and payments made for employer share of Illinois Municipal Retirement, Social Security, and Medicare.

Transportation Fund – Accounts for the transportation-related expenditures of the District. Revenue is derived primarily from local property taxes and state reimbursement grants.

Debt Service Fund – Accounts for resources accumulated and payments made for principal and interest of long-term debt of the District.

Matteson Elementary School District No. 162
Combining Balance Sheet - By Fund Type
Nonmajor Governmental Funds
June 30, 2025

	Special Revenue Funds			
	Municipal Retirement/ Social Security Fund	Transportation Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Assets				
Cash and investments	$ 617,762	$ 321,500	$ 606,416	$ 1,545,678
Receivables:				
Real estate taxes, net of allowance for uncollectibles	200,601	300,906	971,749	1,473,256
Due from other governments	26,634	2,179,633	-	2,206,267
Other	-	27,000	-	27,000
Total assets	$ 844,997	$ 2,829,039	$ 1,578,165	$ 5,252,201
Liabilities				
Accounts payable	$ -	$ 169,146	$ -	$ 169,146
Accrued payroll	67,665	3,350	-	71,015
Total liabilities	67,665	172,496	-	240,161
Deferred Inflows of Resources				
Deferred intergovernmental revenue	5,593	2,179,633	-	2,185,226
Deferred real estate tax revenue	196,355	294,533	951,212	1,442,100
Total deferred inflows of resources	201,948	2,474,166	951,212	3,627,326
Fund Balances				
Restricted for:				
Transportation	-	155,377	-	155,377
Debt service	-	-	626,953	626,953
Retirement benefits	575,384	-	-	575,384
Assigned	-	27,000	-	27,000
Total fund balances	575,384	182,377	626,953	1,384,714
Total liabilities, deferred inflows of resources, and fund balances	$ 844,997	$ 2,829,039	$ 1,578,165	$ 5,252,201

Matteson Elementary School District No. 162
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - By Fund Type
Nonmajor Governmental Funds
Year Ended June 30, 2025

	Special Revenue Funds			
	Municipal Retirement/ Social Security Fund	Transportation Fund	Debt Service Fund	Total Nonmajor Governmental Funds
Revenues:				
Real estate and replacement taxes	$ 709,122	$ 1,343,460	$ 2,282,886	$ 4,335,468
State aid	35,490	2,347,222	2,841,446	5,224,158
Federal aid	23,057	-	-	23,057
Miscellaneous	128,698	84,997	-	213,695
Total revenues	896,367	3,775,679	5,124,332	9,796,378
Expenditures:				
Current:				
Instruction:				
Regular programs	180,457	-	-	180,457
Special programs	137,262	-	-	137,262
Other instructional programs	31,899	-	-	31,899
Support services:				
Pupils	82,038	-	-	82,038
Instructional staff	6,779	-	-	6,779
General administration	160,202	-	-	160,202
School administration	81,544	-	-	81,544
Business	406,077	-	-	406,077
Transportation	-	5,093,326	-	5,093,326
Central	104,069	-	-	104,069
Community services	18,300	-	-	18,300
Debt service:				
Principal	-	-	4,406,316	4,406,316
Interest, fees and issuance costs	-	-	1,564,523	1,564,523
Total expenditures	1,208,627	5,093,326	5,970,839	12,272,792
Change in fund balance	(312,260)	(1,317,647)	(846,507)	(2,476,414)
Fund balances:				
July 1, 2024	887,644	-	1,473,460	2,361,104
Change within financial reporting entity	-	1,500,024	-	1,500,024
July 1, 2024, as adjusted	887,644	1,500,024	1,473,460	3,861,128
June 30, 2025	$ 575,384	$ 182,377	$ 626,953	$ 1,384,714

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Municipal Retirement/Social Security Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Real estate and replacement taxes	$ 1,306,041	$ 709,122	$ (596,919)
State aid	-	35,490	35,490
Federal aid	1,627	23,057	21,430
Miscellaneous	40,000	128,698	88,698
Total revenues	1,347,668	896,367	(451,301)
Expenditures:			
Current:			
Instruction:			
Regular programs	228,269	180,457	47,812
Special programs	133,442	137,262	(3,820)
Other instructional programs	29,485	31,899	(2,414)
Support services:			
Pupils	97,199	82,038	15,161
Instructional staff	6,198	6,779	(581)
General administration	134,321	160,202	(25,881)
School administration	88,287	81,544	6,743
Business	434,226	406,077	28,149
Central	89,010	104,069	(15,059)
Community services	10,027	18,300	(8,273)
Total expenditures	1,250,464	1,208,627	41,837
Change in fund balance	$ 97,204	(312,260)	$ (409,464)
Fund balance:			
July 1, 2024		887,644	
June 30, 2025		$ 575,384	

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance -
Budget and Actual
Transportation Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Real estate taxes	$ 2,564,206	$ 1,343,460	$ (1,220,746)
State aid	2,757,687	2,347,222	(410,465)
Miscellaneous	36,000	84,997	48,997
Total revenues	5,357,893	3,775,679	(1,582,214)
Expenditures:			
Current:			
Support services:			
Transportation	4,680,680	5,093,326	(412,646)
Excess (deficiency) of revenues over expenditures	677,213	(1,317,647)	(1,994,860)
Other financing sources:			
Transfers in (out)	(525,000)	-	525,000
Total other financing sources	(525,000)	-	525,000
Change in fund balance	$ 152,213	(1,317,647)	$ (1,469,860)
Fund balance:			
July 1, 2024		1,500,024	
June 30, 2025		$ 182,377	

Matteson Elementary School District No. 162
Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual
Debt Service Fund
Year Ended June 30, 2025

	Original and Final Budget	Actual	Variance
Revenues:			
Real estate and replacement taxes	$ 2,211,128	$ 2,282,886	$ 71,758
State aid	2,841,446	2,841,446	-
Total revenues	5,052,574	5,124,332	71,758
Expenditures:			
Debt service:			
Principal	4,178,414	4,406,316	(227,902)
Interest, fees and issuance costs	1,568,348	1,564,523	3,825
Total expenditures	5,746,762	5,970,839	(224,077)
Change in fund balance	$ (694,188)	(846,507)	$ (152,319)
Fund balance:			
July 1, 2024		1,473,460	
June 30, 2025		$ 626,953	

Matteson Elementary School District No. 162
Schedules of Debt Service Requirements
June 30, 2025

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Total general obligation bond debt service requirements:	2026	$ 380,000	$ 875,207	$ 1,255,207
	2027	165,000	702,375	867,375
	2028	145,000	694,625	839,625
	2029	-	691,000	691,000
	2030	-	691,000	691,000
	2031	-	691,000	691,000
	2032	590,000	676,250	1,266,250
	2033	625,000	645,875	1,270,875
	2034	655,000	613,875	1,268,875
	2035	690,000	580,250	1,270,250
	2036	725,000	544,875	1,269,875
	2037	760,000	507,750	1,267,750
	2038	795,000	468,875	1,263,875
	2039	835,000	428,125	1,263,125
	2040	880,000	385,250	1,265,250
	2041	920,000	340,250	1,260,250
	2042	970,000	293,000	1,263,000
	2043	1,015,000	243,375	1,258,375
	2044	1,615,000	177,625	1,792,625
	2045	1,695,000	94,875	1,789,875
	2046	1,050,000	26,250	1,076,250
		$ 14,510,000	$ 10,371,707	$ 1,255,207
General Obligation School Bonds, Series 2025	2026	$ 380,000	$ 875,207	$ 1,255,207
Date: February 19, 2025	2027	165,000	702,375	867,375
Issuance: $14,510,000	2028	145,000	694,625	839,625
Paying agent: Amalgamated Bank of Chicago	2029	-	691,000	691,000
Interest dates: June 1 and December 1	2030	-	691,000	691,000
Interest rate: 5.00%	2031	-	691,000	691,000
	2032	590,000	676,250	1,266,250
	2033	625,000	645,875	1,270,875
	2034	655,000	613,875	1,268,875
	2035	690,000	580,250	1,270,250
	2036	725,000	544,875	1,269,875
	2037	760,000	507,750	1,267,750
	2038	795,000	468,875	1,263,875
	2039	835,000	428,125	1,263,125
	2040	880,000	385,250	1,265,250
	2041	920,000	340,250	1,260,250
	2042	970,000	293,000	1,263,000
	2043	1,015,000	243,375	1,258,375
	2044	1,615,000	177,625	1,792,625
	2045	1,695,000	94,875	1,789,875
	2046	1,050,000	26,250	1,076,250
		$ 14,510,000	$ 10,371,707	$ 24,881,707

(Continued)

Matteson Elementary School District No. 162
Schedules of Debt Service Requirements
June 30, 2025

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Total general obligation limited tax school bonds				
	2026	$ 1,085,000	$ 505,763	$ 1,590,763
	2027	1,170,000	458,629	1,628,629
	2028	1,235,000	410,610	1,645,610
	2029	1,300,000	362,179	1,662,179
	2030	1,360,000	310,000	1,670,000
	2031	1,445,000	253,900	1,698,900
	2032	325,000	217,688	542,688
	2033	335,000	202,837	537,837
	2034	355,000	187,313	542,313
	2035	370,000	171,000	541,000
	2036	385,000	154,012	539,012
	2037	405,000	136,237	541,237
	2038	420,000	117,675	537,675
	2039	440,000	98,325	538,325
	2040	460,000	78,075	538,075
	2041	480,000	56,925	536,925
	2042	500,000	34,875	534,875
	2043	525,000	9,844	534,844
		$ 12,595,000	$ 3,765,887	$ 16,360,887
Limited Tax School Bonds, Series 2015A				
Date: July 22, 2015				
Issuance: $3,475,000				
Paying agent: U.S. Bank NA				
Interest dates: December 1 and June 1	2026	$ 390,000	$ 30,500	$ 420,500
Interest rate: 3.00% - 5.00%	2027	415,000	10,375	425,375
		$ 805,000	$ 40,875	$ 845,875
Limited Tax School Bonds, Series 2015B				
Date: October 22, 2015				
Issuance: $3,285,000	2026	$ 290,000	$ 46,000	$ 336,000
Paying agent: U.S. Bank NA	2027	300,000	34,200	334,200
Interest dates: December 1 and June 1	2028	345,000	21,300	366,300
Interest rate: 2.00% - 4.00%	2029	360,000	7,200	367,200
		$ 1,295,000	$ 108,700	$ 1,403,700
Limited Tax School Bonds, Series 2019A	2026	$ 365,000	$ 200,010	$ 565,010
Date: January 30, 2019	2027	410,000	186,140	596,140
Issuance: $6,485,000	2028	845,000	162,814	1,007,814
Paying agent: Amalgamated Bank of Chicago	2029	915,000	129,585	1,044,585
Interest dates: December 1 and June 1	2030	1,360,000	85,000	1,445,000
Interest rate: 3.25% - 4.00%	2031	1,445,000	28,900	1,473,900
		$ 5,340,000	$ 792,449	$ 6,132,449
Limited Tax School Bonds, Series 2019B				
Date: January 30, 2019				
Issuance: $765,000	2026	$ 40,000	$ 4,253	$ 44,253
Paying agent: Amalgamated Bank of Chicago	2027	45,000	2,914	47,914
Interest dates: December 1 and June 1	2028	45,000	1,496	46,496
Interest rate: 2.75% - 3.15%	2029	25,000	394	25,394
		$ 155,000	$ 9,057	$ 164,057

(Continued)

Matteson Elementary School District No. 162
Schedules of Debt Service Requirements
June 30, 2025

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Limited Tax School Bonds, Series 2022				
Date: November 1, 2022	2026	$ -	$ 225,000	$ 225,000
Issuance: $5,000,000	2027	-	225,000	225,000
Paying agent: Amalgamated Bank of Chicago	2028	-	225,000	225,000
Interest dates: December 1 and June 1	2029	-	225,000	225,000
Interest rate: 4.50%	230	-	225,000	225,000
	2031	-	225,000	225,000
	2032	325,000	217,688	542,688
	2033	335,000	202,837	537,837
	2034	355,000	187,313	542,313
	2035	370,000	171,000	541,000
	2036	385,000	154,012	539,012
	2037	405,000	136,237	541,237
	2038	420,000	117,675	537,675
	2039	440,000	98,325	538,325
	2040	460,000	78,075	538,075
	2041	480,000	56,925	536,925
	2042	500,000	34,875	534,875
	2043	525,000	9,844	534,844
		$ 5,000,000	$ 2,814,806	$ 7,814,806
Total alternate revenue bonds	2026	$ 1,500,000	$ 877,319	$ 2,377,319
debt service requirements	2027	1,555,000	823,944	2,378,944
	2028	1,800,000	763,794	2,563,794
	2029	1,920,000	695,843	2,615,843
	2030	2,005,000	624,294	2,629,294
	2031	1,135,000	563,894	1,698,894
	2032	1,185,000	515,194	1,700,194
	2033	1,230,000	464,494	1,694,494
	2034	1,285,000	411,668	1,696,668
	2035	1,340,000	356,519	1,696,519
	2036	1,395,000	299,043	1,694,043
	2037	1,460,000	239,019	1,699,019
	2038	1,520,000	176,343	1,696,343
	2039	1,405,000	114,619	1,519,619
	2040	345,000	76,243	421,243
	2041	365,000	59,863	424,863
	2042	380,000	44,031	424,031
	2043	395,000	27,316	422,316
	2044	415,000	9,338	424,338
		$ 22,635,000	$ 7,142,778	$ 29,777,778
Alternate Revenue Bonds, Series 2018B	2026	$ 95,000	$ 65,700	$ 160,700
Date: March 8, 2018	2027	100,000	61,800	161,800
Issuance: $2,180,000	2028	105,000	57,700	162,700
Paying agent: Amalgamated Bank of Chicago	2029	110,000	53,400	163,400
Interest dates: June 1 and December 1	2030	115,000	48,900	163,900
Interest rate: 4.00%	2031	125,000	44,100	169,100
	2032	130,000	39,000	169,000
	2033	135,000	33,700	168,700
	2034	140,000	28,200	168,200
	2035	150,000	22,400	172,400
	2036	155,000	16,300	171,300
	2037	160,000	10,000	170,000
	2038	170,000	3,400	173,400
		$ 1,690,000	$ 484,600	$ 2,174,600

(Continued)

Matteson Elementary School District No. 162
Schedules of Debt Service Requirements
June 30, 2025

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Alternate Revenue Bonds, Series 2019C				
Date: June 3, 2019	2026	$ 380,000	$ 271,800	$ 651,800
Issuance: $8,520,000	2027	395,000	256,300	651,300
Paying agent: Amalgamated Bank of Chicago	2028	415,000	240,100	655,100
Interest dates: June 1 and December 1	2029	430,000	223,200	653,200
Interest rate: 4.00%	2030	445,000	205,700	650,700
	2031	465,000	187,500	652,500
	2032	485,000	168,500	653,500
	2033	500,000	148,800	648,800
	2034	525,000	128,300	653,300
	2035	545,000	106,900	651,900
	2036	565,000	84,700	649,700
	2037	590,000	61,600	651,600
	2038	610,000	37,600	647,600
	2039	635,000	12,700	647,700
		$ 6,985,000	$ 2,133,700	$ 9,118,700
Alternate Revenue Bonds, Series 2020A	2026	$ 265,000	$ 188,100	$ 453,100
Date: April 29, 2020	2027	275,000	177,300	452,300
Issuance: $5,980,000	2028	285,000	166,100	451,100
Paying agent: Amalgamated Bank of Chicago	2029	295,000	154,500	449,500
Interest dates: June 1 and December 1	2030	310,000	142,400	452,400
Interest rate: 4.00%	2031	320,000	129,800	449,800
	2032	335,000	116,700	451,700
	2033	350,000	103,000	453,000
	2034	360,000	88,800	448,800
	2035	375,000	74,100	449,100
	2036	390,000	58,800	448,800
	2037	410,000	42,800	452,800
	2038	425,000	26,100	451,100
	2039	440,000	8,800	448,800
		$ 4,835,000	$ 1,477,300	$ 6,312,300
Alternate Revenue Bonds, Series 2020B				
Date: September 3, 2020	2026	$ 760,000	$ 113,100	$ 873,100
Issuance: $7,110,000	2027	785,000	89,925	874,925
Paying agent: Amalgamated Bank of Chicago	2028	800,000	66,150	866,150
Interest dates: June 1 and December 1	2029	885,000	40,875	925,875
Interest rate: 3.00%	2030	920,000	13,800	933,800
		$ 4,150,000	$ 323,850	$ 4,473,850

(Continued)

Matteson Elementary School District No. 162
Schedules of Debt Service Requirements
June 30, 2025

	Year Ending June 30,	Total Principal	Total Interest	Total Principal and Interest
Alternate Revenue Bonds, Series 2023				
Date: June 12, 2023	2026	$ -	$ 238,619	$ 238,619
Issuance: $4,975,000	2027	-	238,619	238,619
Paying agent: Amalgamated Bank of Chicago	2028	195,000	233,744	428,744
Interest dates: June 1 and December 1	2029	200,000	223,868	423,868
Interest rate: 4.25% - 5.00%	2030	215,000	213,494	428,494
	2031	225,000	202,494	427,494
	2032	235,000	190,994	425,994
	2033	245,000	178,994	423,994
	2034	260,000	166,368	426,368
	2035	270,000	153,119	423,119
	2036	285,000	139,243	424,243
	2037	300,000	124,619	424,619
	2038	315,000	109,243	424,243
	2039	330,000	93,119	423,119
	2040	345,000	76,243	421,243
	2041	365,000	59,863	424,863
	2042	380,000	44,031	424,031
	2043	395,000	27,316	422,316
	2044	415,000	9,338	424,338
		$ 4,975,000	$ 2,723,328	$ 7,698,328

Statistical Section - Unaudited

This part of the District's annual comprehensive financial report presents detailed information as a context for understanding what the information in the basic financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

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Financial Trends **83 - 87**
These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity **88 - 91**
These schedules contain information to help the reader assess the factors affecting the District's ability to generate its property and sales taxes.

Debt Capacity **92 - 94**
These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future.

Demographic and Economic Information **95 - 96**
These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place and to help make comparisons over time and with other governments.

Operating Information **97 - 99**
These schedules contain information about the District's operations and resources to help the reader understand how the District's basic financial information relates to the services the District provides and the activities it performs.

Matteson Elementary School District No. 162
Net Position by Component
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Governmental activities										
Net investment in capital assets	$ 24,160,390	$ 28,318,937	$ 13,918,488	$ 11,892,193	$ 10,547,340	$ 8,043,783	$ 6,641,989	$ 5,134,924	$ 3,940,902	$ 2,085,800
Restricted	16,080,881	5,440,497	4,717,475	5,970,543	4,068,745	3,248,365	3,570,252	2,801,248	2,047,864	2,757,321
Unrestricted	(29,561,511)	(18,898,906)	(8,971,254)	(17,145,994)	(19,639,592)	(22,253,848)	(23,645,990)	(21,532,029)	(19,526,289)	489,531
	$ 10,679,760	$ 14,860,528	$ 9,664,709	$ 716,742	$ (5,023,507)	$ (10,961,700)	$ (13,433,749)	$ (13,595,857)	$ (13,537,523)	$ 5,332,652

Data Source : District's Annual Comprehensive Financial Reports.

Note - The District adopted GASB 75 as of July 1, 2017, which included a restatement of beginning net position. Previous years were not adjusted for this implementation as the information was not available. The District adopted GASB 101 as of July 1, 2024, which included a restatement of beginning net position. Previous years were not adjusted for this implementation.

Matteson Elementary School District No. 162
Schedule of Changes in Net Position
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Expenses										
Governmental activities:										
Instruction:										
Regular programs	$ 16,527,490	$ 19,112,305	$ 17,738,711	$ 18,818,278	$ 22,193,198	$ 21,473,740	$ 20,293,721	$ 21,498,159	$ 18,930,295	$ 16,903,721
Special programs	5,689,460	6,201,630	4,326,092	5,369,509	6,407,229	7,162,132	6,447,254	6,759,135	6,419,474	5,684,901
Other instructional programs	3,602,114	2,666,537	4,093,917	2,786,012	2,130,593	1,905,829	1,531,288	1,897,434	1,803,283	1,703,266
Total instructional	25,819,064	27,980,472	26,158,720	26,973,799	30,731,020	30,541,701	28,272,263	30,154,728	27,153,052	24,291,888
Supporting services:										
Pupils	4,388,432	4,178,350	3,983,413	4,027,510	3,459,716	3,363,508	3,430,852	3,333,556	2,902,936	2,812,091
Instructional staff	1,152,884	1,036,416	985,716	778,654	1,529,941	1,204,033	1,331,480	1,474,780	1,298,086	1,545,919
General administration	6,292,559	4,873,441	4,822,296	4,485,228	4,968,051	4,578,446	4,287,789	4,131,887	3,821,310	3,473,413
School administration	6,479,167	4,254,561	3,677,066	3,523,673	4,060,785	4,239,763	4,228,149	4,013,483	3,660,263	3,546,794
Business	7,901,830	6,216,055	7,589,225	4,981,599	2,503,921	2,636,541	2,852,502	2,615,570	2,682,100	2,887,062
Transportation	5,344,092	4,802,516	3,783,749	2,909,333	1,698,615	3,102,721	3,311,520	3,120,551	2,872,358	2,832,574
Operations and maintenance	5,503,097	5,107,823	4,255,810	3,904,960	3,388,359	3,463,907	3,419,664	3,177,778	3,214,660	3,156,604
Central	2,632,339	2,324,233	1,972,557	2,056,535	2,097,697	1,663,516	1,973,427	1,989,592	1,996,479	1,749,629
Other support services	-	-	-	-	-	712	2,579	1,829	1,530	304
Total supporting services	39,694,400	32,793,395	31,069,832	26,667,492	23,707,085	24,253,147	24,837,962	23,859,026	22,449,722	22,004,390
Community services	194,834	100,995	103,264	81,039	82,817	100,388	95,566	180,850	153,450	199,478
Payments to other governments	969,202	1,156,749	1,347,924	1,181,973	1,237,401	1,376,386	1,246,188	1,055,970	979,134	924,939
Debt service	1,668,561	1,413,185	1,656,575	1,215,788	1,417,996	1,538,766	1,505,047	1,308,698	1,298,812	2,131,163
Total governmental activities expenses	68,346,061	63,444,796	60,336,315	56,120,091	57,176,319	57,810,388	55,957,026	56,559,272	52,034,170	49,551,858
Program Revenues										
Governmental activities:										
Charges for services:										
Instruction	87,022	77,454	42,195	62,659	4,879	80,109	120,480	129,029	143,318	229,202
Support services	3,625,399	2,478,547	2,376,917	2,340,694	1,264,251	620,171	642,356	609,401	512,846	531,024
Interest and fees	-	-	-	-	714,000	880,158	872,981	766,615	766,615	766,615
Total charges for services	3,712,421	2,556,001	2,419,112	2,403,353	1,983,130	1,580,438	1,635,817	1,505,045	1,422,779	1,526,841
Operating grants and contributions	17,601,037	18,499,349	22,157,853	19,069,189	24,300,022	21,261,694	19,452,969	20,510,020	18,795,593	16,170,904
Capital grants and contributions	-	2,087,233	-	-	-	-	-	-	-	-
Total governmental activities program revenues	21,313,458	23,142,583	24,576,965	21,472,542	26,283,152	22,842,132	21,088,786	22,015,065	20,218,372	17,697,745
Net (expense) revenue	$ (47,032,603)	$ (40,302,213)	$ (35,759,350)	$ (34,647,549)	$ (30,893,167)	$ (34,968,256)	$ (34,868,240)	$ (34,544,207)	$ (31,815,798)	$ (31,854,113)

(Continued)

Matteson Elementary School District No. 162
Schedule of Changes in Net Position (continued)
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Revenues and Other Changes in Net Position										
Governmental activities:										
Local sources:										
Real estate taxes	$ 23,486,545	$ 22,532,072	$ 23,755,065	$ 22,311,146	$ 20,968,315	$ 23,351,819	$ 22,297,198	$ 22,211,552	$ 21,594,724	$ 23,520,781
Personal property replacement taxes	520,371	776,004	1,287,804	1,234,040	570,740	409,633	378,840	340,439	374,448	374,448
Other	397,236	289,819	62,969	75,820	49,865	23,082	25,266	45,755	17,381	30,160
Total local sources	24,404,152	23,597,895	25,105,838	23,621,006	21,588,920	23,784,534	22,701,304	22,597,746	21,986,553	23,925,389
State sources:										
State Aid Formula Grants	22,716,081	20,721,560	18,742,438	16,564,697	15,142,935	13,303,867	12,001,983	11,687,159	10,290,351	9,816,002
Total state sources	22,716,081	20,721,560	18,742,438	16,564,697	15,142,935	13,303,867	12,001,983	11,687,159	10,290,351	9,816,002
Interest	1,252,217	1,178,577	859,041	202,095	51,565	351,904	327,061	200,968	100,704	38,151
Total governmental activities general revenues	48,372,450	45,498,032	44,707,317	40,387,798	36,783,420	37,440,305	35,030,348	34,485,873	32,377,608	33,779,542
Change in Net Position	$ 1,339,847	$ 5,195,819	$ 8,947,967	$ 5,740,249	$ 5,890,253	$ 2,472,049	$ 162,108	$ (58,334)	$ 561,810	$ 1,925,429

Note - The District adopted GASB 75 as of July 1, 2017, which included a restatement of beginning net position. The 2017 net position was restated due to GASB 75 implementation. Previous years were not adjusted for this implementation as the information was not available.

Note - The District adopted GASB 101 as of July 1, 2024, which included a restatement of beginning net position. Previous years were not adjusted for this implementation.

Data Source : District's Annual Comprehensive Financial Reports.

Matteson Elementary School District No. 162
Schedule of Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nonspendable	$ 10,121	$ 110,140	$ 136,874	$ 153,427	$ 98,287	$ 113,372	$ 198,737	$ 88,060	$ 139,635	$ 145,594
Restricted	102,621	95,748	91,400	294,259	517,863	639,350	858,301	1,088,070	871,407	779,748
Unassigned	16,165,173	15,210,092	19,345,078	12,665,438	9,601,247	9,167,688	7,705,692	8,390,966	8,529,106	8,785,240
Total General Fund	$ 16,277,915	$ 15,415,980	$ 19,573,352	$ 13,113,124	$ 10,217,397	$ 9,920,410	$ 8,762,730	$ 9,567,096	$ 9,540,148	$ 9,710,582
All Other Governmental Funds										
Nonspendable	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 3,634
Restricted	13,854,125	3,183,360	2,396,391	2,640,388	3,526,868	4,939,440	11,452,325	3,463,389	2,730,516	3,505,867
Assigned	27,000	677,768	677,768	558,954	518,954	583,802	125,998	12,866	10,788	8,163
Unassigned	(2,351,451)	(457,234)	(80,996)	(91,328)	(52,618)	-	-	-	-	-
Total all other governmental funds	$ 11,529,674	$ 3,403,894	$ 2,993,163	$ 3,108,014	$ 3,993,204	$ 5,523,242	$ 11,578,323	$ 3,476,255	$ 2,741,304	$ 3,517,664

Data Source : District's Annual Comprehensive Financial Reports.

Matteson Elementary School District No. 162
Schedule of Changes in Fund Balances, Governmental Funds
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Revenues										
Real Estate Taxes and Replacement Taxes	$ 22,313,563	$ 24,937,346	$ 25,344,511	$ 23,212,504	$ 19,940,825	$ 23,761,452	$ 22,676,038	$ 22,551,991	$ 21,969,172	$ 23,895,229
State Aid	29,032,425	25,987,264	23,410,887	20,577,994	20,302,490	18,526,897	17,739,707	22,964,174	20,226,477	21,526,468
Federal Aid	5,196,714	8,025,030	9,002,301	7,682,837	5,510,311	3,231,531	3,232,726	3,404,553	2,906,965	3,831,998
Interest	1,303,114	1,126,308	823,101	202,095	51,565	351,904	327,061	200,968	100,704	38,151
Other	4,066,864	2,956,394	2,284,544	2,370,244	2,032,995	1,608,715	1,640,737	1,681,585	1,474,208	1,527,883
Total Revenues	61,912,680	63,032,342	60,865,344	54,045,674	47,838,186	47,480,499	45,616,269	50,803,271	46,677,526	50,819,729
Expenditures										
Instruction	23,099,329	23,244,781	22,472,312	21,186,166	20,546,077	19,995,336	19,106,919	23,614,796	22,154,918	23,396,466
Support Services	31,982,792	28,225,709	25,797,351	22,360,265	19,181,214	20,827,871	21,107,810	21,585,210	20,200,219	20,968,255
Community Services	190,208	104,875	99,413	87,319	89,744	100,590	91,486	181,037	150,592	117,825
Payments to Other Governments	969,202	1,156,749	1,347,924	1,181,973	1,237,401	1,376,386	1,246,188	1,055,970	979,134	924,939
Capital Outlay	7,336,221	8,553,130	10,092,607	2,351,985	3,225,289	12,190,523	2,736,386	2,243,853	486,906	1,229,405
Debt Service										
Principal	4,484,816	3,841,019	3,675,550	3,415,000	3,305,000	2,762,248	2,751,181	2,525,145	2,519,138	2,228,346
Interest, fees and issuance costs	1,850,204	1,652,720	1,917,219	1,452,429	1,693,724	1,753,480	1,396,182	1,101,807	1,134,913	1,989,018
Total Expenditures	69,912,772	66,778,983	65,402,376	52,035,137	49,278,449	59,006,434	48,436,152	52,307,818	47,625,820	50,854,254
Excess of Revenues over (under) Expenditures	(8,000,092)	(3,746,641)	(4,537,032)	2,010,537	(1,440,263)	(11,525,935)	(2,819,883)	(1,504,547)	(948,294)	(34,525)
Other Financing Sources (Uses)										
Bonds proceeds	14,510,000	-	9,975,000	-	7,110,000	5,980,000	15,770,000	2,200,000	-	15,795,000
Lease/financed purchase proceeds	1,198,000	-	433,375	-	-	-	-	-	-	181,058
Premium (discount) on bonds	1,279,807	-	474,034	-	715,890	648,534	705,800	65,597	-	1,263,920
Payment to escrow agent	-	-	-	-	(7,666,618)	-	(6,358,315)	-	-	(16,302,054)
Sale of capital assets	-	-	-	-	-	-	100	849	1,500	-
Transfers in	-	4,118,032	1,000,000	-	-	188,491	1,177,650	2,447,789	2,738,331	2,000,000
Transfers out	-	(4,118,032)	(1,000,000)	-	-	(188,491)	(1,177,650)	(2,447,789)	(2,738,331)	(2,000,000)
Total Other Financing Sources (Uses)	16,987,807	-	10,882,409	-	159,272	6,628,534	10,117,585	2,266,446	1,500	937,924
Net Change in Fund Balances	$ 8,987,715	$ (3,746,641)	$ 6,345,377	$ 2,010,537	$ (1,280,991)	$ (4,897,401)	$ 7,297,702	$ 761,899	$ (946,794)	$ 903,399
Debt Service as a Percentage of Noncapital Expenditures	9.72%	9.06%	9.62%	9.40%	10.72%	9.80%	9.16%	7.26%	7.74%	8.47%

Data Source : District's Annual Comprehensive Financial Reports.

Matteson Elementary School District No. 162
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Years

Tax Levy Year	Residential Property	Commercial Property	Industrial Property	Agricultural Property	Railroad Property	Total Taxable Equalized Assessed Valuation	Total Direct Tax Rate
2025	Unavailable	Unavailable	Unavailable	Unavailable	Unavailable	$ 498,148,253	5.355
2024	$ 412,509,034	$ 94,012,271	$ 1,663,938	$ 185,935	$ 2,913,837	511,285,015	5.210
2023	265,013,951	98,853,847	1,421,147	117,957	2,746,816	368,153,718	7.020
2021	270,620,955	102,514,662	1,873,050	119,576	2,619,324	377,747,567	6.937
2020	303,145,815	121,372,305	1,971,748	187,061	2,619,324	429,296,253	5.940
2019	271,641,370	96,920,973	2,134,337	175,804	2,739,220	373,611,704	6.658
2018	274,485,814	95,326,177	1,721,168	175,604	2,944,474	374,653,237	6.993
2017	285,087,751	102,104,010	1,838,713	112,643	2,740,484	391,883,601	6.413
2016	259,151,136	96,977,484	1,523,371	103,585	3,043,728	360,799,304	6.815
2015	248,827,333	90,905,384	1,449,744	44,320	2,984,177	344,210,958	7.110

Source: Cook County Clerk's Office, Department of Tax Extensions.

Note: Property in Cook County, Illinois is reassessed once every 3 years on average. The County assesses property at approximately 33.3 percent of actual value. Estimated actual taxable value is calculated by dividing taxable value by percentage. Tax rates are per $100 of assessed value.

Matteson Elementary School District No. 162
Property Tax Rates - Direct and Overlapping Governments *
Last Ten Years

Levy Year	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
County:										
County of Cook	$ 0.390	$ 0.386	$ 0.431	$ 0.446	$ 0.453	$ 0.454	$ 0.489	$ 0.496	$ 0.533	$ 0.552
Consolidated Elections	-	0.032	-	0.019	-	0.030	-	0.031	-	0.034
Forest Preserve District	0.069	0.075	0.081	0.058	0.058	0.059	0.060	0.062	0.063	0.069
Metropolitan Water Reclamation District	0.340	0.345	0.374	0.382	0.378	0.389	0.396	0.402	0.406	0.426
Township:										
Township of Rich	0.205	0.194	0.281	0.278	0.241	0.276	0.275	0.262	0.284	0.296
General Assistance - Rich	0.036	0.036	0.053	0.053	0.048	0.055	0.050	0.046	0.050	0.052
Road and Bridge - Rich	0.079	0.078	0.111	0.112	0.099	0.110	0.105	0.097	0.103	0.106
School Districts:										
Rich Township High School District No. 227	5.298	4.976	6.973	6.702	5.653	6.279	6.045	5.916	6.231	6.464
Prairie State Community College District No. 515	0.429	0.101	0.546	0.512	0.450	0.492	0.477	0.454	0.481	0.487
Villages and Cities:										
Village of Matteson	1.440	1.433	1.993	2.121	1.870	2.242	2.183	2.573	1.891	1.968
Village of Olympia Fields	1.854	1.830	2.515	2.316	1.889	2.240	2.110	2.011	2.120	2.232
Village of Park Forest	11.284	10.140	20.399	19.792	16.616	16.362	15.549	14.904	14.907	15.076
Village of Richton Park	2.002	1.685	2.513	2.313	2.071	2.162	2.162	2.026	2.151	2.162
Village of University Park	4.157	4.304	4.730	5.060	4.994	6.046	6.046	6.105	6.003	5.884
Park Districts:										
Olympia Fields	0.874	0.847	1.019	0.935	0.756	0.911	0.858	0.772	0.811	0.913
Public Library Districts:										
Matteson	0.524	0.520	0.572	0.676	0.594	0.687	0.687	-	-	-
Richton Park	0.789	0.698	1.108	1.051	0.972	1.036	1.017	0.961	1.025	1.070
University Park	0.392	0.408	0.418	0.427	0.438	0.472	0.507	0.495	0.491	0.501
Fire Protection Districts:										
Sunnycrest	0.747	0.715	0.915	0.904	0.831	0.883	0.855	0.806	0.834	0.864
Miscellaneous:										
South Cook County Mosquito Abatement District	0.017	0.017	0.021	0.019	0.017	0.018	0.017	0.016	0.017	0.017
Village of Olympia Fields Special Service Area #1	-	-	-	-	-	0.530	0.574	0.600	0.617	0.692
Village of Olympia Fields Special Service Area #3	-	1.000	-	0.827	0.758	0.834	0.820	0.764	1.047	1.116
Crawford Countryside Sanitary District	-	-	-	-	-	-	-	-	0.207	0.217
Matteson Elementary School District No. 162	$ 5.355	$ 5.210	$ 7.020	$ 6.937	$ 5.940	$ 6.658	$ 6.993	$ 6.413	$ 6.815	$ 7.110

* Tax rates are expressed in dollars per hundred dollars of equalized assessed valuation

Source: Cook County Clerk's Office, Department of Tax Extension

Matteson Elementary School District No. 162
Representative Ten Largest Taxpayers
Current Year and Nine Years Ago

	June 30, 2024 *			June 30, 2015		
Taxpayer	Equalized Assessed Valuation 2023	Percentage of Total District Equalized Valuation	Rank	Equalized Assessed Valuation 2014	Percentage of Total District Equalized Valuation	Rank
Wal-Mart Trust	$ 6,916,786	1.35 %	1	$ -	-	-
Glenshire Re LP	6,219,453	1.22	2	-	-	-
Applewood Nursing	5,747,481	1.12	3	-	-	-
Marketplace IL Reality	5,046,894	0.99	4	-	-	-
Governors SAI LLC	4,928,346	0.96	5	-	-	-
Park Tower Morgan Prop	4,496,091	0.88	6		-	-
Route 30 & Governors L	3,905,726	0.76	7	-	-	-
Olympia Flds Country Club	3,602,166	0.70	8	3,387,823	0.94 %	6
Cyclone Richton Park 1	3,454,454	0.68	9	-	-	-
HCP HB2 Greenwich	3,324,447	0.65	10	4,037,393	1.13	5
New Plan Excel Prop	-	-	-	9,001,290	2.51	1
Barry Ray	-	-	-	4,888,065	1.36	2
St James Hospital	-	-	-	4,794,160	1.34	3
Benchmark CR Elderly	-	-	-	4,268,485	1.19	4
Lioncrest Apartment	-	-	-	3,262,538	0.91	7
Richton Square Apartments	-	-	-	2,935,739	0.82	8
LA Fitness, Inc.	-	-	-	2,931,006	0.82	9
CBE Holdings LLC	-	-	-	2,798,232	0.78	10
	$ 47,641,844	9.32 %		$ 33,639,754	9.38 %	
Equalized assessed valuation for Matteson Elementary School District No. 162	$ 511,285,015			$ 358,651,879		

Source: Cook County Clerk's and Assessor's Office.

* Information is presented for the prior fiscal year as tax year 2024 information is not yet available.

Matteson Elementary School District No. 162
Schedule of Property Tax Rates, Extensions and Collections
Last Ten Years

Tax Levy Year	Taxes Levied	Collections within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	$ 26,676,619	$ 12,278,232	46.03 %	$ -	$ 12,278,232	46.03 %
2023	26,636,733	11,376,380	42.71	12,538,753	23,915,133	89.78
2022	25,842,168	12,018,601	46.51	11,008,973	23,027,574	89.11
2021	26,202,806	11,619,210	44.34	11,807,133	23,426,343	89.40
2020	25,499,175	11,671,030	45.77	10,361,452	22,032,482	86.40
2019	24,872,090	12,065,984	48.51	10,192,971	22,258,955	89.49
2018	26,196,826	11,652,973	44.48	11,505,720	23,158,693	88.40
2017	25,131,439	11,755,552	46.78	10,079,404	21,834,956	86.88
2016	24,585,008	11,903,196	48.42	10,496,413	22,399,609	91.11
2015	24,472,944	11,759,960	48.05	10,661,860	22,421,820	91.62

Source: Cook County Clerk's Office, Department of Tax Extensions and District Records.

Matteson Elementary School District No. 162
Outstanding Debt by Type
Last Ten Fiscal Years

Year Ended June 30,	Governmental Activities		Total Primary Government	Restricted for Debt Service	Net General Bonded Debt	Equalized Assessed Valuation	Percentage Equalized Assessed Valuation	Percentage Personal Income	Per Capita
	Gross General Bonded Debt	Leases							
2025	$ 27,105,000	$ 173,306	$ 27,278,306	$ 626,953	$ 26,651,353	$ 498,148,253	5.48 %	3.36 %	$ 1,151
2024	15,165,000	251,806	15,416,806	1,069,612	14,347,194	511,285,015	3.02	1.90	650
2023	17,530,000	337,825	17,867,825	871,071	16,996,754	368,153,718	4.85	2.30	746
2022	14,765,000	-	14,765,000	542,926	14,222,074	377,747,567	3.91	1.84	607
2021	16,890,000	-	16,890,000	659,300	16,230,700	429,296,253	3.93	2.13	676
2020	27,160,000	-	27,160,000	1,073,613	26,086,387	373,611,704	7.27	3.36	1,039
2019	29,825,000	37,248	29,862,248	1,163,014	28,699,234	374,653,237	7.97	3.80	1,156
2018	30,936,419	73,429	31,009,848	1,225,930	29,783,918	391,883,601	7.91	3.81	1,189
2017	33,102,746	108,574	33,211,320	1,363,420	31,847,900	360,799,304	9.20	4.27	1,272
2016	35,279,546	142,712	35,422,258	1,850,112	33,572,146	344,210,958	10.29	4.53	1,308

Note: Population information and personal income can be found with the Demographic and Economic Statistics.

Data Source : District's Annual Audited Financial Statements.

Matteson Elementary School District No. 162
Computation of Direct and Overlapping Bonded Debt
June 30, 2025

	2023 Equalized Assessed Valuation (1)	Outstanding Bonds		Applicable to District Percent		Applicable to District Amount
Cook County	$ 199,159,851,455	$ 1,930,661,750		0.257	%	$ 4,961,801
Cook County Forest Preserve	199,159,851,455	75,290,000		0.257		193,495
Metropolitan Water Reclamation District	195,688,303,770	2,437,561,774		0.236		5,752,646
Village of Matteson	656,648,639	1,190,000	(2)(3)	28.706		341,601
Village of Olympia Fields	162,930,713	-	(2)	83.714		-
Village of Park Forest	182,277,776	1,920,000		18.758		360,154
Village of Richton Park	218,936,786	-	(2)	56.922		-
Richton Park Public Library District	214,676,471	3,120,000		57.391		1,790,599
Olympia Fields Park District	156,116,623	384,235	(2)	90.103		346,207
Rich Twp. High School District #227	1,515,592,536	74,005,000	(2)	33.543		24,823,497
Community College District #515	3,464,220,291	21,930,000	(3)	11.059		2,425,239
Total Overlapping Debt						40,995,239
Matteson Elementary School District No. 162	511,285,015	27,105,000	(2)	100.000		27,105,000
Total Direct and Overlapping General Obligation Bonded Debt						$ 68,100,239

(1) Tax year 2023 values were used as tax year 2024 values are not yet available.
(2) Excludes principal amounts of outstanding General Obligation (Alternate Revenue Source) Bonds which are expected to be paid from sources other than general taxation
(3) Excludes debt certificates.

Sources: Cook and Will County Clerk's Offices, Cook County Comptroller's Office and Office of the Treasurer of the Metropolitan Water Reclamation District of Greater Chicago

Matteson Elementary School District No. 162
Legal Debt Margin Information
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt limit	$ 23,750,556	$ 24,895,152	$ 27,039,968	$ 25,851,073	$ 25,779,208	$ 29,621,441	$ 26,064,582	$ 25,402,607	$ 35,278,666	$ 34,372,229
Total net debt applicable to limit	34,012,324	31,547,285	29,088,508	29,825,000	27,160,000	16,890,000	14,765,000	17,530,000	15,165,000	27,105,000
Legal debt margin	$(10,261,768)	$ (6,652,133)	$ (2,048,540)	$ (3,973,927)	$ (1,380,792)	$ 12,731,441	$ 11,299,582	$ 7,872,607	$ 20,113,666	$ 7,267,229
Total net debt applicable to limit as a percentage of debt limit	143.21%	126.72%	107.58%	115.37%	105.36%	57.02%	56.65%	69.01%	42.99%	78.86%

Legal Debt Margin Calculation for Fiscal 2025

	$ 498,148,253
	6.9%
	34,372,229
	27,105,000
Legal debt margin	$ 7,267,229

Source:
Data Source : Cook County Clerk's Office, Department of Tax Extensions and District's Annual Audited Financial Statements.

Matteson Elementary School District No. 162
Demographic and Economic Statistics
Last Ten Calendar Years

Calendar Year	Estimated Population	Estimated Personal Income	Per Capita Personal Income	Unemployment Rate Cook County
2024	Unavailable	Unavailable	Unavailable	5.4 %
2023	23,706	$ 812,926,152	$ 34,292	4.4
2022	23,955	776,477,370	32,414	5.0
2021	24,311	803,478,550	33,050	6.4
2020	25,003	792,195,052	31,684	9.7
2019	25,115	808,502,080	32,192	3.8
2018	24,816	786,071,616	31,676	4.0
2017	25,053	813,646,281	32,477	4.9
2016	25,043	777,384,806	31,042	5.9
2015	25,667	782,022,156	30,468	6.0

Note: Population and personal income information based on most recent census data.

Note: Unemployment rates are per Illinois Department of Employment Security.

Matteson Elementary School District No. 162
Principal Employers
Current Year and Nine Years Ago

	2025			2015***		
Employer	Number of Employees *	Rank	Percentage of Total	Number of Employees *	Rank	Percentage of Total
Franciscan Alliance, Inc. Saint James Hospital	2,200	1	22.53%	800	2	5.94%
Amazon	1,600	2	16.38%	-	-	0.00%
Governors State University	1,175	3	12.03%	1,200	1	8.91%
Ludeman Developmental Center	760	4	7.78%	608	3	4.52%
Applied Systems, Inc.	665	5	6.81%	600	4	4.46%
Manheim Chicago	400	6	4.10%	425	6	3.16%
Rogers Enterprises, Inc.	400	7	4.10%	-	-	0.00%
Matteson School District 162	395	8	4.04%	400	7	2.97%
Federal Signal Corp.	330	9	3.38%	600	4	4.46%
Olympia Fields Country Club	280	10	2.87%	-	-	0.00%
Agrati, Inc. / Continental Midland, LLC				250	10	1.86%
Dot Foods, Inc.				-	-	0.00%
Bimba Manufacturing Company				290	8	2.15%
Will County Health Departent				270	9	2.01%
	8,205			5,443		
Total Estimated Employment **	9,766			13,466		

* This list may include Full and Part-time and/or Seasonal unless otherwise noted and includes companies and institutions located in the communities in which the District is located but not necessarily within the boundaries of the District.

** Calculating overlap percentages to the Illinois Department of Employment Security Reports the estimated number of persons employed in the District.

*** 2016 information is unavailable.

Source: Village Records / School District Records, Employer Website, and A to Z Database - Business Edition.

Matteson Elementary School District No. 162
Full-Time Equivalent District Employees by Type
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Administration:										
Superintendent	1	1	1	1	1	1	1	1	1	1
Associate/Assistant Superintendents	5	5	4	6	6	4	4	4	4	4
District Administrators	12	12	10	11	11	11	10	8	8	10
Principals and Assistants	18	18	20	15	15	13	15	15	15	16
Total Administration	36	36	35	33	33	29	30	28	28	31
Teachers:										
K-6, Resource, Gifted	96	96	98	112	109	110	112	113	116	108
Middle School	22	22	27	31	32	34	34	31	31	31
Art, Music, P.E., Health	26	26	28	28	26	26	26	28	27	27
Special Education	34	34	48	49	53	52	51	54	56	56
Psychologists/OT/PT	4	4	5	6	6	6	5	5	5	5
Total Teachers	182	182	206	226	226	228	228	231	235	227
Other Supporting Staff:										
Clerical 10/12 month	21	21	26	24	23	24	25	29	27	26
Aides	35	35	39	38	38	47	42	38	36	28
Custodians	26	26	30	27	30	30	33	34	33	31
Learning Loss Tutors/Cadre Substitutes	17	17	31	23	14	-	-	-	-	-
Total Other Supporting Staff	99	99	126	112	105	101	100	101	96	85
Grand total	317	317	367	371	364	358	358	360	359	343

Source: District personnel records.

Matteson Elementary School District No. 162
Operating Statistics
Last Ten Fiscal Years

Fiscal Year	Enrollment	Operating Expenditures	Cost Per Pupil	Percentage Change	Total Expenditures	Cost Per Pupil	Percentage Change
2025	2,370	$ 55,082,121	$ 23,241	7.02 %	$ 69,912,772	$ 29,499	4.69 %
2024	2,370	51,470,490	21,718	6.63	66,778,983	28,177	2.10
2023	2,358	48,269,663	20,471	10.85	65,402,376	27,736	25.69
2022	2,362	43,546,431	18,436	9.61	52,035,137	22,030	5.59
2021	2,367	39,727,291	16,784	(2.68)	49,278,449	20,819	(16.49)
2020	2,559	40,823,207	15,953	1.51	59,006,434	23,058	21.82
2019	2,654	40,214,729	15,152	(11.03)	48,436,152	18,250	(7.40)
2018	2,729	45,200,006	16,563	6.72	52,307,818	19,167	9.83
2017	2,699	42,355,137	15,693	(4.53)	47,625,820	17,646	(6.35)
2016	2,799	44,364,721	15,850	9.64	50,854,254	18,169	10.17

Source: District records and annual financial reports.

Matteson Elementary School District No. 162
School Building Information
Last Ten Fiscal Years

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Schools										
Buildings	7	7	7	7	7	7	7	7	7	7
Square Feet	404,840	404,840	404,840	404,840	404,840	404,840	404,840	404,840	404,840	404,840
Capacity	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129	4,129
Enrollment	2,799	2,699	2,729	2,654	2,559	2,367	2,362	2,358	2,370	2,370
Administrative										
Buildings	2	2	2	2	2	2	2	3	3	3
Square Feet	90,052	90,052	90,052	95,268	95,268	132,825	132,825	156,325	156,325	156,325
Athletics										
Baseball/softball	4	4	4	4	4	4	4	4	4	4
Playgrounds	7	7	7	7	7	7	7	7	7	7

Source: District records.

Appendix C

Form of Continuing Disclosure Undertaking

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 162, Cook County, Illinois (the *"District"*), in connection with the issuance of $_____ Taxable General Obligation Limited Tax School Bonds, Series 2026A, and $_____ General Obligation Limited Tax Refunding School Bonds, Series 2026B (together, the *"Bonds"*). The Bonds are being issued pursuant to a resolution adopted by the Board of Education of the District on the 20th day of October, 2026 (as supplemented by a notification of sale, the *"Resolution"*).

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

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

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

Annual Financial Information means information of the type contained under the following headings and subheadings of, and in the following appendices and exhibits to, the Official Statement:

THE BONDS – Limited Bonds (Base calculation and chart only)
FINANCIAL INFORMATION
- Trend of EAV
- Tax Rates
- Tax Extensions and Collections
- Summary of Outstanding Bonded Debt
- Debt Repayment Schedule
- Debt Statement (with respect to the District's debt only)
- Debt Ratios (with respect to the District's debt only)

SUMMARY OF OPERATING RESULTS
- General Fund Revenue Sources
- Summary of Operating Funds and Debt Service Fund
- On-Behalf Payments Summary (table only)

SCHOOL DISTRICT FINANCIAL PROFILE (LAST PARAGRAPH ONLY)

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

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

Commission means the Securities and Exchange Commission.

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

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

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

Financial Obligation 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 Final Official Statement, dated _____, 2026, and relating to the Bonds.

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

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

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

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

State means the State of Illinois.

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

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

4. FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Financial Information at least annually 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. 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. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or defeasance of any Bonds need not be given under this Agreement any earlier than the notice (if any) of such redemption or defeasance is given to the Bondholders pursuant to the Resolution.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

SCHOOL DISTRICT NUMBER 162, COOK 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. (a) Incurrence of a Financial Obligation of the District, if material, or (b) an 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. A default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, 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	CUSIP NUMBER (215291)

2026B BONDS

YEAR OF MATURITY	CUSIP NUMBER (215291)

Appendix D

Specimen Municipal Bond Insurance Policy

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.

SPECIMEN

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
Address:
28 Liberty Street, 59th Floor
New York, New York 10005
Telecopy:
212-962-1524 (attention: Claims)

SPECIMEN