

NEW ISSUES – BOOK-ENTRY ONLY

RATINGS<sup>+</sup>: BAM Insured  
 S&P “AA” (STABLE OUTLOOK)  
 S&P UNDERLYING RATING: “A” (NEGATIVE OUTLOOK)

*Subject to compliance by the District with certain covenants, in the opinion of Hart, Southworth & Witsman, Springfield, Illinois (“Bond Counsel”), under present law, interest on the 2026B, 2026C and 2026D Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the federal alternative minimum tax for individuals. Interest on the 2026B, 2026C and 2026D Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS – The Tax-Exempt Bonds” herein for a more complete discussion. Interest on the 2026A Bonds and 2026E Bonds is includible in gross income of the owners thereof for federal income tax purposes. Interest on the 2026A Bonds and 2026E Bonds is not exempt from present State of Illinois income taxes. See “TAX MATTERS – The Taxable Bonds” herein for a more complete discussion.*

**SPRINGFIELD SCHOOL DISTRICT NO. 186  
 SANGAMON COUNTY, ILLINOIS**

**\$9,790,000\* TAXABLE GENERAL OBLIGATION LIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2026A**  
**\$59,750,000\* GENERAL OBLIGATION LIMITED TAX SCHOOL BONDS, SERIES 2026B**  
**\$5,815,000\* GENERAL OBLIGATION SCHOOL BONDS, SERIES 2026C**  
**\$34,990,000\* GENERAL OBLIGATION SCHOOL BONDS (ALTERNATE REVENUE SOURCE), SERIES 2026D**  
**\$12,165,000\* TAXABLE GENERAL OBLIGATION UNLIMITED TAX REFUNDING SCHOOL BONDS, SERIES 2026E**

**Dated: Date of Issuance**

**Due: As Shown on the Inside Cover Page**

The Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A (the “2026A Bonds”), General Obligation Limited Tax School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Limited Bonds”), General Obligation School Bonds, Series 2026C (the “2026C Bonds”), General Obligation School Bonds (Alternate Revenue Source), Series 2026D (the “2026D Bonds”), Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E (the “2026E Bonds” and, together with the 2026A Bonds, 2026B Bonds, 2026C Bonds and 2026D Bonds, the “Bonds”), of Springfield School District No. 186, Sangamon 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 Limited Bonds, the 2026C Bonds and the 2026E Bonds are issued in fully-registered form in denominations of \$5,000 and integral multiples thereof, and will bear interest payable on February 1 and August 1 of each year, with February 1, 2027, as the first interest payment date. The 2026D 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 December 1, 2026, 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) refund a portion of the District’s outstanding General Obligation Limited Tax School Bonds, Series 2022, and (ii) pay costs associated with the issuance of the 2026A Bonds.

Proceeds of the 2026B Bonds will be used to (i) increase the working cash fund of the District, (ii) pay interest on the 2026B Bonds due February 1, 2027, and (iii) pay costs associated with the issuance of the 2026B Bonds.

Proceeds of the 2026C Bonds will be used to (i) conform the District’s existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois by altering, reconstructing, and repairing said facilities and having equipment purchased and installed therein, (ii) pay interest on the 2026C Bonds due February 1, 2027, and (iii) pay costs associated with the issuance of the 2026C Bonds.

Proceeds of the 2026D Bonds will be used to (i) pay costs of acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities of the District consisting of buildings, structures, and durable equipment and the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities of the District, including but not limited to fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes, (ii) pay interest on a portion of the 2026D Bonds due December 1, 2026, and (iii) pay costs associated with the issuance of the 2026D Bonds.

Proceeds of the 2026E Bonds will be used to (i) refund the District’s outstanding General Obligation Limited Tax School Bonds, Series 2020B, and (ii) pay costs associated with the issuance of the 2026E Bonds.

\*Preliminary, subject to change.  
 +See “BOND RATINGS” herein.

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.

The Limited Bonds, in the opinion of Hart, Southworth & Witsman, Springfield, 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 Limited Bonds and the enforceability of the Limited 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 Limited Bonds is limited as provided by law. See “THE LIMITED BONDS – Security and Payment” herein.

The 2026C 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 or amount, except that the rights of the owners of the 2026C Bonds and the enforceability of the 2026C 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. See “THE 2026C BONDS – Security and Payment” herein.

The 2026D Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable (i) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2020C, General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "2023 Bonds"), and General Obligation Bonds (Alternate Revenue Source), Series 2025 (the "2025 Bonds"), from collections distributed to the District from those taxes imposed in The County of Sangamon, Illinois, pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended, (ii) together with the 2023 Bonds and 2025 Bonds, from amounts allocated and paid to the District from the Personal Property Replacement Tax Fund of the State of Illinois pursuant to Section 12 of the State Revenue Sharing Act of the State of Illinois as amended, or substitute taxes therefor as provided for by the State of Illinois in the future, and (iii) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the 2026D Bonds and the enforceability of the 2026D 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. See "THE 2026D BONDS - Security and Payment" herein.

The 2026E 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 or amount, except that the rights of the owners of the 2026E Bonds and the enforceability of the 2026E 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. See “THE 2026E BONDS – Security and Payment” herein.

The Limited Bonds, the 2026D Bonds and the 2026E Bonds are subject to optional redemption prior to maturity on the dates and at the redemption price described herein under “THE BONDS – Optional Redemption.” The 2026C 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 municipal bond 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 the Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “Underwriter”), subject to prior sale, to withdrawal or modification of the offer without notice, and to the approval of legality by Hart, Southworth & Witsman, Springfield, Illinois, Bond Counsel. Certain matters will be passed upon for the District by Brown, Hay & Stephens, LLP, Springfield, Illinois. Hart, Southworth & Witsman, Springfield, Illinois, is also acting as Disclosure Counsel to the District. Chapman and Cutler LLP, Chicago, Illinois, will pass on certain matters for the Underwriter. Delivery of the Bonds through the facilities of DTC will be on or about June 8, 2026.

**STIFEL**  
AS UNDERWRITER



AS MUNICIPAL ADVISOR

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

\*Preliminary, subject to change.  
+See “BOND RATINGS” herein.

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

**\$9,790,000\* Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A**

Maturity (February 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP <sup>(1)</sup> (800766)
2036	1,310,000			
2037	8,060,000			
2038	420,000			

**\$59,750,000\* General Obligation Limited Tax School Bonds, Series 2026B**

Maturity (February 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP <sup>(1)</sup> (800766)
2039	3,060,000			
2040	9,415,000			
2041	9,885,000			
2042	10,380,000			
2043	10,895,000			
2044	11,440,000			
2045	4,675,000			

**\$5,815,000\* General Obligation School Bonds, Series 2026C**

Maturity (February 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP <sup>(1)</sup> (800766)
2028	255,000			
2029	285,000			
2030	310,000			
2031	335,000			
2032	360,000			
2033	390,000			
2034	425,000			
2035	455,000			
2036	465,000			
2037	245,000			
***	***	***	***	***
2039	2,290,000			

\*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(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.

**\$34,990,000\* General Obligation School Bonds (Alternate Revenue Source), Series 2026D**

Maturity (June 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP <sup>(1)</sup> (800766)
2063	4,465,000			
2064	9,620,000			
2065	10,150,000			
2066	10,755,000			

**\$12,165,000\* Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E**

Maturity (February 1)	Amount (\$)*	Rate (%)	Yield (%)	CUSIP <sup>(1)</sup> (800766)
2038	8,325,000			
2039	3,840,000			

\*Preliminary, subject to change. The District reserves the right to increase or decrease the principal amount of the individual maturities of the Bonds on the day of sale in increments of \$5,000. If any principal amounts are adjusted, the purchase price proposed will be adjusted to maintain the same gross spread per \$1,000 portion of a Bond.

(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”.

**Springfield School District No. 186  
Sangamon County, Illinois  
3063 Fiat Avenue  
Springfield, Illinois 62703  
(217) 525-3040**

\* \* \* \* \*

**Board of Education**

Dr. Erica Austin, President  
Buffy Lael-Wolf, Vice President  
Kristin Barnett  
Micah Miller  
Sarah Blissett  
Ken Gilmore  
Debra Iams

Julie Hammers, Board Secretary (appointed) <sup>(1)</sup>

**Superintendent**

Jennifer Gill

**Director of Business Services/School Treasurer**

Steve Miller

\* \* \* \* \*

**Paying Agent/Registrar/Escrow Agent**

Amalgamated Bank of Chicago  
30 North LaSalle Street  
Chicago, Illinois 60602

**Independent Auditors**

Wipfli, LLP  
3957 75th Street  
Aurora, Illinois 60504

**Bond and Disclosure Counsel**

Hart, Southworth & Witsman  
One North State Capital Plaza, Suite 501  
Springfield, Illinois 62701

**Underwriter's Counsel**

Chapman and Cutler LLP  
320 South Canal Street  
Chicago, Illinois 60606

**Municipal Advisor**

PMA Securities, LLC  
2135 CityGate Lane, 7<sup>th</sup> Floor  
Naperville, Illinois 60563

**Underwriter**

Stifel, Nicolaus & Company, Incorporated  
501 North Broadway  
St. Louis, Missouri 63102

(1) Not a member of the Board.

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- A. Forms of Legal Opinions of Bond Counsel
- B. Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025
- C. Form of Continuing Disclosure Undertaking
- D. Specimen Municipal Bond Insurance Policy

**Springfield School District No. 186**  
**Sangamon County, Illinois**  
**\$9,790,000\* Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A**  
**\$59,750,000\* General Obligation Limited Tax School Bonds, Series 2026B**  
**\$5,815,000\* General Obligation School Bonds, Series 2026C**  
**\$34,990,000\* General Obligation School Bonds (Alternate Revenue Source), Series 2026D**  
**\$12,165,000\* Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E**

## **INTRODUCTION**

The purpose of this Official Statement is to set forth certain information concerning Springfield School District No. 186, Sangamon County, Illinois (the “District”), in connection with the offering and sale of its \$9,790,000\* Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A (the “2026A Bonds”), \$59,750,000\* General Obligation Limited Tax School Bonds, Series 2026B (the “2026B Bonds” and, together with the 2026A Bonds, the “Limited Bonds”), \$5,815,000\* General Obligation School Bonds, Series 2026C (the “2026C Bonds”), \$34,990,000\* General Obligation School Bonds (Alternate Revenue Source), Series 2026D (the “2026D Bonds”) and \$12,165,000\* Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E (the “2026E Bonds” and, together with the 2026A Bonds, the “Taxable Bonds” and, together with the 2026A Bonds, 2026B Bonds, 2026C Bonds and 2026D 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 LIMITED BONDS**

### **General Description**

The Limited 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 Limited 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 Limited Bonds will be payable on each February 1 and August 1, beginning February 1, 2027. The Limited 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 Limited 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 Limited 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 Limited Bond is registered at the close of business on the 15<sup>th</sup> day of the month next preceding the interest payment date.

\*Preliminary, subject to change.

The Limited Bonds are subject to optional redemption prior to maturity discussed under “THE LIMITED BONDS – Optional Redemption”.

### **Registration and Exchange**

The Limited Bonds may be transferred, registered and assigned only on the registration books of the Registrar (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 Limited Bonds.

Upon surrender for transfer of any Limited 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 Limited Bond or Limited Bonds of the same series and maturity of authorized denominations for a like aggregate principal amount. Any fully-registered Limited Bond or Limited Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of Limited Bond or Limited Bonds of the same series and maturity of other authorized denominations. The execution by the District of any fully-registered Limited Bond shall constitute full and due authorization of such Limited Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such Limited Bond, provided, however, the principal amount of outstanding Limited Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of Limited Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any Limited Bond during the period beginning at the close of business on the 15<sup>th</sup> day of the month next preceding any interest payment date on such Limited Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any Limited Bonds after notice calling such Limited Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any Limited Bond.

### **Authority and Purpose**

The Limited 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 March 24, 2026, as supplemented by a bond notification of the District (together, the “Limited Bond Resolution”). Proceeds of the 2026A Bonds will be used to (i) refund a portion of the District’s outstanding General Obligation Limited Tax School Bonds, Series 2022, dated March 3, 2022 (the “2022 Bonds” and, the refunded portion, the “Refunded 2022 Bonds”), and (ii) pay costs associated with the issuance of the 2026A Bonds. Proceeds of the 2026B Bonds will be used to (i) increase the working cash fund of the District, (ii) pay interest on the 2026B Bonds due February 1, 2027,

and (iii) pay costs associated with the issuance of the 2026B Bonds. See “USE OF PROCEEDS” herein.

## **Security and Payment**

The Limited Bonds, in the opinion of Hart, Southworth & Witsman, Springfield, 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 Limited Bonds and the enforceability of the Limited 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 Limited 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 Limited 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 Limited Bonds, other than the interest due on the Limited Bonds on February 1, 2027, to the amount of the Base (as hereinafter defined). The District expects to pay interest on the Limited Bonds due on February 1, 2027, from taxes levied to pay the Refunded 2022 Bonds and capitalized interest on the 2026B Bonds. The District expects to pay debt service on the Limited Bonds in excess of the Base, if necessary, from funds of the District on hand and lawfully available for such purpose. The Limited Bond Resolution will be filed with the County Clerk (the “County Clerk”) of The County of Sangamon, Illinois (the “County”), and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the Limited Bond Resolution to pay the Limited Bonds.

The covenants, liens and pledges entered into, created or imposed pursuant to the Limited Bond Resolution may be fully discharged and satisfied with respect to the Limited Bonds, or any of them, in any one or more of the following ways: (a) by paying the Limited Bonds when the same shall become due and payable; (b) by depositing with the Registrar for such purpose, at or before the date of maturity, money in the necessary amount to pay the Limited Bonds; and/or (c) by depositing in trust with a bank or trust company located in the State of Illinois for such purpose, at or before the date of maturity, direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay the Limited Bonds in accordance with their terms. Upon such payment or deposit, such Limited Bonds shall no longer be deemed outstanding for all purposes of the Limited Bond Resolution and all liability of the District with respect to such Limited Bonds shall cease and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Reference is made to Appendix A for the proposed forms of legal opinions of Bond Counsel for the Limited Bonds.

## **Limited Bonds**

The Limited 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 Limited 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 Limited Bonds without limitation as to rate, the amount of said taxes that will be extended to pay the Limited Bonds is limited pursuant to the Limitation Law.

The Debt Reform Act provides that the Limited 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 1996 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 Limitation Law further provides that the annual amount of taxes to be extended to pay the Limited Bonds and all other limited bonds heretofore and hereafter issued by the District shall not exceed the Base.

As of the closing of the Limited Bonds, the Limited Bonds will constitute two of four series of limited bonds of the District that are payable from the Base. Payments on the Limited Bonds from the Base will be made on a parity with the payments on the District’s outstanding General Obligation Limited Tax School Bonds, Series 2020B (the “2020B Bonds”), and the unrefunded 2022B Bonds (together, 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 2025 levy year has been determined to be \$9,968,621.06, and the amount of the Base for the 2026 levy year has been determined to be \$10,237,773.82, which are calculated as follows:

Levy Year	The Base	Annual Increase (%) or 5%	Annual Increase (\$)	New Debt Service Extension Base (\$)
2009	\$ 6,848,517.00	0.10%	\$ 6,848.51	\$ 6,855,365.51
2010	6,855,365.51	2.70%	185,094.86	7,040,460.37
2011	7,040,460.37	1.50%	105,606.90	7,146,067.27
2012	7,146,067.27	3.00%	214,382.01	7,360,449.28
2013	7,360,449.28	1.70%	125,127.63	7,485,576.91
2014	7,485,576.91	1.50%	112,283.65	7,597,860.56
2015	7,597,860.56	0.80%	60,782.88	7,658,643.44
2016	7,658,643.44	0.70%	53,610.50	7,712,253.94
2017	7,712,253.94	2.10%	161,957.33	7,874,211.27
2018	7,874,211.27	2.10%	165,358.43	8,039,569.70
2019	8,039,569.70	1.90%	152,751.82	8,192,321.52
2020	8,192,321.52	2.30%	188,423.39	8,380,744.91
2021	8,380,744.91	1.40%	117,330.42	8,498,075.33
2022	8,498,075.33	5.00%	424,903.76	8,922,979.09
2023	8,922,979.09	5.00%	446,148.95	9,369,128.04
2024	9,369,128.04	3.40%	318,550.35	9,687,678.39
2025	9,687,678.39	2.90%	280,942.67	9,968,621.06
2026	9,968,621.06	2.70%	269,152.76	10,237,773.82

The following chart shows the Base of the District, the debt service on the District's Outstanding Limited Bonds and the Limited Bonds, and the available Base after the issuance of the Limited Bonds and the refunding of the Refunded 2022 Bonds.

Levy Year	Outstanding Limited Bonds Debt Service	Less: Debt Service on the Refunded Bonds*	Debt Service on the 2026A Bonds and the 2026B Bonds*	Less: Capitalized Interest	Total Limited Bonds Debt Service*	Available Base <sup>(1)</sup>	Available Base*
2025	\$ 9,553,338	\$ (951,350)	\$ 2,616,628	\$ (2,240,625)	\$ 8,977,990	\$ 9,968,621	\$ 990,631
2026	9,606,088	(3,501,350)	3,488,837	-	9,593,575	10,237,774	644,199
2027	9,750,400	(3,444,350)	3,488,837	-	9,794,887	10,442,529	647,642
2028	9,900,000	(3,385,550)	3,488,837	-	10,003,287	10,651,380	648,093
2029	10,046,500	(3,319,250)	3,488,837	-	10,216,087	10,864,407	648,320
2030	10,198,150	(3,249,500)	3,488,837	-	10,437,487	11,081,696	644,209
2031	10,348,950	(3,181,300)	3,488,837	-	10,656,487	11,303,330	646,843
2032	10,508,000	(3,114,350)	3,488,837	-	10,882,487	11,529,396	646,909
2033	9,664,050	(2,038,400)	3,488,837	-	11,114,487	11,759,984	645,497
2034	6,442,650	-	4,798,837	-	11,241,487	11,995,184	753,697
2035	-	-	11,482,944	-	11,482,944	12,235,087	752,143
2036	-	-	3,429,466	-	3,429,466	12,479,789	9,050,323
2037	-	-	6,047,500	-	6,047,500	12,729,385	6,681,885
2038	-	-	12,249,500	-	12,249,500	12,983,973	734,473
2039	-	-	12,248,750	-	12,248,750	13,243,652	994,902
2040	-	-	12,249,500	-	12,249,500	13,508,525	1,259,025
2041	-	-	12,245,500	-	12,245,500	13,778,696	1,533,196
2042	-	-	12,245,750	-	12,245,750	14,054,270	1,808,520
2043	-	-	4,908,750	-	4,908,750	14,335,355	9,426,605
	<u>\$ 96,018,125</u>	<u>\$ (26,185,400)</u>	<u>\$ 122,433,821</u>	<u>\$ (2,240,625)</u>	<u>\$ 190,025,921</u>		

(1) Pursuant to Public Act 96-0501, the District's Base will increase by the lesser of CPI or 5% each year starting with levy year 2009. In this chart, the applicable CPI increase has been applied to levy years 2025 and 2026, and is assumed to be 2.0% per year thereafter. The District will need to adopt supplemental tax levy resolutions, perhaps annually, to capture the CPI growth in the Base.

Note: Amounts are rounded.

## Optional Redemption

The Limited Bonds due on or after February 1, 2037\*, are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the Limited Bonds of a single series and maturity to be selected by the Registrar), on February 1, 2036\*, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

## Redemption Procedures

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the series, principal amount and maturity or maturities of Limited Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding Limited Bonds of a single series and maturity, the particular Limited Bonds or portions of Limited Bonds to be redeemed shall be selected by lot by the Registrar from the Limited Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the Limited Bonds are held in a book-entry system, in which case the selection of Limited Bonds to be

\*Preliminary, subject to change.

redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of Limited Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

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

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding Limited Bonds are to be redeemed, the identification (and, in the case of partial redemption of Limited Bonds, the respective principal amounts) of the Limited Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such Limited Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such Limited Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

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

Subject to the provisions for a conditional redemption described above, notice of redemption having been given as described above and in the Limited Bond Resolution, and notwithstanding failure to receive such notice, the Limited Bonds or portions of Limited Bonds so to be redeemed will, on the redemption date, become due and payable at the redemption price therein specified, and from and after such date (unless the District shall default in the payment of the redemption price), such Limited Bonds or portion of Limited Bonds will cease to bear interest. Upon surrender of such Limited Bonds for redemption in accordance with said notice, such Limited Bonds will be paid by the Registrar at the redemption price.

## **THE 2026C BONDS**

### **General Description**

The 2026C 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 DTC. Principal of and interest on the 2026C Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by the Registrar.

The 2026C 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 2026C Bonds will be payable on each February 1 and August 1, beginning February 1, 2027. The 2026C 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 2026C 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 2026C 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 2026C Bond is registered at the close of business on the record date, which is the 15<sup>th</sup> day of the month next preceding the interest payment date (the “Record Date”).

The 2026C Bonds are not subject to optional redemption prior to maturity.

### **Registration and Exchange**

The 2026C Bonds may be transferred, registered and assigned only on the Register, 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 2026C Bonds, except in the case of the issuance of a 2026C Bond or 2026C Bonds for the unredeemed portion of a 2026C Bond surrendered for redemption.

Upon surrender for transfer of any 2026C 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 2026C Bond or 2026C Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered 2026C Bond or 2026C Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of 2026C Bond or 2026C Bonds of the same maturity of other authorized denominations. The execution by the District of any fully-registered 2026C Bond shall constitute full and due authorization of such 2026C Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such 2026C Bond, provided, however, the principal amount of outstanding 2026C Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of 2026C Bonds for such maturity less previous retirements.

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

### **Authority and Purpose**

The 2026C Bonds are issued pursuant to the School Code, the Debt Reform Act, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of the District on March 24, 2026, as supplemented by a notification of sale (together, the “2026C Bond Resolution”). Proceeds of the 2026C Bonds will be used to (i) fund life safety projects at Southeast High School, Lawrence Education Center and Harvard Park School (the “2026C Project”), (ii) pay certain interest on the 2026C Bonds, and (iii) pay costs associated with the issuance of the 2026C Bonds. See “USE OF PROCEEDS” herein.

### **Security and Payment**

The 2026C 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 or amount, except that the rights of the owners of the 2026C Bonds and the enforceability of the 2026C 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.

Pursuant to Public Act 103-0591, effective July 1, 2024, levies to pay school fire and prevention bonds, such as the 2026C Bonds, are excepted from the Limitation Law. See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law” herein for more information. The 2026C Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the 2026C Bonds, net of capitalized interest. The 2026C Bond Resolution will be filed with 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 2026C Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel for the 2026C Bonds.

## **THE 2026D BONDS**

### **General Description**

The 2026D 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 DTC. Principal of and interest on the 2026D Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by the Registrar.

The 2026D 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 2026D Bonds will be payable on each June 1 and December 1, beginning December 1, 2026. The 2026D 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 2026D 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 2026D 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 2026D Bond is registered at the close of business on the 15<sup>th</sup> day of the month next preceding the interest payment date.

The 2026D Bonds are subject to optional redemption prior to maturity as discussed under “Optional Redemption” herein.

### **Registration and Exchange**

The 2026D 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 2026D Bonds, except in the case of the issuance of a 2026D Bond or 2026D Bonds for the unredeemed portion of a 2026D Bond surrendered for redemption.

Upon surrender for transfer of any 2026D 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 2026D Bond or 2026D Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered 2026D Bond or 2026D Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of 2026D Bond or 2026D Bonds of the same series of other authorized denominations. The execution by the District of any fully-registered 2026D Bond shall constitute full and due authorization of such 2026D Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such 2026D Bond, provided, however, the principal amount of outstanding 2026D Bonds of each

maturity authenticated by the Registrar shall not exceed the authorized principal amount of 2026D Bonds for such maturity less previous retirements.

The Registrar shall not be required to transfer or exchange any 2026D Bond during the period beginning at the close of business on the 15<sup>th</sup> day of the month next preceding any interest payment date on such 2026D Bond and ending at the opening of business on such interest payment date, nor to transfer or exchange any 2026D Bond after notice calling such 2026D Bond for redemption has been mailed, nor during a period of fifteen (15) days next preceding mailing of a notice of redemption of any 2026D Bonds.

### **Authority and Purpose**

The 2026D Bonds are issued pursuant to the School Code, the Debt Reform Act, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board on March 24, 2026, as supplemented by a bond notification of the District (together, the "2026D Bond Resolution"). Proceeds of the 2026D Bonds will be used to (i) pay costs of acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities of the District consisting of buildings, structures, and durable equipment and the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities of the District, including but not limited to fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes set forth under Section 17-2.11 of the School Code (the "2026D Project"), (ii) pay interest on a portion of the 2026D Bonds due December 1, 2026, and (iii) pay costs associated with the issuance of the 2026D Bonds. See "USE OF PROCEEDS - THE 2026D PROJECT" herein.

### **Security and Payment**

The 2026D Bonds, in the opinion of Bond Counsel, are valid and legally binding upon the District and are payable (i) together with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2020C (the "2020C Bonds"), and General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "2023 Bonds"), and General Obligation Bonds (Alternate Revenue Source), Series 2025 (the "2025 Bonds" and together with the 2020C Bonds and the 2023 Bonds, the "Prior Alternate Revenue Bonds"), collections distributed to the District pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended (the "Law") from those taxes imposed in The County of Sangamon, Illinois (the "County"), pursuant to the Law (the "Sales Tax Revenues"), (ii) together with the 2023 Bonds and 2025 Bonds, from amounts allocated and paid to the District from the Personal Property Replacement Tax Fund of the State of Illinois pursuant to Section 12 of the State Revenue Sharing Act of the State of Illinois as amended (the "PPRT Revenues" and, together with the Sales Tax Revenues, the "Pledged Revenues"), or substitute taxes therefor as provided for by the State of Illinois in the future, and (iii) from ad valorem taxes levied against all of the taxable property in the District without limitation as to rate or amount (the "Pledged Taxes" and, together with the Pledged Revenues, the "Pledged Moneys"), except that the rights of the owners of the Bonds and the enforceability of the 2026D 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 2026D Bond Resolution provides for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the 2026D Bonds, other than the interest on the 2026D Bonds due on December 1, 2026 and June 1, 2027. The 2026D Bond Resolution will be filed with the County Clerk and will serve as authorization to the County Clerk to extend and collect the property taxes as set forth in the 2026D Bond Resolution to pay the 2026D Bonds.

The covenants, liens and pledges entered into, created or imposed pursuant to the 2026D Bond Resolution may be fully discharged and satisfied with respect to the 2026D Bonds, or any of them, in any one or more of the following ways: (a) by paying the 2026D Bonds when the same shall become due and payable; (b) by depositing with the Registrar for such purpose, at or before the date of maturity, money in the necessary amount to pay the 2026D Bonds; and/or (c) by depositing in trust with a bank or trust company located in the State of Illinois for such purpose, at or before the date of maturity, direct obligations of, or obligations the principal of and interest on which are guaranteed by, the United States of America, in an amount sufficient, including any income or increment to accrue thereon, but without the necessity of any reinvestment, to pay the 2026D Bonds in accordance with their terms. Upon such payment or deposit, such 2026D Bonds shall no longer be deemed outstanding for all purposes of the 2026D Bond Resolution and all liability of the District with respect to such 2026D Bonds shall cease and be completely discharged, and the holders thereof shall be entitled only to payment out of the money or securities so deposited.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel for the 2026D Bonds.

### **Abatement of Pledged Taxes**

The 2026D Bond Resolution provides that the District will deposit the Pledged Revenues into the bond fund for the 2026D Bonds (the "2026D Bond Fund"), as defined in the 2026D Bond Resolution. Whenever Pledged Revenues or other lawfully available funds are available to pay any principal of or interest on the 2026D Bonds when due, so as to enable the abatement of the Pledged Taxes levied for the same, the Board or the officers of the District acting with proper authority will direct the deposit of such Pledged Revenues and such funds into the 2026D Bond Fund. The Board will direct the abatement of the Pledged Taxes by the amount of such deposit, and proper notification of such abatement will be filed with the County Clerk in a timely manner to effect such abatement. Deposits of Pledged Revenues into the 2026D Bond Fund shall be on a parity with deposits of Pledged Revenues into the bond funds established to repay the Prior Alternate Revenue Bonds.

There are no Pledged Taxes for levy year 2025.

## **Additional Bonds**

The District reserves the right to issue “Additional Bonds” without limit from time to time payable from the Pledged Revenues, and any such Additional Bonds will share ratably and equally in the Pledged Revenues with the 2026D Bonds; provided, however, that no Additional Bonds will be issued except in accordance with the provisions of the Debt Reform Act. “Additional Bonds” means any alternate bonds issued in the future in accordance with the provisions of the Debt Reform Act on parity with and sharing ratably and equally in the Pledged Revenues with the 2026D Bonds.

## **Treatment of 2026D Bonds as Debt**

The 2026D Bonds will be payable from the Pledged Moneys and will not constitute an indebtedness of the District within the meaning of any constitutional or statutory limitation, unless the Pledged Taxes will have been extended pursuant to the general obligation, full faith and credit promise supporting the 2026D Bonds, in which case the amount of the outstanding 2026D Bonds will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the 2026D Bonds have been paid from the Pledged Revenues for a complete fiscal year, in accordance with the Debt Reform Act.

## **General Covenants**

In the 2026D Bond Resolution, the District made the following covenants with the holders of the 2026D Bonds so long as the 2026D Bonds or any of them remain outstanding and unpaid, either as to principal or interest:

A. The District pledged the Pledged Revenues to the payment of the 2026D Bonds, and the Board covenanted and agreed to provide for, collect and apply the Pledged Revenues to the payment of the 2026D Bonds and the provision of not less than an additional 0.25 times debt service on the 2026D Bonds, all in accordance with Section 15 of the Debt Reform Act.

B. The District will punctually pay or cause to be paid from the Pledged Moneys the principal of and interest on the 2026D Bonds in strict conformity with the terms of the 2026D Bonds and the 2026D Bond Resolution, and it will faithfully observe and perform all of the conditions, covenants and requirements thereof.

C. The District will pay and discharge, or cause to be paid and discharged, from the 2026D Bond Fund any and all lawful claims which, if unpaid, might become a lien or charge upon the Pledged Moneys, or any part thereof, or upon any funds in the hands of the Registrar, or which might impair the security of the 2026D Bonds. Nothing contained in the 2026D Bond Resolution will require the District to make any such payment so long as the District in good faith will contest the validity of said claims.

D. The District will keep, or cause to be kept, proper books of record and accounts, separate from all other records and accounts of the District, in which complete and correct entries will be made of all transactions relating to the Pledged Revenues, the Pledged Taxes, the 2026D Bond Fund and associated subaccounts. Such books of record and accounts will at all times during business hours be subject to the inspection of the holders of not less than ten percent (10%) of the principal amount of the outstanding 2026D Bonds or their representatives authorized in writing.

E. The District will preserve and protect the security of the 2026D Bonds and the rights of the registered owners of the 2026D Bonds, and will warrant and defend their rights against all claims and demands of all persons. From and after the sale and delivery of any of the Bonds by the District, the 2026D Bonds will be incontestable by the District.

F. The District will adopt, make, execute and deliver any and all such further resolutions, instruments and assurances as may be reasonably necessary or proper to carry out the intention of, or to facilitate the performance of, the 2026D Bond Resolution, and for the better assuring and confirming unto the registered owners of the 2026D Bonds of the rights and benefits provided in the 2026D Bond Resolution.

G. As long as any 2026D Bonds are outstanding, the District will continue to deposit the Pledged Revenues and, if necessary, the Pledged Taxes into the 2026D Bond Fund. The District covenanted and agreed with the purchasers of the 2026D Bonds and with the registered owners thereof that so long as any 2026D Bonds remain outstanding, the District will take no action or fail to take any action which in any way would adversely affect the ability of the District to collect the Pledged Revenues. The District and its officers will comply with all present and future applicable laws in order to assure that the Pledged Revenues and Pledged Taxes may be collected as provided in the 2026D Bond Resolution and deposited into the Pledged Revenues Account and 2026D Bond Fund as provided in the 2026D Bond Resolution.

H. Once issued, the 2026D Bonds will be and forever remain until paid or defeased a general obligation of the District, the payment of which its full faith and credit are pledged, and will be payable, in addition to the Pledged Revenues, from the levy of the Pledged Taxes as provided in the Debt Reform Act, except as set forth in "THE 2026D BONDS - Abatement of Pledged Taxes" herein.

### **Highlights of Alternate Bonds**

Section 15 of the Debt Reform Act provides that whenever there exists for a governmental unit (such as the District) a revenue source, the governmental unit may issue its general obligation bonds payable from any revenue source, and such general obligation bonds may be referred to as "alternate bonds." Such bonds are general obligation debt payable from the pledged revenues with the general obligation of the governmental unit as back-up security.

The Debt Reform Act prescribes several conditions that must be met before alternate bonds payable from a revenue source may be issued:

First, alternate bonds must be issued for a lawful corporate purpose. If issued payable from a revenue source, which revenue source is limited in its purposes or applications, then the alternate bonds can only be issued for such limited purposes or applications.

Second, the question of issuance must be submitted to referendum if, within the time provided by law following publication of an authorizing resolution and notice of intent to issue alternate bonds, a petition signed by the requisite number of registered voters in the governmental unit is filed.

Third, an issuer must demonstrate that the pledged revenues are sufficient in each year to provide an amount not less than 1.25 times debt service on the alternate bonds payable from such revenue source previously issued and outstanding and the alternate bonds proposed to be issued. The sufficiency of the revenue source must be supported by the most recent audit of the governmental unit. The audit must be for a fiscal year ending not earlier than 18 months prior to the issuance of the alternate bonds. If the audit does not adequately show such revenue source or if such source of revenue is shown to be insufficient, then the determination of sufficiency must be supported by the report of an independent accountant or feasibility analyst, the latter having a national reputation for expertise in such matters, who is not otherwise involved in the project being financed or refinanced with proceeds of the alternate bonds. Such report must demonstrate the sufficiency of the revenues and explain how the revenues will be greater than those shown in the audit. Whenever such sufficiency is demonstrated by reference to a schedule of higher rates or charges for enterprise revenues or a higher tax imposition for a revenue source, such higher rates, charges or taxes must be imposed by a resolution adopted prior to the delivery of the alternate bonds.

Fourth, the revenue source must be pledged to the payment of the alternate bonds.

Last, the governmental unit must covenant to provide for, collect and apply the revenue source to the payment of the alternate bonds and to provide for an amount equal to not less than an additional 0.25 times debt service.

The District will comply with all of the aforementioned conditions prior to the issuance of the 2026D Bonds.

## The Pledged Revenues

The Pledged Revenues consist of (i) the Sales Tax Revenues and (ii) the PPRT Revenues. See “COUNTY SCHOOL FACILITY OCCUPATION TAX LAW” and “SOCIO-ECONOMIC CHARACTERISTICS - Corporate Personal Property Replacement Taxes” herein for more information on the Pledged Revenues. A five-year history of these revenue sources is as follows:

<u>Fiscal Year</u>	<u>Sales Tax Revenues</u>	<u>PPRT Revenues</u> <sup>(1)</sup>	<u>Total</u>
2021	\$ 11,067,065	\$ 7,512,365	\$ 18,579,430
2022	12,666,445	17,701,797	30,368,242
2023	13,304,614	21,240,329	34,544,943
2024	13,634,593	16,040,110	29,674,703
2025	14,430,150	8,290,933	22,721,083

(1) PPRT Revenues net of amounts applied to pension obligations pursuant to the Revenue Sharing Act (as hereinafter defined). See “Personal Property Replacement Tax” herein. See “Corporate Personal Property Replacement Taxes” herein.

Source: Audited financial statements and annual financial reports of the District for fiscal years ended June 30, 2021-2025.

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## Alternate Revenue Bonds (Debt Service Coverage)

Levy Year	Sales Tax Revenues <sup>(1)</sup>	PPRT Revenues <sup>(2)</sup>	Pledged Revenues	Debt Service on the 2020C Bonds <sup>(3)</sup>	Debt Service on the 2023 Bonds <sup>(3)</sup>	Debt Service on the 2025 Bonds <sup>(3)</sup>	Debt Service on the 2026D Bonds* <sup>(3)</sup>	Total Debt Service*	Debt Service Coverage*
2024	\$ 14,430,150	\$ 8,290,933	\$ 22,721,083	\$ 3,566,500	\$ 7,746,588	\$ 2,320,855	\$ -	\$ 13,633,943	1.67x
2025	14,430,150	8,290,933	22,721,083	3,566,000	3,635,838	5,515,519	1,254,100	13,971,456	1.63x
2026	14,430,150	8,290,933	22,721,083	3,568,250	3,985,838	5,188,019	1,924,450	14,666,556	1.55x
2027	14,430,150	8,290,933	22,721,083	3,568,000	3,988,338	5,189,019	1,924,450	14,669,806	1.55x
2028	14,430,150	8,290,933	22,721,083	3,565,250	3,994,838	5,187,769	1,924,450	14,672,306	1.55x
2029	14,430,150	8,290,933	22,721,083	3,565,000	3,990,088	5,184,269	1,924,450	14,663,806	1.55x
2030	14,430,150	8,290,933	22,721,083	3,567,000	3,984,588	5,188,519	1,924,450	14,664,556	1.55x
2031	14,430,150	8,290,933	22,721,083	3,566,000	3,988,338	5,185,019	1,924,450	14,663,806	1.55x
2032	14,430,150	8,290,933	22,721,083	3,567,000	3,990,838	5,189,019	1,924,450	14,671,306	1.55x
2033	14,430,150	8,290,933	22,721,083	3,564,750	3,992,088	5,185,019	1,924,450	14,666,306	1.55x
2034	14,430,150	8,290,933	22,721,083	3,569,250	3,987,088	5,188,269	1,924,450	14,669,056	1.55x
2035	14,430,150	8,290,933	22,721,083	3,565,000	3,991,288	5,188,269	1,924,450	14,669,006	1.55x
2036	14,430,150	8,290,933	22,721,083	3,567,250	3,989,488	5,185,019	1,924,450	14,666,206	1.55x
2037	14,430,150	8,290,933	22,721,083	3,565,500	3,991,888	5,188,519	1,924,450	14,670,356	1.55x
2038	14,430,150	8,290,933	22,721,083	3,574,750	3,981,813	5,188,269	1,924,450	14,669,281	1.55x
2039	14,430,150	8,290,933	22,721,083	3,574,250	3,986,100	5,184,269	1,924,450	14,669,069	1.55x
2040	14,430,150	8,290,933	22,721,083	3,574,250	3,984,113	5,186,519	1,924,450	14,669,331	1.55x
2041	14,430,150	8,290,933	22,721,083	3,574,500	3,981,063	5,184,519	1,924,450	14,664,531	1.55x
2042	14,430,150	8,290,933	22,721,083	3,574,750	3,981,950	5,188,269	1,924,450	14,669,419	1.55x
2043	14,430,150	8,290,933	22,721,083	3,564,750	3,992,625	5,187,269	1,924,450	14,669,094	1.55x
2044	14,430,150	8,290,933	22,721,083	3,564,750	3,990,550	5,184,075	1,924,450	14,663,825	1.55x
2045	14,430,150	8,290,933	22,721,083	3,564,000	3,991,275	5,188,300	1,924,450	14,668,025	1.55x
2046	14,430,150	8,290,933	22,721,083	3,562,250	3,989,525	5,185,925	1,924,450	14,662,150	1.55x
2047	14,430,150	8,290,933	22,721,083	3,564,250	3,990,300	5,186,950	1,924,450	14,665,950	1.55x
2048	14,430,150	8,290,933	22,721,083	3,564,500	3,992,775	5,185,825	1,924,450	14,667,550	1.55x
2049	14,430,150	8,290,933	22,721,083	3,562,750	3,993,225	5,187,275	1,924,450	14,667,700	1.55x
2050	14,430,150	8,290,933	22,721,083	3,563,750	3,991,650	5,185,750	1,924,450	14,665,600	1.55x
2051	14,430,150	8,290,933	22,721,083	3,507,000	4,043,050	5,185,975	1,924,450	14,660,475	1.55x
2052	14,430,150	8,290,933	22,721,083	-	7,279,950	5,187,400	1,924,450	14,391,800	1.58x
2053	14,430,150	8,290,933	22,721,083	-	7,279,100	5,184,475	1,924,450	14,388,025	1.58x
2054	14,430,150	8,290,933	22,721,083	-	7,279,775	5,186,925	1,924,450	14,391,150	1.58x
2055	14,430,150	8,290,933	22,721,083	-	7,281,150	5,183,925	1,924,450	14,389,525	1.58x
2056	14,430,150	8,290,933	22,721,083	-	7,277,400	5,185,200	1,924,450	14,387,050	1.58x
2057	14,430,150	8,290,933	22,721,083	-	7,277,975	5,184,925	1,924,450	14,387,350	1.58x
2058	14,430,150	8,290,933	22,721,083	-	7,280,175	5,187,550	1,924,450	14,392,175	1.58x
2059	14,430,150	8,290,933	22,721,083	-	7,280,450	5,187,250	1,924,450	14,392,150	1.58x
2060	14,430,150	8,290,933	22,721,083	-	7,278,350	5,187,000	1,924,450	14,389,800	1.58x
2061	14,430,150	8,290,933	22,721,083	-	7,278,425	-	6,389,450	13,667,875	1.66x
2062	14,430,150	8,290,933	22,721,083	-	-	-	11,298,875	11,298,875	2.01x
2063	14,430,150	8,290,933	22,721,083	-	-	-	11,299,775	11,299,775	2.01x
2064	14,430,150	8,290,933	22,721,083	-	-	-	11,297,231	11,297,231	2.01x

\*Preliminary, subject to change.

(1) Amounts shown are Sales Tax Revenues received during fiscal year 2025 according to the Audit (as hereinafter defined).

(2) Amounts shown are PPRT Revenues net of the amount applied to pension obligations as set forth in the Audit.

(3) Reflects debt service payments due on the 2026D Bonds on December 1 of the succeeding calendar year and June 1 of the next succeeding calendar year. The 2020C Bonds are payable from the Sales Tax Revenues. The 2023 Bonds and 2025 Bonds are payable from the Sales Tax Revenues and the PPRT Revenues.

## **Optional Redemption**

The 2026D Bonds due on or after June 1, 2037\*, are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the 2026D Bonds of a single maturity to be selected by the Registrar), on June 1, 2036\*, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

## **Redemption Procedures**

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2026D Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2026D Bonds of a single maturity, the particular 2026D Bonds or portions of 2026D Bonds to be redeemed shall be selected by lot by the Registrar from the 2026D Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026D Bonds are held in a book-entry system, in which case the selection of 2026D Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of 2026D Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

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

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding 2026D Bonds are to be redeemed, the identification (and, in the case of partial redemption of 2026D Bonds, the respective principal amounts) of the 2026D Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such 2026D Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such 2026D Bonds are to be surrendered for payment of the redemption price, which place of payment will be the principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

Unless moneys sufficient to pay the redemption price of the 2026D Bonds to be redeemed at the option of the District are received by the Registrar prior to the giving of such notice of redemption, such notice may, at the option of the District, state that said redemption will be conditional upon the receipt of such moneys by the Registrar on or prior to the date fixed for redemption. If such moneys are not received, such notice will be of no force and effect, the District will not redeem such 2026D Bonds, and the Registrar will give notice, in the same manner in which the notice of redemption was given, that such moneys were not so received and

\*Preliminary, subject to change.

that such 2026D Bonds will not be redeemed. Otherwise, prior to any redemption date, the District will deposit with the Registrar an amount of money sufficient to pay the redemption price of all the 2026D Bonds or portions of 2026D Bonds which are to be redeemed on that date.

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

## **THE 2026E BONDS**

### **General Description**

The 2026E 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 DTC. Principal of and interest on the 2026E Bonds will be payable as described under the caption “BOOK-ENTRY SYSTEM” by the Registrar.

The 2026E 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 2026E Bonds will be payable on each February 1 and August 1, beginning February 1, 2027. The 2026E 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 2026E 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 2026E 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 2026E Bond is registered at the close of business on the record date, which is the 15<sup>th</sup> day of the month next preceding the interest payment date (the “Record Date”).

### **Registration and Exchange**

The 2026E Bonds may be transferred, registered and assigned only on the Register, 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 2026E Bonds, except in the case of the issuance of a 2026E Bond or 2026E Bonds for the unredeemed portion of a 2026E Bond surrendered for redemption.

Upon surrender for transfer of any 2026E 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 2026E Bond or 2026E Bonds of the same maturity of authorized denominations for a like aggregate principal amount. Any fully-registered 2026E Bond or 2026E Bonds may be exchanged at said office of the Registrar for a like aggregate principal amount of 2026E Bond or 2026E Bonds of the same maturity of other authorized denominations. The execution by the District of any fully-registered 2026E Bond shall constitute full and due authorization of such 2026E Bond and the Registrar shall thereby be authorized to authenticate, date and deliver such 2026E Bond, provided, however, the principal amount of outstanding 2026E Bonds of each maturity authenticated by the Registrar shall not exceed the authorized principal amount of 2026E Bonds for such maturity less previous retirements.

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

### **Authority and Purpose**

The 2026E Bonds are issued pursuant to the School Code, the Debt Reform Act, and all laws amendatory thereof and supplementary thereto, and a bond resolution adopted by the Board of the District on March 24, 2026, as supplemented by a notification of sale (together, the “2026E Bond Resolution” and, together with the Limited Bond Resolution and 2026C Bond Resolution and 2026D Bond Resolution, the “Bond Resolution”) . Proceeds of the 2026E Bonds will be used to (i) refund the District’s outstanding General Obligation Limited Tax School Bonds, Series 2020B, dated May 6, 2020 (the “2020B Bonds”), and (ii) pay costs associated with the issuance of the 2026E Bonds. See “USE OF PROCEEDS” herein.

### **Security and Payment**

The 2026E 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 or amount, except that the rights of the owners of the 2026E Bonds and the enforceability of the 2026E 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.

Pursuant to Public Act 103-0591, effective July 1, 2024, levies to pay school fire and prevention bonds, such as the 2026C Bonds or bonds issued to refund or continue to refund school fire and prevention bonds (such as the 2026E Bonds) are excepted from the Property Tax Extension Limitation Law of the State of Illinois, as amended (the “Limitation Law”). See “REAL PROPERTY ASSESSMENT, TAX LEVY AND COLLECTION PROCEDURES—Property Tax Extension Limitation Law” herein for more information. The 2026E Bond Resolution provides

for the levy of ad valorem taxes, unlimited as to rate or amount, upon all taxable property within the District in amounts sufficient to pay, as and when due, all principal of and interest on the 2026E Bonds. The 2026E Bond Resolution will be filed with 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 2026E Bonds.

Reference is made to Appendix A for the proposed form of legal opinion of Bond Counsel for the 2026E Bonds.

### **Optional Redemption**

The 2026E Bonds are subject to redemption prior to maturity, at the option of the District as a whole or in part in integral multiples of \$5,000 in any order of their maturity as determined by the District (less than all of the 2026E Bonds of a single maturity to be selected by the Registrar), on February 1, 2037\*, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

### **Redemption Procedures**

The District will, at least 45 days prior to any optional redemption date (unless a shorter time period shall be satisfactory to the Registrar), notify the Registrar of such redemption date and of the principal amount and maturity or maturities of 2026E Bonds to be redeemed. For purposes of any redemption of less than all of the outstanding 2026E Bonds of a single maturity, the particular 2026E Bonds or portions of 2026E Bonds to be redeemed shall be selected by lot by the Registrar from the 2026E Bonds of such maturity by such method of lottery as the Registrar shall deem fair and appropriate (except when the 2026E Bonds are held in a book-entry system, in which case the selection of 2026E Bonds to be redeemed will be made in accordance with procedures established by DTC or any other book-entry depository); *provided* that such lottery will provide for the selection for redemption of 2026E Bonds or portions thereof in principal amounts of \$5,000 and integral multiples thereof.

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

All notices of redemption will state (1) the redemption date, (2) the redemption price, (3) if less than all the outstanding 2026E Bonds are to be redeemed, the identification (and, in the case of partial redemption of 2026E Bonds, the respective principal amounts) of the 2026E Bonds to be redeemed, (4) that on the redemption date the redemption price will become due and payable upon each such 2026E Bond or portion thereof called for redemption and that interest thereon will cease to accrue from and after said date, (5) the place where such 2026E Bonds are to be surrendered for payment of the redemption price, which place of payment will be the

\*Preliminary, subject to change.

principal corporate trust office of the Registrar and (6) such other information then required by custom, practice or industry standard.

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

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

### **COUNTY SCHOOL FACILITY OCCUPATION TAX LAW**

On October 17, 2007, the General Assembly (“General Assembly”) of the State of Illinois (the “State”) enacted the Law which authorizes a countywide sales tax to be used exclusively for school facility purposes (the “Sales Tax”) to be imposed in any county, other than Cook County, following a successful referendum therefor. “School facility purposes” is defined in the Law and includes (a) the acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities consisting of buildings, structures and durable equipment, the acquisition and improvement of real property required, or expected to be required, in connection with capital facilities and fire prevention, safety, energy conservation, disabled accessibility, school security and specified repair purposes set forth under Section 17-2.11 of the School Code and (b) payment of bonds or other obligations issued for school facility purposes or issued to refund such bonds or other obligations, provided that the taxes levied to pay such bonds are abated by the Sales Tax proceeds used to pay such bonds. The Sales Tax may be imposed only in 0.25% increments and may not exceed 1%.

The question of imposing a 1% Sales Tax was approved by a majority of the voters of the County at the general election held on November 6, 2018. The Illinois Department of Revenue (the “Department”) began to administer and enforce the Sales Tax in the County on July 1, 2019. School districts in the County began receiving the Sales Tax in October of 2019.

The Sales Tax is collected by the Department and held by the State Treasurer in the School Facility Occupation Tax Fund. By the 25th day of each month, the Department must certify to the State Comptroller the amount to be disbursed to the regional superintendent of schools for each county in which the taxes have been imposed and collected during the second preceding calendar month. Within 10 days after its receipt of such certification from the Department, the Comptroller is required to cause orders to be drawn for the amounts contained in the certification.

Within 30 days after receiving any Sales Tax, each regional superintendent must disburse the Sales Tax to each school district that is located in the county in which the tax was collected. The Sales Tax is disbursed on an enrollment basis and allocated based upon the number of each school district’s pupils that reside within the county collecting the tax divided by the total number of students for all school districts within the county. Enrollment is based on the head count of the students residing in the county on the last school day of September of each year as reported on the Public School Fall Enrollment/Housing Report produced by the Illinois State Board of Education (“ISBE”). All Sales Tax received by a school district must be maintained in a special fund known as the School Facility Occupation Tax Fund and may only be used for school facility purposes.

### USE OF PROCEEDS

#### The Refundings

Proceeds of the 2026A Bonds will be used to refund a portion of the 2022 Bonds (the “Refunded 2022 Bonds”). The purpose of the refunding is to restructure the annual debt service of the District. The Refunded 2022 Bonds are further described below.

#### 2022 Bonds (Dated Date: March 3, 2022)

CUSIP (800766)	Maturities (February 1)	Original Principal Amount	Refunded 2022 Bonds Principal*	Remaining Principal Amount*	Redemption Price <sup>(1)</sup>	Redemption Date*
NC7	2028	\$ 6,460,000	\$ 2,550,000	\$ 3,910,000	N/A	N/A
ND5	2029	7,135,000	2,595,000	4,540,000	N/A	N/A
NE3	2030	5,500,000	570,000	4,930,000	N/A	N/A
NF0	2031	5,865,000	525,000	5,340,000	N/A	N/A
NG8	2032	6,255,000	480,000	5,775,000	N/A	N/A
NH6	2033	6,655,000	430,000	6,225,000	100.00%	February 1, 2032
NJ2	2034	7,080,000	380,000	6,700,000	100.00%	February 1, 2032
NK9	2035	9,160,000	1,960,000	7,200,000	100.00%	February 1, 2032
NL7	2036	6,255,000	-	6,255,000	N/A	N/A
	Total:	<u>\$ 60,365,000</u>	<u>\$ 9,490,000</u>	<u>\$ 50,875,000</u>		

\*Preliminary, subject to change.

(1) Expressed as a percentage of par.

Proceeds of the 2026E Bonds will be used to refund the 2020B Bonds (the “Refunded 2020B Bonds” and together with the Refunded 2022 Bonds, the “Refunded Bonds”). The purpose of the refunding is to restructure the annual debt service of the District. The Refunded 2020B Bonds are further described below.

**2020B Bonds**  
(Dated Date: May 6, 2020)

CUSIP (800766)	Maturities (February 1)	Original Principal Amount	Refunded 2020B Bonds Principal*	Remaining Principal Amount*	Redemption Price <sup>(1)</sup>	Redemption Date*
LA3	2030	\$ 2,070,000	\$ 2,070,000	\$ -	N/A	N/A
LB1	2031	2,175,000	2,175,000	-	100.00%	February 1, 2030
LC9	2032	2,280,000	2,280,000	-	100.00%	February 1, 2030
LD7	2033	2,395,000	2,395,000	-	100.00%	February 1, 2030
LE5	2034	2,515,000	2,515,000	-	100.00%	February 1, 2030
	Total:	<u>\$ 11,435,000</u>	<u>\$ 11,435,000</u>	<u>\$ -</u>		

\*Preliminary, subject to change.

(1) Expressed as a percentage of par.

Proceeds of the 2026A Bonds and 2026E Bonds 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 Refunded 2022 Bonds and Refunded 2020B Bonds (collectively, the “Refunded Bonds”) through 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 Refunded Bonds on the maturity and redemption dates, and (ii) take all steps necessary to call the Refunded Bonds on the redemption 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 Refunded Bonds up to and including the maturity and redemption dates thereof.

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 Refunded Bonds will be verified by Ritz & Associates PA, Bloomington, Minnesota (the “Verifier”). Such verification will be based upon information supplied by PMA Securities, LLC, Naperville, Illinois (the “Municipal Advisor”).

## The 2026B and 2026D Project

After proper abatement from the working cash fund, proceeds of the 2026B Bonds will be used, together with proceeds of the 2026D Bonds, to pay for the construction of i.) a new Southside Elementary School, which will replace three existing schools, ii.) a new District fieldhouse, and iii.) a gymnasium addition at Lincoln Magnet School (the “2026B Project”). The 2026B and 2026D Projects will be completed by July 2029.

## The 2026C Project

Proceeds of the 2026C Bonds will be used to pay for the 2026C Project. The 2026C Project includes life safety projects at Southeast High School and Harvard Park School. The 2026C Project will be completed by August 2028.

### SOURCES AND USES

#### Estimated Sources of Funds

	<u>2026A Bonds</u>	<u>2026B Bonds</u>	<u>2026C Bonds</u>	<u>2026D Bonds</u>	<u>2026E Bonds</u>
Par Amount of the Bonds.....					
[Net] Original Issue Premium/(Discount).....					
Total Sources.....	\$ -	\$ -	\$ -	\$ -	\$ -

#### Estimated Uses of Funds

	<u>2026A Bonds</u>	<u>2026B Bonds</u>	<u>2026C Bonds</u>	<u>2026D Bonds</u>	<u>2026E Bonds</u>
Deposit to Escrow Account.....					
Deposit to Project Fund.....					
Deposit to Working Cash Fund.....					
Capitalized Interest.....					
Costs of Issuance.. <sup>(1)</sup> .....	-	-	-	-	-
Total Uses.....	\$ -	\$ -	\$ -	\$ -	\$ -

(1) Includes Underwriter’s discount, Bond and Disclosure Counsel fees, Underwriter’s Counsel fee, Municipal Advisor’s fee, Registrar’s fee, Escrow Agent’s fee, Verifier’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, 59<sup>th</sup> Floor, New York, New York 10005, its telephone number is: 212-235-2500, and its website is located at: [www.bambonds.com](http://www.bambonds.com).

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

BAM's financial strength is rated "AA/Stable" by S&P Global Ratings, a business unit of Standard & Poor's Financial Services LLC ("S&P"). An explanation of the significance of the rating and current reports may be obtained from S&P at <https://www.spglobal.com/en/>. The rating of BAM should be evaluated independently. The rating reflects S&P's current assessment of the creditworthiness of BAM and its ability to pay claims on its policies of insurance. The above rating is not a recommendation to buy, sell or hold the Bonds, and such rating is subject to revision or withdrawal at any time by S&P, including withdrawal initiated at the request of BAM in its sole discretion. Any downward revision or withdrawal of the above rating may have an adverse effect on the market price of the Bonds. BAM only guarantees scheduled principal and scheduled interest payments payable by the issuer of the Bonds on the date(s) when such amounts were initially scheduled to become due and payable (subject to and in accordance with the terms of the Policy), and BAM does not guarantee the market price or liquidity of the Bonds, nor does it guarantee that the rating on the Bonds will not be revised or withdrawn.

### *Capitalization of BAM*

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

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

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

BAM makes no representation regarding the Bonds or the advisability of investing in the Bonds. In addition, BAM has not independently verified, makes no representation regarding, and does not accept any responsibility for the accuracy or completeness of this Official Statement or any information or

disclosure contained herein, or omitted herefrom, other than with respect to the accuracy of the information regarding BAM, supplied by BAM and presented under the heading “BOND INSURANCE”.

*Additional Information Available from BAM*

**Credit Insights Videos.** For certain BAM-insured issues, BAM produces and posts a brief Credit Insights video that provides a discussion of the obligor and some of the key factors BAM’s analysts and credit committee considered when approving the credit for insurance. The Credit Insights videos are easily accessible on BAM’s website at <https://bambonds.com/insights/#video>. 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](http://www.dtcc.com).

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

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not 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 the County. There can be no assurance that the procedures described herein will not change.

### **Tax Levy and Collection Procedures**

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

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

## **Unpaid Taxes and Annual Tax Sales**

Taxes that are not paid when due, or that are not paid by mail and postmarked on or before the due date, are deemed delinquent and bear interest at the rate of 1.5% per month (or portion thereof) until paid. Unpaid property taxes, together with penalties, interest and costs, constitute a lien against the property subject to the tax. If taxes go unpaid for 13 months, each county treasurer is required to sell the delinquent property taxes at the “Annual Tax Sale” — a sale of tax liens, not properties. A public sale is held, at which time successful tax buyers pay the unpaid taxes plus penalties. Taxpayers can redeem their property by paying the amount paid at the sale, plus interest penalties and fees. If no redemption is made within the applicable redemption period, then the tax buyer can secure a court-ordered deed to the home. If a tax buyer can prove the home has been abandoned, the period for seeking a deed can be shortened to two years. Owners of vacant, commercial and industrial properties have six months to redeem their taxes before the tax buyer can seek ownership of the property.

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

When taxes go unpaid for more than 20 years, Illinois law states that the property is “forfeited to the state.” As a practical matter, this does not happen. Instead, the taxes are wiped out, as the property remains in its distressed condition barring a change in the owner’s circumstances or it being sold.

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

## **Exemptions**

The 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 Equalized Assessed Valuation (“EAV”) of certain property owned and used for residential purposes (“Residential Property”) may be reduced by the amount of any increase over the 1977 EAV, up to a maximum reduction of \$6,000. Beginning with tax year 2023, the maximum reduction in the five collar counties (DuPage, Kane, Lake, McHenry and Will) (the “Collar Counties”) is \$8,000.

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

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

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

Purchasers of certain single family homes and residences of one to six units located in certain targeted areas (as defined in the Property Tax Code) can apply for the Community Stabilization Assessment Freeze Pilot Program. To be eligible the purchaser must meet certain requirements for rehabilitating the property, including expenditures of at least \$5 per square foot, adjusted by the CPI. Upon meeting the requirements, the assessed value of the improvements is reduced by (a) 90% in the first seven years, (b) 65% in the eighth year and (c) 35% in the ninth year. The benefit ceases in the tenth year. The program will be phased out by June 30, 2029.

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

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

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

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

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

### **Property Tax Extension Limitation Law**

The 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. 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.

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 bonds issued after July 1, 2024, for school fire prevention and safety purposes (such as the 2026C Bonds) or are alternate bonds (such as the 2026D Bonds) or are for certain refunding purposes (such as the 2026E Bonds).

The District has the authority to levy taxes for many different purposes. See "FINANCIAL INFORMATION - Tax Rates" herein. 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. Furthermore, if the voters approve such proposition, separate limiting rates for educational purposes and for the aggregate of the District's other funds subject to the Limitation Law will be computed in accordance with the provisions of the Limitation Law. If the proposition is submitted to the voters, it may not be submitted again at any of the next two consolidated elections.

Local governments, including the District, can issue limited bonds in lieu of general obligation bonds that have otherwise been authorized by applicable law (such as the Limited Bonds). See "THE LIMITED 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 Illinois Property Tax Appeal Board decisions. For levy year 2024, the additional amount added to the District's tax levy as a result of this change was \$883,423.

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.

## **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 in any way 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, except as described under “THE 2026D BONDS – Abatement of Pledged Taxes” herein. The District also covenanted that it and its officers will comply with all present and future applicable laws to assure that such taxes will be levied, extended, collected and deposited as provided in the Bond Resolution, except as described under “THE 2026D BONDS – Abatement of Pledged Taxes” herein.

## **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.

### **Uncertainty of Pledged Revenues**

The ability of the District to pay the 2026D Bonds from the Pledged Revenues may be limited by circumstances beyond the control of the District. There is no guarantee that the Pledged Revenues will continue to be available at current levels. Nevertheless, in such an event, the District is obligated to extend and collect the Pledged Taxes.

To the extent that Pledged Revenues are insufficient to pay the 2026D Bonds, the 2026D Bonds are to be paid from the Pledged Taxes. If the Pledged Taxes are ever extended for the payment of the 2026D Bonds, the amount of the 2026D Bonds then outstanding will be included in the computation of indebtedness of the District for purposes of all statutory provisions or limitations until such time as an audit of the District shows that the 2026D Bonds have been paid from the Pledged Revenues for a complete fiscal year. See “THE 2026D BONDS—Treatment of 2026D Bonds as Debt” above.

The amount of the Sales Tax Revenues and PPRT Revenue to be distributed to the District is dependent on a number of factors beyond the control of the District, the County or the State, including, but not limited to, the state of the U.S. economy and the economy of the State and the County. Any one or more of these factors could result in the District receiving less Pledged Revenues than anticipated. During periods in which economic activity declines, the Pledged Revenues are likely to decline. In addition, the Sales Tax Revenues are dependent on the volume of the transactions subject to the Sales Tax. From time to time, proposals have been made by the General Assembly to add or remove certain types of purchases from the Sales Tax. The District cannot predict what impact these items may have on the Pledged Revenues it receives. There can be no assurance that laws reducing or eliminating the Sales Tax will not be enacted in the future. Enactment of such a law could have a material adverse effect on the Pledged Revenues received by the District.

### **Construction Risks**

There are potential risks that could affect the ability of the District to timely complete the 2026B Project, 2026C Project and 2026D Project (collectively, the “Project”). While preliminary costs have been projected by the District’s consulting architects, not all of the construction contracts have been let by the District. No assurance can be given that the cost of completing the Project will not exceed available funds.

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

### **Finances of the State of Illinois**

State funding sources constituted 27.16% 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%. Also, despite nine credit rating upgrades since June 2021, the State’s long-term general obligation bonds carry the lowest ratings of all states.

### **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. 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 21.05% 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.

### **Loss or Change of Bond Ratings**

The Bonds have received a credit rating from S&P 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, 2026C Bonds and 2026D Bonds (together, the “Tax-Exempt 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 Tax-Exempt Bonds” herein, interest on the Tax-Exempt Bonds could become includible in gross income for purposes of federal income taxation, retroactive to the date the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds, including some that carry retroactive effective dates, that, if enacted, could affect the market value of the Tax-Exempt 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. Finally, reduction or elimination of the tax-exempt status of obligations such as the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 serves most of the City of Springfield (the “City”) and all or portions of the Villages of Clear Lake, Grandview, Jerome, Leland Grove and Southern View, located in central Illinois. The District’s 2020 U.S. Census population is 109,211. It encompasses approximately 65 square miles and is bound by the Sangamon River to the north, I-55 to the east, I-72 to the south and Bradfordton Road to the west. The District maintains 33 buildings to serve students from pre-kindergarten through grade 12, including 23 grade schools, five middle schools, three high schools, and two alternative programs facilities.

The District is located approximately 200 miles southwest of the City of Chicago and 100 miles northeast of St. Louis, Missouri. Transportation needs are served by I-72 and I-55 as well as Illinois Routes 29 and 4. The Amtrak train station located in the City provides daily train service to both the City of Chicago and St. Louis. Area residents are also served by Abraham Lincoln Capitol Airport.

### 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 the live birth rate projection method’s 5-year average trend.

<u>School Year</u>	<u>Enrollment</u>	<u>School Year</u>	<u>Projected Enrollment</u>
2021/22	13,070	2026/27	12,641
2022/23	13,066	2027/28	11,818
2023/24	12,852	2028/29	11,594
2024/25	12,580	2029/30	11,474
2025/26 <sup>(1)</sup>	12,904	2030/31	11,399

(1) Current enrollment.  
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 median household incomes fall below certain federal poverty thresholds. The table below includes the participation of District students in the NSLP. The District makes no representation as to the status of any investment in the Bonds under the Community Reinvestment Act.

<u>Facility</u>	<u>NLSP Eligibility Percent (%)</u> <sup>(1)</sup>	<u>Current Grades</u>	<u>2025/2026 Enrollment</u>	<u>Capacity Enrollment</u>
Douglas Alternative Programs <sup>(2)</sup> .....	100.00	6-8	73	270
Hazel Dell Elementary School <sup>(3)</sup> .....	100.00	K-5	132	177
Laketown Elementary School <sup>(3)</sup> .....	100.00	K-5	148	209
McClelland Elementary School.....	100.00	K-5	210	366
Southern View Elementary School <sup>(3)</sup> .....	100.00	K-5	191	226
Wilcox Elementary School.....	100.00	K-5	269	366
Black Hawk Elementary School.....	100.00	K-5	222	258
Matheny-Withrow Elementary School.....	100.00	PreK-5	200	380
Elizabeth Graham Elementary School.....	100.00	PreK-5	242	405
Edwin A Lee Elementary School.....	100.00	PreK-5	202	321
Enos Elementary School.....	100.00	K-5	267	471
Fairview Elementary School.....	100.00	K-5	311	339
Jane Addams Elementary School.....	100.00	K-5	200	393
Early Learning Center.....	100.00	PreK-5	679	550
Ridgely Elementary School.....	100.00	PreK-5	351	339
Feitshans Elementary School.....	100.00	K-5	282	585
Harvard Park Elementary School.....	100.00	PreK-5	378	514
Dubois Elementary School.....	100.00	K-5	428	514
U S Grant Middle School.....	100.00	6-8	466	720
Washington Middle School.....	100.00	6-8	479	720
Jefferson Middle School.....	100.00	6-8	490	720
Lanphier High School.....	100.00	9-12	912	2,214
Springfield Learning Academy.....	95.65	6-12	74	276
Springfield Southeast High School.....	92.63	9-12	979	1,620
Butler Elementary School.....	90.96	PreK-5	338	420
Springfield Ball Charter School.....	82.49	K-8	392	410
Benjamin Franklin Middle School.....	74.84	6-8	702	837
Sandburg Elementary School.....	75.08	K-5	288	285
Lindsay School.....	73.44	K-5	411	550
Owen Marsh Elementary School.....	66.67	K-5	298	312
Springfield High School.....	53.38	9-12	1,150	1,647
Lincoln Magnet School.....	51.37	6-8	299	326
Iles Elementary School.....	28.37	PreK-5	390	573
Community Based School.....	N/A	N/A	64	N/A

(1) Program Year 2026 Eligibility Data.

(2) Douglas enrollment is based on students in an alternative program within the building.

(3) Pursuant to its 10-year capital improvement plan, the District expects to combine these facilities into one school building.

Source: The District and ISBE

## Board of Education

The District is governed by the Board, whose members are elected for staggered terms of office. 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 and Vice President from its membership. The present members are as follows:

<u>Title</u>	<u>Name</u>	<u>Current Term Expires</u>
President.....	Dr. Erica Austin	May 2029
Vice President.....	Buffy Lael-Wolf	May 2027
Member.....	Kristin Barnett	May 2029
Member.....	Micah Miller	May 2029
Member.....	Sarah Blissett	May 2027
Member.....	Ken Gilmore	May 2027
Member.....	Debra Iams	May 2027
School Treasurer.....	Steve Miller <sup>(1)</sup>	Appointed
Board Secretary.....	Julie Hammers <sup>(1)</sup>	Appointed

(1) Not a member of the Board.

## Administration

The District’s Superintendent is Jennifer Gill, who has been with the District for ten years. Ms. Gill is retiring on June 30, 2026. Dr. Terrance Jordan, the District’s current Assistant Superintendent of Family, Community and School Leadership has been appointed to the Superintendent role on July 1, 2026. Dr. Jordan has been with the District for 23 years. Steve Miller, Director of Business Services, began his new role as Director on July 1, 2023 after having served as the Manager of Transportation and Leadership Support. He has been with the District since 2011.

## Employees

The District currently has 2,708 employees (including substitute teachers and part-time employees), of whom 1,248 are certified and 1,460 are non-certified. Of the total number, 1,726 are represented by the following unions:

<u>Organization</u>	<u># of Employees Represented</u>	<u>Contract Expiration</u>
Service Employees International Union #15.....	564	June 2027
Springfield Education Association.....	1,144	June 2027
Teamsters, Carpenters, Plumbers, Painters and Electricians Union.....	18	June 2027

The District considers its relationship with its employees to be excellent.

## SOCIO-ECONOMIC CHARACTERISTICS

### Population Trend

Below are the population statistics for the District, the City, the County and the State.

	<u>2000</u>	<u>2010</u>	<u>2020</u>	<u>% Change</u> <u>2010-2020</u>
The District.....	N/A	114,063	109,211	-4.25
The City.....	111,454	116,250	114,394	-1.60
The County .....	188,951	197,465	196,343	-0.57
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.

	<u>The</u> <u>District</u>	<u>The</u> <u>County</u>	<u>The</u> <u>State</u>	<u>United</u> <u>States</u>
Median Home Value.....	\$136,000	\$176,300	\$263,300	\$332,700
Median Household Income....	58,809	75,357	83,390	80,734
Median Family Income.....	81,315	103,722	106,018	99,999
Per Capita Income.....	38,564	44,151	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

### Residential Housing Building Permits

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

<u>Year</u>	<u>Reported</u> <u>Number of</u> <u>Building Permits</u>	<u>Construction</u> <u>Cost</u>
2021.....	176	\$34,536,627
2022.....	60	20,916,800
2023.....	82	25,388,973
2024.....	78	24,567,786
2025.....	126	47,278,270
2026 <sup>(1)</sup> .....	60	19,285,360

(1) Through March.

Source: U.S. Census Bureau

## Retail Sales

The following table demonstrates the estimated sales reported by retailers in the City for the last five calendar years.

Calendar	
<u>Year</u>	<u>Retail Sales</u>
2021	\$ 3,429,201,464
2022	3,499,704,262
2023	3,675,376,890
2024	3,836,700,661
2025	4,413,638,717

Source: The Department

## Corporate Personal Property Replacement Taxes

PPRT are revenues received from a tax imposed on corporations, partnerships, trusts, S corporations and public utilities in the State. The purpose of the PPRT 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 PPRT to replace the lost Personal Property Tax revenues and providing the mechanism for distributing collections of PPRT to taxing districts (including the District) entitled to receive such tax revenues under the Sharing Act. The following table sets forth the amount of PPRT received by the District during fiscal year ended June 30, 2021, through the most recently completed fiscal year of June 30, 2025, and the estimated amount of PPRT to be received in fiscal year ending June 30, 2026:

<u>Fiscal Year</u> <u>Ended June 30</u>	<u>PPRT</u> <u>Receipts</u>
2021	\$ 8,824,086
2022	19,234,219
2023	21,740,329
2024	16,540,110
2025	9,495,313
2026 <sup>(1)</sup>	9,690,964

(1) Estimated.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021-2025 and the Department for fiscal year 2026.

## 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
The State.....	Government.....	Springfield	17,800
Memorial Medical System.....	Medical Hospital.....	Springfield	5,238
Hospital Sisters Health System.....	General Hospital.....	Springfield	4,434
Springfield Clinic, LLP.....	Healthcare.....	Springfield	3,500
The District.....	Education.....	Springfield	2,708
University of Illinois Springfield.....	Higher Education.....	Springfield	1,642
SIU School of Medicine.....	Higher Education, Medical School.....	Springfield	1,470
The City.....	Government.....	Springfield	1,410
Horace Mann Educators Corp.....	Headquarters, Insurance.....	Springfield	1,066
Blue Cross/Blue Shield.....	Insurance.....	Springfield	967

Source: The Audit

## 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 March 2025 and March 2026 for the City compared with the County and the State.

	<u>The City</u>	<u>The County</u>	<u>The State</u>
Average, 2021.....	6.7%	5.8%	6.1%
Average, 2022.....	4.7	4.3	4.6
Average, 2023.....	4.7	4.4	4.5
Average, 2024.....	4.6	4.3	5.0
Average, 2025.....	4.8	4.4	4.6
March, 2025.....	4.4	4.1	4.7
March, 2026.....	5.5	5.2	5.2

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.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Residential .....	\$1,296,982,517	\$1,373,298,143	\$1,467,363,779	\$1,624,174,712	\$1,770,859,411
Commercial .....	686,341,058	714,358,195	758,377,461	838,789,564	876,423,945
Industrial .....	5,808,549	6,068,198	6,421,843	6,970,279	7,423,257
Farm .....	4,518,625	4,907,320	5,119,403	5,495,942	5,951,944
Railroad .....	10,242,222	10,702,821	11,344,227	10,976,227	10,681,898
Total.....	<u>\$2,003,892,971</u>	<u>\$2,109,334,677</u>	<u>\$2,248,626,713</u>	<u>\$2,486,406,724</u>	<u>\$2,671,340,455</u>
% of Change.....	-0.12% (2)	+ 5.26%	+ 6.60%	+ 10.57%	+ 7.44%
New Property.....	\$8,076,636	\$7,708,280	\$8,824,124	\$16,189,591	\$14,775,049

(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 \$2,006,296,181.

Source: County Clerk’s Office

**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.

<u>Location</u>	<u>Year Established</u>	<u>Expected Year of Expiration</u>	<u>Adjusted Base EAV</u>	<u>2025 EAV</u>	<u>Incremental EAV</u>
Dirksen Parkway.....	2012	2035	\$ 13,296,472	\$ 16,288,388	\$ 3,846,246
Peoria Road.....	2017	2040	13,284,777	17,265,713	4,791,716
Adirondack.....	2023	2045	308,663	381,962	73,299
East Side.....	1995	2030	14,192,186	23,062,904	12,211,456
Enos Park.....	1997	2032	14,398,831	20,889,836	10,212,415
Madison Park.....	1999	2034	7,617,888	9,070,332	4,447,004
Northeast.....	2003 (1)	2026	836,133	7,785,723	7,008,910
Downtown.....	1981	2028	49,727,565	74,501,185	46,222,474
MacArthur.....	2012	2035	17,320,953	16,717,327	4,253,012
Total.....					<u>\$ 93,066,532</u>

(1) The Northeast TIF expires in 2026 and is not expected to renew.

Source: County Clerk’s Office

The Village of Jerome has proposed the establishment of a new TIF district covering approximately 54 acres of property within the District’s boundaries (with a total fair market value of approximately \$32 million).

**Tax Rates**

(Per \$100 EAV)

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>	Statutory <u>Maximum Rate<sup>(1)</sup></u>
Education .....	\$ 3.692	\$ 3.699	\$ 3.657	\$ 3.445	\$ 3.327	N/A
O&M .....	0.747	0.700	0.691	0.649	0.619	\$0.750
Transportation .....	0.284	0.285	0.281	0.264	0.254	N/A
IMRF.....	0.150	0.151	0.149	0.140	0.134	N/A
Social Security .....	0.155	0.156	0.159	0.148	0.142	N/A
Bond and Interest.....	0.444	0.425	0.000	0.381	0.359	N/A
Liability Insurance.....	0.158	0.158	0.156	0.147	0.141	N/A
Special Education.....	0.113	0.161	0.158	0.149	0.142	0.800
Revenue Recapture <sup>(2)</sup> .....	0.000	0.022	0.030	0.036	0.021	N/A
Total.....	<u>\$ 5.743</u>	<u>\$ 5.756</u>	<u>\$ 5.280</u>	<u>\$ 5.358</u>	<u>\$ 5.140</u>	

(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. The aggregate tax rate for the various purposes subject to the Limitation Law may not exceed the District’s limiting rate under the Limitation Law.

(2) 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.

Source: County Clerk’s Office

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**Representative Tax Rates for Property within the District**  
(Per \$100 EAV)

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

<u>Taxing Body</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
The District.....	\$ 5.743	\$ 5.756	\$ 5.691	\$ 5.358	\$ 5.140
The County.....	0.819	0.792	0.765	0.728	0.697
Capital Township .....	0.034	0.020	0.102	0.009	0.008
The City.....	0.939	0.894	0.939	0.939	0.939
Springfield Airport Authority.....	0.106	0.105	0.102	0.096	0.092
Springfield Park District..... <sup>(1)</sup>	0.454	0.451	0.447	0.422	0.461
Sangamon County Water Reclamation District....	0.104	0.103	0.102	0.096	0.092
Springfield Mass Transit District.....	0.134	0.134	0.133	0.125	0.119
Springfield Auditorium Authority.....	0.108	0.106	0.103	0.096	0.092
Community College District No. 526.....	0.498	0.494	0.489	0.474	0.458
<b>Total .....</b>	<b><u>\$ 8.939</u></b>	<b><u>\$ 8.855</u></b>	<b><u>\$ 8.872</u></b>	<b><u>\$ 8.342</u></b>	<b><u>\$ 8.096</u></b>

(1) Includes Springfield Park Recreation District.  
Source: County Clerk’s Office

**Tax Extensions and Collections**

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Extensions .....	\$ 115,085,577	\$ 111,499,811	\$ 117,586,022	\$ 133,226,645	\$ 139,556,168
Collections .....	115,581,918	111,986,687	119,872,419	132,971,965	N/A
% Collected .....	100.43%	100.44%	101.94%	99.81%	

Source: Sangamon County Treasurer’s Office

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## Largest Taxpayers

The taxpayers listed below represent 1.96% of the District’s 2025 EAV which is \$2,671,340,455 (which excludes TIF incremental EAV totaling \$93,066,532). 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.

Taxing Body	2025 EAV	% of Total EAV
Memorial Health System.....	\$ 11,793,972	0.44%
Mall at White Oaks LLC.....	6,805,277	0.25%
KC Chatham LLC.....	5,410,808	0.20%
Horace Mann Service Corp.....	5,370,825	0.20%
Westgate SC LLC.....	5,227,322	0.20%
Abraham Lincoln Hotel LLC.....	4,617,769	0.17%
Lutheran Retirement Center.....	4,498,737	0.17%
Springcar Company LLC.....	4,352,820	0.16%
Near North Village Associates.....	4,334,052	0.16%
Sangamon North LLC.....	4,011,102	0.15%
Total.....	<u>\$ 52,411,582</u>	<u>1.96%</u>

Source: County Clerk’s Office

## Summary of Outstanding Bonded Debt

Shown below is a summary of the outstanding bonded 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
Taxable G.O. Limited Tax School Refunding Bonds, Series 2020A ...	05/06/20	8,415,000	\$ 6,765,000	02/01/28
G.O. School Bonds (Alternate Revenue Source), Series 2020C.....	05/06/20	63,850,000	53,130,000	06/01/53
G.O. Limited Tax School Bonds, Series 2022.....	03/03/22	60,570,000	50,875,000 *	02/01/36
G.O. School Bonds (Alternate Revenue Source), Series 2023.....	08/01/23	83,270,000	78,255,000	06/01/63
G.O. School Bonds (Alternate Revenue Source), Series 2025.....	04/22/25	82,740,000	82,740,000	06/01/62
The 2026A Bonds.....	06/08/26	9,790,000 *	9,790,000 *	02/01/38
The 2026B Bonds.....	06/08/26	59,750,000 *	59,750,000 *	02/01/45
The 2026C Bonds.....	06/08/26	5,815,000 *	5,815,000 *	02/01/39
The 2026D Bonds.....	06/08/26	34,990,000 *	34,990,000 *	06/01/66
The 2026E Bonds.....	06/08/26	12,165,000 *	12,165,000 *	02/01/39
			<u>\$ 394,275,000 *</u>	

\*Preliminary, subject to change.

- (1) The “2020C Bonds”.
- (2) The “2023 Bonds”.
- (3) The “2025 Bonds”.

## Debt Repayment Schedule

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

Fiscal Year	Principal Outstanding	Less: The					Total Principal*	Cumulative Amount*	
		Refunded Bonds*	The 2026A Bonds*	The 2026B Bonds*	The 2026C Bonds*	The 2026D Bonds*			The 2026E Bonds*
2026	\$ 4,825,000	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,825,000	\$ 4,825,000	
2027	8,605,000	-	-	-	-	-	8,605,000	13,430,000	
2028	8,960,000	(2,550,000)	-	-	255,000	-	6,665,000	20,095,000	
2029	9,485,000	(2,595,000)	-	-	285,000	-	7,175,000	27,270,000	
2030	10,040,000	(2,640,000)	-	-	310,000	-	7,710,000	34,980,000	
2031	10,625,000	(2,700,000)	-	-	335,000	-	8,260,000	43,240,000	
2032	11,250,000	(2,760,000)	-	-	360,000	-	8,850,000	52,090,000	
2033	11,900,000	(2,825,000)	-	-	390,000	-	9,465,000	61,555,000	
2034	12,595,000	(2,895,000)	-	-	425,000	-	10,125,000	71,680,000	
2035	12,305,000	(1,960,000)	-	-	455,000	-	10,800,000	82,480,000	
2036	9,560,000	-	1,310,000	-	465,000	-	11,335,000	93,815,000	
2037	3,465,000	-	8,060,000	-	245,000	-	11,770,000	105,585,000	
2038	3,630,000	-	420,000	-	-	-	8,325,000	117,960,000	
2039	3,810,000	-	-	3,060,000	2,290,000	-	3,840,000	130,000,000	
2040	3,995,000	-	-	9,415,000	-	-	-	13,410,000	144,370,000
2041	4,190,000	-	-	9,885,000	-	-	-	14,075,000	158,445,000
2042	4,395,000	-	-	10,380,000	-	-	-	14,775,000	173,220,000
2043	4,605,000	-	-	10,895,000	-	-	-	15,500,000	188,720,000
2044	4,835,000	-	-	11,440,000	-	-	-	16,275,000	204,995,000
2045	5,080,000	-	-	4,675,000	-	-	-	9,755,000	214,750,000
2046	5,325,000	-	-	-	-	-	-	5,325,000	220,075,000
2047	5,610,000	-	-	-	-	-	-	5,610,000	225,685,000
2048	5,900,000	-	-	-	-	-	-	5,900,000	231,585,000
2049	6,215,000	-	-	-	-	-	-	6,215,000	237,800,000
2050	6,535,000	-	-	-	-	-	-	6,535,000	244,335,000
2051	6,870,000	-	-	-	-	-	-	6,870,000	251,205,000
2052	7,220,000	-	-	-	-	-	-	7,220,000	258,425,000
2053	7,585,000	-	-	-	-	-	-	7,585,000	266,010,000
2054	7,705,000	-	-	-	-	-	-	7,705,000	273,715,000
2055	8,125,000	-	-	-	-	-	-	8,125,000	281,840,000
2056	8,575,000	-	-	-	-	-	-	8,575,000	290,415,000
2057	9,045,000	-	-	-	-	-	-	9,045,000	299,460,000
2058	9,540,000	-	-	-	-	-	-	9,540,000	309,000,000
2059	10,065,000	-	-	-	-	-	-	10,065,000	319,065,000
2060	10,565,000	-	-	-	-	-	-	10,565,000	329,630,000
2061	11,085,000	-	-	-	-	-	-	11,085,000	340,715,000
2062	11,605,000	-	-	-	-	-	-	11,605,000	352,320,000
2063	6,965,000	-	-	-	-	4,465,000	-	11,430,000	363,750,000
2064	-	-	-	-	-	9,620,000	-	9,620,000	373,370,000
2065	-	-	-	-	-	10,150,000	-	10,150,000	383,520,000
2066	-	-	-	-	-	10,755,000	-	10,755,000	394,275,000
	<u>\$ 292,690,000</u>	<u>\$ (20,925,000)</u>	<u>\$ 9,790,000</u>	<u>\$ 59,750,000</u>	<u>\$ 5,815,000</u>	<u>\$ 34,990,000</u>	<u>\$ 12,165,000</u>	<u>\$ 394,275,000</u>	

\*Preliminary, subject to change.

**Overlapping General Obligation Bonds Debt**  
(As of February 6, 2026)

<u>Taxing Body</u>	<u>Bonded Debt</u> <sup>(1)</sup>	<u>Applicable to District</u>	
		<u>Percent</u>	<u>Amount</u>
The County.....	\$ 40,085,000	45.75%	\$ 18,339,689
The City.....	50,310,000	74.53%	37,493,528
Springfield Airport Authority.....	3,257,000	71.03%	2,313,317
Springfield Park District.....	11,600,000	73.43%	8,517,532
Community College District No. 526.....	36,985,000	28.33%	10,476,741
Total.....			<u>\$ 77,140,806</u>

(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.

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 Bonded Debt.....	\$292,690,000
Less: Refunded Bonds.....	(\$20,925,000) *
The Bonds.....	\$110,345,000 *
Leases.....	\$633,317
Total .....	\$382,743,317 *
Net Direct Debt .....	\$382,743,317 *
Overlapping Bonded Debt.....	\$77,140,806
Net Direct Debt and Overlapping Bonded Debt.....	\$459,884,123 *
EAV (2025)..... <sup>(1)</sup>	\$2,671,340,455
Statutory Debt Limit (13.8% of EAV).....	\$368,644,982
Net Direct Debt Subject to the Debt Limit..... <sup>(2)</sup>	\$133,628,317
Statutory Debt Margin.....	\$235,016,665

(1) Excludes TIF incremental EAV. See “Tax Increment Financing Districts Located within the District” herein.

(2) Pursuant to the Debt Reform Act, bonds issued as alternate revenue bonds (such as the 2020C Bonds, the 2023 Bonds, the 2025 Bonds and the 2026D 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.

\*Preliminary, subject to change.

## Debt Ratios

Estimated Market Valuation, 2025.....	\$8,014,021,365
EAV (2025).(1).....	\$2,671,340,455
2020-2024 ACS Population.....	107,776
Net Direct Debt to EAV.....	14.33% *
Net Direct Debt to Estimated Market Valuation .....	4.78% *
Net Direct Debt and Overlapping Bonded Debt to EAV .....	17.22% *
Net Direct Debt and Overlapping Bonded Debt to Estimated Market Valuation ...	5.74% *
Net Direct Debt Per Capita .....	\$3,551.29 *
Net Direct Debt and Overlapping Bonded Debt Per Capita.....	\$4,267.04 *

(1) 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 is not considering the issuance of tax anticipation warrants or revenue anticipation notes in the foreseeable future.

At certain times within the last five years, the District has maintained lines of credit to address short-term cash flow needs, if and when necessary. Most recently, the District secured a \$30 million Line of Credit in March 2026 (the “2026C LOC”). The District has borrowed \$15 million in April 2026 from the 2026 LOC. The District anticipates the 2026 LOC will be repaid in full in June 2026. The District secured a \$20 million line of credit in March 2025, borrowed \$10 million from that line of credit in April 2025 and paid that line of credit in full in June 2025.

## Future Financing

The District does not intend to issue any additional long-term debt in the next six months.

## Default Record

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

## SUMMARY OF OPERATING RESULTS

### Recent Financial Performance

As with many school districts, the District faced significant, temporary operational challenges due to effects of the COVID-19 pandemic, which necessitated additional staffing, classroom supports, and increased cost on curriculum updates, supplies and health measures. Additionally, expenditures increased due to higher inflation and increased cost for transportation and special education. The District was able to mitigate some but not all of the additional

expenditures with grant funds received in connection with the COVID-19 pandemic. See “STATE AID—Federal COVID-19 Funds Distributed to the District” herein for more information on such funding.

For fiscal year 2024, the Board decided to cover certain of the increased expenses with fund balance, including increased PPRT funds received in fiscal years 2022 and 2023, and finished the year with a General Fund operating deficit of approximately \$2.9 million in fiscal year 2024. As a result of the fiscal year 2024 operating deficit and in accordance with ISBE guidelines, the District was required to, and did, adopt a deficit reduction plan (the “Plan”). The Plan, which provides for balanced operations by fiscal year 2027, anticipates annual property tax increases of approximately 3.5%, increased State revenues through Evidence-Based Funding and PPRT Revenues, and significant expenditure reductions.

For fiscal year 2025, the District continued its planned fund balance spend-down, recording a General Fund deficit of approximately \$22.1 million, reflecting the second of three years of planned operating deficits under the Plan. The fiscal year 2025 deficit resulted primarily from a \$19.9 million decrease in federal ESSER funding as those programs ended, as well as a \$7.7 million reduction in PPRT Revenues. Additionally, higher than originally estimated salaries under a new teachers’ contract (settled in June 2025) and a new bus transportation contract (resulting in a 14% increase in costs) contributed to expenditures exceeding the original budget. The District’s fund balance policy, updated in August 2024, established a goal to maintain a year-end fund balance to revenue ratio of no less than 15%. As of June 30, 2025, the General Fund balance was approximately \$38.7 million, representing approximately 10.18% of General Fund revenues and reflecting the anticipated deficit spending under the Plan.

For fiscal year 2026, the District’s amended budget projects a General Fund deficit of approximately \$15.1 million, representing the third and final year of planned deficit spending under the Plan. Through March 2026, General Fund revenues totaled approximately \$105.2 million, representing approximately 59% of budgeted revenues. Expenditures through March 2026 totaled approximately \$130.7 million, reflecting normal seasonal patterns. The District secured a \$30 million line of credit in March 2026 to provide additional liquidity to address cash flow needs until receipt of first installment property tax collections for levy year 2025. In mid-April 2026, the District drew approximately \$15 million on this line of credit, which is expected to be repaid by June 2026, after the first installment of levy year 2025 taxes has been collected. The District has projected a fiscal year ending General Fund balance of approximately \$7.7 million. See “-Budget Summary” for more information on the fiscal year 2026 amended budget.

The District has identified, and the Board has approved, \$11 million of additional expenditure reductions for fiscal year 2027, including the elimination of underutilized teaching and teaching assistant positions. Property tax revenue is expected to increase by approximately \$7 million in fiscal year 2027, along with an approximately \$1.2 million increase in Evidence-Based Funding. Through the Plan, the District expects a \$3 million operating fund surplus in fiscal year 2027, returning to normal, balanced operations while preserving core programming and services.

**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 S&P 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, Tort Fund and Working Cash Fund.

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Local Sources.....	54.86 %	49.31 %	51.48 %	48.62 %	51.79 %
State Sources.....	31.22	25.03	25.26	24.84	27.16
Federal Sources.....	<u>13.91</u>	<u>25.66</u>	<u>23.27</u>	<u>26.54</u>	<u>21.05</u>
Total.....	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>	<u>100.00 %</u>

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

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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, Tort Fund and Working Cash Fund.

	Educational Fund	Operations and Maintenance Fund	General Fund	Transportation Fund	Working Cash Fund <sup>(1)</sup>	IMRF/Social Security Fund	Tort Fund	Debt Service Fund	Combined Operating Funds and Debt Service Fund
<b>2021</b>									
Receipts.....	\$ 165,467,123	\$ 15,950,474	\$ 181,417,597	\$ 11,804,237	\$ 7	\$ 7,227,201	\$ 3,328,474	\$ 7,980,029	\$ 211,757,545
Disbursements.....	170,892,517	14,536,793	185,429,310	10,752,578	-	6,543,603	3,770,156	11,369,481	217,865,128
Net Surplus (Deficit).....	(5,425,394) <sup>(2)</sup>	1,413,681	(4,011,713)	1,051,659	7	683,598	(441,682)	(3,389,452)	(6,107,583)
Other Sources (Uses).....	-	-	-	-	-	-	-	1,998,369	1,998,369
Beginning Fund Balance.....	17,625,255	3,314,446	20,939,701	3,373,758	15,551,409	76,966	1,212,213	5,566,812	46,720,859
Student Activity Fund.....	1,696,958	-	1,696,958	-	-	-	-	-	1,696,958
Ending Fund Balance.....	\$ 13,896,819	\$ 4,728,127	\$ 18,624,946	\$ 4,425,417	\$ 15,551,416	\$ 760,564	\$ 770,531	\$ 4,175,729	\$ 44,308,603
<b>2022</b>									
Receipts.....	\$ 211,148,079 <sup>(4)</sup>	\$ 17,397,496	\$ 228,545,575	\$ 13,532,275	\$ 57,081	\$ 7,581,897	\$ 4,741,687	\$ 8,182,429	\$ 262,640,944
Disbursements.....	191,661,446	17,312,508	208,973,954	12,182,729	-	6,474,986	4,421,467	14,063,366	246,116,502
Net Surplus (Deficit).....	19,486,633	84,988	19,571,621	1,349,546	57,081	1,106,911	320,220	(5,880,937)	16,524,442
Other Sources (Uses).....	-	-	-	-	65,988,515	-	-	6,240,300	72,228,815
Beginning Fund Balance.....	13,896,819	4,728,127	18,624,946	4,425,417	15,551,416 <sup>(3)</sup>	760,564	770,531	4,175,729	44,308,603
Ending Fund Balance.....	\$ 33,383,452	\$ 4,813,115	\$ 38,196,567	\$ 5,774,963	\$ 81,597,012	\$ 1,867,475	\$ 1,090,751	\$ 4,535,092	\$ 133,061,860
<b>2023</b>									
Receipts.....	\$ 212,433,369	\$ 18,300,998	\$ 230,734,367	\$ 13,822,189	\$ 21	\$ 6,834,250	\$ 5,947,716	\$ 8,823,189	\$ 266,161,732
Disbursements.....	203,887,387	18,244,842	222,132,229	12,711,286	-	6,447,454	5,647,044	15,576,615	262,514,628
Net Surplus (Deficit).....	8,545,982	56,156	8,602,138	1,110,903	21	386,796	300,672	(6,753,426)	3,647,104
Other Sources (Uses).....	-	-	-	-	(66,045,591)	-	-	7,079,100	(58,966,491)
Beginning Fund Balance.....	33,383,452	4,813,115	38,196,567	5,774,963	81,597,012 <sup>(5)</sup>	1,867,475	1,090,751	4,535,092	133,061,860
Ending Fund Balance.....	\$ 41,929,434	\$ 4,869,271	\$ 46,798,705	\$ 6,885,866	\$ 15,551,442	\$ 2,254,271	\$ 1,391,423	\$ 4,860,766	\$ 77,742,473
<b>2024</b>									
Receipts.....	\$ 228,352,851	\$ 19,046,129	\$ 247,398,980	\$ 14,812,952	\$ 36	\$ 7,295,253	\$ 6,120,509	\$ 9,166,787	\$ 284,794,517
Disbursements.....	230,100,656	20,710,353	250,811,009	14,992,149	-	6,752,923	6,401,833	19,009,914	297,967,828
Net Surplus (Deficit).....	(1,747,805)	(1,664,224)	(3,412,029)	(179,197)	36	542,330	(281,324)	(9,843,127)	(13,173,311)
Other Sources (Uses).....	-	811,974	811,974	-	-	-	-	9,768,026	10,580,000
Beginning Fund Balance.....	41,929,434	4,869,271	46,798,705	6,885,866	15,551,442	2,254,271	1,391,423	4,860,766	77,742,473
Ending Fund Balance.....	\$ 40,181,629	\$ 4,017,021	\$ 44,198,650	\$ 6,706,669	\$ 15,551,478	\$ 2,796,601	\$ 1,110,099	\$ 4,785,665	\$ 75,149,162
<b>2025</b>									
Receipts.....	\$ 206,741,379	\$ 17,324,823	\$ 224,066,202	\$ 14,806,225	\$ 41	\$ 7,585,628	\$ 6,286,859	\$ 9,415,542	\$ 262,160,497
Disbursements.....	226,463,744	19,941,650	246,405,394	15,939,693	-	7,467,993	7,015,529	23,276,584	300,105,193
Net Surplus (Deficit).....	(19,722,365)	(2,616,827)	(22,339,192) <sup>(6)</sup>	(1,133,468)	41	117,635	(728,670)	(13,861,042)	(37,944,696)
Other Sources (Uses).....	941,422	-	941,422	-	-	-	-	13,587,497	14,528,919
Beginning Fund Balance.....	40,181,629	4,017,021	44,198,650	6,706,669	15,551,478	2,796,601	1,110,099	4,785,665	75,149,162
Ending Fund Balance.....	\$ 21,400,686	\$ 1,400,194	\$ 22,800,880	\$ 5,573,201	\$ 15,551,519	\$ 2,914,236	\$ 381,429	\$ 4,512,120	\$ 51,733,385
Fund Balance as % of Disbursements.....	9.25%			17.24%					

See footnotes on the next page.

- (1) See “Working Cash Fund” herein for a description of the Working Cash Fund.
  - (2) Education Fund deficit due to increased salary costs in order to bring staff compensation in line with peer districts.
  - (3) Includes Series 2022 Limited Tax School Bonds proceeds.
  - (4) The increase in Education fund revenue over fiscal year 2021 was primarily due to the significant increase in Corporate Personal Property Replacement Taxes (approximately \$10.2 million increase) and federal funds (approximately \$32 million increase).
  - (5) The District abated the Working Cash Fund in the amount of \$66,045,591 from bond proceeds and approved permanent transfer to the Capital Projects Fund to be used to renovate, repair, equip and build an addition to Lanphier High School.
  - (6) Deficit due to end of ESSER funds. This is being addressed with cuts in fiscal year 2027 as part of the District’s deficit reduction plan.
- Source: Compiled from the District’s Annual Comprehensive Financial Reports for fiscal years ended June 30, 2021-2025.

### **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.

<u>Fiscal Year</u>	<u>On-Behalf Payments</u>
2021	\$ 47,098,268
2022	51,034,811
2023	54,014,600
2024	55,861,667
2025	57,503,810

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 amended budget summary for the fiscal year ending June 30, 2026.

Fund	Fund Balances	FY26	FY26	FY26	Projected
	July 1, 2025	Revenue	Expenditures	Other Sources/(Uses)	Fund Balances June 30, 2026
Education.....	\$ 21,400,686	\$ 199,074,328	\$ 212,765,066	\$ -	\$ 7,709,948
Operations & Maintenance.....	1,400,194	19,705,581	21,102,503	-	3,272
Transportation.....	5,573,201	14,544,439	18,144,728	-	1,972,912
IMRF/Social Security.....	2,914,236	7,397,019	7,271,681	-	3,039,574
Working Cash.....	15,551,519	40	-	-	15,551,559
<b>Total Operating Funds .....</b>	<b>\$ 46,839,836</b>	<b>\$ 240,721,407</b>	<b>\$ 259,283,978</b>	<b>\$ -</b>	<b>\$ 28,277,265</b>
Debt Service.....	\$ 4,512,120	\$ 9,682,313	\$ 20,750,925	\$ 11,313,086	\$ 4,756,594
Fire Prevention & Safety.....	4,165,166	125,000	2,400,000	-	1,890,166
Capital Projects.....	122,081,419	18,400,000	96,060,000	(11,313,086)	33,108,333
Tort.....	381,429	7,460,690	7,511,725	-	330,394
<b>Total All Funds .....</b>	<b>\$ 177,979,970</b>	<b>\$ 276,389,410</b>	<b>\$ 386,006,628</b>	<b>\$ -</b>	<b>\$ 68,362,752</b>

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, 27.16% 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, 2025, Governor Pritzker signed the State’s \$55.2 billion general funds budget (Public Act 104-0003) for the fiscal year ending June 30, 2026 (the “Fiscal Year 2026 Budget”). The Fiscal Year 2026 Budget increased funding for K-12 education by approximately \$275 million. The Fiscal Year 2026 Budget appropriated General State Aid in an amount \$300 million greater than the appropriation in the prior fiscal year budget. Such additional General State Aid will be distributed to districts pursuant to the Evidence-Based Funding Model.

The Evidence-Based Funding Model also provides that each school district will be allocated at least as much in General State Aid in future years as it received in the most recently completed school year (such amount being that district’s “Base Funding Minimum”). The Base Funding Minimum for the District for school year 2017-2018 was \$45,823,539 (the “Initial Base Funding Minimum”). Mandated Categorical State Aid (as hereinafter defined) received by the District in fiscal year 2017, other than Mandated Categorical State Aid related to transportation and extraordinary special education, was included in the Initial Base Funding Minimum. Any New State Funds received by a district in a year become part of its Base Funding Minimum in the following year.

The following table sets forth the amounts received by the District pursuant to the Evidenced-Based Funding Model in each of the last five fiscal years, and the amount expected to be received in fiscal year ending June 30, 2026.

<u>Fiscal Year</u>	<u>Total Evidence-Based Funding</u>
2021	\$ 48,754,539
2022	49,567,797
2023	50,354,875
2024	50,962,795
2025	52,007,383
2026 <sup>(1)</sup>	53,116,334

(1) Projected.

Source: The audited financial statements of the District for the fiscal years ended June 30, 2021, through June 30, 2025, for historical amounts and ISBE for the amount projected for fiscal year ending June 30, 2026. The projected amount of Evidenced-Based Funding for fiscal year ending June 30, 2026, consists of the Base Funding Minimum plus anticipated New State Funds for fiscal year ending June 30, 2026.

The District was placed in Tier 2 for fiscal year ended June 30, 2025 and fiscal year ending June 30, 2026.

### **Property Tax Relief Pool Funds**

For the purpose of encouraging high tax rate school districts to reduce property taxes, the Evidence-Based Funding Model also established a property tax relief grant program (the “Property Tax Relief Pool”). School districts must apply for the grant and indicate an amount of intended property tax relief, which relief may not be greater than 1% of EAV for a unit district, 0.69% of EAV for an elementary school district or 0.31% of EAV for a high school district, reduced, in each case, based on the Local Capacity Target of the applicant. Property Tax Relief Pool grants will be allocated to school districts based on each district’s percentage of the simple average operating tax rate of all school districts of the same type (unit, elementary or high), in order of priority from highest percentage to lowest, until the Property Tax Relief Pool is exhausted. A school district which receives a Property Tax Relief Pool grant is required to abate its property tax levy by the amount of intended property tax relief for the levy year in which the grant is to be received, and the succeeding levy year. The difference between the amount of the grant and the amount of the abatement is based on a statutory calculation which takes into account relative Local Capacity Targets. Pursuant to such calculation, a school district with a low Local Capacity Target will be required to abate less than a school district with a high Local Capacity Target, assuming the amount of Property Tax Relief Pool grants received by the school districts are the same. Property Tax Relief Pool grants received by a school district are included in future calculations of that district’s Base Funding Minimum, unless that district does not abate its property tax levy by the amount of intended property tax relief as described above.

For each of the last three fiscal years, \$50 million of General State Aid was allocated to the Property Tax Relief Pool. In the Fiscal Year 2026 Budget, no funds were allocated to the Property Tax Relief Pool.

### **Mandated Categorical State Aid**

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

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

programming no longer available for Mandated Categorical State Aid in fiscal year 2018 is included in the Base Funding Minimum for that district.

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

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

### **Competitive Grant State Aid**

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

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

### **Payment for Mandated Categorical State Aid and Competitive Grant State Aid**

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

quarterly basis. With respect to Competitive Grant State Aid, a payment schedule is established as part of the application process, and ISBE vouchers the State for payment in accordance with this payment schedule.

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

See “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 \$7,866,293 pursuant to ESSER I, \$30,802,189 pursuant to ESSER II and \$69,996,293 pursuant to ESSER III. All ESSER funds were fully expended by June 30, 2025.

### **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
2020	3.35	Financial Review	3.35	Financial Review
2021	3.00	Financial Warning	3.00	Financial Warning
2022	3.80	Financial Recognition	3.80	Financial Recognition
2023	3.70	Financial Recognition	3.70	Financial Recognition
2024	3.00	Financial Warning	2.90	Financial Warning
2025 <sup>(1)</sup>	2.80	Financial Warning	N/A	N/A

(1) A preliminary score reported in the District’s fiscal year 2025 Annual Financial Report.  
Source: ISBE, except for the preliminary fiscal year 2025 score.

## **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 6 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 6 to the Audit.

*Employer Funding of Teachers’ Retirement System*

Under the Pension Code, active members contribute 9.0% of creditable earnings to TRS. The State makes the balance of employer contributions to the State on behalf of the District, except for a small portion contributed by the teacher’s employer, such as the District. For the 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	\$ 1,592,411
2022	2,510,022
2023	2,164,553
2024	2,227,650
2025	1,880,739

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 6 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 6 to the Audit for additional information on the IMRF’s actuarial methods and assumptions, including information regarding the Discount Rate and the sensitivity of the Net Pension Liability to changes in the Discount Rate.

*Contributions*

Both employers and employees contribute to the IMRF. At present, employees contribute 4.50% of their salary to the IMRF, as established by statute. Employers are required to make all additional contributions necessary to fund the benefits provided by the IMRF to its employees. The annual rate at which an employer must contribute to the IMRF is established by the IMRF Board. The District’s contribution rate for calendar year 2024 was 9.27% of covered payroll.

For the calendar years ended December 31, 2020 through December 31, 2024, the District contributed the following amounts to IMRF:

Calendar Year Ended December 31	IMRF Contribution
2020	\$ 3,869,000
2021	3,910,230
2022	3,673,061
2023	3,174,588
2024	3,469,075

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2020-2024.

*Measures of Financial Position*

The following table presents the measures of the IMRF Account’s financial position as of December 31, 2020 through December 31, 2024, 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
2020	\$ 192,771,705	\$ 190,078,652	\$ 2,693,053	98.60%	7.25%
2021	200,534,023	215,790,077	(15,256,054)	107.61%	7.25%
2022	208,059,025	178,422,100	29,636,925	85.76%	7.25%
2023	214,076,675	194,234,826	19,841,849	90.73%	7.25%
2024	222,936,529	202,543,636	20,392,893	90.85%	7.25%

Source: Actuarial GASB Disclosures Statement 68 prepared by Gabriel, Roeder, Smith & Company (GRS) as of December 31, 2020-2024.

See Note 6 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.

### **OPEB Summary**

The District provides post-employment benefits (“OPEB”) other than pensions currently to 2,084 individuals (48 inactive plan members currently receiving benefits and 2,036 active plan members). The District administers a single-employer defined healthcare plan. The educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. For retirement benefits, the member must have worked at least 8 years and must be at least 55 years old. Certified employees who contribute to TRS are not eligible for post-retirement medical coverage.

The District offers a special retirement subsidy for staff workers who retire after age 55 with 30 years of service or after age 60 with 15 years of service. The subsidy is that the District will pay the full blended premium cost for single coverage. Retirees may elect to cover themselves and their spouses, as long as the spouse had been covered before the employee retired. The retiree must pay the difference between the “Employee plus spouse” rate and the “Employee only” rate. Staff may retire after age 55 with 8 years of service, but no subsidy is provided in such case. See Note 7 to the Audit, and the related required supplementary information disclosures, for a description of the OPEB.

### **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 \$827,494 to the THIS fund. For the years ended June 30, 2024 and June 30, 2023, the District paid \$787,748 and \$737,337, respectively, to the THIS Fund, which was 100% of the required contribution.

## TAX MATTERS

### **The Taxable Bonds**

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

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

### **The Tax-Exempt Bonds**

Federal tax law contains a number of requirements and restrictions which apply to the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds to become includible in gross income for federal income tax purposes retroactively to the date of issuance of the Tax-Exempt Bonds.

Subject to the District’s compliance with the above-referenced covenants, under present law, in the opinion of Bond Counsel, interest on the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds is the price at which a substantial amount of such maturity of the 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds who dispose of Tax-Exempt Bonds prior to the stated maturity (whether by sale, redemption or otherwise), purchase Tax-Exempt Bonds in the initial public offering, but at a price different from the OID Issue Price or purchase Tax-Exempt Bonds subsequent to the initial public offering should consult their own tax advisors.

If a Tax-Exempt Bond is purchased at any time for a price that is less than the Tax-Exempt 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 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 Tax-Exempt 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 Tax-Exempt Bond. Purchasers should consult their own tax advisors regarding the potential implications of market discount with respect to the Tax-Exempt Bonds.

An investor may purchase a Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bond. Investors who purchase a Tax-Exempt Bond at a premium should consult their own tax advisors regarding the amortization of bond premium and its effect on the Tax-Exempt Bond’s basis for purposes of computing gain or loss in connection with the sale, exchange, redemption or early retirement of the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds. If an audit is commenced, under current procedures the Service may treat the District as a taxpayer and the Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds, are in certain cases required to be reported to the Service. Additionally, backup withholding may apply to any such payments to any Tax-Exempt 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 Tax-Exempt 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 Tax-Exempt Bonds is not exempt from present State income taxes. Ownership of the Tax-Exempt 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 Tax-Exempt Bonds. Prospective purchasers of the Tax-

Exempt Bonds should consult their tax advisors regarding the applicability of any such state and local taxes.

### **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 Policies will be issued by BAM. See “BOND INSURANCE” above. S&P has assigned its municipal underlying rating of “A” (Negative Outlook) to the Bonds.

The ratings reflect only the views of S&P and any explanation of the significance of such rating may only be obtained from S&P. Certain information concerning the Bonds and the District not included in this Official Statement was furnished to S&P 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 S&P, 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 Underwriters undertake 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 has 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's fiscal year 2021 and 2022 Annual Comprehensive Financial Reports were finalized later than prior years due to increased reporting requirements caused by the District's receipt of additional Federal funding, namely CARES Act and ESSER II funds. For fiscal years 2021 and 2022, the District's audited financial statements were finalized in April 2022 and June 2023, respectively; however the District posted draft Audits as required on the MSRB's Electronic Municipal Market Access (EMMA) system by certain of the District's continuing disclosure undertakings. The 2023 and 2024 Annual Comprehensive Financial Reports were not filed in a timely manner and late filing notices were filed on EMMA on February 7, 2024 and February 3, 2025, respectively. The District filed the fiscal year 2023 and 2024 Annual Comprehensive Financial Reports on May 6, 2024 and March 10, 2025, respectively. The 2025 Annual Comprehensive Financial Report was not filed in a timely manner and a late filing notice was filed on EMMA on January 30, 2026. The District filed the fiscal year 2025 Annual Comprehensive Financial Report on February 20, 2026. The District has retained PMA Securities, LLC, Naperville, Illinois ("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 Hart, Southworth & Witsman, Springfield, Illinois ("Hart, Southworth & Witsman"), Bond Counsel, who has been retained by, and acts as, Bond Counsel to the District. Hart, Southworth & Witsman 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, Hart, Southworth & Witsman has assisted the District with certain disclosure matters, Hart, Southworth & Witsman 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. Hart, Southworth & Witsman'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, Hart, Southworth & Witsman makes no representation as to the suitability of the Bonds for investment by any investor. Chapman and Cutler LLP, Chicago, Illinois, will pass on certain matters for the Underwriter. Brown, Hay & Stephens, LLP will pass on certain matters for the District.

## UNDERWRITING

Stifel, Nicolaus & Company, Incorporated, St. Louis, Missouri (the “Underwriter”), has agreed, subject to the terms of a purchase contract (the “Purchase Contract”) to purchase the Bonds from the District. 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 2026A Bonds equals \_\_\_\_ percent of the par amount of the 2026A Bonds. The aggregate underwriting fee for the 2026B Bonds equals \_\_\_\_ percent of the par amount of the 2026B Bonds. The aggregate underwriting fee for the 2026C Bonds equals \_\_\_\_ percent of the par amount of the 2026C Bonds. The aggregate underwriting fee for the 2026D Bonds equals \_\_\_\_ percent of the par amount of the 2026D Bonds. The aggregate underwriting fee for the 2026E Bonds equals \_\_\_\_ percent of the par amount of the 2026E 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 Issuer, 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 trade 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**

PMA has been retained 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/  
\_\_\_\_\_  
Director of Business Services  
Springfield School District No. 186  
Sangamon County, Illinois

May \_\_, 2026

**Forms of Legal Opinions of Bond Counsel**

PROPOSED FORM OF 2026A OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Springfield School District No. 186  
Springfield, Illinois

Re: \$\_\_\_\_\_ Springfield School District No. 186, Sangamon County, Illinois  
Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A

Ladies and Gentlemen:

We hereby certify that we have examined certified copies of the proceedings (the "Proceedings") of Springfield School District No. 186, Sangamon County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A in the aggregate principal amount of \$\_\_\_\_\_ dated the date hereof (the "Bonds"), due serially on February 1 of the years and in the amounts and bearing interest semiannually on February 1 and August 1 commencing \_\_\_\_\_, as follows:

<u>Year</u> <u>of Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Rate</u> <u>of Interest (%)</u>
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Bonds due on February 1, 20\_\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on February 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>
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Bonds due on or after February 1, 20\_\_\_\_, are subject to redemption prior to maturity, at the option of the District, in whole or in part in such principal amounts and from such maturities as determined by the District, in integral multiples of \$5,000, selected by lot by the Bond Registrar, on February 1, 20\_\_\_\_, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Bonds are issued pursuant to the provisions of the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, the Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended, and a resolution adopted by the Board of Education of the District on March 24, 2026, as supplemented by a related bond notification of the District.

We are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and 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, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Although the Bonds constitute a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law"). The Limitation Law provides that the annual amount of the 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) issued by the District shall not exceed the debt service extension base of the District (the "Base") as more fully described in the Proceedings. 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 Bonds and three other outstanding limited bond issues of the District are payable from the Base on a parity basis. The amount of the annual tax levies necessary to pay the Bonds and all other outstanding limited bonds of the District may exceed the Base and the District has covenanted to pay any principal and interest on the Bonds not paid from the Base from general funds of the District and from such other sources of payment as are otherwise lawfully available.

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. Holders of the Bonds 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 determinations, representations and certifications of the District. 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.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: \_\_\_\_\_  
Mike Southworth

PROPOSED FORM OF 2026B OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Springfield School District No. 186  
Springfield, Illinois

Re: \$ \_\_\_\_\_ Springfield School District No. 186, Sangamon County, Illinois  
General Obligation Limited Tax School Bonds, Series 2026B

Ladies and Gentlemen:

We hereby certify that we have examined certified copies of the proceedings (the "Proceedings") of Springfield School District No. 186, Sangamon County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered General Obligation Limited Tax School Bonds, Series 2026B in the aggregate principal amount of \$ \_\_\_\_\_ dated the date hereof (the "Bonds"), due serially on February 1 of the years and in the amounts and bearing interest semiannually on February 1 and August 1 commencing \_\_\_\_\_, as follows:

<u>Year</u> <u>of Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Rate</u> <u>of Interest (%)</u>
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Bonds due on February 1, 20\_\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on February 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>
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Bonds due on or after February 1, 20\_\_\_\_, are subject to redemption prior to maturity, at the option of the District, in whole or in part in such principal amounts and from such maturities as determined by the District, in integral multiples of \$5,000, selected by lot by the Bond Registrar, on February 1, 20\_\_\_\_, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Bonds are issued pursuant to the provisions of the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, the Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended, and a resolution adopted by the Board of Education of the District on March 24, 2026, as supplemented by a related bond notification of the District.

We are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and 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, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

Although the Bonds constitute a general obligation of the District and no limit exists on the rate of said direct annual tax, the amount of said tax is limited by the provisions of the Property Tax Extension Limitation Law of the State of Illinois, as amended (the "Limitation Law"). The Limitation Law provides that the annual amount of the 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) issued by the District shall not exceed the debt service extension base of the District (the "Base") as more fully described in the Proceedings. 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 Bonds and three other outstanding limited bond issues of the District are payable from the Base on a parity basis. The amount of the annual tax levies necessary to pay the Bonds and all other outstanding limited bonds of the District may exceed the Base and the District has covenanted to pay any principal and interest on the Bonds not paid from the Base from general funds of the District and from such other sources of payment as are otherwise lawfully available.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the 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.

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 determinations, representations and certifications of the District. 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.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: \_\_\_\_\_  
Mike Southworth

PROPOSED FORM OF 2026C OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Springfield School District No. 186  
Springfield, Illinois

Re: \$ \_\_\_\_\_ Springfield School District No. 186 Sangamon County, Illinois  
General Obligation School Bonds, Series 2026C

Ladies and Gentlemen:

We certify that we have examined certified copies of the proceedings (the "Proceedings") of Springfield School District No. 186, Sangamon County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds, Series 2026C in the aggregate principal amount of \$ \_\_\_\_\_ dated the date hereof (the "Bonds"), due serially on February 1 of the years and in the amounts and bearing interest semiannually on February 1 and August 1, commencing \_\_\_\_\_ 1, 20\_\_\_\_, as follows:

<u>Year</u> <u>of Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Rate</u> <u>of Interest (%)</u>
-----------------------------------	--	---------------------------------------

Bonds due on February 1, 20\_\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on February 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	------------------------------

The Bonds are not subject to redemption at the option of the District.

The Bonds are issued pursuant to the provisions of the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, the Omnibus Bond Acts of the State of Illinois, in each case as supplemented and amended, and a resolution adopted by the Board of Education of the District on March 24, 2026, as supplemented by a related bond notification of the District.

We are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy,

insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds. In rendering this opinion, we have relied upon determinations, representations and certifications of the District. 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.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: \_\_\_\_\_  
Mike Southworth

PROPOSED FORM OF 2026D OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Springfield School District No. 186  
Springfield, Illinois

Re: \$ \_\_\_\_\_ Springfield School District No. 186 Sangamon County, Illinois  
General Obligation School Bonds (Alternate Revenue Source), Series 2026D

Ladies and Gentlemen:

We certify that we have examined certified copies of the proceedings (the "Proceedings") of Springfield School District No. 186, Sangamon County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered General Obligation School Bonds (Alternate Revenue Source), Series 2026D in the aggregate principal amount of \$ \_\_\_\_\_ dated the date hereof (the "Bonds"), due serially on June 1 of the years and in the amounts and bearing interest semiannually on June 1 and December 1, commencing \_\_\_\_\_ 1, 20\_\_\_\_, as follows:

<u>Year</u> <u>of Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Rate</u> <u>of Interest (%)</u>
-----------------------------------	--	---------------------------------------

Bonds due on June 1, 20\_\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on June 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	------------------------------

Bonds due on or after June 1, 20\_\_\_\_, are subject to redemption prior to maturity at the option of the District as a whole or in part in any order of their maturity as determined by the District (less than all of the Bonds of a single maturity to be selected by the Bond Registrar), on June 1, 20\_\_\_\_, or on any date thereafter, at the redemption price of par plus accrued interest to the redemption date.

The Bonds are issued pursuant to the provisions of the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, the Omnibus Bond Acts of the State of Illinois, in each case as supplemented and amended, and a resolution adopted by the Board of Education of the District on March 24, 2026, as supplemented by a related bond notification of the District.

We are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond

prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and is payable (i) together ratably and equally with the District's outstanding General Obligation Bonds (Alternate Revenue Source), Series 2020C, General Obligation Bonds (Alternate Revenue Source), Series 2023 (the "2023 Bonds") and General Obligation Bonds (Alternate Revenue Source), Series 2025 (the "2025 Bonds"), from collections distributed to the District from those taxes imposed in The County of Sangamon, Illinois, pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended, (ii) together ratably and equally with the 2023 Bonds and 2025 Bonds, from amounts allocated and paid to the District from the Personal Property Replacement Tax Fund of the State of Illinois pursuant to Section 12 of the State Revenue Sharing Act of the State of Illinois as amended, or substitute taxes therefor as provided for by the State of Illinois in the future, and (iii) from ad valorem property taxes levied against all of the taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, moratorium, reorganization and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that, subject to the District's compliance with certain covenants, under present law, interest on the Bonds is excludable from gross income of the owners thereof for federal income tax purposes and is not included as an item of tax preference in computing the alternative minimum tax for individuals under the Internal Revenue Code of 1986, as amended. Interest on the Bonds may affect the corporate alternative minimum tax for certain corporations. Failure to comply with certain of such District covenants could cause interest on the Bonds to be includible in gross income for federal income tax purposes retroactively to the date of issuance of the Bonds. Ownership of the Bonds may result in other federal tax consequences to certain taxpayers, and we express no opinion regarding any such collateral consequences arising with respect to the Bonds.

We express no opinion herein as to the accuracy, adequacy or completeness of any information furnished to any person in connection with any offer or sale of the Bonds. In rendering this opinion, we have relied upon determinations, representations and certifications of the District. 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.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: \_\_\_\_\_  
Mike Southworth

PROPOSED FORM OF 2026E OPINION OF BOND COUNSEL

[LETTERHEAD OF HART, SOUTHWORTH & WITSMAN]

[TO BE DATED CLOSING DATE]

Springfield School District No. 186  
Springfield, Illinois

Re: \$\_\_\_\_\_ Springfield School District No. 186, Sangamon County, Illinois  
Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E

Ladies and Gentlemen:

We hereby certify that we have examined certified copies of the proceedings (the "Proceedings") of Springfield School District No. 186, Sangamon County, Illinois (the "District"), passed preliminary to the issue by the District of its fully registered Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E in the aggregate principal amount of \$\_\_\_\_\_ dated the date hereof (the "Bonds"), due serially on February 1 of the years and in the amounts and bearing interest semiannually on February 1 and August 1 commencing \_\_\_\_\_, as follows:

<u>Year</u> <u>of Maturity</u>	<u>Principal</u> <u>Amount (\$)</u>	<u>Rate</u> <u>of Interest (%)</u>
-----------------------------------	--	---------------------------------------

Bonds due on February 1, 20\_\_\_\_, are subject to mandatory redemption, in integral multiples of \$5,000 selected by lot by the Bond Registrar, at a redemption price of par plus accrued interest to the redemption date, on February 1 of the years and in the principal amounts as follows:

<u>Year</u>	<u>Principal Amount (\$)</u>
-------------	------------------------------

Bonds due on or after February 1, 20\_\_\_\_, are subject to redemption prior to maturity, at the option of the District, in whole or in part in such principal amounts and from such maturities as determined by the District, in integral multiples of \$5,000, selected by lot by the Bond Registrar, on February 1, 20\_\_\_\_, and on any date thereafter, at a redemption price of par plus accrued interest to the redemption date.

The Bonds are issued pursuant to the provisions of the School Code of the State of Illinois, the Local Government Debt Reform Act of the State of Illinois, the Omnibus Bond Acts of the State of Illinois, in each case, as supplemented and amended, and a resolution adopted by the Board of Education of the District on March 24, 2026, as supplemented by a related bond notification of the District.

We are of the opinion that the Proceedings show lawful authority for said issue under the laws of the State of Illinois now in force. We further certify that we have examined the form of bond prescribed for said issue and find the same in due form of law, and in our opinion said issue, to the amount named, is valid and legally binding upon the District, and all taxable property in the District is subject to the levy of taxes to pay the same without limitation as to rate or amount, except that the rights of the owners of the Bonds and the enforceability of the Bonds may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion.

It is our opinion that under present law, interest on the Bonds is includible in gross income of the owners thereof for federal income tax purposes. Ownership of the Bonds may result in other federal income tax consequences to certain taxpayers. Holders of the Bonds 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 determinations, representations and certifications of the District. 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.

Yours truly,

HART, SOUTHWORTH & WITSMAN

By: \_\_\_\_\_  
Mike Southworth

## **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 Wipfli, LLP, Aurora, 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.

# Springfield Public Schools District 186



## **Annual Comprehensive Financial Report** for the fiscal year ended June 30, 2025

# **Springfield Public School District 186**

## **Springfield, Illinois**

Annual Comprehensive Financial Report  
Fiscal Year Ended June 30, 2025

Official Issuing Report:  
Mr. Steven Miller  
Managing Director of Business Services  
and Transportation

Department Issuing Report:  
Administrative Service Center

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## Introductory Section



January 30, 2026

Members of the Board of Education  
and Citizens of Springfield  
School District 186

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) of Springfield School District 186 (the District). This report provides a full disclosure of District financial operations for the fiscal year that ended June 30, 2025.

This ACFR, which includes an opinion from the independent auditors that performed the District's audit, conforms to generally accepted U.S. accounting principles as applicable to governmental entities. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District and management of the District. To the best of our knowledge and belief, the enclosed data are accurate in all material respects and fairly present the financial position and activities of all funds of the District. The information in the report is intended to provide an understanding of the District's financial activities.

Management's Discussion and Analysis (MD&A) is intended to provide an objective, easy-to-understand narrative overview and analysis of the basic financial statements. It explains the financial position and results of operations of the District for the past fiscal year. Prior-year comparative data also is presented to provide a more meaningful comparative analysis of government-wide data. This letter of transmittal should be read in conjunction with the MD&A.

The basic financial statements for reporting on the District's financial activities are as follows:

*Government-wide financial statements*

Statement of net position and a statement of activities. These statements are prepared on an accrual basis of accounting for all activities of the District and follow a similar basis of accounting and financial reporting used in the private sector.

*Fund financial statements*

Individual major governmental funds. Non-major funds are presented in total in one column.

*Notes to the Basic Financial Statements*

Information that is essential to a user's understanding of the basic financial statements.

*Required Supplementary Information (RSI)*

Statements that present comparisons of actual information to the legally adopted budget.

## ACFR SECTIONS

The ACFR is presented in three sections.

The *Introductory Section* includes recognition of school board members, a list of administrative officials, this transmittal letter, and the District's organization chart.

The *Financial Section* includes the MD&A, the Basic Financial Statements including Notes to the financial statements, Required Supplementary Information, the combined and individual fund financial statements that provide detailed information to the Basic Financial Statements, and the Independent Auditors' Report on the Basic Financial Statements.

The *Statistical Section* includes selected comparative financial, non-financial, demographic and economic information of the District.

The District also is required to undergo an annual "single audit" to conform with the provisions of Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance).

Information related to the single audit, including the schedule of expenditures of Federal awards and the Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*, is included in a separate single audit report and is available at the District office for inspection.

## REPORTING ENTITY

The Springfield School District 186 Board of Education (the Board) has governance responsibilities over all activities related to public elementary and secondary education within the District. The Board receives funding from local, state and federal sources and must comply with their requirements. Board members are elected by the public and have decision making authority, the power to designate management, the responsibility to significantly influence operations and are primary accountable for fiscal matters.

Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose financial statements should be combined or discretely presented with these basic financial statements.

## LOCAL ECONOMY

The District is located in Springfield, Illinois, which is the state capital. The city population is approximately 112,949. Major employment sectors include state and local governments, healthcare, education and insurance. Tourism also plays a major role in the Springfield economy.

## LONG TERM FINANCIAL PLANNING

The District relies on local, state, and federal funding to provide revenues for educational programs. Instability in the State of Illinois economy results in unpredictable funding levels from one year to the next. As a result, financial forecasting beyond one year is not reliable. However, the District is constantly evaluating possible future scenarios for both revenues and expenditures and considering options for those scenarios. Additionally, the State of Illinois has put in place an evidence-based funding formula (starting school year 2017-2018) that is meant to provide equitable funding to Illinois school districts in accordance with predetermined adequacy targets.

The Board of Education has made it a priority to maintain an annual balanced budget.

Board Policy also has language that strives to have a minimum fund balance of fifteen percent of revenues in the Educational, Operations and Maintenance, Transportation, and Working Cash funds unless the Board of Education otherwise agrees to drop below this level due to unknown circumstances in the past this has occurred in times of contractual increases for our employees as we balance Tier 2 EBF funding.

## RELEVANT FINANCIAL POLICIES

The District's accounting records are maintained on the modified accrual basis of accounting. The *Summary of Significant Accounting Policies* and *Notes to the Basic Financial Statements* expand upon this and all other accounting policies of the District. All District funds and financial statements have been audited by Wipfli LLP.

The chart of accounts used by the District conforms with the *Illinois Program Accounting Manual for Local Education Agencies*. The Illinois manual is an adaptation of the United States Department of Education publication *Handbook 11, Financial Accounting, Classifications and Standard Terminology for Local and State School Systems*.

In developing and evaluating the District's accounting system, consideration is given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding: (1) the safeguarding of assets against loss from unauthorized use or disposition and (2) the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance assumes: (1) the cost of a control should not exceed the benefits likely to be derived and (2) the evaluation of costs and benefits requires estimates and judgments by management.

All internal control evaluations occur within the above framework. We believe that the District's internal accounting controls safeguard assets and assures proper recording of financial transactions.

The District utilizes a detailed line-item budget by fund, which has been established in accordance with the requirements of the Illinois State Board of Education. The legal level of budgetary control is at the fund level. All actual activity compared to budget is reported to the District's Board of Education on a monthly basis. Full disclosures are made if extraordinary variances appear during the year.

## MAJOR INITIATIVES

### Introduction

The District has 31 schools and two alternative programs comprising 12,310 students during the 2024-2025 school year and a faculty and staff of 2,115. Projected enrollment for the next five years is:

2025-2026	12,904 students
2026-2027	12,641 students
2027-2028	11,818 students
2028-2029	11,594 students
2029-2030	11,474 students

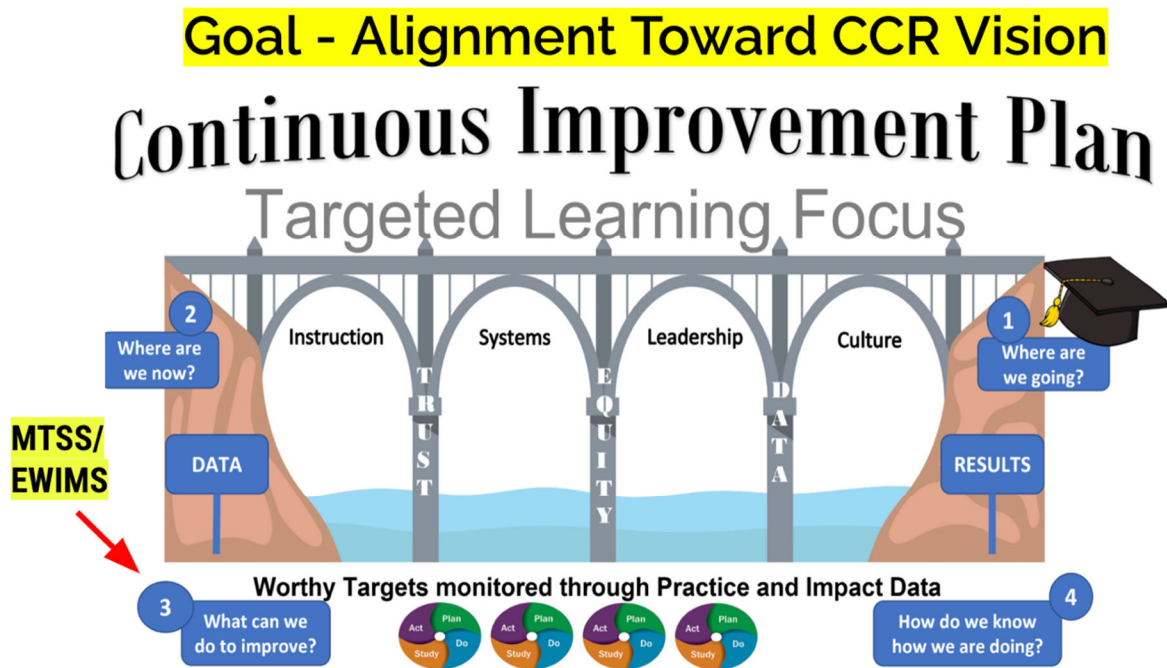
The original age, in years (excluding renovations and improvements), of each school building is as follows:

Elementary:		
	Addams	63
	Blackhawk	67
	Butler	102
	Dubois	126
	Early Learning Center	18
	Enos	12
	Fairview	71
	Feitshans	101
	Graham	30
	Harvard Park	111
	Hazel Dell	75
	Iles	118
	Laketown	66
	Lee	43
	Lindsay	24
	Marsh	71
	Matheny-Withrow	12
	McClernand	87
	Ridgely	106
	Sandburg	62
	Southern View	91
	Wilcox	57
Middle:		
	Douglas	107
	Franklin	64
	Grant	63
	Jefferson	66
	Lincoln	110
	Washington	66
High:		
	Lanphier	86
	Southeast	57
	Springfield	106
Other:		
	Lawrence	119

The District embraces the belief that all students can learn and that it is our job to build a strong public school system, which in turn supports a stronger Springfield community. Equitable Opportunities for All is a commitment that we make to our students and stands at the forefront of our decision making. The Board of Education, the administration, the faculty and staff are dedicated to doing our work not in isolation but in an integrated manner that creates optimal learning environments for our students so that each student can realize their full potential. The theme for this school year is to **Surpass Expectations** in the spirit of working together to realize the district mission, vision, and goals that we have for staff, student, and family success in our district.

**District Highlights and Accomplishments:**


The following continuous improvement graphic guides our district and school improvement planning. The goal of our district wide teaching and learning efforts is to align all learning and work to the vision of college and/or career readiness for every child that graduates from Springfield Public Schools.



Our continuous improvement plans are centralized at the school level around a targeted learning focus, which identifies what the school expects all students to know and be able to do based upon identified learning gaps toward proficiency. This proficiency is important as it indicates readiness for college and/or career. The AVID domains of instruction, systems, leadership, and culture serve as supports to ensure that practices are effective and connected in support of staff and students. Our MTSS, or Multi-Tiered Systems of Support (MTSS) process includes an analysis of student data and instructional practices within a multi-level proactive and preventative system to maximize student achievement and support individual students' academic, social, emotional, and behavioral needs from a strengths-based perspective (Adapted from the Center on MTSS, 2020, [www.MTSS4success.org](http://www.MTSS4success.org)).

The District has instituted a number of district improvements and initiatives to affect increased student achievement. Based on state assessment data using the Illinois Assessment of Readiness, Springfield District 186 has the below summative designations.

## ISBE Summative Designations - 30 Schools

<b>Commendable - 16</b> (2024 - 15)			<b>Targeted - 6</b> (2024 - 5)	<b>Comprehensive - 4</b> (2024 - 5)	<b>Intensive - 4</b> (2024 - 5)
<b>Addams +</b>	Laketown*	Ridgely*	Black Hawk -	Grant -	Jefferson --
<b>Butler +</b>	Lincoln Magnet*	Sandburg*	<b>Dubois +</b>	Graham --	Washington --
Ball Charter*	Lindsay*	Southern View*	Enos -	Lee --	Harvard Park --
<b>Fairview +</b>	McClelland*	Springfield High*	Franklin --	Matheny-Withrow --	Feitshans --
Hazel Dell *	Owen Marsh*	<b>Wilcox*</b>	Southeast -		
Iles*			<b>Lanphier +</b>		
<b>Key</b> * Maintained Commendable + <b>Moved up to Commendable</b>			<b>Key</b> + <b>Moved up a designation</b> - Moved down a designation -- Maintained Targeted, Comprehensive, or Intensive  DISTRICT 186		

After receiving these designations, schools celebrated growth and achievements notes on the Illinois Report Card and then focused on analyzing data to discover areas of improvement at the school, grade, and student levels. NWEA MAP is a formative assessment that our district uses to gauge progress toward the state standards, which contribute to Summative Designations. As such, our district and schools track these data on an ongoing basis to set goals, celebrate growth toward these goals, and design improvement plans around goals where more student growth and progress is needed. The following data have been part of our district and school analyses this year. Overall, our district and schools have seen growth in elementary math NWEA MAP scores and some student group scores in math and ELA across the levels. The data protocol that our district and school teams use to analyze data follows this process: celebrate growth/good news, identify opportunities for improvement, and design effective, bold next steps for continuous district and school improvement.

### Celebration of IL Report Card Progress - Summary of Growth and Achievement

- **Summative Designations**
  - **Celebrations**
    - 14 Schools earned 98-100% of the possible points for proficiency in ELA, Math, and/or Science
      - **Special Recognition:** Lincoln Magnet received ALL proficiency points for ELA, Math, AND Science!!
    - 6 Schools improved their Summative Designations from 2024 to 2025
      - *LHS, Dubois, Addams, Fairview, Butler, and Wilcox!!!*
  - **Improvement Strategy:** Targeted Staff PD and Student instruction/intervention on areas of need

- **Attendance**
  - **Celebration:** The percentage of Chronic Absent students has decreased by one percentage point each year for the last 3 years
  - **Improvement Strategy:** Focusing on student/family support throughout the year to prioritize school attendance and being at school on time
  
- **9th Grade on Track**
  - **Celebration:** All 3 high schools increased the percentage of 9th graders on track by 6 percentage points.
  - **Improvement Strategy:** Diligent effort over the last three years to increase support for students (and families) to remain on track for graduation, or get back on track as needed.
  
- **Graduation Rate**
  - **Celebrations**
    - **District** - Graduation rate increased 13 percentage points overall since 2023
    - **Schools** - All 3 high schools increased their 4-year graduation rate
  - **Improvement Strategy:** Working with each student to monitor and support college and career readiness data (i.e. attendance, grades, social/emotional skills)
  
- **IAR Proficiency Growth (3rd - 8th grade)**
  - **Celebrations - New “Right sized” Cut Scores and GROWTH**
    - Reading - Increase of 9 percentage points from 2024 to 2025
    - Math - Increase of 4 percentage points from 2024 to 2025
  - **Improvement Strategy:** New teaching practices and curricula in reading and math
  
- **ACT Proficiency Growth (11th grade)**
  - **Celebrations: New “Right sized” Cut Scores and GROWTH**
    - Reading - Increase of 14 percentage points from 2024 (SAT) to 2025
    - Math - Increase of 11 percentage points from 2024 (SAT) to 2025
  - **Improvement Strategy:** Aligning teaching, learning, and practice to exam expectations

**District Improvement Goals and Progress with Trend Data**

- **SMART Goal 1: Culture and Climate** – *By the end of the 2025-2026 school year, 80% of schools will learn and work in an academically, culturally, emotionally, physically, and socially safe and trauma-responsive environment. This will be accomplished with a targeted emphasis on AVID, FACE and SEL practices, as indicated by at least a 70% on the [BBSS Fidelity Tool](#).*

	Spring 2023 - 2024	October 2024 - 2025	Spring 2024 - 2025	Growth
Number of schools with at least 70% on tool	15	16	26	+11 Schools More met goal from Fall to Spring

- **SMART Goal 2: Math** – *By the end of the 2025 -2026 school year, 32% of students will be at the 61st percentile or above on NWEA MAP reading. The following percentage of students will meet or exceed standards as measured by Illinois Assessment of Readiness (IAR), ACT, and Dynamic Learning Maps Alternate-Assessment (DLM-AA).*

	Fall 2024 - 2025	Winter 2024 - 2025	Spring 2024 - 2025	Growth
Percentage of Students at or above the 61st percentile	27%	29%	34%	+7 Percentage Points Increase from Fall to Spring

- **SMART Goal 3: Literacy** – *By the end of the 2025-2026 school year, 33% of students will be at the 61st percentile or above on NWEA MAP math. The following percentage of students will meet or exceed standards as measured by Illinois Assessment of Readiness (IAR), ACT, and Dynamic Learning Maps Alternate-Assessment (DLM-AA).*

	Fall 2024 - 2025	Winter 2024 - 2025	Spring 2024 - 2025	Growth
Percentage of Students at or above the 61st percentile	28%	28%	29%	+ 1 Percentage Point Increase from Fall to Spring

**District Curricular Initiatives to address these goals include:**

- The District is in its second year of implementing a new literacy curriculum K-8 and continuing to enhance the newer high school literacy curriculum.
- The District is in its third year of implementing a new math curriculum K-12.
- We are now a full AVID (Advancement Via Individual Determination) District, implementing proven strategies to support students with what they need and educators with what they do to ensure college and/or career readiness for every SPS student.
- We are creating a PD Plan of Action for every department in District 186, which began in the fall of 2024 and continues with more department learning and implementation of the created plans in the 2025 - 2026 school year.
- The District has established a clear and direct focus on College and/or Career Readiness.
- Increased and continued Summer Programming to continue to address learning gaps that still exist post-pandemic.

**Overall Implications for District and School Improvement Planning (SIP):**

- Continue to use our SIP process to drive data discussion and student growth
- Continue to host specialized PD to support teacher understanding of instructional strategies and implementation of new curricula

- Continue to keep the SIP process at the fore-front of our PD, ensuring it remains our main focus.
- Addressing the disproportionality that impacts special education, African American, and other student groups not achieving at the level or above the “all” group.

**We continue to follow Our Schools Our Future Facilities Plan of Action:**

**The following projects were completed in 2023-2025**

- Ball Charter: Fire Alarm Panel Upgrade - Completed
- Butler: Roof & Masonry - Completed
- Dubois: Playground Paving - Completed
- Dubois: Playground Upgrades - Completed
- Dubois: Gym floor, exterior doors, West decking - Completed
- ELC: Fire Alarm Panel Upgrade - Completed
- Franklin: East Parking Lot Renovation - Completed
- Franklin: Roofing & Gym HVAC - Completed
- Franklin: Refinish Gym Floor - Completed
- Franklin: Challenge Course addition - Completed
- Graham: Chiller and Compressor - Completed
- Grant: Challenge Course addition - Completed
- Harvard Park: Masonry - Completed
- Iles: Playground Upgrades - Completed
- Jefferson: Challenge Course addition - Completed
- Lanphier: Addition/Renovation - Completed
- Lee: HVAC - Completed
- Lee: Playground Upgrades - Completed
- Lee Field: Restrooms - Completed
- Lindsay: Playground Upgrades - Completed
- Lindsay: Chiller and Compressor- Completed
- McClelland: Roof Replacement - Completed
- New Administration Building (Fiat) - New Asphalt Seal Coat - Completed
- Ridgley: Fire Alarm Panel Upgrade - Completed
- Sandburg: Playground Paving and Upgrades - Completed
- Southeast: Auditorium Renovation - Completed
- Southeast: Restroom Remodel - Completed
- Southeast: Athletic Complex Improvements - Completed
- Southern View: Chiller and Compressor - Completed
- Washington: Challenge Course addition - Completed

**Projects that will be completed or are ongoing during the 2025-2026 school year:**

- Lawrence: Restrooms, Sprinkler System, Elevator, HVAC Piping - Projected Completion (July 2026)
- Marsh: New Construction/Demolition of Original Structure - Projected Completion (August 2026)
- Springfield: Addition/Renovation - Projected Completion (June 2027)

**Summer 2026 Projects:**

- Douglas: Roof Replacement

- Harvard Park: Roof Replacement
- Southeast: West Parking Lots
- Southeast: Second Floor Roof Replacement
- Elementary Playground Upgrades (Various schools TBD)

### **INDEPENDENT AUDIT**

The School Code of Illinois requires an annual audit of the financial statements of all funds of the District. The audit is conducted by independent certified public accountants, Wipfli LLP, who was selected by the District's Board of Education. This requirement has been implemented, and the auditor's unmodified opinion has been included in this report.

### **CLOSING STATEMENT**

It is our intention that this Annual Comprehensive Financial Report will provide the District's management, creditors, and interested local citizens with the most meaningful financial presentation possible. We hope that all readers of this report will obtain a clear and concise understanding of the District's financial condition as of June 30, 2025. We would also like to affirm our continued commitment of accountability to the public.

### **ACKNOWLEDGMENTS**

The preparation of the Annual Comprehensive Financial Report was made possible by the dedicated service of the Business Services staff. Each member of the department has our sincere appreciation for the contributions made in the preparation of this report.

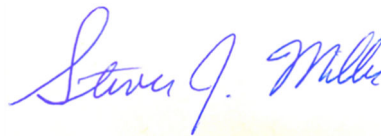
Sincerely,

SPRINGFIELD SCHOOL DISTRICT 186



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Jennifer Gill  
Superintendent



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Steve Miller  
Managing Director of Business Services



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting  
is presented to**

**Springfield School District 186**  
**for its Annual Comprehensive Financial Report**  
**for the Fiscal Year Ended June 30, 2024.**

The district report meets the criteria established for  
ASBO International's Certificate of Excellence in Financial Reporting.



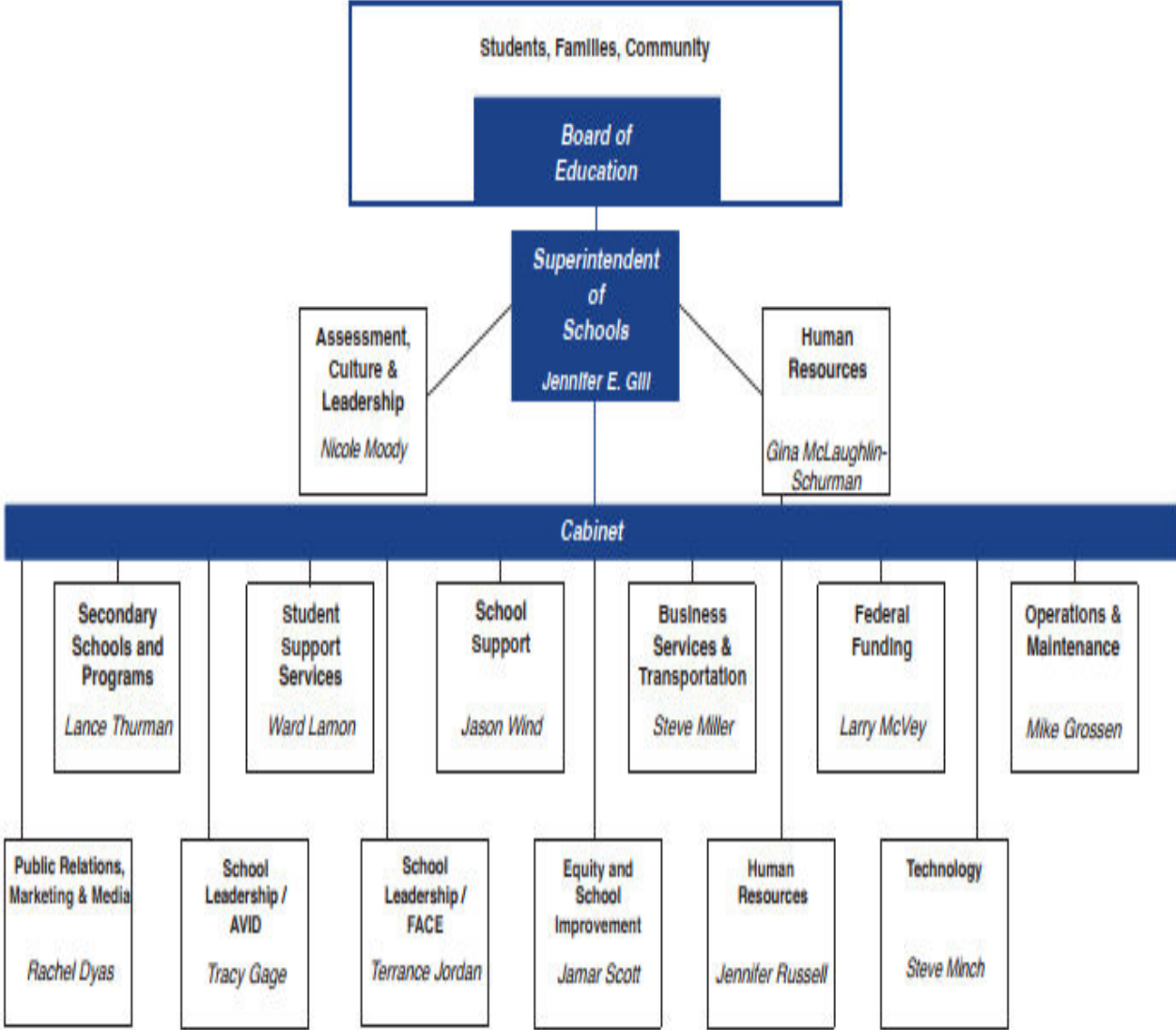
A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink, reading 'James M. Rowan'.

**James M. Rowan, CAE, SFO**  
CEO/Executive Director

# Springfield Public Schools District 186 Organizational Chart



## LIST OF PRINCIPAL OFFICIALS

SPRINGFIELD PUBLIC SCHOOL DISTRICT 186  
3063 Fiat Ave  
Springfield, Illinois 62703-5930

### Board of Education

		<u>District</u>	<u>Term Expires</u>
Erica Austin	President	6	2029
Buffy Lael-Wolf	Vice President	5	2027
Kristen Barnett	Member	1	2029
Sarah Blissett	Member	3	2027
Ken Gilmore	Member	4	2027
Debra Iams	Member	7	2027
Micah Miller	Member	2	2029

### District Administration

Jennifer Gill	Superintendent
Gina McLaughlin-Schurman	Assistant Superintendent of Human Resources
Nicole Moody	Assistant Superintendent of Teaching, Learning and School Culture
Terrance Jordan	Assistant Superintendent of Family, Community, and School Leadership
Jennifer Russell	Executive Director of Human Resources
Vince Turner	Assistant Director of Human Resources
Ward Lamon	Executive Director of Student Support Services
Jason Wind	Executive Director of School Support
Steve Miller	Director of Business Services
Erica Filipiak	Director of College and Career Readiness
Michael Grossen	Director of Operations and Maintenance
Jamar Scott	Chief Achievement and Improvement Officer
Larry McVey	Chief Officer of Federal Funds
Rene Johnson	Chief of Federal Funds and Grant Writing

**Financial Section**

## **Independent Auditor's Report**

Board of Education  
Springfield Public School District 186  
Springfield, Illinois

### ***Report on the Audit of the Financial Statements***

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Springfield Public School District 186 (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 the governmental activities, each major fund and the aggregate remaining fund information of of the Springfield Public School District 186 as of June 30, 2025, and respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States of America. 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 Springfield Public School District 186 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***

During the year ended June 30, 2025 the District implemented Governmental Accounting Standards Board Statement No. 101, Compensated Absences. This required a increase of \$381,634 to net position as of July 1, 2024 to reflect the liability related to compensated absences. More information related to this change can be found in the Summary of Significant Accounting Policies and Note 4 to the financial statements. This matter does not modify the auditor's opinion on the financial statements.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), 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 Springfield Public School District 186's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibility 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 opinion. 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 Springfield Public School District 186'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 Springfield Public School District 186'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 a management's discussions and analysis and 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 financial statements in an appropriate operational, economic, or historical context.

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

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 financial statements, and other knowledge we obtained during our audit of the 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 combining and individual fund financial statements and schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements 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 information 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 section and the statistical section 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 2, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Springfield Public School District 186'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.

The logo for Wipfli LLP, featuring the company name in a stylized, handwritten-style font.

Wipfli LLP

Aurora, Illinois

February 2, 2026

"Wipfli" is the brand name under which Wipfli LLP and Wipfli Advisory LLC and its respective subsidiary entities provide professional services. Wipfli LLP and Wipfli Advisory LLC (and its respective subsidiary entities) practice in an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations, and professional standards. Wipfli LLP is a licensed independent CPA firm that provides attest services to its clients, and Wipfli Advisory LLC provides tax and business consulting services to its clients. Wipfli Advisory LLC and its subsidiary entities are not licensed CPA firms.

**Management's Discussion  
and Analysis (MD&A)**

## Springfield Public School District 186

### Management's Discussion and Analysis

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The Management's Discussion and Analysis (MD&A) of Springfield Public School District 186's (the District) financial performance provides an overall review and an objective, easily readable analysis of the District's financial activities for the fiscal year ended June 30, 2025. The intent of the MD&A is to look at the District's overall financial performance and to assist readers in assessing the financial position as a result of the year's operations. Therefore, readers should read the MD&A in conjunction with the Annual Comprehensive Financial Report's (ACFR) Letter of Transmittal of the Introductory Section, the District's Financial Statements and the Notes to Basic Financial Statements.

### Financial Highlights

Key financial highlights for the fiscal years ended June 30, 2025 and 2024, include the following:

#### Net Position

	2025	2024	Increase (Decrease)
Assets			
Current and other assets	\$ 287,732,273	\$ 287,720,491	\$ 11,782
Capital assets and other noncurrent assets	311,358,477	241,813,479	69,544,998
Total assets	599,090,750	529,533,970	69,556,780
Deferred outflows of resources	37,588,160	40,699,568	(3,111,408)
Total assets and deferred outflows of resources	\$ 636,678,910	\$ 570,233,538	\$ 66,445,372
Liabilities			
Current and other liabilities	\$ 67,058,813	\$ 61,432,721	\$ 5,626,092
Long-term liabilities	378,890,303	301,086,409	77,803,894
Total liabilities	445,949,116	362,519,130	83,429,986
Deferred inflows of resources	143,647,486	153,436,217	(9,788,731)
Net Position			
Net investment in capital assets	89,411,724	78,425,079	10,986,645
Restricted	31,606,652	39,345,088	(7,738,436)
Unrestricted	(73,936,068)	(63,491,976)	(10,444,092)
Total net position	47,082,308	54,278,191	(7,195,883)
Total liabilities, deferred inflows of resources and net position	\$ 636,678,910	\$ 570,233,538	\$ 66,445,372

## Springfield Public School District 186

### Management's Discussion and Analysis

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Capital and other noncurrent assets increased by \$69.5 million from the previous year as a result of expenditures for capital projects in the current year. Capital assets increased by \$69.5 million as a result of construction activities during the year. Total liabilities increased by \$77.8 million from the previous year due to the issuance of debt in the amount of \$82.7 million, offset by principal payments on existing debt.

#### Revenues

Revenues	2025	2024	Increase (Decrease)
Program revenues			
Charges for services	\$ 5,858,849	\$ 7,094,488	\$ (1,235,639)
Operating grants and contributions			
State, federal, and local aid	63,655,755	83,094,867	(19,439,112)
Pension support - State	48,470,666	50,968,022	(2,497,356)
Total operating grants and contributions	112,126,421	134,062,889	(21,936,468)
General revenues			
Property taxes	130,282,302	124,565,713	5,716,589
Corporate personal property replacement taxes	8,790,933	16,540,110	(7,749,177)
School facility occupation taxes	14,600,345	13,648,278	952,067
Unrestricted state grants	52,081,875	51,036,731	1,045,144
Investment and other general revenues	6,570,382	6,597,303	(26,921)
Total general revenues	212,325,837	212,388,135	(62,298)
<b>Total revenues</b>	<b>\$ 330,311,107</b>	<b>\$ 353,545,512</b>	<b>\$ (23,234,405)</b>

Total revenues decreased by \$23.2 million from the previous year primarily due to the \$19.9 million decrease in federal funding associated with Elementary and Secondary School Emergency Relief Fund (ESSER) and a decrease of \$7.7 million in corporate personal property replacement taxes due to a reduction in funding from the State of Illinois.

Property tax revenue increased from the previous year. The total property tax rate for the District decreased from \$5.691 per \$100 of assessed valuation for tax levy year 2023 to \$5.358 for tax levy year 2024. Collections of property taxes were able to increase by 4.59 percent because total assessed value increased by 16.83 percent offsetting the decline in rates.

**Springfield Public School District 186**

**Management's Discussion and Analysis**

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*Expenses*

District expenses increased by \$14.5 million from the previous year. Notable increases are due to increases in a) salaries due to contract terms, b) insurance costs, c) building projects, and d) transportation expenses due increase in contracted costs.

<b>Expenses</b>	<b>2025</b>	<b>2024</b>	<b>Increase (Decrease)</b>
Instruction			
Regular programs	\$ 73,172,242	\$ 71,023,088	\$ 2,149,154
Special programs	38,332,602	34,157,058	4,175,544
Other instructional programs	19,834,127	24,501,012	(4,666,885)
Pension support - State	48,470,666	50,968,022	(2,497,356)
Support services			
Pupil and instructional services	32,275,556	29,423,634	2,851,922
Administration and business	38,498,925	35,913,990	2,584,935
Transportation	20,383,491	18,679,824	1,703,667
Operations and maintenance	37,554,256	30,719,542	6,834,714
Central	4,913,666	4,769,376	144,290
Other support services	209,620	150,169	59,451
Community services	6,132,644	5,879,266	253,378
Payment to other governments	7,028,286	7,243,333	(215,047)
Interest	11,082,543	9,939,328	1,143,215
<b>Total expenses</b>	<b>337,888,624</b>	<b>323,367,642</b>	<b>14,520,982</b>
<b>Increase in net position</b>	<b>(7,577,517)</b>	<b>30,177,870</b>	<b>(37,755,387)</b>
Net position:			
Beginning, as restated	54,659,825	24,100,321	30,559,504
Ending	<b>\$ 47,082,308</b>	<b>\$ 54,278,191</b>	<b>\$ (7,195,883)</b>

**USING THE ANNUAL COMPREHENSIVE FINANCIAL REPORT (ACFR)**

The District's ACFR consists of a series of financial statements and the associated summary of significant accounting policies and notes to those statements. These statements are organized so the reader can understand the operations of the District as a financial whole, i.e., an entire operating entity, its funds, and its fiduciary responsibilities. The "Basic Financial Statements" section, consisting of the Statement of Net Position, and the Statement of Activities provide highly consolidated financial information, and render a government-wide perspective of the District's financial condition. The Fund Financial Statements provide the next level of detail and look at the District's most significant funds and a total of all other non-major funds.

## Springfield Public School District 186

### Management's Discussion and Analysis

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#### Reporting the School District as a Whole

##### *Statement of Net Position and the Statement of Activities*

The Statement of Net Position and the Statement of Activities present an aggregate view of the District's finances and a longer-term view of those finances. These statements seek to answer the question, "How did the District do financially during the fiscal year?" These statements include all assets, deferred outflows of resources, liabilities and deferred inflows of resources using the accrual basis of accounting used by most private-sector enterprises. The accrual basis takes into account all of the District's current year revenues and expenses regardless of when paid or received.

These two statements report the District's net position and changes in that net position. By showing the change in net position for the year; the reader may ascertain whether the District's financial condition has improved or deteriorated. The causes of the change may be the result of many factors, both financial and nonfinancial in nature. Non-financial factors, which may have an impact on the District's financial condition, include the District's property and replacement tax base, student enrollment, facility conditions, required education programs for which little or no funding is provided, or other external factors.

#### Reporting the District's Most Significant Funds

##### *Fund Financial Statements*

Fund Financial Statements provide more in-depth reporting of the District's financial position and the results of operations. Fund basis financial information is presented in the "Fund Financial Statements" section. The District uses many funds to account for the numerous funding sources provided annually. However, the "Statements" look at the District's most significant funds with all non-major funds totaled in one column. These statements report governmental activities on a more current basis rather than a long-term basis, indicating sources and uses of funding and resources available for spending in future periods.

The Fund Financial Statements also provide more in-depth data on the District's most significant funds, such as its General Fund, Transportation Fund and Capital Projects Fund. Those funds are considered a "major fund" under Governmental Accounting Standards Board (GASB) Statement No. 34.

*Governmental Funds* - Most of the District's activities are reported in governmental funds, which focus on how money flows in and out of those funds, the balances that are left at year-end and the amount available for spending in future periods. These funds are reported using the modified accrual basis of accounting, which measures cash and all other financial assets that can readily be converted to cash. The relationship between governmental activities reported in the Basic Financial Statements and the governmental funds reported in the Fund Financial Statements is reconciled in the financial statements.

*Proprietary Fund* - The District administers an internal service fund for its healthcare related activities. The financial statements of the internal service fund are consolidated into the governmental activities on the government-wide financial statements.

## Springfield Public School District 186

### Management's Discussion and Analysis

#### Governmental Activities

As reported in the Statement of Activities, the net cost of the District's activities for the year ended June 30, 2025, was \$219.6 million, an increase of \$37.4 million from the prior year. The Statement of Activities shows the cost of program services and the charges and grants offsetting some of those services. State, federal, and local aid of \$63.7 million subsidized certain programs. Charges for services, such as fees for school lunches, tuition and other charges totaled \$5.9 million. District taxpayers contributed \$130.3 million through property taxes. Corporate personal property replacement taxes, School facility occupation taxes, State aid-formula grants, and other general revenues provided the remainder. In Table I below, the cost of the District's categories of expenses is presented as well as each program's net cost (total cost less revenues generated by the activities). This "net cost" presentation allows the District taxpayers to determine the remaining cost of the various categories and also allows them the opportunity to assess the cost of each function in comparison to the benefits they believe are provided by the function.

Table I  
Total and Net Cost of Governmental Activities  
Years ended June 30, 2025 and 2024

	Total Cost of Services		Net Cost of Services	
	2025	2024	2025	2024
Instruction				
Regular programs	\$ 73,172,242	\$ 71,023,088	\$ 54,308,377	\$ 31,182,695
Special programs	38,332,602	34,157,058	16,377,119	15,724,621
Other instructional programs	19,834,127	24,501,012	9,514,238	12,974,488
State on-behalf payments	48,470,666	50,968,022	-	-
Support services				
Pupil and instructional services	32,275,556	29,423,634	32,275,556	29,521,890
Administration and business	38,498,925	35,913,990	27,780,315	24,522,701
Transportation	20,383,491	18,679,824	14,180,769	10,736,497
Operations and maintenance	37,554,256	30,719,542	37,554,256	30,719,542
Central	4,913,666	4,769,376	3,459,631	3,615,735
Other support services	209,620	150,169	209,620	150,169
Community services	6,132,644	5,879,266	6,132,644	5,879,266
Payment to other governments	7,028,286	7,243,333	7,028,286	7,243,333
Interest	11,082,543	9,939,328	11,082,543	9,939,328
<b>Total expenses</b>	<b>\$ 337,888,624</b>	<b>\$ 323,367,642</b>	<b>\$ 219,903,354</b>	<b>\$ 182,210,265</b>

#### THE DISTRICT'S FUNDS

The District uses funds to control and measure in the short term the revenues and expenditures/expenses for particular activities or purposes (e.g., dedicated taxes and grant programs). The Fund Financial Statements allow the District to demonstrate its stewardship over and accountability for resources provided by taxpayers and other entities. These statements also allow the reader to obtain more insight into the financial management of the District and further assess the District's overall financial stability.

As the District completed the fiscal year ended June 30, 2025, its combined fund balance was \$178.0 million.

## **Springfield Public School District 186**

### **Management's Discussion and Analysis**

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#### **General Fund**

The General Fund is the main operating fund of the District and pays the majority of the daily operations of the District. The General Fund consists of the Education account, Operations and Maintenance account, Tort Immunity account, and the Working Cash account. It is funded by a combination of Local, State, and Federal sources. Expenditures include staff salaries and benefits, supplies, equipment, and facility operations.

The General Fund balance for the fiscal year ended June 30, 2025 was \$38.7 million, a \$22.1 million decrease from the beginning fund balance. This change is attributable to the transition away from ESSER funding from the federal government and the reduction of corporate personal property replacement tax funding from the State of Illinois.

#### **Transportation Fund**

The Transportation Fund pays for the daily to and from school transportation of over 5,000 students as well as buses for field trips and athletic events. Revenues are generated from a combination of local and state sources.

The Transportation Fund balance for the fiscal year ended June 30, 2025 was \$5.6 million, a \$1.1 million decrease from the beginning fund balance.

#### **Capital Projects Fund**

The Capital Projects Fund pays for the major construction projects of the District. Revenues are generated from school facility occupation taxes and bond proceeds.

The Capital Projects Fund balance for the fiscal year ended June 30, 2025 was \$122.1 million, a \$18.0 million increase from the beginning fund balance due to the issuance of bonds in the amount of \$86.9 million, offset by significant capital outlay expenditures and the transfer of school facility occupation taxes to the Debt Service fund to pay for the alternate revenue sources general obligation bonds debt service.

#### **Nonmajor Governmental Funds**

Nonmajor governmental funds consist of the Fire Prevention and Life Safety Fund, the Debt Service Fund, and the Municipal Retirement/Social Security Fund. The Fire Prevention and Life Safety Fund provides funding for repairs, upgrades, and replacement of District schools. Revenue is generated through local sources and all projects must be approved by the Illinois State Board of Education. The Debt Service Fund repays previously issued revenue bonds. Revenues are generated through local property taxes and interest. The Municipal Retirement/Social Security Fund pays the District's share of retirement benefits for non-certificated staff. It is entirely funded through local sources.

Overall, the nonmajor governmental fund balance for the fiscal year ended June 30, 2025 was \$11.6 million, which was consistent with the prior year fund balance.

## Springfield Public School District 186

### Management's Discussion and Analysis

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#### General Fund Budgetary Highlights

The District's budget is prepared according to Illinois law. During the course of the year, the District revises its budget to take into consideration significant changes in revenues or expenditures. The District may make transfers between the various items in any fund not exceeding in the aggregate 10 percent of the total of such fund as set forth in the budget. The District may amend the budget by the same procedures required of its original adoption.

The District's amended budget for the General Fund anticipated a deficit of \$22.9 million while the actual deficit was \$22.1 million.

- The Educational Account fund balance decreased by \$18.8 million.
- The Operations and Maintenance Account fund balance decreased by \$2.6 million.
- The Tort Immunity Account fund balance decreased by \$0.7 million.

#### Capital Assets

At June 30, 2025, the District has approximately \$311.4 million invested in a broad range of capital assets, including land, construction in progress, land improvements, building, furniture and equipment, vehicles, leases, and subscriptions. This amount is net of accumulated depreciation and amortization to date. Increases during the year represent additions to those categories, while decreases represent retirements of assets during the year, and depreciation and amortization of depreciable and amortizable assets for the year. Table II shows the net book value of capital assets at the end of the 2025 and 2024 fiscal years.

Table II  
Capital Assets  
June 30, 2025 and 2024

	<u>2025</u>	<u>2024</u>	Total Percentage Change
Land	\$ 5,013,084	\$ 5,013,084	
Construction in progress	90,658,601	25,635,189	
Land improvements	3,001,520	2,776,220	
Buildings	200,753,275	203,894,823	
Furniture & Equipment	9,679,379	2,975,505	
Vehicles	389,505	249,631	
Leases	589,648	705,644	
Subscription assets	1,273,465	563,383	
<b>TOTAL</b>	<u>\$ 311,358,477</u>	<u>\$ 241,813,479</u>	28.8 %

Refer to Note 3 to Financial Statements for more detail on capital asset activity.

## **Springfield Public School District 186**

### **Management's Discussion and Analysis**

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#### **Debt**

At June 30, 2025, the District had outstanding bonds (excluding premium) totaling \$298.8 million. In accordance with 1051 ICS 5/19-1, the District is legally restricted from incurring long-term bonded debt in excess of 13.8 percent of the assessed value of the taxable property within the District. At June 30, 2025, the statutory limit is \$258.4 million.

Other long-term obligations include compensated absences, pension benefits, other postemployment benefits (OPEB), and retirement incentives. The balance at June 30, 2025, of both current and long-term obligations was \$392.5 million, including \$84.7 million in general obligation bonds, \$214.1 million in alternate revenue bonds, \$20.0 million of premiums associated with the bonds, \$29.8 million in pension liabilities, \$38.0 million in OPEB liabilities, and the remaining liabilities of leases, subscriptions, compensated absences and retirement incentives. See Note 5 to the financial statements for further information on long-term obligations.

#### **ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The financial well-being of the District is tied in large measure to the state funding formula and the property tax base.

Springfield Public Schools generates approximately 47 percent of its revenues (excluding on-behalf payments received from the state) in the General Fund from local property taxes. This is an important source of revenue to the District. The Property Tax Extension Limitation Law (PTELL, also known as tax caps) continues to have an impact on the District's financial stability.

The fund balance for the General Fund as of June 30, 2026, is expected to be \$24.9 million.

#### **CONTACTING THE SCHOOL BOARD'S FINANCIAL MANAGEMENT**

While this ACFR is designed to provide full and complete disclosure of the financial condition and operations of the District, citizens' groups, taxpayers, parents, students, other District officials, investors or creditors may need further details. To obtain such details, please contact Steven Miller, Director of Business Services, Springfield Public School District 186, 530 West Reynolds Street, Springfield, Illinois 62702-5030, or call (217) 525-3040 during regular office hours. For a complete copy of this report and other financial information, please visit our website at [www.sps186.org](http://www.sps186.org).

## **Basic Financial Statements**

**Government-Wide  
Financial Statements (GWFS)**

Springfield Public School District 186

Statement of Net Position  
June 30, 2025

	Governmental Activities
<b>Assets</b>	
Current Assets	
Cash and investments	\$ 85,531,789
Restricted cash	113,517,453
Receivables:	
Property taxes	63,084,125
Intergovernmental	23,212,424
Other	624,362
Prepays	1,489,401
Inventory	272,719
<b>Total current assets</b>	<u>287,732,273</u>
Noncurrent Assets	
Capital assets not being depreciated or amortized	95,671,685
Capital assets being depreciated and amortized, net	215,686,792
<b>Total noncurrent assets</b>	<u>311,358,477</u>
<b>Total assets</b>	<u>599,090,750</u>
<b>Deferred Outflows of Resources</b>	
Pension-related amounts - Illinois Municipal Retirement Fund (IMRF)	8,954,495
Pension-related amounts - Teachers' Retirement System (TRS)	2,617,743
OPEB-related amounts - District Plan	3,083,720
OPEB-related amounts - Teachers' Health Insurance Security Fund (THIS)	22,722,354
Deferred loss on refunding	209,848
<b>Total deferred outflows of resources</b>	<u>37,588,160</u>
<b>Total assets and deferred outflows of resources</b>	<u>\$ 636,678,910</u>

Springfield Public School District 186

Statement of Net Position  
June 30, 2025

Governmental  
Activities

<b>Liabilities</b>	
Current Liabilities	
Accounts payable	\$ 24,233,193
Salaries and benefits payable	20,259,477
Claims payable	5,256,074
Interest payable	2,756,904
Lease liability	104,101
Subscription liability	87,240
Compensated absences	151,497
Retirement incentives payable	742,352
Total OPEB liability - District Plan	896,000
General obligation bonds	7,055,061
Alternative revenue bonds	5,516,914
<b>Total current liabilities</b>	<b>67,058,813</b>
Long-term Liabilities	
Lease liability	529,216
Subscription liability	190,399
Compensated absences	1,363,477
Retirement incentives payable	2,764,649
General obligation bonds, net of unamortized premium	84,035,561
Alternative revenue bonds, net of unamortized premium	222,216,018
Net pension liability - IMRF	20,392,893
Net pension liability - TRS	9,384,621
Total OPEB liability - District Plan	6,883,572
Total OPEB liability - THIS	31,129,897
<b>Total long-term liabilities</b>	<b>378,890,303</b>
<b>Total liabilities</b>	<b>445,949,116</b>
<b>Deferred Inflows of Resources</b>	
Pension-related amounts - IMRF	37,336
Pension-related amounts - TRS	1,038,146
OPEB-related amounts - District Plan	1,855,957
OPEB-related amounts - THIS	74,102,725
Property taxes levied for subsequent years	66,613,322
<b>Total deferred inflows of resources</b>	<b>143,647,486</b>
<b>Net Position</b>	
Net investment in capital assets	89,411,724
Restricted for:	
Tort	351,529
Transportation	12,518,698
Retirement benefits	2,914,236
Debt service	1,755,216
Capital projects	14,066,973
Unrestricted	(73,936,068)
<b>Total net position</b>	<b>47,082,308</b>
<b>Total liabilities, deferred inflows of resources, and net position</b>	<b>\$ 636,678,910</b>

See notes to basic financial statements.

**Springfield Public School District 186**

**Statement of Activities  
Year Ended June 30, 2025**

Functions/Programs	Expenses	Program Revenue		Net (Expense)
		Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
				Governmental Activities
<b>Governmental activities:</b>				
Instruction:				
Regular programs	\$ 73,172,242	\$ 336,232	\$ 18,527,633	\$ (54,308,377)
Special programs	38,332,602	-	21,955,483	(16,377,119)
Other instructional programs	19,834,127	3,924,482	6,395,407	(9,514,238)
Pension support - State	48,470,666	-	48,470,666	-
Support services:				
Pupils	20,873,234	-	-	(20,873,234)
Instructional staff	11,402,322	-	-	(11,402,322)
General administration	11,012,257	-	-	(11,012,257)
School administration	13,419,392	-	50,000	(13,369,392)
Business	14,067,276	454,660	10,213,950	(3,398,666)
Transportation	20,383,491	-	6,202,722	(14,180,769)
Operations and maintenance	37,554,256	-	-	(37,554,256)
Central	4,913,666	1,143,475	310,560	(3,459,631)
Other support services	209,620	-	-	(209,620)
Community services	6,132,644	-	-	(6,132,644)
Payments to other governments	7,028,286	-	-	(7,028,286)
Interest and charges	11,082,543	-	-	(11,082,543)
<b>Total governmental activities</b>	<b>\$ 337,888,624</b>	<b>\$ 5,858,849</b>	<b>\$ 112,126,421</b>	<b>(219,903,354)</b>
General revenues:				
Taxes:				
Property taxes, general purposes				121,023,514
Property taxes, debt service				9,258,788
School facility occupation taxes				14,600,345
Corporate personal property replacement taxes				8,790,933
Unrestricted state grants				52,081,875
Investment earnings				6,560,382
Other revenue				10,000
Total general revenues				<u>212,325,837</u>
Change in net position				<u>(7,577,517)</u>
Net position:				
July 1, 2024, as originally stated				54,278,191
Implementation of GASB 101				381,634
July 1, 2024, as restated				<u>54,659,825</u>
June 30, 2025				<u>\$ 47,082,308</u>

See notes to basic financial statements.

**Fund Financial Statements (FFS)**

Springfield Public School District 186

Balance Sheet  
Governmental Funds  
June 30, 2025

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Capital Projects Fund		
<b>Assets</b>					
Cash and investments	\$ 46,746,842	\$ 5,788,977	\$ 15,368,643	\$ 14,852,073	\$ 82,756,535
Restricted cash	-	-	109,168,404	4,349,049	113,517,453
Receivables:					
Property taxes	52,100,739	3,104,640	-	7,878,746	63,084,125
Intergovernmental	12,033,631	6,945,497	3,934,743	-	22,913,871
Prepaid items	1,106,695	-	-	-	1,106,695
Inventory	272,719	-	-	-	272,719
Due from other funds	16,688,264	3,061,023	10,993,633	1,179,912	31,922,832
<b>Total assets</b>	<b>\$ 128,948,890</b>	<b>\$ 18,900,137</b>	<b>\$ 139,465,423</b>	<b>\$ 28,259,780</b>	<b>\$ 315,574,230</b>
<b>Liabilities</b>					
Accounts payable	\$ 2,576,792	\$ 1,853,112	\$ 15,816,105	\$ 294,211	\$ 20,540,220
Accrued salaries and benefits	20,245,039	-	-	14,132	20,259,171
Due to other funds	9,912,497	1,250,000	230,058	8,040,398	19,432,953
<b>Total liabilities</b>	<b>32,734,328</b>	<b>3,103,112</b>	<b>16,046,163</b>	<b>8,348,741</b>	<b>60,232,344</b>
<b>Deferred Inflows of Resources</b>					
Property taxes levied for subsequent years	55,015,478	3,278,327	-	8,319,517	66,613,322
Unavailable intergovernmental revenues	2,465,256	6,945,497	1,337,841	-	10,748,594
<b>Total deferred inflows of resources</b>	<b>57,480,734</b>	<b>10,223,824</b>	<b>1,337,841</b>	<b>8,319,517</b>	<b>77,361,916</b>
<b>Fund Balance</b>					
Nonspendable for:					
Prepaid items	1,106,695	-	-	-	1,106,695
Inventory	272,719	-	-	-	272,719
Restricted for:					
Tort	351,529	-	-	-	351,529
Transportation	-	5,573,201	-	-	5,573,201
Retirement benefits	-	-	-	2,914,236	2,914,236
Debt service	-	-	-	4,512,120	4,512,120
Capital projects	-	-	122,081,419	4,165,166	126,246,585
Unassigned	37,002,885	-	-	-	37,002,885
<b>Total fund balances</b>	<b>38,733,828</b>	<b>5,573,201</b>	<b>122,081,419</b>	<b>11,591,522</b>	<b>177,979,970</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 128,948,890</b>	<b>\$ 18,900,137</b>	<b>\$ 139,465,423</b>	<b>\$ 28,259,780</b>	<b>\$ 315,574,230</b>

See notes to basic financial statements.

## Springfield Public School District 186

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

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Total fund balances - governmental funds	\$ 177,979,970
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.	311,358,477
State grant revenues deferred in the fund financial statements because they are not available are recognized as revenue in the government-wide financial statements.	10,748,594
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.	(20,018,554)
Deferred losses on debt refunding that are other financing uses in the fund financial statements are deferred outflows or resources that are amortized over the life of the bond in the government-wide financial statements.	209,848
Certain pension-related and OPEB-related items are reported in the government-wide financial statements but not in the fund financial statements. These amounts consist of:	
Deferred outflows of resources related to pension expense - IMRF	8,954,495
Deferred outflows of resources related to pension expense - TRS	2,617,743
Deferred outflows of resources related to OPEB expense - District Plan	3,083,720
Deferred outflows of resources related to OPEB expense - THIS	22,722,354
Deferred inflows of resources related to pension expense - IMRF	(37,336)
Deferred inflows of resources related to pension expense - TRS	(1,038,146)
Deferred inflows of resources related to OPEB expense - District Plan	(1,855,957)
Deferred inflows of resources related to OPEB expense - THIS	(74,102,725)
Internal service funds are used by management to account for healthcare-related activities. The assets and liabilities are included in the governmental activities on the statement of net position.	(12,102,283)
Some liabilities reported in the statement of net position do not use current financial resources and, therefore, are not reported as liabilities in governmental funds:	
General obligation bonds (Note 5)	(84,680,000)
Alternative revenue bonds (Note 5)	(214,125,000)
Lease Liability (Note 5)	(633,317)
Subscription Liability (Note 5)	(277,639)
Retirement incentives payable (Note 5)	(3,507,001)
Net pension liability - IMRF (Note 6)	(20,392,893)
Collective net pension liability - TRS (Note 6)	(9,384,621)
Total OPEB liability - District Plan (Note 7)	(7,779,572)
Collective total OPEB liability - THIS (Note 7)	(31,129,897)
Accrued interest	(2,756,904)
Compensated absences	(1,514,974)
Accrued incurred but not reported claims (Note 8)	(5,256,074)
Net position of governmental activities	<u>\$ 47,082,308</u>

See notes to basic financial statements.

Springfield Public School District 186

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

	Major Funds			Nonmajor Governmental Funds	Total Governmental Funds
	General Fund	Transportation Fund	Capital Projects Fund		
<b>Revenues:</b>					
Property taxes	\$ 107,698,309	\$ 6,364,910	\$ -	\$ 16,219,083	\$ 130,282,302
Corporate personal property replacement taxes	7,290,933	1,000,000	-	500,000	8,790,933
School facility occupation taxes	-	-	14,430,150	-	14,430,150
Charges for services	5,869,996	-	-	-	5,869,996
Unrestricted state aid	52,392,435	-	10,000	-	52,402,435
Restricted state aid	8,459,224	7,338,448	-	-	15,797,672
Restricted federal aid	47,165,423	-	-	-	47,165,423
Other	111,011	-	-	-	111,011
Interest	1,365,771	102,867	4,597,412	427,970	6,494,020
On-behalf payments made by state	57,503,810	-	-	-	57,503,810
<b>Total revenues</b>	<b>287,856,912</b>	<b>14,806,225</b>	<b>19,037,562</b>	<b>17,147,053</b>	<b>338,847,752</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	82,906,437	-	-	1,165,294	84,071,731
Special programs	36,948,042	-	-	1,250,039	38,198,081
Other instructional programs	19,617,662	-	-	210,791	19,828,453
<b>Support services:</b>					
Pupils	20,206,854	-	-	666,380	20,873,234
Instructional staff	11,265,766	-	-	136,556	11,402,322
General administration	10,341,647	-	-	658,237	10,999,884
School administration	12,941,332	-	-	444,890	13,386,222
Business	12,819,809	-	-	900,402	13,720,211
Transportation	2,875,456	15,939,693	-	31,031	18,846,180
Operations and maintenance	23,088,314	-	3,807,150	2,140,661	29,036,125
Central	4,522,035	-	-	359,756	4,881,791
Other support services	209,620	-	-	-	209,620
Community services	6,111,327	-	-	21,317	6,132,644
On-behalf payments made by state	57,503,810	-	-	-	57,503,810
Payments to other governments	7,028,286	-	-	-	7,028,286
Capital outlay	1,669,180	-	70,509,913	734,969	72,914,062
<b>Debt service:</b>					
Principal	758,977	-	-	11,655,000	12,413,977
Interest and other charges	110,179	-	-	10,697,925	10,808,104
Bond issuance costs	-	-	-	923,659	923,659
<b>Total expenditures</b>	<b>310,924,733</b>	<b>15,939,693</b>	<b>74,317,063</b>	<b>31,996,907</b>	<b>433,178,396</b>
Deficiency of revenues over expenditures	(23,067,821)	(1,133,468)	(55,279,501)	(14,849,854)	(94,330,644)
<b>Other financing sources (uses):</b>					
Bond issuance	-	-	82,740,000	-	82,740,000
Premium on bond issuance	-	-	4,122,244	-	4,122,244
Subscription proceeds	941,422	-	-	-	941,422
Transfer in	-	-	-	13,587,497	13,587,497
Transfer (out)	-	-	(13,587,497)	-	(13,587,497)
<b>Total other financing sources (uses)</b>	<b>941,422</b>	<b>-</b>	<b>73,274,747</b>	<b>13,587,497</b>	<b>87,803,666</b>
<b>Net change in fund balances</b>	<b>(22,126,399)</b>	<b>(1,133,468)</b>	<b>17,995,246</b>	<b>(1,262,357)</b>	<b>(6,526,978)</b>
<b>Fund balances:</b>					
July 1, 2024	60,860,227	6,706,669	104,086,173	12,853,879	184,506,948
June 30, 2025	\$ 38,733,828	\$ 5,573,201	\$ 122,081,419	\$ 11,591,522	\$ 177,979,970

See notes to basic financial statements.

**Springfield Public School District 186**

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

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Net change in fund balances - total governmental funds \$ (6,526,978)

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the lives of the assets. This is the amount by which depreciation expense exceeded capital outlays in the current period.

Capital outlays	79,991,687
Depreciation and amortization expense	(10,446,689)

State grant revenues that are reported as deferred inflows of resources in the fund financial statements because they are not available but are recognized as revenue in the government-wide financial statements.

Prior year deferred balance	(10,318,457)
Current year deferred balance	10,748,594

Premium on bonds is recorded as other financing sources in the fund financial statements, but the premium is recorded as a liability in the statement of net position and is amortized over the life of the bonds. This is the amount amortized in the current period.

1,472,447

In governmental funds, issuance of long-term debt is considered other financing sources, but in the statement of net position, debt is reported as a liability. This is the amount of proceeds received in the current period.

Alternative revenue bonds issued	(82,740,000)
Premium on bonds issued	(4,122,244)
Subscriptions	(941,422)

Repayment of principal on long-term debt is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

General obligation bond principal retirement	5,765,000
Alternative revenue bond principal retirement	5,890,000
Leases	95,194
Subscriptions	663,783

Losses incurred on the defeasement of debt are reported as a deferred outflow of resources in the statement of net position and amortized over the life of the bonds

Amortization of loss on refunding	(113,666)
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(Continued)

**Springfield Public School District 186**

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

Changes related to pension and OPEB obligations are reported as deferred inflows and deferred outflows on the government-wide financial statements, but not on the fund financial statements.

Deferred outflows of resources related to pension expense - IMRF	\$ (4,384,376)
Deferred outflows of resources related to pension expense - TRS	(481,897)
Deferred outflows of resources related to OPEB expense - District Plan	(745,634)
Deferred outflows of resources related to OPEB expense - THIS	2,614,165
Deferred inflows of resources related to pension expense - IMRF	40,590
Deferred inflows of resources related to pension expense - TRS	460,495
Deferred inflows of resources related to OPEB expense - District Plan	(866,401)
Deferred inflows of resources related to OPEB expense - THIS	12,786,068

Internal service funds are used by management to account for healthcare-related activities. The net result of activities in internal service funds is reported with the governmental activities on the statement of activities.

(343,747)

Some revenue and expenses reported in the statement of activities do not provide (use) current financial resources and, therefore, are not reported as revenues (expenditures) in governmental funds. These activities consist of changes in the following:

State on-behalf contribution revenue for TRS and THIS	(9,033,144)
State on-behalf expense for TRS and THIS	9,033,144
Retirement incentives payable	(612,189)
Net pension liability - IMRF	(551,044)
Collective net pension liability - TRS	(266,233)
Total OPEB liability - District Plan	1,177,272
Collective total OPEB liability - THIS	(4,444,813)
Accrued interest	(709,561)
Compensated absences	(101,515)
Accrued incurred but not reported claims	(565,946)

Change in net position of governmental activities

\$ (7,577,517)

See notes to basic financial statements.

**Springfield Public School District 186**

**Statement of Net Position  
Proprietary Fund  
June 30, 2025**

	Internal Service Fund
<hr/>	
<b>Assets</b>	
Current	
Cash and investments	\$ 2,775,254
Accounts receivable	624,362
Intergovernmental receivables	298,553
Prepaid expenses	<u>382,706</u>
<b>Total assets</b>	<u>4,080,875</u>
<b>Liabilities</b>	
Current	
Accounts payable	180,122
Claims payable	3,513,157
Due to other funds	<u>12,489,879</u>
<b>Total liabilities</b>	<u>16,183,158</u>
<b>Net Position (Deficit)</b>	
Unrestricted	<u><u>\$ (12,102,283)</u></u>

See notes to basic financial statements.

**Springfield Public School District 186**

**Statement of Revenues, Expenses and Changes in Net Position  
Proprietary Fund  
Year Ended June 30, 2025**

	Internal Service Fund
<hr/>	
<b>Operating Revenue</b>	
Employer contributions	\$ 29,851,410
Employee contributions	3,881,039
Retiree contributions	77,687
<b>Total operating revenue</b>	<u>33,810,136</u>
<b>Operating Expenses</b>	
Claims paid	33,733,886
Administrative fee and other	486,359
<b>Total operating expense</b>	<u>34,220,245</u>
<b>Operating loss</b>	(410,109)
<b>Non-Operating Revenue (Expense)</b>	
Interest income	<u>66,362</u>
<b>Change in net position</b>	(343,747)
<b>Net Position (Deficit)</b>	
July 1, 2024	<u>(11,758,536)</u>
June 30, 2025	<u>\$ (12,102,283)</u>

See notes to basic financial statements.

**Springfield Public School District 186**

**Statement of Cash Flows  
Proprietary Fund  
Year Ended June 30, 2025**

	Internal Service Fund
<b>Cash Flows from Operating Activities</b>	
Received from employer	\$ 29,943,583
Received from employees	3,881,039
Received from retirees	77,687
Payments to providers	(35,403,029)
Net cash used in operating activities	<u>(1,500,720)</u>
<b>Cash Flows from Noncapital Financing Activities</b>	
Advances from other funds	3,391,181
Cash provided by noncapital financing activities	<u>3,391,181</u>
<b>Cash Flows from Investing Activities</b>	
Interest	66,362
Cash provided by investing activities	<u>66,362</u>
<b>Net increase in cash and cash equivalents</b>	1,956,823
Cash and cash equivalents, July 1, 2024	<u>818,431</u>
Cash and cash equivalents, June 30, 2025	<u>\$ 2,775,254</u>
<b>Reconciliation of Operating Loss to Net Cash Flows from Operating Activities</b>	
Operating loss	\$ (410,109)
Adjustments to reconcile operating loss to net cash used in operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(624,362)
Intergovernmental receivables	92,173
Prepaid expenses	(382,706)
Accounts payable	(88,163)
Claims payable	(87,553)
Net cash from operating activities	<u>\$ (1,500,720)</u>

See notes to basic financial statements.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies

##### ***Nature of Operations***

Springfield Public School District 186 (the District) operates as a public school system governed by its Board of Education. The District is organized under the School Code of the State of Illinois, as amended. The District serves the community of Springfield, Illinois.

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, 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.

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.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**Fund Financial Statements (FFS):** Separate financial statements are provided for governmental funds, the proprietary (internal service) fund. 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. All remaining governmental special revenue, debt service and capital projects funds are aggregated and reported as non-major governmental funds. 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.

**Transportation Fund** – This is a special revenue fund that maintains financial resources held by the District to be used for student transportation revenues and expenditures.

**Capital Projects Fund** – This is a capital projects fund that maintains financial resources held by the District to be used for major construction projects of the District.

The District administers an internal service fund (proprietary fund) for self-insurance. The Self Insurance Fund accounts for the costs of the self-insured medical plan. Administration of the plan is provided by an independent administrator. The financial statements of the internal service fund are consolidated into the governmental activities on the government-wide financial statements.

#### ***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.

The government-wide financial statements and the proprietary fund are reported using the economic resources measurement focus. The government-wide financial statements and the proprietary financial 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. Non-exchange 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. Property taxes are recognized as revenue 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. General capital asset acquisitions are reported as expenditures in governmental funds.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

Proprietary fund revenues are classified as either operating or nonoperating. Operating revenues and expenses generally result from providing services in connection with the proprietary fund's principal ongoing operations. Operating revenue includes activities that have characteristics of exchange transactions including charges for services. Non-operating revenue includes activities that have the characteristics of non-exchange transactions, such as interest income.

#### Property Taxes

Property taxes are levied each year on all taxable real property in the District on or before the last Tuesday in December. The 2024 tax levy was passed by the Board of Education on December 2, 2024, and attached as an enforceable lien on the property as of the preceding January 1. The taxes become due and collectible in June and September, and are collected by the County Collector, who in turn remits to the District its respective share. The District receives the remittances from the County Treasurer approximately one month after collection. For all funds, the District recognizes approximately one-half of the levy in the current fiscal year as revenue with the second half to be recognized in the following fiscal year. Accordingly, the second half amount is reflected as deferred inflows of resources in the current year. The District was able to recognize approximately one-half of the levy as revenue in the current fiscal year on the fund financial statements because the amounts were intended to finance the current year and were available.

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 lesser 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.

#### Cash and Investments

For purposes of reporting cash, all highly liquid investments with original maturities of three months or less when purchased are considered to be cash. The District has investments in non-participating and participating certificates of deposits (CDs). Non-participating CDs are valued at cost. Participating CDs are valued at fair value if maturity is greater than one year at time of purchase, or amortized cost if maturity is less than one year at purchase. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

#### 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.

#### Inventory

Inventories of expendable supplies are stated at cost, determined by the average cost method, and are considered expenditures when used (consumption 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 eliminated in the government-wide Statement of Net Position.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

**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.

#### Capital Assets

Capital assets, which include land, construction in progress, land improvements, buildings, furniture and equipment, vehicles, leases and subscription assets, if any, are reported in the Statement of Net Position. Capital assets are defined as assets with an initial individual cost of more than \$5,000, 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 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 and amortization of capital assets is recorded in the Statement of Activities with accumulated depreciation and amortization 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	20 – 50 years
Computer equipment	3 years
Equipment	5 – 10 years
Vehicles	5 – 7 years
Leases	7 years
Subscription assets	2 – 4 years
Furniture	10 years

#### Deferred Inflows or Deferred 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. Deferred outflows of resources are the consumption of net position 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.

**Note 1. Significant Accounting Policies (Continued)**

The net difference between projected and actual earnings on pension and other postemployment benefits (OPEB) plan investments, changes in proportion and differences between employer contributions and proportionate share of contributions, as well as pension and OPEB payments made subsequent to the pension liability and OPEB liability measurement date, are reported as deferred outflows or inflows of resources on the government-wide financial statements. For purposes of measuring the net pension/OPEB liability, deferred outflows of resources, deferred inflows of resources, pension/OPEB expense and expenditures associated with the District's contribution requirements, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported within the separately issued plan financial statements. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with terms of the plan. Investments are reported at fair value. See Note 7 for pension related disclosures and Note 8 for OPEB related disclosures.

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 removed from the financial statements and revenue is recognized.

**Compensated Absences**

The District recognizes a liability for compensated absences for leave that (a) is attributable to services already rendered, (b) accumulates, and (c) is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. The District has adopted the LIFO flows assumption which aligns with how compensated absences are likely to be paid/settled.

The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is recorded in the governmental funds only for amounts due and payable. The liability for compensated absences includes salary-related benefits, where applicable.

Vacation and Sick Leave: Under terms of employment, employees are granted sick leave and vacations in varying amounts. Only benefits considered to be vested are disclosed in these statements.

For types of compensated absences that are dependent upon the occurrence of a sporadic event that affects a relatively small proportion of employees in any particular reporting period (parental leave, military leave, and jury duty), a liability is not recognized until the leave commences. For unlimited leave and holiday leave, a liability is recognized when the leave is taken.

The liability for leave that has been used, but not yet paid, has been recognized in accrued salaries. The liability for leave that has not been used is recognized in compensated absences.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

##### Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations, including pension liabilities and other post-employment benefits other than pensions, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as expenses when incurred.

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.

##### Leases

The District is a lessee in a lease of real estate. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements.

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments, termination fees, residual value guarantees and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

##### Subscription-Based Information Technology Arrangements (SBITAs)

The District has entered into agreements where they subscribe to use a vendor's software programs. The District recognizes a subscription liability and an intangible right-to-use subscription asset in the government-wide financial statements.

At the commencement of a subscription, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for payments made at or before the commencement date of the agreement, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life.

The District monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription liability and asset if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported with long-term debt on the Statement of Net Position.

Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected subscription payments to present value and (2) the subscription term.

- The District uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.
- The subscription term includes the noncancellable period of the agreement.

##### Net Position (Deficit)

The District's government-wide net position is reported in three categories:

**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 net of unused bond proceeds and the associated deferred outflows of resources.

**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.

**Unrestricted net position (deficit)** 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.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

##### 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. As of June 30, 2025, the District has no amounts classified as committed.

***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. As of June 30, 2025, the District has no amounts classified 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 for the General Fund 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. For all other governmental funds, it is the District's policy to consider unrestricted resources to have been spent first, followed by restricted resources.

The District has adopted a minimum fund balance policy. For purposes of this policy, fund balance has been defined as the total fund balances of the General Fund and the Transportation Fund. The District targets a fund balance percentage between 15 to 20 percent of the revenue (in those funds) measured on June 30<sup>th</sup> each year.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 1. Significant Accounting Policies (Continued)

The General Fund includes the Working Cash Stabilization Account. Under the State of Illinois School Code (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 educational account, of the General Fund, 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 \$15,551,519 that have been classified as unassigned fund balances in the General Fund.

#### Eliminations and Reclassifications

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 were eliminated or reclassified.

#### Use of Estimates

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

#### Note 2. Cash and Investments

##### Deposits

The District is allowed to invest in securities as authorized by Sections 2 and 6 of the Public Funds Investment Act (30 ILCS 235/2 and 6) and Section 8-7 of the School Code (105 ILCS 5/8-7).

The Treasurer is authorized and directed by the Board of Education to invest the balances available in various funds in accordance with the regulations set forth in the Illinois Compiled Statutes and District policies. Per the District's investment policy, investment may be made in the following:

- Illinois School District Liquid Asset Fund
- Banks or savings and loan associations insured by the Federal Deposit Insurance Corporation (FDIC) or Federal Savings & Loan Insurance Corporation (FSLIC)
- U.S. Treasury Bills
- Certificates of deposit
- Short-term discount notes of the Federal National Mortgage Association
- Repurchase Agreements
- Bankers Acceptances
- Commercial paper rated at the time of purchase within the three (3) highest classifications established by at least two (2) standard rating services which mature not later than 180 days from the date of purchase
- Any other investment instrument permitted by the laws of the State of Illinois

*Custodial Credit Risk – Deposits.* Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned to it. The District's investment policy requires 110 percent collateralization of all deposits in excess of FDIC coverage. All of the District bank balances were insured or collateralized at June 30, 2025.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 2. Cash and Investments (Continued)

##### Investments

As of June 30, 2025, the District had investments in the Illinois School District Liquid Asset Fund (ISDLAF) totaling \$15,008,902. ISDLAF has a weighted average maturity of less than one year.

*Interest Rate Risk.* The District's investment policy does not limit the District's investment portfolio to specific maturities.

The District categorizes its fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District did not have investments subject to fair value measurements as of June 30, 2025.

The ISDLAF is a not-for-profit pooled investment trust formed pursuant to the Illinois Municipal Code and managed by a Board of Directors elected from the participating members. The ISDLAF is not registered with the SEC as an investment company. Investments in the ISDLAF are valued at the ISDLAF share price, which is the price the investment could be sold for. The fair value of the pool is measured at net asset value (NAV).

*Credit Risk.* State statutes authorize 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 the ISDLAF and the Illinois Fund. The District's investment policy does not specifically address credit risk for investments.

As of June 30, 2025, ISDLAF is rated AAAM by Standard & Poor's.

*Concentration of Credit Risk.* The District's investment policy does not restrict the amount of investment in any one issuer. There are no investments that make up more than 5 percent of the District's investments.

*Custodial Credit Risk – Investments.* 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 District's investment policy does not address custodial credit risks for investments. ISDLAF is not subject to custodial credit risk.

*Investments measured at the net asset value (NAV) or amortized cost.* The District's investment in ISDLAF is \$15,008,902 and is measured at the net asset value. ISDLAF redemption frequency is daily and the redemption notice period is one day.

Deposits and investments in the amount of \$199,049,242 are presented in the Statement of Net Position as cash and investments and restricted cash in the amounts of \$85,531,789 and \$113,517,453 respectively.

## Springfield Public School District 186

### Notes to Basic Financial Statements

#### Note 3. Capital Assets

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

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025
Governmental activities:				
Capital assets, not being depreciated or amortized:				
Land	\$ 5,013,084	\$ -	\$ -	\$ 5,013,084
Subscription assets	493,478	119,845	493,478	119,845
Construction in progress	25,141,711	76,983,999	11,586,954	90,538,756
Total capital assets not being depreciated or amortized	<u>30,648,273</u>	<u>77,103,844</u>	<u>12,080,432</u>	<u>95,671,685</u>
Capital assets, being depreciated and amortized:				
Land improvements	5,340,862	410,335	-	5,751,197
Buildings	333,004,183	4,846,582	-	337,850,765
Furniture & Equipment	7,884,596	7,853,333	-	15,737,929
Vehicles	1,462,102	240,022	-	1,702,124
Leases	811,974	-	-	811,974
Subscription assets	1,379,709	1,618,003	195,000	2,802,712
Total capital assets being depreciated and amortized	<u>349,883,426</u>	<u>14,968,275</u>	<u>195,000</u>	<u>364,656,701</u>
Less accumulated depreciation and amortization:				
Land improvements	(2,564,642)	(185,035)	-	(2,749,677)
Buildings	(129,109,360)	(7,988,130)	-	(137,097,490)
Furniture & Equipment	(4,909,091)	(1,149,459)	-	(6,058,550)
Vehicles	(1,212,471)	(100,148)	-	(1,312,619)
Leases	(106,330)	(115,996)	-	(222,326)
Subscription assets	(816,326)	(907,921)	(195,000)	(1,529,247)
Total accumulated depreciation and amortization	<u>(138,718,220)</u>	<u>(10,446,689)</u>	<u>(195,000)</u>	<u>(148,969,909)</u>
Total capital assets being depreciated and amortized, net	<u>211,165,206</u>	<u>4,521,586</u>	<u>-</u>	<u>215,686,792</u>
Governmental activities				
Capital assets, net	<u>\$ 241,813,479</u>	<u>\$ 81,625,430</u>	<u>\$ 12,080,432</u>	<u>\$ 311,358,477</u>

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

Instruction:	
Regular programs	\$ 679,173
Special programs	116,290
Other instructional programs	5,674
Support services:	
General administration	12,373
School administration	120
Business and central services	496,722
Operations and maintenance	7,580,059
Transportation	1,524,403
Central	31,875
Total depreciation and amortization expense	<u>\$ 10,446,689</u>

## Springfield Public School District 186

### Notes to Basic Financial Statements

#### Note 4. Line of Credit

In April 2025 the District entered into a line of credit with a bank to provide short-term financing for cash flow needs. The line of credit has a maximum borrowing capacity of \$20,000,000 and bears interest at 5.95%. The District borrowed and repaid \$12,500,000 during the fiscal year ended June 30, 2025. As of June 30, 2025 the District did not have an outstanding balance.

#### 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:

	Outstanding Debt as of July 1, 2024 (restated)	Additions	Reductions	Outstanding Debt as of June 30, 2025	Due within one year
General obligation bonds	\$ 90,445,000	\$ -	\$ 5,765,000	\$ 84,680,000	\$ 6,115,000
Premiums on bonds	7,364,653	-	954,031	6,410,622	940,061
Total general obligation bonds	97,809,653	-	6,719,031	91,090,622	7,055,061
Alternative revenue bonds	137,275,000	82,740,000	5,890,000	214,125,000	4,825,000
Premiums on bonds	10,004,104	4,122,244	518,416	13,607,932	691,914
Total alternate revenue bonds	147,279,104	86,862,244	6,408,416	227,732,932	5,516,914
Lease liability *	728,511	-	95,194	633,317	104,101
Subscription liability *	-	941,422	663,783	277,639	87,240
Compensated absences * ***	1,413,459	101,515	-	1,514,974	151,497
Retirement incentive *	2,894,812	612,189	-	3,507,001	742,352
Net pension liability - IMRF **	19,841,849	551,044	-	20,392,893	-
Collective net pension liability - TRS *	9,118,388	266,233	-	9,384,621	-
Total OPEB liability - District Plan *	8,956,844	-	1,177,272	7,779,572	896,000
Collective total OPEB liability - THIS *	26,685,084	4,444,813	-	31,129,897	-
	<u>\$ 314,727,704</u>	<u>\$ 93,779,460</u>	<u>\$ 15,063,696</u>	<u>\$ 393,443,468</u>	<u>\$ 14,553,165</u>

\* The General Fund is typically used to liquidate these liabilities.

\*\* The Municipal Retirement/Social Security Fund is used to liquidate this liability.

\*\*\* The beginning balance of Compensated absences has been restated due to the implementation of GASB 101, *Compensated Absences*.

#### Bond Debt Service Requirements

##### General Obligation Limited School Refunding Bonds:

Series 2014B, with original principal amount of \$45,905,000 dated March 31, 2014, with payments being due beginning on February 1, 2019. The bonds were used to (i) advance refund a portion of the District's outstanding General Obligation Limited Tax School Bonds, Series 2010A, and (ii) pay certain costs associated with the issuance of the Bonds. Interest is paid each August 1 and February 1 with interest rates ranging from 2.0 - 5.0 percent. Final payment is due February 1, 2026. In a prior year, a portion of the Series 2014B issuance was advanced refunded. As of June 30, 2025 the all of the defeased bonds have been retired.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 5. Long-Term Obligations (Continued)

##### *Taxable General Obligation Limited School Refunding Bonds:*

Series 2020A, with original principal amount of \$8,415,000 dated May 6, 2020, with payments due on February 1 of each year commencing on February 1, 2026. The bonds were used to (i) advance refund a portion of the District's outstanding General Obligation Limited Tax School Bonds, Series 2014B, and (ii) pay certain costs associated with the issuance of the Bonds. Interest is paid each August 1 and February 1 with interest rates ranging from 2.50 - 2.75 percent. Final payment is due on February 1, 2028.

##### *General Obligation Limited School Bonds:*

Series 2020B, with original principal amount of \$11,435,000 dated May 6, 2020, commencing on February 1, 2030. The bonds were used to (i) conform the District's existing facilities that house students to the building code promulgated by the State Board of Education of the State of Illinois by altering, reconstructing, and repairing said facilities and having equipment purchased and installed therein, and (ii) pay certain costs associated with the issuance of the Bonds. Interest is paid each August 1 and February 1 with interest rates of 5.0 percent. Final payment is due on February 1, 2034.

Series 2022, with original principal amount of \$60,570,000 dated March 3, 2022, with payments beginning on February 1, 2023. The bonds were used to (i) increase the District's working cash fund, (ii) pay capitalized interest on a portion of the Bonds through August 1, 2024, and (iii) pay costs associated with the issuance of the Bonds. Interest is paid each August 1 and February 1 with interest rates ranging from 3.0 percent – 4.0 percent. Final payment is due on February 1, 2036.

##### *General Obligation Alternative Revenue Source School Bonds:*

Series 2020C, with original principal amount of \$63,850,000 dated May 6, 2020, commencing on June 1, 2022. The bonds were used to (i) pay costs of acquisition, development, construction, reconstruction, rehabilitation, improvement, financing, architectural planning, and installation of capital facilities of the District consisting of buildings, structures, and durable equipment and the acquisition and improvement of real property and interest in real property required, or expected to be required, in connection with the capital facilities of the District, including but not limited to fire prevention, safety, energy conservation, accessibility, school security, and specified repair purposes, (ii) pay capitalized interest on a portion of the 2020C Bonds through December 1, 2020, and (iii) pay costs associated with the issuance of the 2020C Bonds. Interest is paid each December 1 and June 1 with interest rates ranging from 4.00 - 5.00 percent. Final payment is due on June 1, 2053.

Series 2023, with original principal amount of \$83,270,000 dated July 11, 2023, commencing on June 1, 2025. The bonds were used to (i) acquire, develop, construct, reconstruct, rehabilitate, improve, finance, architecturally plan, and install District facilities and school sites, and (ii) pay costs associated with the issuance of the 2023 Bonds. Interest is paid each December 1 and June 1 with interest rates ranging from 4.00 - 5.50 percent. Final payment is due on June 1, 2063.

Series 2025, with original principal amount of \$82,740,000 dated April 22, 2025, commencing on June 1, 2027. The bonds were used to (i) acquire, develop, construct, reconstruct, rehabilitate, improve, finance, architecturally plan, and install District facilities and school sites, and (ii) pay costs associated with the issuance of the 2025 Bonds. Interest is paid each December 1 and June 1 with interest rates ranging from 4.625 - 5.500 percent. Final payment is due on June 1, 2063.

Series 2020C, 2023 and 2025 (Alternate Revenue Source) are to be paid from school facility occupation taxes of the Capital Projects Fund. This pledge will remain until June 1, 2062, when the bonds are retired. The amount of the pledge remaining at June 30, 2025, is \$479,645,677.

## Springfield Public School District 186

### Notes to Basic Financial Statements

#### Note 5. Long-Term Obligations (Continued)

A comparison of the pledged revenues collected and the related principal and interest expenditures for fiscal year 2025 is as follows:

Debt Issue	Pledged Revenue Source	Pledged Revenue	Principal and Interest Retired	Percentage of Revenue Pledged
2020C	School facility occupation taxes	\$ 14,430,150	\$ 3,566,500	24.7%
2023	School facility occupation taxes	14,430,150	9,097,338	63.0%
2025	School facility occupation taxes	14,430,150	-	0.0%

#### Lease obligations:

The District entered into a financing lease for real estate during the year ended June 30, 2024. The lease expires August 2030. The monthly rents range from \$10,500 to \$12,540 and include interest at 5.0%.

#### Subscription liabilities:

The District entered into subscription agreements for software during the year ended June 30, 2025. The subscriptions expire in July and August 2028. Annual payments range from \$37,917 to \$663,783 and include interest at 6.50%.

As of June 30, 2025, the future annual debt service requirements on the outstanding general obligation bonds, alternative revenue source general obligation bonds, and lease liabilities are as follows:

Year Ending June 30,	General Obligation Bonds		Alternative Revenue Bonds		Lease liability		Subscription liability		Total
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2026	\$ 6,115,000	\$ 2,826,738	\$ 4,825,000	\$ 11,326,538	\$ 104,101	\$ 29,309	\$ 87,240	\$ 10,257	\$ 25,324,183
2027	6,500,000	2,562,237	2,105,000	10,612,357	113,479	23,891	92,204	12,377	22,021,545
2028	6,725,000	2,691,813	2,235,000	10,507,106	123,505	17,990	98,195	6,383	22,404,992
2029	7,135,000	2,727,950	2,350,000	10,395,357	134,228	11,572	-	-	22,754,107
2030	7,570,000	2,442,550	2,470,000	10,277,857	145,516	4,604	-	-	22,910,527
2031 - 2035	39,380,000	6,948,400	14,295,000	49,412,533	12,488	52	-	-	110,048,473
2036 - 2040	11,255,000	525,300	18,205,000	45,516,658	-	-	-	-	75,501,958
2041 - 2045	-	-	23,105,000	40,614,196	-	-	-	-	63,719,196
2046 - 2050	-	-	29,585,000	34,120,250	-	-	-	-	63,705,250
2051 - 2055	-	-	37,505,000	25,646,350	-	-	-	-	63,151,350
2056 - 2059	-	-	47,790,000	14,535,000	-	-	-	-	62,325,000
2061 - 2063	-	-	29,655,000	2,556,475	-	-	-	-	32,211,475
	<u>\$ 84,680,000</u>	<u>\$ 20,724,988</u>	<u>\$ 214,125,000</u>	<u>\$ 265,520,677</u>	<u>\$ 633,317</u>	<u>\$ 87,418</u>	<u>\$ 277,639</u>	<u>\$ 29,017</u>	<u>\$ 586,078,056</u>

#### Retirement Incentives:

If a certified employee notifies the District by June 30 of an irrevocable intent to retire at the end of the school year four years later, the certified employee shall receive a total increase of 6 percent per year over his or her salary in the previous year for the final years of employment prior to retirement. The liability will be paid by the applicable fund incurring the expenditure.

#### Legal Debt Limitation:

The District's legal debt limitation of \$343,124,128 based on 13.8 percent of the 2024 equalized assessed valuation of \$2,486,406,724, less bonded debt of \$84,680,000 results in a legal debt margin of \$258,444,128 as of June 30, 2025.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments

##### Teachers' Retirement System

**Plan Description.** The District 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>; by writing to TRS at 2815 W. Washington, PO Box 19253, Springfield, IL 62794; or by calling (888) 678-3675, option 2.

**Benefits Provided.** TRS provides retirement, disability, and death benefits. Tier 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.

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 3 percent of the original benefit or one-half percent of the rate of inflation beginning January 1 following attainment of age 67 or on January 1 following the member's first anniversary in retirement, whichever is later.

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

**Contributions.** The state of Illinois maintains the primary responsibility for funding TRS. The Illinois Pension Code, as amended by Public Act 88-0593 and subsequent acts, provides that for years 2010 through 2045, the minimum contribution to the System for each fiscal year shall be an amount determined to be sufficient to bring the total assets of the System up to 90 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 is paid by the District on behalf of employees. The required contributions were \$11,115,594 for the year ended June 30, 2025.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

*On behalf contributions to TRS.* The state of Illinois is legally required to make employer pension contributions on behalf of the District. For the year ended June 30, 2025, the amount of revenue and expense recognized by the District in governmental activities based on the current financial resources measurement basis was based on the state's proportionate share of the net pension liability associated with the District's employees during the measurement period and totaled \$62,638,438. Revenues and expenditures in the amount of \$56,392,251 were recognized in the General Fund for State contributions made on behalf of District employees during June 30, 2025.

*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. Required contributions for the year ended June 30, 2025, were \$716,338 and are reported as a deferred outflow of resources on the Statement of Net Position because they are paid after the June 30, 2024 measurement date.

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

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 \$8,508,464 were paid from federal and special trust funds that required District contributions of \$879,775. These contributions were 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. Additionally, PA 100-0023 requires school districts to pay for a portion of the cost of a member's pension if that member's salary, determined on a full-time equivalent basis, is greater than the governor's statutory salary (currently \$216,000). The amount charged to the employer is the employer normal cost, or 10.34 percent.

For the year ended June 30, 2025, the District paid \$283,397 to TRS for employer contributions due on salary increases in excess of the statutory limit and \$1,229 for member salaries in excess of the governor's statutory salary. 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 District reported a liability for its proportionate share of the net pension liability (first amount shown below) that reflected a reduction for state pension support provided by the State for the District's plan members. The state's support and total are for disclosure purposes only. The amount recognized by the District as its proportionate share of the net pension liability, the related state support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the net pension liability	\$ 9,384,621
State's proportionate share of the net pension liability associated with the District	<u>782,476,167</u>
	<u>\$ 791,860,788</u>

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 6. Retirement Plan Commitments (Continued)**

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 District's proportion of the net pension liability was based on the District's share of contributions to TRS for the measurement year ended June 30, 2024, relative to the contributions of all participating TRS employers and the state during that period. At June 30, 2024, the District's proportion was 0.0109 percent, which was an increase of 0.0002 percent from its proportion measured as of June 30, 2023.

For the year ended June 30, 2025, the employer recognized revenue and expenses of \$62,638,438 in the governmental activities based on the economic resources measurement basis and revenue and expenditures in the amount of \$56,392,251 in the General Fund based on the current financial resources measurement basis.

At June 30, 2025, the employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 35,290	\$ 24,360
Net difference between projected and actual earnings on pension plan investments	-	80,571
Changes of assumptions	129,307	4,979
Changes in proportion and differences between District contributions and proportionate share of contributions	861,106	928,236
Total deferred amounts to be recognized in pension expense in future periods	1,025,703	1,038,146
District contributions subsequent to the measurement date	1,592,040	-
Total deferred amounts related to pensions	\$ 2,617,743	\$ 1,038,146

The District reported \$1,592,040 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date which 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:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (205,873)
2027	158,927
2028	47,013
2029	(37,493)
2030	24,983
	\$ (12,443)

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

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**Note 6. Retirement Plan Commitments (Continued)**

**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:

<b>Actuarial cost method</b>	Entry age
<b>Inflation</b>	2.50 percent
<b>Salary increases</b>	varies by amount of service credit
<b>Investment rate of return</b>	7.00 percent, net of pension plan investment expense, including inflation
<b>Cost-of-living adjustments</b>	Tier I: 3.00 percent compounded Tier II: 1.25 percent not compounded

In the June 30, 2024 actuarial valuation, mortality rates were based on the PubT-2010 Table with appropriate adjustments for TRS experience. The rates are based on a fully generational basis using projection table 2024 Adjusted Scale MP-2021. In the June 30, 2023 actuarial valuation, mortality rates were based on the PubT-2010 White Collar Table with appropriate adjustments for TRS experience. The rates were used 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 weighing 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 %	7.55 %
Private equity	15.0	10.28
Public income	18.0	5.81
Private credit	8.0	9.20
Real Assets	18.0	7.01
Diversifying Strategies	4.0	5.18
	100.0 %	

**Discount Rate.** At June 30, 2024, the discount rate used to measure the total pension liability was 7.00 percent, which was unchanged from 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.

Based on those assumptions, TRS's fiduciary net position was projected to be available to make all projected future benefit payments of 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 projected to be available to make all benefit payments, so a long-term expected rate of return on TRS investments was applied to all periods of projected benefit payments to determine the total pension liability.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

**Sensitivity of the Employer's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease 6.00%	Current Discount Rate 7.00%	1% Increase 8.00%
District's proportionate share of the net pension liability	\$ 11,590,273	\$ 9,384,621	\$ 7,556,235

**Payable to TRS.** As of June 30, 2025, the District reported a payable to TRS in the amount of \$67,038 the amounts remitted to TRS after June 30, 2025.

**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

**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 plan is managed by the Illinois Municipal Retirement Fund (IMRF), the administrator of an agent multi-employer public pension plan. A summary of IMRF's pension benefits is provided in the "Benefits Provided" section below. Detail 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](http://www.imrf.org).

**Benefits Provided.** The District participates in the Regular Plan (RP). Employees hired *before* January 1, 2011, are eligible for Tier 1 benefits. Tier 1 employees are vested for pension benefits when they have at least eight years of qualifying service credit. Tier 1 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 1, 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 2 benefits. For Tier 2 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 2, the pension is increased on January 1 every year after retirement, upon reaching age 67, by the *lesser* of 3 percent of the original pension amount, or 1/2 of the increase in the Consumer Price Index of the original pension amount.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 6. Retirement Plan Commitments (Continued)

**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	1,084
Inactive Plan Members entitled to but not yet receiving benefits	1,188
Active Plan Members	1,047
Total	<u>3,319</u>

**Contributions.** As set by statute, the District's Regular Plan Members are required to contribute 4.5 percent 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 9.41 percent and 9.27 percent, respectively. For the fiscal year ended June 30, 2025, the District contributed \$3,603,034 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.

**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 Market Value of Assets.
- The **Inflation Rate** was assumed to be 2.25 percent.
- **Salary Increases** were expected to be 2.85 percent to 13.75 percent, including inflation.
- The **Investment Rate of Return** was assumed to be 7.25 percent.
- **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.
- For **Non-disabled Retirees**, the Pub-2010, Amount-Weighted, below-median income, General, Retiree, Male (adjusted 108 percent) and Female (adjusted 106.4 percent) 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.

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 6. Retirement Plan Commitments (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 arithmetic and geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Projected Returns / Risk	
		One Year Arithmetic	Ten Year Geometric
Domestic equity	33.5 %	5.70 %	4.35 %
International equity	18.0	7.10	5.40
Fixed income	24.5	5.30	5.20
Real estate	10.5	7.30	6.40
Alternative investments	12.5		
Private equity		10.00	6.25
Commodities		6.05	4.85
Cash equivalents	<u>1.0</u>	3.60	3.60
	<u><u>100.0 %</u></u>		

*Single Discount Rate.* A single discount rate of 7.25 percent was used to measure the total pension liability. 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. The Single Discount Rate reflects:

- The long-term expected rate of return on pension plan investments (7.25 percent) during the period in which the fiduciary net position is projected to be sufficient to pay benefits, and
- The tax-exempt municipal bond rate (4.08 percent) based on an index of 20-year general obligation bonds with an average AA credit rating (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.

IMRF's fiduciary net position as of December 31, 2024 was projected to be available to make all projected future benefit payments of current active and inactive members and all benefit recipients of the plan. For the purpose of the most recent valuation, the expected rate of return on plan investments is not adjusted by the municipal bond rate and the resulting single discount rate of 7.25 percent.

Springfield Public School District 186

Notes to Basic Financial Statements

**Note 6. Retirement Plan Commitments (Continued)**

**Changes in the Net Pension Liability (Asset).** The following table shows the components of the District's annual pension liability and related plan fiduciary net position for the fiscal year ended June 30, 2025:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at beginning of year	\$ 214,076,675	\$ 194,234,826	\$ 19,841,849
Changes for the year:			
Service Cost	3,301,852	-	3,301,852
Interest on the Total Pension Liability	15,168,849	-	15,168,849
Differences Between Expected and Actual Experience of the Total Pension Liability	3,393,352	-	3,393,352
Changes of Assumptions	-	-	-
Contributions - Employer	-	3,469,075	(3,469,075)
Contributions - Employees	-	1,683,912	(1,683,912)
Net Investment Income	-	19,392,311	(19,392,311)
Benefit Payments, including Refunds of Employee Contributions	(13,004,199)	(13,004,199)	-
Other (Net Transfer)	-	(3,232,289)	3,232,289
Net Changes	8,859,854	8,308,810	551,044
Balance at end of year	\$ 222,936,529	\$ 202,543,636	\$ 20,392,893

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate.** The following presents the District's net pension liability, calculated using a single discount rate of 7.25 percent, as well as what the District's net pension liability would be if it were calculated using a single discount rate that is 1 percent lower or 1 percent higher:

	1% Decrease 6.25%	Current Discount Rate 7.25%	1% Increase 8.25%
Net pension liability	\$ 45,130,470	\$ 20,392,893	\$ 207,567

**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 \$8,479,051. 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	\$ 2,306,462	\$ -
Net difference between projected and actual earnings on pension plan investments	4,831,666	-
Changes of assumptions	-	37,336
Total deferred amounts to be recognized in pension expense in future periods	7,138,128	37,336
District contributions subsequent to the measurement date	1,816,367	-
Total deferred amounts related to pensions	\$ 8,954,495	\$ 37,336

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 6. Retirement Plan Commitments (Continued)**

The District reported \$1,816,367 as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date that 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 in future periods as follows:

	Net Deferred Outflows (Inflows) of Resources
Year ended June 30:	
2026	\$ 3,867,624
2027	6,946,862
2028	(2,571,283)
2029	(1,142,411)
	<u>\$ 7,100,792</u>

**Note 7. Post-Employment Benefit Plans Other Than Pensions**

**Retiree Health Plan**

*Plan Description.* The District provides benefits and administers a single employer defined healthcare plan. The Educational support employees who contribute to IMRF are eligible for post-retirement medical coverage. For retirement benefits, the member must have worked at least 8 years and must be at least 55 years old. Certified employees who contribute to TRS are not eligible for post-retirement medical coverage. The Plan does not administer a trust and the benefit, benefit levels, employee contributions and employer contributions are governed by the Board of Education and can be amended by the Board of Education through its personnel manual and union contracts. The plan does not issue a stand alone report.

*Benefits Provided.* The District offers a special retirement subsidy for staff workers who retire after age 55 with 30 years of service or after age 60 with 15 years of service. The subsidy is that the District will pay the full blended premium cost for single coverage. Retirees may elect to cover themselves and their spouses, as long as the spouse had been covered before the employee retired. The retiree must pay the difference between the “Employee plus spouse” rate and the “Employee only” rate. Staff may retire after age 55 with 8 years of service and obtain coverage, but no subsidy is provided in such case.

For the dental plan, benefits for teacher and staff retirees continue as long as COBRA premiums are paid.

*Employees Covered by Benefit Terms.* At June 30, 2025, the following employees were covered by the benefit terms:

Inactive Plan Members currently receiving benefits	48
Active Plan Members	<u>2,036</u>
Total	<u><u>2,084</u></u>

Active plan members include 1,253 TRS employees who are only eligible for dental coverage and 783 IMRF employees who are eligible for both dental and medical coverage. Of the 783 IMRF employees, there were 227 fully eligible for medical benefits because they met the eligibility requirements to receive benefits. An additional 556 IMRF employees have not yet met the eligibility requirement and hence are not fully eligible for benefits.

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

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**Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)**

*Total OPEB Liability.* The District's total OPEB liability was measured as of June 30, 2025 and was determined by an actuarial valuation as of that date.

	<u>Total OPEB Liability</u>
Balances at July 1, 2024	\$ 8,956,844
Changes for the year:	
Service cost	475,223
Interest on the total OPEB liability	335,534
Difference between expected and actual experience of the total OPEB Liability	(245,697)
Changes of assumptions	(904,180)
Benefit payments	<u>(838,152)</u>
Balances at June 30, 2025	<u><u>\$ 7,779,572</u></u>

*Actuarial Assumptions.* The following are the methods and assumptions used to determine total OPEB liability at June 30, 2025.

- The **Actuarial Cost Method** used was Entry Age Normal.
- The **Inflation Rate** was assumed to be 2.00 percent.
- **Salary Increases** were assumed to be 2.00 percent.
- The **Discount Rate** was 5.20 percent.
- The **Healthcare Cost Trend Rates** for medical costs was based on the 2020 Getzen Model, published by the Society of Actuaries, with a rate of 5.10 percent in 2024-2025, trending down to an ultimate rate of 3.50 percent over 50 years. The increase in dental costs is assumed to be 2.00 percent.
- The **Mortality Table** used was the PUB-2010 Teacher's Headcount-weighted mortality base rate projected with scale MP-2021.
- The **Participation Rate** was assumed to be 90.00 percent for active employees eligible to participate in the subsidized medical plan, 5.00 percent for active employees eligible to participate in the non-subsidized medical plan and 1.00 percent for active employees eligible to participate in the non-subsidized dental plan.
- The **Spousal Participation** rate assumed 75.00 percent of current active employees will be married at retirement. Male spouses are assumed to be three years older than female spouses.

Assumptions that changed from the prior year are as follows:

- The discount rate was changed from 3.93 to 5.20 percent to reflect the change in the General Obligation Bond rate for 20-year bonds.

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)**

*Discount Rate.* Since the Plan is financed on a pay-as-you-go basis, a long-term rate of return was not used and the discount rate used to measure the total OPEB liability was 5.20 percent, the 20-Bond General Obligation Index of high grade bonds as of June 30, 2025.

*Sensitivity of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the District's total OPEB liability, calculated using a Discount Rate of 5.20 percent, as well as what the District's total OPEB liability would be if it were calculated using a Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (4.20%)	Current Discount Rate (5.20%)	1% Increase (6.20%)
Total OPEB liability	\$ 8,479,499	\$ 7,779,572	\$ 7,160,599

*Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the Plan's total OPEB liability, calculated using the healthcare cost trend rates as well as what the Plan's total OPEB liability would be if it were calculated using a healthcare cost trend rate that is 1 percentage point higher or lower, than the current healthcare cost trend rates. The key trend rates are 5.10% in 2025 decreasing to an ultimate trend rate of 3.50% over fifty years.

	1% Decrease	Healthcare Cost Trend Rates Assumption	1% Increase
Total OPEB liability	\$ 7,034,948	\$ 7,779,572	\$ 8,657,201

*OPEB Expense, Deferred Outflows of Resources, and Deferred Inflows of Resources Related to OPEB.* For the year ended June 30, 2025, the District recognized OPEB expense of \$1,272,915. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 2,838,218	\$ 396,712
Changes of assumptions	245,502	1,459,245
Total deferred amounts to be recognized in expense in future periods	<u>\$ 3,083,720</u>	<u>\$ 1,855,957</u>

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense in future periods as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ 293,089
2027	248,654
2028	244,148
2029	184,271
Thereafter	257,601
	<hr/> <hr/>
	\$ 1,227,763

#### Teachers' Health Insurance Security Fund

*Plan Description.* The District participates in the Teachers' Health Insurance Security Fund (THIS) of the State of Illinois. THIS is a cost-sharing multiple-employer defined benefit post-employment healthcare plan (OPEB) established by the Illinois legislature for the benefit of eligible retired Illinois public school teachers employed outside the city of Chicago (members). All District employees receiving monthly benefits from the Teachers' Retirement System (TRS) who have at least eight years of creditable service with TRS, the survivor of an annuitant or benefit recipient who had at least eight years of creditable service or a recipient of a monthly disability benefit are eligible to enroll in THIS.

The State Employees Group Insurance Act of 1971 (5 ILCS 375) outlines the benefit provisions of the THIS Plan 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. The publicly available financial report of the Plan may be found on the website of the Illinois Auditor General. The current reports are listed under "Central Management Services" (<http://www.auditor.illinois.gov/Audit-Reports/CMS-THISF.asp>).

*Benefits Provided.* THIS provides medical, prescription, and behavioral health benefits for eligible retirees and their dependents, but it does not provide vision, dental, or life insurance benefits to annuitants of the Teachers' Retirement System (TRS). Annuitants not enrolled in Medicare may participate in the state-administered participating provider option plan or choose from several managed care options. Annuitants who are enrolled in Medicare Parts A and B may be eligible to enroll in a Medicare Advantage plan. The premiums charged reflect approximately a 75 percent subsidy for members that elect a managed care plan or elect the Teachers' Choice Health Plan (TCHP) plan if a managed care plan is either not available or only partially available. Members receive approximately a 50 percent subsidy if they elect the TCHP when a managed care plan is available. Medicare primary dependent beneficiaries enrolled in a managed care plan or in the TCHP when no managed care plan is available receive a premium subsidy.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)

*Contributions.* The State Employees Group Insurance Act of 1971 (5 ILCS 375/6) specifies the contribution requirements of the participating school districts and covered employees. For the year ended June 30, 2025, required contributions are as follows:

- Active members contribute 0.90 percent of covered payroll.
- Employers contribute 0.67 percent of covered payroll. 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. For the year ended June 30, 2025, the District paid \$827,494 to the THIS Fund, which was 100 percent of the required contribution. This amount is deferred because they were paid after the measurement date of June 30, 2024.
- The State of Illinois makes contributions on behalf of the District. State contributions are intended to match contributions to the THIS Fund from active members. The State contributed 0.90 percent of covered payroll. For the year ended June 30, 2025, State of Illinois contributions on behalf of the District's employees were \$1,111,559 and the District recognized revenue and expenditures for this on-behalf contribution amount during the year in the General Fund based on the current financial resources measurement basis. In the governmental activities, the District recognized a decrease to revenue and expense in the amount of \$14,167,762 based on the economic resources measurement basis.
- Retired members contribute through premium payments based on the coverage elected, Medicare eligibility, and the age of the member and dependents. The premium for retired members is not permitted to increase by more than 5.0 percent per year by statute. The Federal Government provides a Medicare Part D subsidy.

*OPEB Liabilities, Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources.*

At June 30, 2025, the District reported a liability for its proportionate share of the collective total OPEB liability that reflected a reduction for state pension support provided by the State for the District's plan members. The state's support and total are for disclosure purposes only. The OPEB proportionate shares are as follows:

District's proportionate share of the total OPEB liability	\$ 31,129,897
The State's proportionate share of the total OPEB liability associated with the District	42,275,780
Total THIS OPEB liability associated with the District	<u>\$ 73,405,677</u>

The collective total OPEB liability was measured as of June 30, 2024, and was based on an actuarial valuation as June 30, 2023, rolled forward to June 30, 2024. The District's proportionate share of the total OPEB liability was based on the District's share of contributions to THIS for the measurement year ended June 30, 2024, relative to the contributions of all participating employers and the State during that period. At June 30, 2024, the District's proportion was 0.394 percent, which was an increase of 0.020 from its proportion measured as of June 30, 2023.

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)**

For the year ended June 30, 2025, the District recognized the following for OPEB expense/expenditure and revenue pertaining to the District's employees:

	Governmental Activities	General Fund
OPEB support - State - OPEB revenue and expense/expenditure	\$ (14,167,761)	\$ 1,111,559
District OPEB expense/expenditure	(10,130,160)	827,494
Total OPEB expense/expenditure	<u>\$ (24,297,921)</u>	<u>\$ 1,939,053</u>

At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 859,007	\$ 13,120,570
Changes in proportion and differences between District contributions and proportionate share of contributions	20,086,885	16,226,175
Net difference between projected and actual investment earnings	8,137	25,037
Changes of assumptions	940,831	44,730,943
Total deferred amounts to be recognized in expense in future periods	<u>21,894,860</u>	<u>74,102,725</u>
District contributions subsequent to the measurement date	827,494	-
	<u>\$ 22,722,354</u>	<u>\$ 74,102,725</u>

The District reported \$827,494 as deferred outflows of resources resulting from District contributions subsequent to the measurement date that will be recognized as a reduction of the collective total OPEB liability in the year ending June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources will be recognized in expense as follows:

Year ended June 30:	Net Deferred Outflows (Inflows) of Resources
2026	\$ (11,324,522)
2027	(10,959,614)
2028	(10,818,816)
2029	(9,964,924)
2030	(7,693,801)
Thereafter	<u>(1,446,188)</u>
	<u>\$ (52,207,865)</u>

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)

*Actuarial assumptions.* The total OPEB liability was determined by an actuarial valuation as of June 30, 2023 and rolled forward to June 30, 2024, based on the entry age normal cost method and using the following actuarial assumptions:

Discount rate	3.97% at June 30, 2024
Inflation	2.25%
Salary increases	Depends on service and ranges from 8.50% at 1 year of service to 3.50% at 20 or more years of service.
Investment rate of return	2.75 percent, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	Actual trend used for fiscal year 2025. For fiscal years on and after 2026, trend starts at 8.00 percent for non-Medicare costs and gradually decreases to an ultimate trend of 4.25 percent in 2041; trend rates start at 15.00 percent for Medicare Advantage Prescription Drug Plan (MAPD) costs and gradually decreases to an ultimate trend rate of 4.25 percent in 2041.
Mortality	Mortality rates for retirement and beneficiary annuitants were based on the PubT-2010 Retiree Mortality Table, adjusted for TRS experience. For disabled annuitants, mortality rates were based on the PubNS-2010 Non-safety Disabled Retiree Table. Mortality rates for pre-retirement were based on the PubT-2010 Retiree Employee Table. All tables reflect future mortality improvements using Projection Scale MP-2020.
Participation	Eighty percent of future retirees that are currently active are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Thirty-five percent of current deferred vested participants with at least seven years of service and younger than age 70 as of June 30, 2022, are assumed to elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. Ten percent of current deferred vested participants with five to seven years of service and younger than age 70 as of June 30, 2022, are assumed to be eligible under State Employees' Group Insurance Program (SEGIP) or Teachers' Retirement Insurance Program (TRIP) before retirement and elect healthcare coverage, with 80 percent electing single coverage and 20 percent electing two-person coverage. The liability for this group is allocated equally to TRIP and SEGIP.

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 OPEB-related assumption changes were made since the last actuarial valuation as of June 30, 2023:

- The discount rate was changed from 3.86 percent at June 30, 2023 to 3.97 percent at June 30, 2024;
- 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;
- 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 long-term expected rate of return assumption was set to zero. As such, ranges of expected future real rates of return by asset class were not developed.

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

**Note 7. Post-Employment Benefit Plans Other Than Pensions (Continued)**

*Discount Rate.* Since THIS is financed on a pay-as-you-go basis, a long-term rate of return was not used, and the discount rate used to measure the total OPEB liability was the 20-year general obligation bond index rate (source was Fidelity Index’s 20-year municipal GO AA Index). The discount rate as of June 30, 2024, was 3.97 percent, which was a decrease from the June 30, 2023, rate of 3.86 percent. The projection of cash flows used to determine the discount rate assumed that employee, employer, and State contributions would be made at the current statutorily required rates. Based on those assumptions, THIS’s fiduciary net position was not projected to be sufficient to make projected OPEB payments for current active and inactive employees beyond the current year.

*Sensitivity of the District’s Proportionate Share of the Total OPEB Liability to Changes in the Discount Rate.* The following presents the District’s total OPEB liability, calculated using a Discount Rate of 3.97 percent, as well as what the District’s total OPEB liability would be if it were calculated using a Discount rate that is one percentage point higher or lower than the current rate:

	1% Decrease (2.97%)	Current Discount Rate (3.97%)	1% Increase (4.97%)
District’s proportionate share of the total OPEB liability	\$ 34,740,942	\$ 31,129,897	\$ 27,946,589

*Sensitivity of Total OPEB Liability to Changes in the Healthcare Cost Trend Rate.* The following presents the District’s total OPEB liability, calculated using the healthcare cost trend rates as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost trend rate that is one percentage point higher or lower, than the current healthcare cost trend rates.

	1% Decrease(a)	Healthcare Cost Trend Rates Assumption	1% Increase(b)
District’s proportionate share of the total OPEB liability	\$ 26,802,803	\$ 31,129,897	\$ 36,278,891

(a) One percentage point decrease in healthcare trend rates are 7.00 percent in plan year end 2026 for non-Medicare costs, decreasing to an ultimate trend rate of 3.25 percent in plan year end 2041; and 14.00 percent for MAPD costs decreasing to an ultimate trend rate of 3.25 percent in 2041.

(b) One percentage point decrease in healthcare trend rates are 9.00 percent in plan year end 2026 for non-Medicare costs, decreasing to an ultimate trend rate of 5.25 percent in plan year end 2041; and 16.00 percent for MAPD costs decreasing to an ultimate trend rate of 5.25 percent in 2041.

*OPEB plan fiduciary net position.* Detailed information about the THIS plan fiduciary net position is available in the separately issued THIS financial report.

*Payable to the OPEB plan.* The District had \$10,999 payable to the THIS plan for contributions remitted after June 30, 2025.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 8. Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District carries commercial insurance for these risks associated with its operations. For these programs, there have been no significant reductions in insurance coverage from the prior year. Settlement amounts have not exceeded insurance coverage for the three prior years.

The District is self-insured for health and prescription drug benefit programs which are available to all full-time employees. The District is also self-insured for workers' compensation exposure. The total claims payable presented in the Statement of Net Position for these programs is \$8,769,231.

*Medical and Dental Coverage.* Stop-loss insurance has been obtained by the District to limit the District's liability for individual claims. The stop-loss coverage limit as of the year ended June 30, 2025, was \$250,000 for individual claims. All claim handling procedures are performed by an independent claims administrator.

All known claims and a portion of estimated claims incurred but not reported, which are based on historical cost information, have been accrued as a liability in the Internal Service Fund. The change in the claims activities consisted of the following:

	2025	2024
Claims payable, beginning of year	\$ 3,600,710	\$ 5,094,197
Claims incurred and changes in accrual	32,307,784	32,687,158
Claim payments	(32,395,337)	(34,180,645)
	<hr/>	<hr/>
Claims payable, end of year	\$ 3,513,157	\$ 3,600,710

*Workers' Compensation.* The District is self-insured up to a stop loss of \$500,000 per occurrence with statutory coverage in excess of this amount. In addition, the District has aggregate excess coverage of \$1,000,000. The District utilizes an independent claims administrator to handle claims. The District has purchased excess insurance to limit its liability associated with workers' compensation claims.

All known claims and estimated claims incurred but not reported, which are based on historical cost information, have been accrued as a liability in the Statement of Net Position. The change in claims activities consisted of the following:

	2025	2024
Claims payable, beginning of year	\$ 4,690,128	\$ 3,552,872
Claims incurred and changes in accrual	1,506,823	2,385,835
Claim payments	(940,877)	(1,248,579)
	<hr/>	<hr/>
Claims payable, end of year	\$ 5,256,074	\$ 4,690,128

**Springfield Public School District 186**

**Notes to Basic Financial Statements**

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**Note 9. Contingencies and Commitments**

The District is a defendant in various lawsuits. Although the outcome of these proceedings is not presently determinable, in the opinion of the District’s management through consultation with legal counsel, the resolution of these matters does not impose a material commitment of the District’s net position at June 30, 2025.

At June 30, 2025, the District had approximately \$100.5 million in outstanding construction project commitments. The projects are comprised of work to be done at various District campuses and will be paid from the Capital Projects and Fire Prevention and Life Safety Fund.

**Note 10. Other Financial Disclosures (FFS Level Only)**

Excess expenditures over budget

The Debt Service Fund overexpended its budget by \$1,236,658 for the year ended June 30, 2025 due to bond issuance costs on the General Obligation Bonds (Alternative Revenue Source), Series 2025. The Municipal Retirement/Social Security Fund overexpended its budget by \$149,211 for the year ended June 30, 2025

Transfer to/from other funds

During the year ended June 30, 2025, the Capital Projects Fund transferred \$13,587,497 to the Debt Service Fund for payments of principal, interest, and bond issuance costs on the alternate revenue source bonds.

Due to/from other funds

Interfund balances are short-term in nature and will be paid within the next year. The composition of interfund balances as of the June 30, 2025, are as follows:

Receivable Fund	Payable Fund					Total
	General	Transportation	Capital Projects	Nonmajor	Internal Service	
General	\$ -	\$ 1,250,000	\$ 230,058	\$ 3,718,327	\$ 11,489,879	\$ 16,688,264
Transportation	2,061,023	-	-	-	1,000,000	3,061,023
Capital Projects	6,671,562	-	-	4,322,071	-	10,993,633
Nonmajor	1,179,912	-	-	-	-	1,179,912
<b>Total</b>	<b>\$ 9,912,497</b>	<b>\$ 1,250,000</b>	<b>\$ 230,058</b>	<b>\$ 8,040,398</b>	<b>\$ 12,489,879</b>	<b>\$ 31,922,832</b>

**Note 11. Related Party**

Springfield Ball Charter School (Ball Charter) is a charter school created in 1998. The Board of Education appoints two community members and one District staff to Ball Charter’s Board of Directors. During fiscal year 2025, the District charged Ball Charter \$1,208,922 for services and for invoices which were initially paid by the District to be reimbursed by Ball Charter, including \$1,066,816 for space leased by the District to Ball Charter. The District paid \$14,587 for per capita tuition charges for 396 students enrolled at Ball Charter.

## Springfield Public School District 186

### Notes to Basic Financial Statements

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#### Note 12. Pronouncements Issued But Not Yet Adopted

The following is a description of the GASB authoritative pronouncements which have been issued but not yet adopted by the District. Management of the District is still in the process of determining what effect, if any, the below statements will have on the basic financial statements and related disclosures.

GASB Statement No. 103, *Financial Reporting Model Improvements* will improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The statement will be effective for the District with its year ending June 30, 2026.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* will improve financial reporting by providing issues of financial statements with essential information about certain types of capital assets in order to make informed decisions and assess accountability. Additionally, the disclosure requirements will improve consistency and comparability between governments. This statement also addresses certain application issues. The statement will be effective for the District with its year ending June 30, 2026.

#### Note 13. Restatement

As of July 1, 2024, the District adopted GASB Statement No. 101, *Compensated Absences*, the objective of this statement is to better meet the needs of the financial statement users by improving accounting and financial reporting for compensated absences by governments.

	Governmental Activities		
	Compensated Absences		Net Position
	Current	Noncurrent	
June 30, 2024 as originally stated	\$ 179,509	\$ 1,615,584	\$ 54,278,191
Implementation of GASB 101	(38,163)	(343,471)	381,634
June 30, 2024 as restated	\$ 141,346	\$ 1,272,113	\$ 54,659,825

## **Required Supplementary Information**

Springfield Public School District 186

Schedule of the District's Proportionate Share of the Net Pension Liability  
Teachers' Retirement System

For the fiscal year ending June 30, *	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.0109%	0.0107%	0.0116%	0.0096%	0.0116%	0.0120%	0.0128%	0.0524%	0.0677%	0.0690%
District's proportionate share of the net pension liability	\$ 9,384,621	\$ 9,118,387	\$ 9,689,366	\$ 7,508,897	\$ 9,985,438	\$ 9,721,509	\$ 9,981,755	\$ 40,038,603	\$ 53,430,708	\$ 45,476,778
State's proportionate share of the net pension liability associated with the District	782,476,167	786,921,511	840,488,307	629,325,397	782,111,394	691,869,219	683,792,036	660,506,596	680,914,362	549,200,242
Total	<u>\$ 791,860,788</u>	<u>\$ 796,039,898</u>	<u>\$ 850,177,673</u>	<u>\$ 636,834,294</u>	<u>\$ 792,096,832</u>	<u>\$ 701,590,728</u>	<u>\$ 693,773,791</u>	<u>\$ 700,545,199</u>	<u>\$ 734,345,070</u>	<u>\$ 594,677,020</u>
District's covered payroll	\$ 117,574,390	\$ 110,050,235	\$ 106,826,423	\$ 100,521,029	\$ 97,353,017	\$ 93,513,927	\$ 91,648,163	\$ 89,197,137	\$ 85,937,561	\$ 84,503,553
District's proportionate share of the net pension liability as a percentage of its covered payroll	8.0%	8.3%	9.1%	7.5%	10.3%	10.4%	10.9%	44.9%	62.2%	53.8%
Plan fiduciary net position as a percentage of the total pension liability	45.4%	43.9%	42.8%	45.2%	37.8%	39.6%	40.0%	39.3%	36.4%	41.5%

Notes to Schedule

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

**Springfield Public School District 186**

**Schedule of District Contributions  
Teachers' Retirement System**

<b>For the fiscal year ending June 30,</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Contractually-required contribution	\$ 1,596,113	\$ 2,130,880	\$ 2,005,698	\$ 2,420,225	\$ 1,465,878	\$ 1,439,058	\$ 1,313,663	\$ 934,809	\$ 2,131,202	\$ 2,646,290
Contributions in relation to the contractually-required contribution	1,592,040	2,011,135	2,004,266	1,998,574	1,274,004	1,461,839	1,347,558	1,040,977	2,160,561	2,646,290
Contribution deficiency (excess)	\$ 4,073	\$ 119,745	\$ 1,432	\$ 421,651	\$ 191,874	\$ (22,781)	\$ (33,895)	\$ (106,168)	\$ (29,359)	\$ -
District's covered payroll	\$ 123,506,602	\$ 117,574,390	\$ 110,050,235	\$ 106,826,423	\$ 100,521,029	\$ 97,353,017	\$ 93,513,927	\$ 91,648,163	\$ 89,197,137	\$ 85,937,561
Contributions as a percentage covered payroll	1.29%	1.71%	1.82%	1.87%	1.27%	1.50%	1.44%	1.14%	2.42%	3.08%

**Notes to Schedule**

*Changes of Assumptions*

For the 2024 measurement year, the assumed rate of return was 7.00 percent, including an inflation rate of 2.50 percent and 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 August 16, 2024.

For the 2023-2022 and 2020-2016 measurement years, the assumed investment rate of return was 7.00 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. The assumptions used for the 2020-2018 and 2017-2016 measurement years were based on an experience study dated September 18, 2018 and August 13, 2015, respectively.

\* For the 2021 measurement year, the assumed investment rate of return was 7.00 percent, including an inflation rate of 2.25 percent and a real return of 4.75 percent.

Springfield Public School District 186

Schedule of Changes in the Net Pension (Asset) Liability and Related Ratios  
Illinois Municipal Retirement Fund

Calendar Year Ended December 31,	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Total Pension Liability										
Service Cost	\$ 3,301,852	\$ 3,305,642	\$ 3,081,912	\$ 2,940,684	\$ 3,000,952	\$ 3,055,681	\$ 2,854,053	\$ 2,940,847	\$ 3,083,821	\$ 2,925,527
Interest on the Total Pension Liability	15,168,849	14,745,501	14,210,682	13,660,437	13,204,430	12,832,725	12,488,959	12,240,655	12,015,048	11,520,256
Differences Between Expected and Actual Experience of the Total Pension Liability	3,393,352	736,269	2,363,543	2,805,641	3,256,530	263,699	563,018	3,215,135	(2,948,635)	878,047
Changes of Assumptions	-	(118,516)	-	-	(1,621,983)	-	4,798,727	(5,373,769)	(568,545)	189,237
Benefit Payments, including Refunds of Employee Contributions	(13,004,199)	(12,651,246)	(12,131,135)	(11,644,444)	(11,395,647)	(10,599,888)	(10,043,948)	(9,293,559)	(8,997,400)	(8,527,256)
Net Change in Total Pension Liability	8,859,854	6,017,650	7,525,002	7,762,318	6,444,282	5,552,217	10,660,809	3,729,309	2,584,289	6,985,811
Total Pension Liability - Beginning	214,076,675	208,059,025	200,534,023	192,771,705	186,327,423	180,775,206	170,114,397	166,385,088	163,800,799	156,814,988
Total Pension Liability - Ending	\$ 222,936,529	\$ 214,076,675	\$ 208,059,025	\$ 200,534,023	\$ 192,771,705	\$ 186,327,423	\$ 180,775,206	\$ 170,114,397	\$ 166,385,088	\$ 163,800,799
Plan Fiduciary Net Position										
Contributions - Employer	\$ 3,469,075	\$ 3,174,588	\$ 3,673,061	\$ 3,910,230	\$ 3,869,000	\$ 3,088,217	\$ 3,548,231	\$ 3,613,904	\$ 3,499,860	\$ 3,524,957
Contributions - Employees	1,683,912	1,650,595	1,561,895	1,432,457	1,395,506	1,325,213	1,337,790	1,285,387	1,207,734	1,275,826
Net Investment Income	19,392,311	19,930,677	(28,489,353)	32,711,862	24,870,725	28,419,426	(9,408,156)	25,651,295	9,443,208	692,045
Benefit Payments, including Refunds of Employee Contributions	(13,004,199)	(12,651,246)	(12,131,135)	(11,644,444)	(11,395,647)	(10,599,888)	(10,043,948)	(9,293,559)	(8,997,400)	(8,527,256)
Other (Net Transfer)	(3,232,289)	3,708,112	(1,982,445)	(698,680)	(142,270)	346,684	1,962,991	(3,202,753)	536,786	522,514
Net Change in Plan Fiduciary Net Position	8,308,810	15,812,726	(37,367,977)	25,711,425	18,597,314	22,579,652	(12,603,092)	18,054,274	5,690,188	(2,511,914)
Plan Fiduciary Net Position - Beginning	194,234,826	178,422,100	215,790,077	190,078,652	171,481,338	148,901,686	161,504,778	143,450,504	137,760,316	140,272,230
Plan Fiduciary Net Position - Ending	\$ 202,543,636	\$ 194,234,826	\$ 178,422,100	\$ 215,790,077	\$ 190,078,652	\$ 171,481,338	\$ 148,901,686	\$ 161,504,778	\$ 143,450,504	\$ 137,760,316
Net Pension (Asset) Liability	\$ 20,392,893	\$ 19,841,849	\$ 29,636,925	\$ (15,256,054)	\$ 2,693,053	\$ 14,846,085	\$ 31,873,520	\$ 8,609,619	\$ 22,934,584	\$ 26,040,483
Plan Fiduciary Net Position as a Percentage of the Total Pension (Asset) Liability	90.85%	90.73%	85.76%	107.61%	98.60%	92.03%	82.37%	94.94%	86.22%	84.10%
Covered Payroll	\$ 37,422,605	\$ 35,674,971	\$ 34,561,165	\$ 31,424,751	\$ 30,262,481	\$ 28,970,140	\$ 28,847,883	\$ 28,231,038	\$ 26,337,376	\$ 27,126,701
Net Pension (Asset) Liability as a Percentage of Covered Payroll	54.49%	55.62%	85.75%	-48.55%	8.90%	51.25%	110.49%	30.50%	87.08%	96.00%

**Springfield Public School District 186**

**Schedule of District Contributions  
Illinois Municipal Retirement Fund**

Fiscal Year Ended June 30,	Actuarially Determined Contribution	Actual Contribution	Contribution Deficiency (Excess)	Covered Payroll	Actual Contribution as a Percentage of Covered Payroll
2025	\$ 3,603,034	\$ 3,603,034	-	\$ 38,576,156	9.34%
2024	3,278,130	3,278,130	-	36,732,498	8.92%
2023	3,320,226	3,320,226	-	34,623,086	9.59%
2022	3,833,820	3,868,666	(34,846)	33,434,281	11.57%
2021	3,849,388	3,869,000	(19,612)	30,262,481	12.78%
2020	3,088,217	3,088,217	-	28,970,140	10.66%
2019	3,548,290	3,548,231	59	28,847,883	12.30%
2018	3,591,458	3,591,458	-	28,652,436	12.53%
2017	3,610,721	3,610,721	-	27,569,448	13.10%
2016	3,524,926	3,524,926	-	26,890,293	13.11%

**Notes to Schedule:**

*Summary of Actuarial Methods and Assumptions Used in the Calculation of the 2024 Contribution Rate\**

**Valuation Date:**

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.

**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 percent corridor  
 Wage Growth: 2.75 percent  
 Price Inflation: 2.25 percent  
 Salary Increases: 2.75 percent to 13.75 percent, including inflation  
 Investment Rate of Return: 7.25 percent  
 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 retirees, 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 during the year.

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

Springfield Public School District 186

Schedule of Changes in the Total OPEB Liability and Related Ratios  
District OPEB Plan

For fiscal year ended June 30,	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB Liability								
Service cost	\$ 475,223	\$ 373,414	\$ 315,683	\$ 372,597	\$ 305,792	\$ 326,647	\$ 265,988	\$ 401,424
Interest on the total OPEB liability	335,534	241,724	255,699	140,688	141,907	235,600	237,592	268,135
Differences between expected and actual experience of the total OPEB liability	(245,697)	2,308,260	(183,759)	1,786,831	(148,918)	380,332	670,943	(346,709)
Changes of assumptions	(904,180)	(210,391)	(63,835)	(807,748)	659,476	-	430,922	-
Benefit payments, including refunds of employee contributions	(838,152)	(757,439)	(1,091,311)	(595,538)	(709,042)	(743,889)	(1,007,491)	(798,679)
Net change in total OPEB liability	(1,177,272)	1,955,568	(767,523)	896,830	249,215	198,690	597,954	(475,829)
Total OPEB liability - beginning	8,956,844	7,001,276	7,768,799	6,871,969	6,622,754	6,424,064	5,826,110	6,301,939
Total OPEB liability - ending	\$ 7,779,572	\$ 8,956,844	\$ 7,001,276	\$ 7,768,799	\$ 6,871,969	\$ 6,622,754	\$ 6,424,064	\$ 5,826,110
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered employee payroll	\$ 27,693,708	\$ 27,693,708	\$ 24,764,634	\$ 24,764,634	\$ 22,170,356	\$ 19,700,471	\$ 19,027,985	\$ 19,027,985
Total OPEB liability as a percentage of covered payroll	28.09%	32.34%	28.27%	31.37%	31.00%	33.62%	33.76%	30.62%
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

**Notes to Schedule:**

*Changes of benefit assumptions.* Changes of assumptions reflect the effects of changes in the discount rate, among other assumptions. The following are the discount rates used in each period.

- 2025 - 5.20%
- 2024 - 3.93%
- 2023 - 3.65%
- 2022 - 3.54%
- 2021 - 2.14%
- 2020 - 2.21%
- 2019 - 3.49%
- 2018 - 3.90%

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.

Springfield Public School District 186

Schedule of the District's Proportionate Share of the Collective Total OPEB Liability  
Teachers' Health Insurance Security Fund

For the fiscal year ending June 30, *	2025	2024	2023	2022	2021	2020	2019	2018
District's proportion of the collective total OPEB liability	0.393524%	0.374404%	0.405764%	0.332559%	0.385375%	0.380183%	0.386553%	0.388836%
District's proportionate share of the collective total OPEB liability	\$ 31,129,897	\$ 26,685,084	\$ 27,773,320	\$ 73,347,091	\$ 103,033,399	\$ 105,224,864	\$ 101,840,670	\$ 100,901,331
The State's proportionate share of the collective total OPEB liability associated with the employer	42,275,780	36,086,711	37,782,876	99,447,951	139,582,196	142,487,840	136,750,099	132,508,565
Total	<u>\$ 73,405,677</u>	<u>\$ 62,771,795</u>	<u>\$ 65,556,196</u>	<u>\$ 172,795,042</u>	<u>\$ 242,615,595</u>	<u>\$ 247,712,704</u>	<u>\$ 238,590,769</u>	<u>\$ 233,409,896</u>
Employer's covered payroll	\$ 117,574,390	\$ 110,050,235	\$ 106,826,423	\$ 100,521,029	\$ 97,353,017	\$ 93,513,927	\$ 91,648,163	\$ 89,197,137
Collective total OPEB liability as a percentage of the employer's covered payroll	26.5%	24.2%	26.0%	73.0%	105.8%	112.5%	111.1%	113.1%
Plan fiduciary net position as a percentage of the total OPEB liability	7.43%	6.21%	5.24%	0.67%	0.70%	0.22%	0.07%	0.17%

**Note to Schedule**

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

Changes of benefit assumptions: Changes of assumptions are as follows.

- The following are discount rates used in each period.

- 2025 - 3.97%
- 2024 - 3.86%
- 2023 - 3.69%
- 2022 - 1.90%
- 2021 - 2.45%
- 2020 - 3.13%
- 2019 - 3.62%
- 2018 - 3.56%

- The healthcare trend assumption was updated each year based on claim and enrollment experience, projected plan cost for the applicable plan year, premium changes through the applicable plan year, and expectation of future trend increases.

- With the repeal of the Excise Tax during 2021, the excise trend rate adjustment was removed. Prior to 2021, the excise trend rate adjustment was updated based on available premium and enrollment information for the applicable plan year.

- Per capita claim costs were updated based on projected claims and enrollment experience for the applicable plan year and updated premium rates for the applicable plan year

- Healthcare plan participation rates by plan were updated based on observed experience

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.

Springfield Public School District 186

Schedule of District Contributions  
Teachers' Health Insurance Security Fund

For the fiscal year ending June 30,	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Statutorily-required contribution	\$ 827,494	\$ 787,748	\$ 737,337	\$ 794,152	\$ 924,793	\$ 895,648	\$ 860,328	\$ 806,503	\$ 749,256	\$ 687,500
Contributions in relation to the statutorily-required contribution	827,494	787,748	737,337	794,152	924,793	895,648	860,328	806,503	749,256	687,500
Contribution (excess) deficiency	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered payroll	\$ 123,506,602	\$ 117,574,390	\$ 110,050,235	\$ 106,826,423	\$ 100,521,029	\$ 97,353,017	\$ 93,513,927	\$ 91,648,163	\$ 89,197,137	\$ 85,937,561

Contributions are determined by State statute and actuarially determined contributions are not developed. Benefits are financed on a pay-as-you-go basis, based on those statutorily determined rates. The rates for each year are as follows:

Contributions as a percentage of covered payroll	0.67%	0.67%	0.67%	0.74%	0.92%	0.92%	0.92%	0.88%	0.84%	0.76%
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Springfield Public School District 186

Schedule of Revenues, Expenditures and Changes in Fund Balance -  
 Budget and Actual  
 General Fund - Budgetary Basis  
 Year Ended June 30, 2025

	General Fund			
	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 107,965,046	\$ 108,017,496	\$ 107,698,309	\$ (319,187)
Corporate personal property replacement taxes	11,387,782	11,387,782	7,290,933	(4,096,849)
Charges for services	6,323,100	6,335,600	5,869,996	(465,604)
Unrestricted state aid	52,007,382	52,007,382	52,392,435	385,053
Restricted state aid	8,792,398	9,044,396	8,459,224	(585,172)
Restricted federal aid	29,848,420	48,293,177	47,165,423	(1,127,754)
Other	25,000	25,000	111,011	86,011
Interest	862,520	1,065,020	1,365,771	300,751
On-behalf payments made by state	60,401,826	58,096,134	57,503,810	(592,324)
<b>Total revenues</b>	<b>277,613,474</b>	<b>294,271,987</b>	<b>287,856,912</b>	<b>(6,415,075)</b>
<b>Expenditures:</b>				
<b>Current:</b>				
<b>Instruction:</b>				
Regular programs	80,412,542	86,499,753	82,906,437	3,593,316
Special programs	39,058,128	37,178,752	36,948,042	230,710
Other instructional programs	13,412,273	19,275,417	19,617,662	(342,245)
<b>Support services:</b>				
Pupils	19,818,063	20,172,243	20,206,854	(34,611)
Instructional staff	9,140,340	11,573,791	11,265,766	308,025
General administration	10,101,122	10,389,862	10,341,647	48,215
School administration	12,923,749	13,134,314	12,941,332	192,982
Business	13,241,558	13,727,490	12,819,809	907,681
Transportation	984,955	2,389,610	2,875,456	(485,846)
Operations and maintenance	20,107,856	23,982,660	23,088,314	894,346
Central	4,582,495	4,515,225	4,522,035	(6,810)
Other support services	158,000	178,519	209,620	(31,101)
Community services	6,445,759	6,833,389	6,111,327	722,062
On-behalf payments made by state	60,401,826	58,096,134	57,503,810	592,324
Payments to other governments	6,961,846	7,038,201	7,028,286	9,915
Provision for contingencies	653,000	53,000	-	53,000
Capital outlay	695,500	2,126,486	1,669,180	457,306
<b>Debt service:</b>				
Principal payments	-	-	758,977	(758,977)
Interest and other charges	-	-	110,179	(110,179)
<b>Total expenditures</b>	<b>299,099,012</b>	<b>317,164,846</b>	<b>310,924,733</b>	<b>6,240,113</b>
Deficiency of revenues over expenditures	(21,485,538)	(22,892,859)	(23,067,821)	(174,962)
<b>Other financing sources:</b>				
Subscription proceeds	-	-	941,422	941,422
<b>Change in fund balance</b>	<b>\$ (21,485,538)</b>	<b>\$ (22,892,859)</b>	<b>(22,126,399)</b>	<b>\$ 766,460</b>
<b>Fund balance:</b>				
July 1, 2024			60,860,227	
June 30, 2025			<u>\$ 38,733,828</u>	

**Springfield Public School District 186**

**Schedule of Revenues, Expenditures and Changes in Fund Balance -  
Budget and Actual  
Transportation Fund - Budgetary Basis  
Year Ended June 30, 2025**

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 6,396,038	\$ 6,396,390	\$ 6,364,910	\$ (31,480)
Corporate personal property replacement taxes	1,000,000	1,000,000	1,000,000	-
Restricted state aid	8,081,222	7,338,447	7,338,448	1
Interest	125,000	125,000	102,867	(22,133)
<b>Total revenues</b>	<u>15,602,260</u>	<u>14,859,837</u>	<u>14,806,225</u>	<u>(53,612)</u>
<b>Expenditures:</b>				
Current:				
Support services:				
Transportation	<u>16,536,490</u>	<u>16,239,441</u>	<u>15,939,693</u>	<u>299,748</u>
<b>Change in fund balance</b>	<u>\$ (934,230)</u>	<u>\$ (1,379,604)</u>	<u>(1,133,468)</u>	<u>\$ 246,136</u>
<b>Fund balance:</b>				
July 1, 2024			<u>6,706,669</u>	
June 30, 2025			<u>\$ 5,573,201</u>	

## Springfield Public School District 186

### Note to Required Supplementary Information

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#### **Note 1. Budgetary Information**

Annual budgets are prepared in accordance with Illinois Compiled Statutes and are adopted for all funds except the Student Activity Fund, an agency fund. The annual budgets are adopted on a basis consistent with the modified accrual basis of accounting. All budgets lapse at fiscal year-end. The legal level of budgetary control is at the fund level.

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

1. Prior to August 31, the Superintendent submits to the Board of Education a proposed operating budget for the fiscal year. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments. Additions, subtractions from, or changes in appropriations may result from the public hearings, but the form of the budget may not be changed.
3. Prior to September 30, the budget is legally adopted through passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the year.
5. The Board of Education may make transfers between the various items in any fund not exceeding in the aggregate of 10 percent of the total of such fund as set forth in the original budget.
6. The Board of Education may amend the budget by the same procedures required of its original adoption. Budgeted amounts presented in the financial statements are as originally adopted or amended by the Board.

Any changes in the budget must be within the revenues, other financing sources and reserves estimated as available by the Superintendent, or the reserve and other financing sources must be changed by an affirmative vote of a majority of the Board of Education. The provision for contingencies represents assets or resources determined and set aside by the Board of Education to provide for unforeseen expenditures, or for anticipated expenditures of uncertain amounts.

## **Supplementary Information**

Springfield Public School District 186

Combining Balance Sheet  
General Fund, by Accounts  
June 30, 2025

	Education Account	Operations and Maintenance Account	Tort Immunity Account	Working Cash Account	Eliminations	Total
<b>Assets</b>						
Cash and investments	\$ 35,453,730	\$ 9,366,215	\$ 1,925,378	\$ 1,519	\$ -	\$ 46,746,842
Receivables:						
Property taxes	42,727,951	7,643,278	1,729,510	-	-	52,100,739
Intergovernmental	12,033,631	-	-	-	-	12,033,631
Prepaid items	1,076,795	-	29,900	-	-	1,106,695
Inventory	272,719	-	-	-	-	272,719
Due from other funds	9,895,898	500,000	230,058	15,550,000	(9,487,692)	16,688,264
<b>Total assets</b>	<b>\$ 101,460,724</b>	<b>\$ 17,509,493</b>	<b>\$ 3,914,846</b>	<b>\$ 15,551,519</b>	<b>\$ (9,487,692)</b>	<b>\$ 128,948,890</b>
<b>Liabilities</b>						
Accounts payable	\$ 2,064,360	\$ 441,723	\$ 70,709	\$ -	\$ -	\$ 2,576,792
Accrued salaries and benefits	19,783,117	96,755	365,167	-	-	20,245,039
Due to other funds	10,628,969	7,499,945	1,271,275	-	(9,487,692)	9,912,497
<b>Total liabilities</b>	<b>32,476,446</b>	<b>8,038,423</b>	<b>1,707,151</b>	<b>-</b>	<b>(9,487,692)</b>	<b>32,734,328</b>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	45,118,336	8,070,876	1,826,266	-	-	55,015,478
Deferred intergovernmental revenues	2,465,256	-	-	-	-	2,465,256
<b>Total deferred inflows of resources</b>	<b>47,583,592</b>	<b>8,070,876</b>	<b>1,826,266</b>	<b>-</b>	<b>-</b>	<b>57,480,734</b>
<b>Fund balance</b>						
Nonspendable:						
Prepays	1,076,795	-	29,900	-	-	1,106,695
Inventory	272,719	-	-	-	-	272,719
Restricted for tort	-	-	351,529	-	-	351,529
Unassigned	20,051,172	1,400,194	-	15,551,519	-	37,002,885
<b>Total fund balance</b>	<b>21,400,686</b>	<b>1,400,194</b>	<b>381,429</b>	<b>15,551,519</b>	<b>-</b>	<b>38,733,828</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 101,460,724</b>	<b>\$ 17,509,493</b>	<b>\$ 3,914,846</b>	<b>\$ 15,551,519</b>	<b>\$ (9,487,692)</b>	<b>\$ 128,948,890</b>

Springfield Public School District 186

Combining Balance Sheet  
 Education Account, by Subaccounts  
 June 30, 2025

	General Account	Payroll Account	Student Activity Account	Educational Account	Eliminations	Total Education Account
<b>Assets</b>						
Cash and investments	\$ 4,846,048	\$ 1,237,913	\$ 2,035,933	\$ 27,333,836	\$ -	\$ 35,453,730
Receivables:						
Property taxes	-	-	-	42,727,951	-	42,727,951
Intergovernmental	-	-	-	12,033,631	-	12,033,631
Prepaid assets	-	-	-	1,076,795	-	1,076,795
Inventory	-	-	-	272,719	-	272,719
Due from other funds	3,464,697	2,116,473	-	12,698,335	(8,383,607)	9,895,898
<b>Total assets</b>	<b>\$ 8,310,745</b>	<b>\$ 3,354,386</b>	<b>\$ 2,035,933</b>	<b>\$ 96,143,267</b>	<b>\$ (8,383,607)</b>	<b>\$ 101,460,724</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 481	\$ -	\$ 2,063,879	\$ -	\$ 2,064,360
Accrued salaries and benefits	-	(565,333)	-	20,348,450	-	19,783,117
Due to other funds	8,272,045	3,464,697	-	7,275,834	(8,383,607)	10,628,969
<b>Total liabilities</b>	<b>8,272,045</b>	<b>2,899,845</b>	<b>-</b>	<b>29,688,163</b>	<b>(8,383,607)</b>	<b>32,476,446</b>
<b>Deferred Inflows of Resources</b>						
Deferred property taxes	-	-	-	45,118,336	-	45,118,336
Deferred intergovernmental revenues	-	-	-	2,465,256	-	2,465,256
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>47,583,592</b>	<b>-</b>	<b>47,583,592</b>
<b>Fund balance</b>						
Nonspendable:						
Prepays	-	-	-	1,076,795	-	1,076,795
Inventory	-	-	-	272,719	-	272,719
Unassigned	38,700	454,541	2,035,933	17,521,998	-	20,051,172
<b>Total fund balance</b>	<b>38,700</b>	<b>454,541</b>	<b>2,035,933</b>	<b>18,871,512</b>	<b>-</b>	<b>21,400,686</b>
<b>Total liabilities, deferred inflows of resources, and fund balance</b>	<b>\$ 8,310,745</b>	<b>\$ 3,354,386</b>	<b>\$ 2,035,933</b>	<b>\$ 96,143,267</b>	<b>\$ (8,383,607)</b>	<b>\$ 101,460,724</b>

Springfield Public School District 186

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

	Education Account	Operations and Maintenance Account	Tort Immunity Account	Working Cash Account	Total
<b>Revenues:</b>					
Property taxes	\$ 88,481,219	\$ 15,671,183	\$ 3,545,907	\$ -	\$ 107,698,309
Corporate personal property replacement taxes	4,565,933	25,000	2,700,000	-	7,290,933
Charges for services	4,721,805	1,148,191	-	-	5,869,996
Unrestricted state aid	52,081,875	310,560	-	-	52,392,435
Restricted state aid	8,459,224	-	-	-	8,459,224
Restricted federal aid	47,165,423	-	-	-	47,165,423
Other	111,011	-	-	-	111,011
Interest	1,154,889	169,889	40,952	41	1,365,771
On-behalf payments made by state	57,503,810	-	-	-	57,503,810
<b>Total revenues</b>	<b>264,245,189</b>	<b>17,324,823</b>	<b>6,286,859</b>	<b>41</b>	<b>287,856,912</b>
<b>Expenditures:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular programs	82,906,437	-	-	-	82,906,437
Special programs	36,948,042	-	-	-	36,948,042
Other instructional programs	19,617,662	-	-	-	19,617,662
<b>Support services:</b>					
Pupils	20,206,854	-	-	-	20,206,854
Instructional staff	11,265,766	-	-	-	11,265,766
General administration	3,326,118	-	7,015,529	-	10,341,647
School administration	12,941,332	-	-	-	12,941,332
Business	12,184,417	635,392	-	-	12,819,809
Transportation	2,875,456	-	-	-	2,875,456
Operations and maintenance	4,308,758	18,779,556	-	-	23,088,314
Central	4,522,035	-	-	-	4,522,035
Other support services	209,620	-	-	-	209,620
Community services	6,111,327	-	-	-	6,111,327
On-behalf payments made by state	57,503,810	-	-	-	57,503,810
Payments to other governments	7,028,286	-	-	-	7,028,286
Capital outlay	1,271,943	397,237	-	-	1,669,180
<b>Debt service:</b>					
Principal payments	663,783	95,194	-	-	758,977
Interest and other charges	75,908	34,271	-	-	110,179
<b>Total expenditures</b>	<b>283,967,554</b>	<b>19,941,650</b>	<b>7,015,529</b>	<b>-</b>	<b>310,924,733</b>
Excess (deficiency) of revenues over expenditures	(19,722,365)	(2,616,827)	(728,670)	41	(23,067,821)
<b>Other financing sources:</b>					
Subscription proceeds	941,422	-	-	-	941,422
<b>Change in fund balance</b>	<b>(18,780,943)</b>	<b>(2,616,827)</b>	<b>(728,670)</b>	<b>41</b>	<b>(22,126,399)</b>
<b>Fund balance:</b>					
June 30, 2024	40,181,629	4,017,021	1,110,099	15,551,478	60,860,227
June 30, 2025	\$ 21,400,686	\$ 1,400,194	\$ 381,429	\$ 15,551,519	\$ 38,733,828

Springfield Public School District 186

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Education Account, by Subaccounts  
 Year Ended June 30, 2025

	General Account	Payroll Account	Student Activity Account	Education Account	Total Education Account
Revenues:					
Property taxes	\$ -	\$ -	\$ -	\$ 88,481,219	\$ 88,481,219
Corporate personal property replacement taxes	-	-	-	4,565,933	4,565,933
Charges for services	-	-	2,640,182	2,081,623	4,721,805
Unrestricted state aid	-	-	-	52,081,875	52,081,875
Restricted state aid	-	-	-	8,459,224	8,459,224
Restricted federal aid	-	-	-	47,165,423	47,165,423
Other	-	-	-	111,011	111,011
Interest	-	91,572	-	1,063,317	1,154,889
On-behalf payments made by state	-	-	-	57,503,810	57,503,810
<b>Total revenues</b>	<b>-</b>	<b>91,572</b>	<b>2,640,182</b>	<b>261,513,435</b>	<b>264,245,189</b>
Expenditures:					
Current:					
Instruction:					
Regular programs	-	-	-	82,906,437	82,906,437
Special programs	-	-	-	36,948,042	36,948,042
Other instructional programs	-	-	2,520,739	17,096,923	19,617,662
Support services:					
Pupils	-	-	-	20,206,854	20,206,854
Instructional staff	-	-	-	11,265,766	11,265,766
General administration	-	-	-	3,326,118	3,326,118
School administration	-	-	-	12,941,332	12,941,332
Business	-	-	-	12,184,417	12,184,417
Transportation	-	-	-	2,875,456	2,875,456
Operations and maintenance	-	-	-	4,308,758	4,308,758
Central	-	-	-	4,522,035	4,522,035
Other support services	-	-	-	209,620	209,620
Community services	-	-	-	6,111,327	6,111,327
On-behalf payments made by state	-	-	-	57,503,810	57,503,810
Payments to other governments	-	-	-	7,028,286	7,028,286
Capital outlay	-	-	-	1,271,943	1,271,943
Debt service:					
Principal payments	-	-	-	663,783	663,783
Interest and other charges	-	-	-	75,908	75,908
<b>Total expenditures</b>	<b>-</b>	<b>-</b>	<b>2,520,739</b>	<b>281,446,815</b>	<b>283,967,554</b>
Excess (deficiency) of revenues over expenditures	-	91,572	119,443	(19,933,380)	(19,722,365)
Other financing sources:					
Subscription proceeds	-	-	-	941,422	941,422
<b>Change in fund balance</b>	<b>-</b>	<b>91,572</b>	<b>119,443</b>	<b>(18,991,958)</b>	<b>(18,780,943)</b>
Fund balances:					
July 1, 2024	38,700	362,969	1,916,490	37,863,470	40,181,629
June 30, 2025	\$ 38,700	\$ 454,541	\$ 2,035,933	\$ 18,871,512	\$ 21,400,686

Springfield Public School District 186

Combining Schedule of Revenues, Expenditures and Changes in Fund Balance  
 Budget and Actual - Budgetary Basis  
 General Fund, by Accounts  
 Year Ended June 30, 2025

	Education Account			Operations and Maintenance Account		
	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
<b>Revenues:</b>						
Property taxes	\$ 88,654,898	\$ 88,707,509	\$ 88,481,219	\$ 15,747,423	\$ 15,747,066	\$ 15,671,183
Corporate personal property						
replacement taxes	6,187,782	6,187,782	4,565,933	2,500,000	2,500,000	25,000
Charges for services	5,155,100	5,167,600	4,721,805	1,168,000	1,168,000	1,148,191
Unrestricted state aid	52,007,382	52,007,382	52,081,875	-	-	310,560
Restricted state aid	8,792,398	9,044,396	8,459,224	-	-	-
Restricted federal aid	29,848,420	48,293,177	47,165,423	-	-	-
Other	25,000	25,000	111,011	-	-	-
Interest	750,000	875,000	1,154,889	100,000	150,000	169,889
On-behalf payments made by state	60,401,826	58,096,134	57,503,810	-	-	-
<b>Total revenues</b>	<b>251,822,806</b>	<b>268,403,980</b>	<b>264,245,189</b>	<b>19,515,423</b>	<b>19,565,066</b>	<b>17,324,823</b>
<b>Expenditures:</b>						
<b>Current:</b>						
<b>Instruction:</b>						
Regular programs	80,412,542	86,499,753	82,906,437	-	-	-
Special programs	39,058,128	37,178,752	36,948,042	-	-	-
Other instructional programs	13,412,273	19,275,417	19,617,662	-	-	-
<b>Support services:</b>						
Pupils	19,818,063	20,172,243	20,206,854	-	-	-
Instructional staff	9,140,340	11,573,791	11,265,766	-	-	-
General administration	3,303,157	3,323,062	3,326,118	-	-	-
School administration	12,923,749	13,134,314	12,941,332	-	-	-
Business	12,643,541	13,121,520	12,184,417	598,017	605,970	635,392
Transportation	984,955	2,389,610	2,875,456	-	-	-
Operations and maintenance	190,400	4,131,102	4,308,758	19,917,456	19,851,558	18,779,556
Central	4,582,495	4,515,225	4,522,035	-	-	-
Other support services	158,000	178,519	209,620	-	-	-
Community services	6,445,759	6,833,389	6,111,327	-	-	-
On-behalf payments made by state	60,401,826	58,096,134	57,503,810	-	-	-
Payments to other governments	6,961,846	7,038,201	7,028,286	-	-	-
Provision for contingencies	628,000	28,000	-	25,000	25,000	-
Capital outlay	70,500	1,459,486	1,271,943	625,000	667,000	397,237
<b>Debt service:</b>						
Principal payments	-	-	663,783	-	-	95,194
Interest and other charges	-	-	75,908	-	-	34,271
<b>Total expenditures</b>	<b>271,135,574</b>	<b>288,948,518</b>	<b>283,967,554</b>	<b>21,165,473</b>	<b>21,149,528</b>	<b>19,941,650</b>
Excess (deficiency) of revenues over (under) expenditures	(19,312,768)	(20,544,538)	(19,722,365)	(1,650,050)	(1,584,462)	(2,616,827)
<b>Other financing sources:</b>						
Subscription proceeds	-	-	941,422	-	-	-
<b>Change in fund balance</b>	<b>\$ (19,312,768)</b>	<b>\$ (20,544,538)</b>	<b>(18,780,943)</b>	<b>\$ (1,650,050)</b>	<b>\$ (1,584,462)</b>	<b>(2,616,827)</b>
<b>Fund balance:</b>						
July 1, 2024			40,181,629			4,017,021
June 30, 2025			<u>\$ 21,400,686</u>			<u>\$ 1,400,194</u>

Tort Immunity Account			Working Cash Account			Total		
Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual	Original Budget	Final Budget	Actual
\$ 3,562,725	\$ 3,562,921	\$ 3,545,907	\$ -	\$ -	\$ -	\$ 107,965,046	\$ 108,017,496	\$ 107,698,309
2,700,000	2,700,000	2,700,000	-	-	-	11,387,782	11,387,782	7,290,933
-	-	-	-	-	-	6,323,100	6,335,600	5,869,996
-	-	-	-	-	-	52,007,382	52,007,382	52,392,435
-	-	-	-	-	-	8,792,398	9,044,396	8,459,224
-	-	-	-	-	-	29,848,420	48,293,177	47,165,423
-	-	-	-	-	-	25,000	25,000	111,011
12,500	40,000	40,952	20	20	41	862,520	1,065,020	1,365,771
-	-	-	-	-	-	60,401,826	58,096,134	57,503,810
6,275,225	6,302,921	6,286,859	20	20	41	277,613,474	294,271,987	287,856,912
-	-	-	-	-	-	80,412,542	86,499,753	82,906,437
-	-	-	-	-	-	39,058,128	37,178,752	36,948,042
-	-	-	-	-	-	13,412,273	19,275,417	19,617,662
-	-	-	-	-	-	19,818,063	20,172,243	20,206,854
-	-	-	-	-	-	9,140,340	11,573,791	11,265,766
6,797,965	7,066,800	7,015,529	-	-	-	10,101,122	10,389,862	10,341,647
-	-	-	-	-	-	12,923,749	13,134,314	12,941,332
-	-	-	-	-	-	13,241,558	13,727,490	12,819,809
-	-	-	-	-	-	984,955	2,389,610	2,875,456
-	-	-	-	-	-	20,107,856	23,982,660	23,088,314
-	-	-	-	-	-	4,582,495	4,515,225	4,522,035
-	-	-	-	-	-	158,000	178,519	209,620
-	-	-	-	-	-	6,445,759	6,833,389	6,111,327
-	-	-	-	-	-	60,401,826	58,096,134	57,503,810
-	-	-	-	-	-	6,961,846	7,038,201	7,028,286
-	-	-	-	-	-	653,000	53,000	-
-	-	-	-	-	-	695,500	2,126,486	1,669,180
-	-	-	-	-	-	-	-	758,977
-	-	-	-	-	-	-	-	110,179
6,797,965	7,066,800	7,015,529	-	-	-	299,099,012	317,164,846	310,924,733
(522,740)	(763,879)	(728,670)	20	20	41	(21,485,538)	(22,892,859)	(23,067,821)
-	-	-	-	-	-	-	-	941,422
\$ (522,740)	\$ (763,879)	(728,670)	\$ 20	\$ 20	41	\$ (21,485,538)	\$ (22,892,859)	(22,126,399)
		<u>1,110,099</u>				<u>15,551,478</u>		<u>60,860,227</u>
		<u>\$ 381,429</u>				<u>\$ 15,551,519</u>		<u>\$ 38,733,828</u>

**Springfield Public School District 186**

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

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
School facility occupation taxes	\$ 12,000,000	\$ 14,000,000	\$ 14,430,150	\$ 430,150
Interest	1,600,000	3,100,000	4,597,412	1,497,412
Other	-	-	10,000	10,000
<b>Total revenues</b>	<b>13,600,000</b>	<b>17,100,000</b>	<b>19,037,562</b>	<b>1,937,562</b>
<b>Expenditures:</b>				
Current:				
Support services:				
Operations and maintenance	6,540,668	6,153,293	3,807,150	2,346,143
Capital outlay	70,000,000	90,000,000	70,509,913	19,490,087
<b>Total expenditures</b>	<b>76,540,668</b>	<b>96,153,293</b>	<b>74,317,063</b>	<b>21,836,230</b>
Deficiency of revenues over expenditures	(62,940,668)	(79,053,293)	(55,279,501)	23,773,792
<b>Other financing sources (uses):</b>				
Bond issuance	-	83,300,000	82,740,000	(560,000)
Premium on bond issuance	-	-	4,122,244	4,122,244
Transfer out	(12,663,838)	(12,663,838)	(13,587,497)	(923,659)
<b>Total other financing sources (uses)</b>	<b>(12,663,838)</b>	<b>70,636,162</b>	<b>73,274,747</b>	<b>2,638,585</b>
<b>Change in fund balance</b>	<b>\$ (75,604,506)</b>	<b>\$ (8,417,131)</b>	<b>17,995,246</b>	<b>\$ 26,412,377</b>
<b>Fund balance:</b>				
July 1, 2024			<u>104,086,173</u>	
June 30, 2025			<u>\$ 122,081,419</u>	

## **Combining 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.

**Debt Service Fund** – Accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

**Fire Prevention and Life Safety Fund** – Accounts for the altering, reconstruction, and repairing of existing school buildings.

Springfield Public School District 186

Combining Balance Sheet  
 Nonmajor Governmental Funds  
 June 30, 2025

	Special Revenue Fund		Capital Projects Fund	Total Nonmajor Governmental Funds
	Municipal Retirement / Social Security Fund	Debt Service Fund	Fire Prevention and Life Safety Fund	
<b>Assets</b>				
Cash and investments	\$ 6,663,679	\$ 8,170,458	\$ 17,936	\$ 14,852,073
Restricted cash	-	-	4,349,049	4,349,049
Receivables:				
Property taxes	3,390,733	4,488,013	-	7,878,746
Due from other funds	172,709	914,811	92,392	1,179,912
<b>Total assets</b>	<b>\$ 10,227,121</b>	<b>\$ 13,573,282</b>	<b>\$ 4,459,377</b>	<b>\$ 28,259,780</b>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ 294,211	\$ 294,211
Accrued salaries and benefits	14,132	-	-	14,132
Due to other funds	3,718,327	4,322,071	-	8,040,398
<b>Total liabilities</b>	<b>3,732,459</b>	<b>4,322,071</b>	<b>294,211</b>	<b>8,348,741</b>
<b>Deferred Inflows of Resources</b>				
Deferred property taxes	3,580,426	4,739,091	-	8,319,517
<b>Fund balances</b>				
Restricted for:				
Retirement benefits	2,914,236	-	-	2,914,236
Debt service	-	4,512,120	-	4,512,120
Capital projects	-	-	4,165,166	4,165,166
<b>Total fund balances</b>	<b>2,914,236</b>	<b>4,512,120</b>	<b>4,165,166</b>	<b>11,591,522</b>
<b>Total liabilities, deferred inflows of resources, and fund balances</b>	<b>\$ 10,227,121</b>	<b>\$ 13,573,282</b>	<b>\$ 4,459,377</b>	<b>\$ 28,259,780</b>

Springfield Public School District 186

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

	Special Revenue Fund		Capital Projects Fund	Total Nonmajor Governmental Funds
	Municipal Retirement / Social Security Fund	Debt Service Fund	Fire Prevention and Life Safety Fund	
Revenues:				
Property taxes	\$ 6,960,295	\$ 9,258,788	\$ -	\$ 16,219,083
Corporate personal property replacement taxes	500,000	-	-	500,000
Interest	125,333	156,754	145,883	427,970
<b>Total revenues</b>	<b>7,585,628</b>	<b>9,415,542</b>	<b>145,883</b>	<b>17,147,053</b>
Expenditures:				
Current:				
Instruction:				
Regular programs	1,165,294	-	-	1,165,294
Special programs	1,250,039	-	-	1,250,039
Other instructional programs	210,791	-	-	210,791
Support services:				
Pupils	666,380	-	-	666,380
Instructional staff	136,556	-	-	136,556
General administration	658,237	-	-	658,237
School administration	444,890	-	-	444,890
Business	900,402	-	-	900,402
Transportation	31,031	-	-	31,031
Operations and maintenance	1,623,300	-	517,361	2,140,661
Central	359,756	-	-	359,756
Community services	21,317	-	-	21,317
Capital outlay	-	-	734,969	734,969
Debt service:				
Principal	-	11,655,000	-	11,655,000
Interest and other charges	-	10,697,925	-	10,697,925
Bond issuance costs	-	923,659	-	923,659
<b>Total expenditures</b>	<b>7,467,993</b>	<b>23,276,584</b>	<b>1,252,330</b>	<b>31,996,907</b>
Excess (deficiency) of revenues over (under) expenditures	117,635	(13,861,042)	(1,106,447)	(14,849,854)
Other financing sources:				
Transfer in	-	13,587,497	-	13,587,497
<b>Change in fund balances</b>	<b>117,635</b>	<b>(273,545)</b>	<b>(1,106,447)</b>	<b>(1,262,357)</b>
Fund balances:				
July 1, 2024	2,796,601	4,785,665	5,271,613	12,853,879
June 30, 2025	\$ 2,914,236	\$ 4,512,120	\$ 4,165,166	\$ 11,591,522

**Springfield Public School District 186**

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

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 7,002,247	\$ 7,002,748	\$ 6,960,295	\$ (42,453)
Corporate personal property replacement taxes	500,000	500,000	500,000	-
Interest	110,000	85,000	125,333	40,333
<b>Total revenues</b>	<u>7,612,247</u>	<u>7,587,748</u>	<u>7,585,628</u>	<u>(2,120)</u>
<b>Expenditures:</b>				
Current:				
Instruction:				
Regular programs	1,232,835	1,150,188	1,165,294	(15,106)
Special programs	1,183,855	1,235,982	1,250,039	(14,057)
Other instructional programs	148,844	192,911	210,791	(17,880)
Support services:				
Pupils	563,893	643,070	666,380	(23,310)
Instructional staff	139,028	133,115	136,556	(3,441)
General administration	586,568	637,009	658,237	(21,228)
School administration	481,781	426,567	444,890	(18,323)
Business	992,263	877,770	900,402	(22,632)
Transportation	31,404	30,159	31,031	(872)
Operations and maintenance	1,656,014	1,583,495	1,623,300	(39,805)
Central	300,749	337,822	359,756	(21,934)
Community services	21,267	20,694	21,317	(623)
Provision for contingency	50,000	50,000	-	50,000
<b>Total expenditures</b>	<u>7,388,501</u>	<u>7,318,782</u>	<u>7,467,993</u>	<u>(149,211)</u>
<b>Change in fund balance</b>	<u>\$ 223,746</u>	<u>\$ 268,966</u>	117,635	<u>\$ (151,331)</u>
<b>Fund balance:</b>				
July 1, 2024			<u>2,796,601</u>	
June 30, 2025			<u>\$ 2,914,236</u>	

**Springfield Public School District 186**

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

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Property taxes	\$ 9,046,478	\$ 9,044,181	\$ 9,258,788	\$ 214,607
Interest	70,000	125,000	156,754	31,754
<b>Total revenues</b>	<u>9,116,478</u>	<u>9,169,181</u>	<u>9,415,542</u>	<u>246,361</u>
<b>Expenditures:</b>				
<b>Debt service:</b>				
Principal	11,655,000	11,655,000	11,655,000	-
Interest and other charges	10,379,926	10,379,926	10,697,925	(317,999)
Bond issuance costs	5,000	5,000	923,659	(918,659)
<b>Total expenditures</b>	<u>22,039,926</u>	<u>22,039,926</u>	<u>23,276,584</u>	<u>(1,236,658)</u>
Deficiency of revenues over expenditures	<u>(12,923,448)</u>	<u>(12,870,745)</u>	<u>(13,861,042)</u>	<u>(990,297)</u>
<b>Other financing sources:</b>				
Transfer in	<u>12,663,838</u>	<u>12,663,838</u>	<u>13,587,497</u>	<u>923,659</u>
<b>Change in fund balance</b>	<u>\$ (259,610)</u>	<u>\$ (206,907)</u>	<u>(273,545)</u>	<u>\$ (66,638)</u>
<b>Fund balance:</b>				
July 1, 2024			<u>4,785,665</u>	
June 30, 2025			<u>\$ 4,512,120</u>	

**Springfield Public School District 186**

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

	Original Budget	Final Budget	Actual	Variance
<b>Revenues:</b>				
Interest	\$ 100,000	\$ 100,000	\$ 145,883	\$ 45,883
<b>Expenditures:</b>				
Current:				
Support services:				
Operations and maintenance	200,000	200,000	517,361	(317,361)
Capital outlay	2,000,000	2,000,000	734,969	1,265,031
<b>Total expenditures</b>	<b>2,200,000</b>	<b>2,200,000</b>	<b>1,252,330</b>	<b>947,670</b>
<b>Change in fund balance</b>	<b>\$ (2,100,000)</b>	<b>\$ (2,100,000)</b>	<b>(1,106,447)</b>	<b>\$ 993,553</b>
<b>Fund balance:</b>				
July 1, 2024			<u>5,271,613</u>	
June 30, 2025			<u><u>\$ 4,165,166</u></u>	

Springfield Public School District 186

Schedule of Debt Service Requirements  
June 30, 2025

	Year Ending June 30,	Principal	Interest	Total
Total General Obligation Bonds	2026	\$ 10,940,000	\$ 14,153,276	\$ 25,093,276
	2027	8,605,000	13,174,594	21,779,594
	2028	8,960,000	13,198,919	22,158,919
	2029	9,485,000	13,123,307	22,608,307
	2030	10,040,000	12,720,407	22,760,407
	2031	10,625,000	12,273,406	22,898,406
	2032	11,250,000	11,800,807	23,050,807
	2033	11,900,000	11,300,857	23,200,857
	2034	12,595,000	10,772,406	23,367,406
	2035	7,305,000	10,213,457	17,518,457
	2036	8,305,000	9,777,257	18,082,257
	2037	9,720,000	9,467,206	19,187,206
	2038	3,630,000	9,111,757	12,741,757
	2039	3,810,000	8,935,907	12,745,907
	2040	3,995,000	8,749,831	12,744,831
	2041	4,190,000	8,554,619	12,744,619
	2042	4,395,000	8,349,882	12,744,882
	2043	4,605,000	8,135,082	12,740,082
	2044	4,835,000	7,909,969	12,744,969
	2045	5,080,000	7,664,644	12,744,644
	2046	5,325,000	7,414,375	12,739,375
	2047	5,610,000	7,133,575	12,743,575
	2048	5,900,000	6,837,700	12,737,700
	2049	6,215,000	6,526,500	12,741,500
	2050	6,535,000	6,208,100	12,743,100
	2051	6,870,000	5,873,250	12,743,250
	2052	7,220,000	5,521,150	12,741,150
	2053	7,585,000	5,151,025	12,736,025
	2054	7,705,000	4,762,350	12,467,350
	2055	8,125,000	4,338,575	12,463,575
	2056	8,575,000	3,891,700	12,466,700
	2057	9,045,000	3,420,075	12,465,075
	2058	9,540,000	2,922,600	12,462,600
	2059	10,065,000	2,397,900	12,462,900
	2060	10,565,000	1,902,725	12,467,725
	2061	11,085,000	1,382,700	12,467,700
	2062	11,605,000	860,350	12,465,350
	2063	6,965,000	313,425	7,278,425
		<u>\$ 298,805,000</u>	<u>\$ 286,245,665</u>	<u>\$ 585,050,665</u>

Continued

**Springfield Public School District 186**

**Schedule of Debt Service Requirements  
June 30, 2025**

	Year Ending June 30,	Principal	Interest	Total
<hr/>				
General Obligation School Refunding Bonds, Series 2014B, dated 3/31/2014, due serially on February 1 with interest payable on February 1 and August 1 of each year Paying agent: Bank of New York Mellon Trust Company	2026	\$ 4,465,000	\$ 223,250	\$ 4,688,250
		<u>\$ 4,465,000</u>	<u>\$ 223,250</u>	<u>\$ 4,688,250</u>
Taxable General Obligation Limited School Refunding Bonds, Series 2020A, dated 5/6/2020, due serially on February 1 with interest payable on February 1 and August 1 of each year Paying agent: Bank of New York Mellon Trust Company	2026	\$ 1,650,000	\$ 220,788	\$ 1,870,788
	2027	6,500,000	179,537	6,679,537
	2028	265,000	7,288	272,288
		<u>\$ 8,415,000</u>	<u>\$ 407,613</u>	<u>\$ 8,822,613</u>
General Obligation Limited School Bonds, Series 2020B, dated 5/6/2020, due serially on February 1 with interest payable on February 1 and August 1 of each year Paying agent: Bank of New York Mellon Trust Company	2026	\$ -	\$ 571,750	\$ 571,750
	2027	-	571,750	571,750
	2028	-	571,750	571,750
	2029	-	571,750	571,750
	2030	2,070,000	571,750	2,641,750
	2031	2,175,000	468,250	2,643,250
	2032	2,280,000	359,500	2,639,500
	2033	2,395,000	245,500	2,640,500
	2034	2,515,000	125,750	2,640,750
		<u>\$ 11,435,000</u>	<u>\$ 4,057,750</u>	<u>\$ 15,492,750</u>

Continued

**Springfield Public School District 186**

**Schedule of Debt Service Requirements  
June 30, 2025**

	Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds (Alternative Revenue Source),				
Series 2020C, dated 5/6/2020, due serially	2026	\$ 910,000	\$ 2,656,500	\$ 3,566,500
on June 1 with interest payable on	2027	955,000	2,611,000	3,566,000
June 1 and December 1 of each year	2028	1,005,000	2,563,250	3,568,250
Paying agent: Bank of New York Mellon Trust Company	2029	1,055,000	2,513,000	3,568,000
	2030	1,105,000	2,460,250	3,565,250
	2031	1,160,000	2,405,000	3,565,000
	2032	1,220,000	2,347,000	3,567,000
	2033	1,280,000	2,286,000	3,566,000
	2034	1,345,000	2,222,000	3,567,000
	2035	1,410,000	2,154,750	3,564,750
	2036	1,485,000	2,084,250	3,569,250
	2037	1,555,000	2,010,000	3,565,000
	2038	1,635,000	1,932,250	3,567,250
	2039	1,715,000	1,850,500	3,565,500
	2040	1,810,000	1,764,750	3,574,750
	2041	1,900,000	1,674,250	3,574,250
	2042	1,995,000	1,579,250	3,574,250
	2043	2,095,000	1,479,500	3,574,500
	2044	2,200,000	1,374,750	3,574,750
	2045	2,300,000	1,264,750	3,564,750
	2046	2,415,000	1,149,750	3,564,750
	2047	2,535,000	1,029,000	3,564,000
	2048	2,660,000	902,250	3,562,250
	2049	2,795,000	769,250	3,564,250
	2050	2,935,000	629,500	3,564,500
	2051	3,080,000	482,750	3,562,750
	2052	3,235,000	328,750	3,563,750
	2053	3,340,000	167,000	3,507,000
		<u>\$ 53,130,000</u>	<u>\$ 46,691,250</u>	<u>\$ 99,821,250</u>

Continued

**Springfield Public School District 186**

**Schedule of Debt Service Requirements  
June 30, 2025**

	Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds Limited Tax School Bonds, Series 2022, dated 2/15/2022, due serially on June 1 with interest payable on June 1 and December 1 of each year Paying agent: Amalgamated Bank of Chicago	2026	\$ -	\$ 1,810,950	\$ 1,810,950
	2027	-	1,810,950	1,810,950
	2028	6,460,000	2,112,775	8,572,775
	2029	7,135,000	2,156,200	9,291,200
	2030	5,500,000	1,870,800	7,370,800
	2031	5,865,000	1,650,800	7,515,800
	2032	6,255,000	1,416,200	7,671,200
	2033	6,655,000	1,166,000	7,821,000
	2034	7,080,000	899,800	7,979,800
	2035	4,160,000	616,600	4,776,600
	2036	5,000,000	337,650	5,337,650
	2037	6,255,000	187,650	6,442,650
		<u>\$ 60,365,000</u>	<u>\$ 16,036,375</u>	<u>\$ 76,401,375</u>

Continued

**Springfield Public School District 186**

**Schedule of Debt Service Requirements  
June 30, 2025**

	Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds (Alternative Revenue Source),				
Series 2023 dated 8/1/2023, due serially	2026	\$ 3,915,000	\$ 3,831,588	\$ 7,746,588
on June 1 with interest payable on	2027	-	3,635,838	3,635,838
June 1 and December 1 of each year	2028	350,000	3,635,838	3,985,838
Paying agent: Amalgamated Bank of Chicago	2029	370,000	3,618,338	3,988,338
	2030	395,000	3,599,838	3,994,838
	2031	410,000	3,580,088	3,990,088
	2032	425,000	3,559,588	3,984,588
	2033	450,000	3,538,338	3,988,338
	2034	475,000	3,515,838	3,990,838
	2035	500,000	3,492,088	3,992,088
	2036	520,000	3,467,088	3,987,088
	2037	545,000	3,446,288	3,991,288
	2038	565,000	3,424,488	3,989,488
	2039	590,000	3,401,888	3,991,888
	2040	605,000	3,376,813	3,981,813
	2041	635,000	3,351,100	3,986,100
	2042	660,000	3,324,113	3,984,113
	2043	685,000	3,296,063	3,981,063
	2044	715,000	3,266,950	3,981,950
	2045	765,000	3,227,625	3,992,625
	2046	805,000	3,185,550	3,990,550
	2047	850,000	3,141,275	3,991,275
	2048	895,000	3,094,525	3,989,525
	2049	945,000	3,045,300	3,990,300
	2050	990,000	3,002,775	3,992,775
	2051	1,035,000	2,958,225	3,993,225
	2052	1,080,000	2,911,650	3,991,650
	2053	1,180,000	2,863,050	4,043,050
	2054	4,470,000	2,809,950	7,279,950
	2055	4,715,000	2,564,100	7,279,100
	2056	4,975,000	2,304,775	7,279,775
	2057	5,250,000	2,031,150	7,281,150
	2058	5,535,000	1,742,400	7,277,400
	2059	5,840,000	1,437,975	7,277,975
	2060	6,105,000	1,175,175	7,280,175
	2061	6,380,000	900,450	7,280,450
	2062	6,665,000	613,350	7,278,350
	2063	6,965,000	313,425	7,278,425
		<u>\$ 78,255,000</u>	<u>\$ 109,684,896</u>	<u>\$ 187,939,896</u>

Continued

Springfield Public School District 186

Schedule of Debt Service Requirements  
June 30, 2025

	Year Ending June 30,	Principal	Interest	Total
General Obligation Bonds (Alternative Revenue Source),				
Series 2025 dated 4/22/2025 due serially	2026	\$ -	\$ 4,838,450	\$ 4,838,450
on June 1 with interest payable on	2027	1,150,000	4,365,519	5,515,519
June 1 and December 1 of each year	2028	880,000	4,308,018	5,188,018
Paying agent: Amalgamated Bank of Chicago	2029	925,000	4,264,019	5,189,019
	2030	970,000	4,217,769	5,187,769
	2031	1,015,000	4,169,268	5,184,268
	2032	1,070,000	4,118,519	5,188,519
	2033	1,120,000	4,065,019	5,185,019
	2034	1,180,000	4,009,018	5,189,018
	2035	1,235,000	3,950,019	5,185,019
	2036	1,300,000	3,888,269	5,188,269
	2037	1,365,000	3,823,268	5,188,268
	2038	1,430,000	3,755,019	5,185,019
	2039	1,505,000	3,683,519	5,188,519
	2040	1,580,000	3,608,268	5,188,268
	2041	1,655,000	3,529,269	5,184,269
	2042	1,740,000	3,446,519	5,186,519
	2043	1,825,000	3,359,519	5,184,519
	2044	1,920,000	3,268,269	5,188,269
	2045	2,015,000	3,172,269	5,187,269
	2046	2,105,000	3,079,075	5,184,075
	2047	2,225,000	2,963,300	5,188,300
	2048	2,345,000	2,840,925	5,185,925
	2049	2,475,000	2,711,950	5,186,950
	2050	2,610,000	2,575,825	5,185,825
	2051	2,755,000	2,432,275	5,187,275
	2052	2,905,000	2,280,750	5,185,750
	2053	3,065,000	2,120,975	5,185,975
	2054	3,235,000	1,952,400	5,187,400
	2055	3,410,000	1,774,475	5,184,475
	2056	3,600,000	1,586,925	5,186,925
	2057	3,795,000	1,388,925	5,183,925
	2058	4,005,000	1,180,200	5,185,200
	2059	4,225,000	959,925	5,184,925
	2060	4,460,000	727,550	5,187,550
	2061	4,705,000	482,250	5,187,250
	2062	4,940,000	247,000	5,187,000
		<u>\$ 82,740,000</u>	<u>\$ 109,144,531</u>	<u>\$ 191,884,531</u>

## **Statistical Section**

### **Financial Trends Information**

**84 – 92**

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 Information**

**93 – 96**

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 Information**

**97 – 99**

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**

**100 – 103**

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**

**104 – 107**

These schedules contain information about the District's operations and resources to help the reader understand how the District's financial information relates to the services the District provides and the activities it performs.

Springfield Public School District 186

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	\$ 89,411,724	\$ 78,425,079	\$ 60,655,543	\$ 53,316,675	\$ 46,964,921	\$ 45,712,275	\$ 50,218,918	\$ 49,715,250	\$ 47,406,510	\$ 47,210,639
Restricted	31,606,652	39,345,088	41,812,945	34,111,846	29,304,839	24,535,618	4,414,736	2,957,723	2,445,760	7,213,474
Unrestricted	(73,936,068)	(63,491,976)	(78,368,167)	(94,451,709)	(136,516,751)	(148,140,641)	(146,560,604)	(141,542,554)	(133,966,907)	(30,645,891)
Total primary government net position	\$ 47,082,308	\$ 54,278,191	\$ 24,100,321	\$ (7,023,188)	\$ (60,246,991)	\$ (77,892,748)	\$ (91,926,950)	\$ (88,869,581)	\$ (84,114,637)	\$ 23,778,222

Notes - The 2017 net position was restated in 2018 due to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

The 2019 net position was restated in 2020 due to the correction of an error of the implementation of GASB Statement No. 82, *Pension Issues - an amendment of GASB Statements No 67, No. 68 and No. 73*.

The 2020 net position was restated in 2021 due to the implementation of GASB Statement No. 84, *Fiduciary Activities*.

The 2024 net position was restated in 2025 due to the implementation of GASB Statement No. 101, *Compensated Absences*.

Data Source: District's Annual Financial Statements.

**Springfield Public School District 186**

**Expenses, Program Revenues, and Net (Expense) Revenue  
Last Ten Fiscal Years**

	2025	2024	2023	2022
<b>Expenses</b>				
Governmental activities:				
Instruction:				
Regular programs	\$ 73,172,242	\$ 70,924,832	\$ 73,020,612	\$ 58,378,335
Special programs	38,332,602	34,157,058	34,120,411	32,771,904
Other instructional programs	19,834,127	24,501,012	16,752,018	16,873,033
Pension support - State	48,470,666	50,968,022	49,550,728	43,762,707
Support services:				
Pupils	20,873,234	18,522,931	18,250,080	16,704,046
Instructional staff	11,402,322	10,998,959	9,771,080	7,012,522
General administration	11,012,257	10,175,758	9,006,408	7,499,002
School administration	13,419,392	13,065,486	11,825,784	11,221,110
Business	14,067,276	12,672,746	13,991,114	11,752,883
Transportation	20,383,491	18,679,824	15,256,972	14,573,510
Operations and maintenance	37,554,256	30,719,542	26,810,727	24,182,235
Central	4,913,666	4,769,376	4,234,563	3,913,313
Other support services	209,620	150,169	160,409	140,050
Community services	6,132,644	5,879,266	6,026,288	5,387,856
Payments to other governments	7,028,286	7,243,333	7,078,005	6,227,414
Interest and charges	11,082,543	9,939,328	5,493,870	5,843,874
<b>Total primary government expenses</b>	<b>337,888,624</b>	<b>323,367,642</b>	<b>301,349,069</b>	<b>266,243,794</b>
<b>Program Revenues</b>				
Governmental activities:				
Charges for services:				
Regular programs	336,232	402,193	384,697	309,662
Special programs	-	-	-	-
Other instructional programs	3,924,482	4,119,947	3,967,642	3,497,749
Business	454,660	1,418,707	533,148	493,173
Central	-	-	-	-
Operations and maintenance	1,143,475	1,153,641	915,061	968,856
Operating grants and contributions	112,126,421	134,062,889	118,973,087	117,867,789
<b>Total primary government program revenues</b>	<b>117,985,270</b>	<b>141,157,377</b>	<b>124,773,635</b>	<b>123,137,229</b>
<b>Net (Expense) Revenue</b>				
<b>Total primary government net expense</b>	<b>\$ (219,903,354)</b>	<b>\$ (182,210,265)</b>	<b>\$ (176,575,434)</b>	<b>\$ (143,106,565)</b>

Data Source: District's Annual Financial Statements.

	2021	2020	2019	2018	2017	2016
\$	57,736,973	\$ 59,682,907	\$ 70,110,350	\$ 67,939,298	\$ 62,656,667	\$ 59,484,505
	32,433,810	32,199,262	30,301,131	28,816,172	26,868,907	26,283,452
	14,668,707	10,781,565	9,641,049	11,387,372	13,826,407	11,695,661
	87,185,931	81,359,360	71,318,647	74,406,635	67,868,948	29,761,605
	15,721,086	14,896,585	13,972,371	14,149,078	13,495,940	12,886,543
	5,694,768	6,730,441	7,194,014	6,067,621	5,415,616	5,344,850
	7,003,990	6,860,328	6,150,864	5,441,992	5,141,668	8,664,800
	10,593,808	10,430,692	10,154,431	10,001,344	9,845,324	9,067,757
	9,083,240	11,299,603	11,779,487	11,758,716	14,371,790	15,269,924
	12,196,159	12,787,446	12,910,142	11,927,650	10,003,171	11,006,176
	20,899,657	22,402,892	20,901,652	21,128,943	19,929,629	24,359,728
	5,755,460	5,337,799	4,682,430	4,474,610	4,483,511	-
	127,530	112,601	124,143	121,095	117,647	-
	5,196,517	4,942,717	4,819,563	4,663,639	4,579,929	4,347,681
	5,671,382	5,316,623	4,970,223	4,061,834	4,066,967	3,852,327
	4,473,050	2,823,790	1,757,058	1,866,100	2,109,300	2,075,090
	294,442,068	287,964,611	280,787,555	278,212,099	264,781,421	224,100,099
	389,326	424,270	413,182	440,491	655,519	2,095,231
	-	5,130	21,080	70,880	80,276	-
	1,249,143	1,057,833	1,398,440	1,311,268	1,375,411	373,113
	452,371	691,814	827,137	971,472	1,216,018	-
	-	-	-	-	75,346	-
	875,634	890,875	767,212	52,558	-	-
	126,815,151	123,670,010	112,483,356	114,014,562	105,930,737	71,264,751
	129,781,625	126,739,932	115,910,407	116,861,231	109,333,307	73,733,095
\$	(164,660,443)	\$ (161,224,679)	\$ (164,877,148)	\$ (161,350,868)	\$ (155,448,114)	\$ (150,367,004)

**Springfield Public School District 186**

**General Revenues and Total Change in Net Position  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Net (Expense) Revenue</b>										
Total primary government net expense	\$ (219,903,354)	\$ (182,210,265)	\$ (176,575,434)	\$ (143,106,565)	\$ (164,660,443)	\$ (161,224,679)	\$ (164,877,148)	\$ (161,350,868)	\$ (155,448,114)	\$ (150,367,004)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes:										
Property taxes, general purposes	121,023,514	115,548,307	110,029,671	105,953,808	103,555,500	100,926,550	98,466,670	95,362,726	97,610,453	99,450,965
Property taxes, debt service	9,258,788	9,017,406	8,715,053	8,163,093	7,960,685	8,022,371	7,907,345	7,778,407	3,858,355	-
Corporate personal property replacement taxes	8,790,933	16,540,110	21,740,329	19,234,218	8,824,086	6,956,877	6,355,446	5,874,790	7,825,493	6,128,981
School facility occupation taxes	14,600,345	13,648,278	13,284,827	12,741,366	11,067,065	9,495,209	-	-	-	-
State aid-formula grants	52,081,875	51,036,731	50,428,689	49,706,214	48,828,879	48,830,902	47,945,094	47,042,161	40,175,684	36,897,959
Investment earnings	6,560,382	6,594,525	3,500,374	531,669	373,027	1,024,704	1,145,224	537,840	228,068	99,691
Miscellaneous	10,000	2,778	-	-	-	-	-	-	-	4,793,005
Total primary government	212,325,837	212,388,135	207,698,943	196,330,368	180,609,242	175,256,613	161,819,779	156,595,924	149,698,053	147,370,601
<b>Change in Net Position</b>										
Total primary government	\$ (7,577,517)	\$ 30,177,870	\$ 31,123,509	\$ 53,223,803	\$ 15,948,799	\$ 14,031,934	\$ (3,057,369)	\$ (4,754,944)	\$ (5,750,061)	\$ (2,996,403)

Data Source: District's Annual Financial Statements.

Springfield Public School District 186

Fund Balances, Governmental Funds  
Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
General Fund										
Nondisposable	\$ 1,379,414	\$ 2,374,224	\$ 256,529	\$ 725,742	\$ 549,219	\$ 509,802	\$ 476,102	\$ 248,199	\$ 387,993	\$ 4,119,033
Restricted	351,529	1,110,099	1,391,423	1,090,751	770,531	1,212,213	1,842,044	2,066,562	1,949,408	1,231,168
Unassigned	37,002,885	57,375,904	62,093,618	119,067,837	33,627,143	35,981,308	33,737,238	29,854,212	24,887,722	20,492,010
<b>Total General Fund</b>	<b>\$ 38,733,828</b>	<b>\$ 60,860,227</b>	<b>\$ 63,741,570</b>	<b>\$ 120,884,330</b>	<b>\$ 34,946,893</b>	<b>\$ 37,703,323</b>	<b>\$ 36,055,384</b>	<b>\$ 32,168,973</b>	<b>\$ 27,225,123</b>	<b>\$ 25,842,211</b>
All Other Governmental Funds										
Nondisposable	\$ -	\$ -	\$ -	\$ 475,125	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	139,246,142	123,646,721	78,287,995	70,899,787	102,781,778	102,625,625	11,102,191	8,630,304	7,691,548	10,425,168
Unassigned	-	-	-	-	-	-	-	(292,640)	(773,003)	(1,487,967)
<b>Total all other governmental funds</b>	<b>\$ 139,246,142</b>	<b>\$ 123,646,721</b>	<b>\$ 78,287,995</b>	<b>\$ 71,374,912</b>	<b>\$ 102,781,778</b>	<b>\$ 102,625,625</b>	<b>\$ 11,102,191</b>	<b>\$ 8,337,664</b>	<b>\$ 6,918,545</b>	<b>\$ 8,937,201</b>

Note: The District restated July 1, 2016 fund balances to correct the grant reporting in the Education Fund and Transportation Fund.

Note: The District restated July 1, 2020 fund balance due to the implementation of GASB 84, *Fiduciary Activities*.

Data Source: District's Annual Financial Statements.

**Springfield Public School District 186**

**Governmental Funds Revenues  
Last Ten Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Local sources:										
Property taxes	\$ 130,282,302	\$ 124,565,713	\$ 118,744,724	\$ 114,116,901	\$ 111,516,185	\$ 108,948,921	\$ 106,374,015	\$ 103,141,133	\$ 101,468,808	\$ 99,450,965
Corporate personal property replacement taxes	8,790,933	16,540,110	21,740,329	19,234,218	8,824,086	6,956,877	6,355,446	5,874,790	7,825,493	6,128,981
School facility occupation taxes	14,430,150	13,634,594	13,304,614	12,666,445	10,831,973	8,631,472	-	-	-	-
Charges for services	5,869,996	7,105,635	5,800,528	5,269,440	2,968,474	3,090,190	3,430,671	2,847,130	3,180,013	3,674,242
Other revenue	111,011	45,216	35,586	36,901	47,980	37,149	115,237	313,253	232,336	-
<b>Total local sources</b>	<b>159,484,392</b>	<b>161,891,268</b>	<b>159,625,781</b>	<b>151,323,905</b>	<b>134,188,698</b>	<b>127,664,609</b>	<b>116,275,369</b>	<b>112,176,306</b>	<b>112,706,650</b>	<b>109,254,188</b>
State sources	68,200,107	68,985,588	65,181,590	65,166,788	62,935,847	63,504,140	62,825,102	62,038,205	56,217,031	53,458,220
Federal sources	47,165,423	65,653,734	53,680,886	58,639,089	25,238,857	27,476,108	27,438,499	25,819,578	26,059,395	24,217,284
Interest	6,494,020	6,548,845	3,441,948	522,264	370,653	1,019,802	1,136,096	526,937	218,957	96,399
<b>Total revenues</b>	<b>\$ 281,343,942</b>	<b>\$ 303,079,435</b>	<b>\$ 281,930,205</b>	<b>\$ 275,652,046</b>	<b>\$ 222,734,055</b>	<b>\$ 219,664,659</b>	<b>\$ 207,675,066</b>	<b>\$ 200,561,026</b>	<b>\$ 195,202,033</b>	<b>\$ 187,026,091</b>

Note: The District does not include On-behalf payments made by the State in this table.

Data Source: District's Annual Financial Statements.

**Springfield Public School District 186**

**Governmental Funds Expenditures and Debt Service Ratio  
Last Ten Fiscal Years**

	2025	2024	2023	2022
<b>Current operating:</b>				
Instruction	\$ 142,098,265	\$ 146,957,746	\$ 131,093,673	\$ 128,091,647
Supporting services	123,355,589	126,898,432	106,179,636	98,567,963
Community services	6,132,644	5,818,539	6,014,846	5,374,335
Payments to other governments	7,028,286	7,243,333	7,078,005	6,227,414
<b>Total current operating</b>	<b>278,614,784</b>	<b>286,918,050</b>	<b>250,366,160</b>	<b>238,261,359</b>
<b>Capital outlay</b>	<b>72,914,062</b>	<b>40,122,302</b>	<b>66,212,107</b>	<b>34,784,765</b>
<b>Debt service:</b>				
Principal	12,413,977	8,018,463	8,735,000	9,020,000
Interest and charges	10,808,104	10,107,772	6,846,615	5,044,794
Bond issuance cost	923,659	1,001,778	-	1,193,414
<b>Total debt service</b>	<b>24,145,740</b>	<b>19,128,013</b>	<b>15,581,615</b>	<b>15,258,208</b>
<b>Total expenditures</b>	<b>\$ 375,674,586</b>	<b>\$ 346,168,365</b>	<b>\$ 332,159,882</b>	<b>\$ 288,304,332</b>
Debt service as a percentage of noncapital expenditures*	7.7%	5.9%	5.9%	5.5%
Debt service as a percentage of total expenditures	6.2%	5.2%	4.7%	4.9%

Note: The District does not include On-behalf payments made by the State in this table.

\* Debt service as a percentage of noncapital expenditures does not include bond issuance costs.

Data Source: District's Annual Financial Statements.

	2021	2020	2019	2018	2017	2016
\$	114,236,491	\$ 105,387,816	\$ 100,873,292	\$ 97,862,614	\$ 96,698,805	\$ 94,166,180
	84,714,933	84,998,705	81,982,326	79,075,281	76,652,481	73,268,167
	5,180,430	4,942,717	4,819,563	4,653,859	4,557,302	4,347,681
	5,671,382	5,316,623	4,970,223	4,061,834	4,066,967	3,852,327
	209,803,236	200,645,861	192,645,404	185,653,588	181,975,555	175,634,355
	5,753,446	447,065	643,483	546,607	2,058,455	5,356,719
	6,122,213	11,134,825	5,927,744	5,717,184	5,456,872	4,700,000
	5,353,323	2,042,837	2,115,300	2,280,678	2,536,118	2,717,078
	(928)	891,678	(803)	-	-	-
	11,474,608	14,069,340	8,042,241	7,997,862	7,992,990	7,417,078
\$	227,031,290	\$ 215,162,266	\$ 201,331,128	\$ 194,198,057	\$ 192,027,000	\$ 188,408,152
	5.2%	6.1%	4.0%	4.1%	4.2%	4.1%
	5.1%	6.1%	4.0%	4.1%	4.2%	3.9%

Springfield Public School District 186

Other Financing Sources and Uses and Net Changes in Fund Balances  
 Governmental Funds  
 Last Ten Fiscal Years

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (94,330,644)	\$ (43,088,930)	\$ (50,229,677)	\$ (12,652,286)	\$ (4,297,235)	\$ 4,502,393	\$ 6,343,938	\$ 6,362,969	\$ 3,175,033	\$ (1,382,061)
Other financing sources (uses):										
Issuance of bonds	82,740,000	83,270,000	-	60,570,000	-	83,700,000	-	-	-	-
Issuance of refunding bonds	-	-	-	-	-	-	-	-	-	-
Premium on bonds	4,122,244	1,484,339	-	6,612,857	-	13,276,958	-	-	-	-
Discount on bonds	-	-	-	-	-	-	-	-	-	-
Lease proceeds	-	811,974	-	-	-	-	307,000	-	-	1,047,200
Subscription proceeds	941,422	-	-	-	-	-	-	-	-	-
Transfer in	13,587,497	9,768,026	73,124,691	6,240,300	1,998,369	107,726	107,726	107,726	107,726	107,726
Transfer (out)	(13,587,497)	(9,768,026)	(73,124,691)	(6,240,300)	(1,998,369)	(107,726)	(107,726)	(107,726)	(107,726)	(107,726)
Payment to escrow agent	-	-	-	-	-	(8,307,978)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>87,803,666</b>	<b>85,566,313</b>	<b>-</b>	<b>67,182,857</b>	<b>-</b>	<b>88,668,980</b>	<b>307,000</b>	<b>-</b>	<b>-</b>	<b>1,047,200</b>
<b>Net change in fund balances</b>	<b>\$ (6,526,978)</b>	<b>\$ 42,477,383</b>	<b>\$ (50,229,677)</b>	<b>\$ 54,530,571</b>	<b>\$ (4,297,235)</b>	<b>\$ 93,171,373</b>	<b>\$ 6,650,938</b>	<b>\$ 6,362,969</b>	<b>\$ 3,175,033</b>	<b>\$ (334,861)</b>

Note: The District restated July 1, 2016 fund balances to correct the grant reporting in the Education Fund and Transportation Fund.

Data Source: District's Annual Financial Statements.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY  
LAST TEN TAX LEVY YEARS

Levy Year <sup>o</sup>	Actual Value					Total Taxable Value	Total Direct Rate <sup>a</sup>
	Residential Property	Commercial Property	Industrial Property	Rural Property	Railroad Property		
2024	\$ 1,491,095,291	\$ 853,995,468	\$ 6,426,739	\$ 5,331,717	\$ 11,314,997	\$ 2,368,164,212	5.36
2023	1,401,509,010	797,823,099	6,090,917	5,005,619	10,707,612	2,221,136,257	5.69
2022	1,319,046,055	754,427,473	5,851,835	4,734,854	10,245,500	2,094,305,717	5.76
2021	1,228,633,309	754,427,473	5,851,835	4,734,854	10,245,500	2,003,892,971	5.74
2020	1,228,883,161	758,042,299	5,821,718	4,384,579	9,164,424	2,006,296,181	5.59
2019	1,277,613,905	704,596,359	5,746,848	4,458,049	8,917,248	2,001,332,409	5.47
2018	1,256,653,391	750,653,015	6,163,340	4,294,598	9,001,331	2,026,765,675	5.28
2017	1,233,400,979	742,215,342	5,932,745	4,174,182	8,427,195	1,994,150,443	5.23
2016	1,205,531,268	740,881,414	5,783,151	3,966,210	8,568,087	1,964,730,130	5.18
2015	1,183,869,272	734,035,530	5,613,175	3,797,974	8,695,433	1,936,011,384	5.20

Notes: Property is assessed at full market value. Properties are reassessed every three years.

<sup>a</sup> Per \$100 of assessed value.

<sup>b</sup> Based on estimated values

Sources: Sangamon County Clerk's office  
<https://countyclerk.sangamonil.gov/taxes/>

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

DIRECT AND OVERLAPPING PROPERTY TAX RATES  
LAST TEN TAX LEVY YEARS  
(Rate per \$100 of Assessed Value)

Levy Year	District Direct Rates	Overlapping Rates								
	District #186	Sangamon County	Capital Township	City of Springfield	Lincoln Land Community College	Springfield Airport Authority	Springfield Park District	Sangamon County Water Reclamation District	Springfield Mass Transit District	Springfield Auditorium Authority
2024	5.358	0.728	0.009	0.939	0.474	0.096	0.422	0.096	0.125	0.096
2023	5.691	0.765	0.010	0.939	0.490	0.102	0.447	0.102	0.133	0.103
2022	5.756	0.792	0.020	0.939	0.494	0.105	0.451	0.103	0.134	0.106
2021	5.743	0.819	0.034	0.939	0.498	0.106	0.454	0.104	0.134	0.108
2020	5.590	0.805	0.055	0.939	0.496	0.104	0.449	0.103	0.131	0.075
2019	5.470	0.785	0.077	0.939	0.495	0.102	0.447	0.100	0.128	0.074
2018	5.280	0.769	0.087	0.939	0.492	0.099	0.435	0.097	0.123	0.072
2017	5.230	0.758	0.088	0.939	0.488	0.098	0.431	0.096	0.122	0.072
2016	5.184	0.751	0.090	0.939	0.504	0.099	0.429	0.095	0.121	0.071
2015	5.203	0.755	0.091	0.939	0.502	0.093	0.431	0.096	0.121	0.071

Sources: Sangamon County Clerk's office

Information derived from Sangamon County Website; see Capital Township section  
<https://countyclerk.sangamonil.gov/taxes/>

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN TAX LEVY YEARS

Levy Year	Taxes Levied for the Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years*	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2024	\$ 133,226,645	\$ 70,142,519	52.65%	\$ -	\$ 70,142,519	52.65%
2023	127,962,600	66,352,162	51.85%	60,239,341	126,591,503	98.93%
2022	121,411,195	60,804,770	50.08%	59,437,891	120,242,661	99.04%
2021	115,085,577	58,482,962	50.82%	56,085,666	114,568,628	99.55%
2020	112,157,975	55,932,084	49.87%	55,683,152	111,615,236	99.52%
2019	109,440,861	46,360,665	42.36%	61,455,963	107,816,628	98.52%
2018	106,972,692	55,022,371	51.44%	51,560,172	106,582,543	99.64%
2017	104,345,916	55,548,821	53.24%	48,395,615	103,944,436	99.62%
2016	101,853,575	49,836,944	48.93%	51,406,938	101,243,882	99.40%
2015	100,730,672	50,660,887	50.29%	49,631,510	100,292,397	99.56%

\* Note: Property taxes are levied each year and are payable in two installments in the following year. Payments are normally due 30 days after tax bills are distributed or on June 1, whichever is later, and on September 1. However, due to Covid-19, for 2019 taxes collected in 2020 the first installment due date was deferred to coincide with the due date for the second installment in September. The collections in subsequent years column represents all payments received after June 30th of the applicable levy year.

Sources: District records and the Sangamon County Clerk's office

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

PRINCIPAL PROPERTY TAX PAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percentage of Total Taxable Assessed Value
Mall at White Oaks LLC	\$ 8,152,002	1	0.33%	\$ 8,100,422	1	0.42%
Springfield Clinic LLP #1	5,451,069	2	0.22%	4,430,401	2	0.23%
Horace Mann Service Corp	5,383,316	3	0.22%	5,167,320	3	0.27%
Memorial Health System #1	5,042,932	4	0.20%	4,785,939	6	0.25%
Wells Fargo Home MTG INC	4,930,934	5	0.20%	4,784,443	4	0.25%
Memorial Health System #2	4,898,536	6	0.20%	3,968,830	9	0.21%
Wal-Mart RE Business Trust	4,509,828	7	0.18%	4,317,603	7	0.22%
Springfield Clinic LLP #2	4,458,096	8	0.18%	4,140,037	8	0.21%
White Oaks Plaza LLC	4,349,097	9	0.17%	4,496,870	5	0.23%
Town and Country Group	3,580,454	10	0.14%			
Lutheran Retirement Center				3,890,896	10	0.20%
	<u>\$ 50,756,264</u>		<u>2.04%</u>	<u>\$ 48,082,761</u>		<u>2.49%</u>

Sources: Sangamon County Clerk's office

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS

Fiscal Year	Governmental Activities						District Estimated Actual Taxable Property Value	Percentage of Total Outstanding Debt to Estimated Actual Taxable Property Value	Percentage of Personal Income <sup>a</sup>	Population	Total Outstanding Debt Per Capita
	General Obligation Bonds*	Alternate Revenue Bonds	Financing Leases	Lease Liabilities	Subscription Liabilities	Total Primary Government					
2025	\$ 91,090,622	\$ 227,732,932	\$ 633,317	\$ -	\$ 277,639	\$ 319,734,510	\$ 2,486,406,724	12.86%	N/A	112,544	\$ 2,841
2024	97,809,653	147,279,104	728,511	-	-	245,817,268	2,248,626,713	10.93%	N/A	112,544	2,184
2023	104,151,394	65,622,388	-	-	-	169,773,782	2,109,334,677	8.05%	6.40%	114,394	1,484
2022	109,821,278	70,255,490	-	-	-	180,076,768	2,003,892,971	8.99%	6.04%	114,394	1,574
2021	49,243,703	74,141,421	-	-	-	123,385,124	2,006,296,181	6.15%	8.81%	116,250	1,061
2020	55,791,505	74,463,873	-	102,213	102,213	130,459,804	2,001,332,409	6.51%	1.20%	116,250	1,121
2019	51,841,805	-	-	657,038	657,038	53,155,881	2,026,765,675	2.59%	0.51%	116,250	452
2018	57,490,023	-	-	967,783	967,783	59,425,589	1,994,150,443	2.93%	0.58%	116,250	503
2017	63,072,280	-	-	1,469,966	1,469,966	66,012,212	1,964,730,130	3.29%	0.67%	116,250	555
2016	68,394,535	-	-	1,971,838	1,971,838	72,338,211	1,936,011,384	3.63%	0.74%	116,250	605

\* Includes premiums

Sources: District records, Sangamon County Clerk's office, and City of Springfield Annual Comprehensive Financial Report as of February 28, 2025

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT

June 30, 2025

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable*</u>	<u>Estimated Share of Direct and Overlapping Debt</u>
City of Springfield	\$ 96,595,554 **	100.00%	\$ 96,595,554
Community College District #526	19,008,159 **	57.78%	10,982,914
Springfield Park District	11,220,636 **	92.14%	10,338,694
Springfield Airport Authority	4,325,000 **	83.97%	3,631,703
Springfield Auditorium Authority	6,010,000 **	92.47%	5,557,447
Sangamon County Water Reclamation District	171,135,000 **	76.77%	131,380,340
Sangamon County	48,400,000 **	57.24%	27,704,160
Other	674,000 **	12.20%	82,228
Subtotal, Overlapping Debt			<u>286,273,040</u>
District Direct Debt	319,734,510	100.00%	<u>319,734,510</u>
<b>Total direct and overlapping debt</b>			<u><u>\$ 606,007,550</u></u>

**Sources:** Debt outstanding data provided by each governmental unit.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

\* The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the districts boundaries and dividing it by each unit's total taxable value. Information is received from the Sangamon County Clerk's office.

\*\* Figures from City of Springfield ACFR, as of February 28, 2025.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS

Statutory Debt Limitation	Fiscal Year									
	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Assessed valuation	\$ 2,486,406,724	\$ 2,248,626,713	\$ 2,109,334,677	\$ 2,003,892,971	\$ 2,006,296,181	\$ 2,001,332,409	\$ 2,026,765,675	\$ 1,994,150,443	\$ 1,964,730,130	\$ 1,936,011,384
Statutory debt limitation (13.8% of assessed valuation)	343,124,128	310,310,486	291,088,185	276,537,230	276,868,873	276,183,872	279,693,663	275,192,761	271,132,758	267,169,571
Bonded debt June 30	84,680,000	90,445,000	95,810,000	100,425,000	45,720,000	51,740,000	49,675,000	54,985,000	60,200,000	65,155,000
Legal bonded debt margin	\$ 258,444,128	\$ 219,865,486	\$ 195,278,185	\$ 176,112,230	\$ 231,148,873	\$ 224,443,872	\$ 230,018,663	\$ 220,207,761	\$ 210,932,758	\$ 202,014,571
Total net debt applicable to the limit as a percentage of debt limit	24.68%	29.15%	32.91%	36.32%	16.51%	18.73%	17.76%	19.98%	22.20%	24.39%
General bonded debt to Assessed Value	3.41%	4.02%	4.54%	5.01%	2.28%	2.59%	2.45%	2.76%	3.06%	3.37%
General bonded debt Per Capita	\$ 750	\$ 804	\$ 838	\$ 878	\$ 393	\$ 445	\$ 427	\$ 473	\$ 518	\$ 560

Sources: Levy and rate report from Sangamon County Clerk's office

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN CALENDAR YEARS

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<b>Calendar Year</b>	<b>Population</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2025	112,949	N/A	N/A	4.8%
2024	112,544	N/A	N/A	4.8%
2023	114,394	\$ 10,870,452	\$ 52,782	4.3%
2022	114,394	10,870,452	52,782	4.6%
2021	116,250	10,870,452	52,782	11.7%
2020	116,250	10,198,822	49,301	3.6%
2019	116,250	10,131,128	48,793	4.2%
2018	116,250	9,634,500	46,165	4.1%
2017	116,250	9,450,300	45,003	4.7%
2016	116,250	9,204,307	43,681	5.1%

Sources: U.S. Department of Labor - Bureau of Labor Statistics and U.S. Department of Commerce - Bureau of the Census

N/A - Data not yet available as of the preparation of this report.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

<b>Employer</b>	<b>2025</b>			<b>2016</b>		
	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>Percentage of Total City Employment</b>
State of Illinois	17,800	1	32.11%	17,600	1	29.62%
Memorial Health System	5,238	2	9.48%	4,455	2	7.50%
Hospital Sisters Health System	4,434	3	8.03%			
Springfield Clinic, LLP	3,500	4	6.33%	2,631	4	4.43%
Springfield Public Schools	2,130	5	3.86%	2,150	5	3.62%
University of Illinois-Springfield	1,642	6	2.97%	1,696	7	2.85%
SIU School of Medicine	1,470	7	2.66%	1,546	6	2.60%
City of Springfield	1,410	8	2.55%	1,431	8	2.41%
Horace Mann Educators	1,066	9	1.93%	1,008	10	1.70%
Illinois National Guard	967	10	1.75%			
Blue Cross Blue Shield				1,310	9	2.21%
St Johns Hospital				4,217	3	7.10%
<b>Totals:</b>	<b>39,657</b>		<b>71.67%</b>	<b>38,044</b>		<b>64.04%</b>

Sources: Illinois Department of Employment Security; Springfield Sangamon Growth Alliance

\*\* Figures from City of Springfield ACFR, as of February 28, 2025.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

ALL FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE  
LAST TEN FISCAL YEARS

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<b>All Employees as of June 30</b>										
	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Professional staff	1,238	1,201	1,207	1,207	1,283	1,269	1,254	1,255	1,254	1,242
Other staff	874	914	923	923	909	928	894	934	922	913
<b>Total</b>	<b>2,112</b>	<b>2,115</b>	<b>2,130</b>	<b>2,130</b>	<b>2,192</b>	<b>2,197</b>	<b>2,148</b>	<b>2,189</b>	<b>2,176</b>	<b>2,155</b>

Sources: District records

Notes: "Professional staff" includes all certified personnel, including teachers, librarians, guidance deans, principals, and assistance principals and all are full-time-equivalent positions. "Other Staff" includes non-certified administrators, classroom aides, clerical, food services, maintenance, and custodial employees and includes less than full-time-equivalent positions.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

OPERATING STATISTICS  
LAST TEN FISCAL YEARS

<b>Fiscal Year</b>	<b>October 1st Enrollment</b>	<b>Operating Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Total Expenditures</b>	<b>Cost per Pupil</b>	<b>Percentage Change</b>	<b>Professional Staff</b>	<b>Pupil-Professional Staff Ratio</b>
2025	12,260	\$ 252,126,956	20,565	-9.10%	\$ 337,888,624	27,560	8.35%	1,238	9.9
2024	12,713	287,600,921	22,623	17.61%	323,367,642	25,436	7.20%	1,201	10.6
2023	13,066	251,332,446	19,236	4.53%	310,027,652	23,728	38.08%	1,207	10.8
2022	12,947	238,258,242	18,403	16.17%	222,481,087	17,184	9.81%	1,207	10.7
2021	13,244	209,803,236	15,841	5.73%	207,256,137	15,649	-2.60%	1,283	10.3
2020	13,392	200,650,717	14,983	8.26%	215,162,266	16,066	11.02%	1,269	10.6
2019	13,913	192,562,346	13,840	6.46%	201,331,128	14,471	6.51%	1,254	11.1
2018	14,294	185,827,158	13,000	5.08%	194,198,057	13,586	4.07%	1,255	11.4
2017	14,709	181,975,555	12,372	6.10%	192,027,000	13,055	4.36%	1,254	11.7
2016	15,062	175,634,355	11,661	0.27%	188,408,152	12,509	-1.00%	1,242	12.1

Sources: District records. October 1st Enrollment is from ISBE Fall Housing Report.

Notes: Operating expenditures are total expenditures on the Statement of Revenues, Expenditures and Changes in Fund Balance less debt services, capital outlays, and on-behalf. Total expenditures are total expenses on the Statement of Activities.

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

SCHOOL BUILDING INFORMATION  
LAST TEN FISCAL YEARS

School	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Elementary										
Addams (1960)										
Square Feet	34,665	34,665	34,665	34,665	34,665	34,665	34,665	34,665	34,665	34,665
Capacity	393	393	393	393	393	393	393	393	393	393
Enrollment	194	259	259	259	259	259	254	284	298	341
Ball Charter (1965/2004)										
Square Feet	57,619	57,619	57,619	57,619	57,619	57,619	57,619	57,619	57,619	57,619
Capacity	410	410	410	410	410	410	410	410	410	410
Enrollment	395	266	266	266	266	266	396	398	389	377
Blackhawk (1956)										
Square Feet	33,705	33,705	33,705	33,705	26,749	26,749	26,749	26,749	26,749	26,749
Capacity	300	300	300	300	258	258	258	258	258	258
Enrollment	226	235	231	231	231	231	250	244	266	255
Butler (1921)										
Square Feet	55,726	55,726	55,726	55,726	38,930	38,930	38,930	38,930	38,930	38,930
Capacity	460	460	460	460	420	420	420	420	420	420
Enrollment	362	351	381	381	381	381	370	405	380	378
Dubois (1897)										
Square Feet	66,513	66,513	66,513	66,513	56,980	56,980	56,980	56,980	56,980	56,980
Capacity	550	550	550	550	514	514	514	514	514	514
Enrollment	428	439	432	432	432	432	430	421	462	503
Early Learning Center (2005)										
Square Feet	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000	44,000
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	495	609	609	609	609	609	640	673	678	648
Enos (1915/2014)										
Square Feet	44,660	44,660	44,660	44,660	44,660	44,660	44,660	44,660	44,660	44,660
Capacity	471	471	471	471	471	471	471	471	471	471
Enrollment	245	245	245	245	245	245	262	270	344	326
Fairview (1952)										
Square Feet	40,650	40,650	40,650	40,650	33,400	33,400	33,400	33,400	33,400	33,400
Capacity	360	360	360	360	339	339	339	339	339	339
Enrollment	305	300	261	261	261	261	267	249	294	297
Feitshans (1922)										
Square Feet	85,247	85,247	85,247	85,247	85,247	85,247	85,247	85,247	85,247	85,247
Capacity	585	585	585	585	585	585	585	585	585	585
Enrollment	280	295	329	329	329	329	361	380	418	467
Graham (1993)										
Square Feet	64,806	64,806	64,806	64,806	64,806	64,806	64,806	64,806	64,806	64,806
Capacity	405	405	405	405	405	405	405	405	405	405
Enrollment	239	245	241	241	241	241	234	223	247	259
Harvard Park (1912)										
Square Feet	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869	55,869
Capacity	514	514	514	514	514	514	514	514	514	514
Enrollment	382	357	381	381	381	381	344	413	431	410
Hazel Dell (1948)										
Square Feet	22,578	22,578	22,578	22,578	22,578	22,578	22,578	22,578	22,578	22,578
Capacity	177	177	177	177	177	177	177	177	177	177
Enrollment	139	132	153	153	153	153	160	180	191	229

(Continued)

SPRINGFIELD PUBLIC SCHOOL DISTRICT 186

SCHOOL BUILDING INFORMATION (Continued)  
LAST TEN FISCAL YEARS

School	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Iles (1905)										
Square Feet	68,700	68,700	68,700	68,700	68,700	68,700	68,700	68,700	68,700	68,700
Capacity	573	573	573	573	573	573	573	573	573	573
Enrollment	393	406	402	402	402	402	404	392	444	453
Laketown (1957)										
Square Feet	20,363	20,363	20,363	20,363	20,363	20,363	20,363	20,363	20,363	20,363
Capacity	209	209	209	209	209	209	209	209	209	209
Enrollment	140	144	178	178	178	178	167	191	197	205
Lee/Spec. Ed (1980)										
Square Feet	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000	53,000
Capacity	321	321	321	321	321	321	321	321	321	321
Enrollment	191	186	284	284	284	284	238	249	244	264
Lindsay (1999)										
Square Feet	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000	60,000
Capacity	550	550	550	550	550	550	550	550	550	550
Enrollment	420	425	492	492	492	492	458	415	447	497
Marsh (1952)										
Square Feet	24,234	24,234	24,234	24,234	24,234	24,234	24,234	24,234	24,234	24,234
Capacity	312	312	312	312	312	312	312	312	312	312
Enrollment	289	304	328	328	328	328	296	292	284	316
Matheny-Withrow (1952/2014)										
Square Feet	33,356	33,356	33,356	33,356	33,356	33,356	33,356	33,356	33,356	33,356
Capacity	380	380	380	380	380	380	380	380	380	380
Enrollment	224	208	240	240	240	240	254	250	249	283
McClermand (1936)										
Square Feet	42,700	42,700	42,700	42,700	42,700	42,700	42,700	42,700	42,700	42,700
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	197	201	179	179	179	179	223	246	264	265
Ridgely (1917/2006)										
Square Feet	46,842	46,842	46,842	46,842	46,842	46,842	46,842	46,842	46,842	46,842
Capacity	285	285	285	285	285	285	285	285	285	285
Enrollment	324	342	327	327	327	327	323	328	360	330
Sandburg (1961)										
Square Feet	28,120	28,120	28,120	28,120	19,560	19,560	19,560	19,560	19,560	19,560
Capacity	320	320	320	320	285	285	285	285	285	285
Enrollment	267	263	267	267	267	267	286	275	312	310
Southern View (1932)										
Square Feet	24,972	24,972	24,972	24,972	24,972	24,972	24,972	24,972	24,972	24,972
Capacity	226	226	226	226	226	226	226	226	226	226
Enrollment	183	166	220	220	220	220	200	190	222	222
Wanless (1913)										
Square Feet	28,130	28,130	28,130	28,130	28,130	28,130	28,130	28,130	28,130	28,130
Capacity	285	285	285	285	285	285	285	285	285	285
Enrollment	0	0	0	0	0	0	0	0	0	0
Wilcox (1966)										
Square Feet	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550	29,550
Capacity	366	366	366	366	366	366	366	366	366	366
Enrollment	262	252	234	234	234	234	257	288	279	300

(Continued)

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

SCHOOL BUILDING INFORMATION (Continued)  
LAST TEN FISCAL YEARS

<b>School</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
<b>Middle</b>										
Douglas (1916)										
Square Feet	26,256	26,256	26,256	26,256	26,256	26,256	26,256	26,256	26,256	26,256
Capacity	270	270	270	270	270	270	270	270	270	270
Enrollment	47	75	70	77	16	16	20	44	35	27
Franklin (1959)										
Square Feet	93,960	93,960	93,960	93,960	85,906	85,906	85,906	85,906	85,906	85,906
Capacity	820	820	820	820	720	720	720	720	720	720
Enrollment	701	697	797	797	797	797	804	788	812	779
Grant (1960)										
Square Feet	91,856	91,856	91,856	91,856	84,000	84,000	84,000	84,000	84,000	84,000
Capacity	800	800	800	800	720	720	720	720	720	720
Enrollment	458	463	489	514	525	544	574	572	576	583
Jefferson (1957)										
Square Feet	83,223	83,223	83,223	77,960	77,960	77,960	77,960	77,960	77,960	77,960
Capacity	720	720	720	720	720	720	720	720	720	720
Enrollment	510	506	470	501	563	573	540	563	604	558
Lincoln (1913)										
Square Feet	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100	57,100
Capacity	326	326	326	326	326	326	326	326	326	326
Enrollment	303	299	304	304	304	304	308	314	312	311
Washington (1957)										
Square Feet	92,541	92,541	92,541	92,541	77,960	77,960	77,960	77,960	77,960	77,960
Capacity	720	720	720	720	720	720	720	720	720	720
Enrollment	463	488	518	503	572	572	641	649	679	698
<b>High</b>										
Lanphier (1937)										
Square Feet	253,035	253,035	265,685	265,685	265,685	265,685	265,685	265,685	265,685	265,685
Capacity	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214	2,214
Enrollment	988	1,105	1,105	1,105	1,105	1,105	1,139	1,204	1,258	1,249
Southeast (1966)										
Square Feet	229,950	229,950	229,950	229,950	229,950	229,950	229,950	229,950	229,950	229,950
Capacity	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620	1,620
Enrollment	1,153	1,184	1,184	1,184	1,184	1,184	1,200	1,217	1,183	1,225
Springfield (1917)										
Square Feet	243,800	243,800	243,800	243,800	243,800	243,800	243,800	243,800	243,800	243,800
Capacity	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647	1,647
Enrollment	1,217	1,423	1,423	1,423	1,423	1,423	1,452	1,409	1,497	1,450
<b>Alternative Programs</b>										
Multiple Locations	102	202	202	202	202	202	171	250	175	247

(Continued)

**SPRINGFIELD PUBLIC SCHOOL DISTRICT 186**

SCHOOL BUILDING INFORMATION (Continued)

<b>School</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Other										
Administration (1960)										
Square feet	13,358	13,358	13,358	13,358	13,358	13,358	13,358	13,358	13,358	13,358
Auxiliary (1987)										
Square feet	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805	9,805
IRC (1956)										
Square feet	15,701	15,701	15,701	15,701	15,701	15,701	15,701	15,701	15,701	15,701
Lawrence (1904)										
Square feet	-	-	-	-	-	-	-	-	-	-
Service Center (1967)										
Square feet	28,600	28,600	28,600	28,600	28,600	28,600	28,600	28,600	28,600	28,600
District Office / Fiat (2023)										
Square feet	28,400	28,400	28,400	-	-	-	-	-	-	-

**Form of Continuing Disclosure Undertaking**

**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 Springfield School District No. 186, Sangamon County, Illinois (the “*District*”) in connection with the issuance of the District’s \$\_\_\_\_\_ Taxable General Obligation Limited Tax Refunding School Bonds, Series 2026A, the \$\_\_\_\_\_ General Obligation Limited Tax School Bonds, Series 2026B, the \$\_\_\_\_\_ General Obligation School Bonds, Series 2026C, the \$\_\_\_\_\_ General Obligation School Bonds (Alternate Revenue Source), Series 2026D and the \$\_\_\_\_\_ Taxable General Obligation Unlimited Tax Refunding School Bonds, Series 2026E (collectively, the “*Bonds*”). The Bonds are being issued pursuant to resolutions adopted by the Board of Education of the District on March 24, 2026, and related bond notifications of the District (collectively, 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 the Official Statement:

- THE LIMITED BONDS – Available Base calculation table only
- THE 2026D BONDS –
  - Alternate Revenue Bonds (Debt Service Coverage)
- THE DISTRICT –
  - Enrollments
- FINANCIAL INFORMATION -
  - Trend of EAV
  - Tax Rates
  - Tax Extensions and Collections
  - Summary of Outstanding Bonded Debt
  - Debt Statement (with respect to the District’s debt only)
  - Debt Ratios (with respect to the District’s debt only)
  - Short-Term Financing Record
- SUMMARY OF OPERATING RESULTS –
  - General Fund Revenue Sources
  - Summary of Operating Funds and Debt Service Fund
  - Budget Summary
- SCHOOL DISTRICT FINANCIAL PROFILE –table 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* of the District means a (a) debt obligation; (b) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation; or (c) guarantee of a debt obligation or any such derivative instrument; provided that "financial obligation" shall not include municipal securities as to which a final official statement (as defined in the Rule) has been provided to the MSRB consistent with the Rule.

*MSRB* means the Municipal Securities Rulemaking Board.

*Official Statement* means the Official Statement, dated \_\_\_\_\_, 2026, and relating to the 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 original 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 municipal 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. ANNUAL FINANCIAL INFORMATION DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate its Annual Financial Information and its Audited Financial Statements (in the form and by the dates set forth in *Exhibit I*) to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information and by such time so that such entities receive the information by the dates specified. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports.

If any part of the Annual Financial Information can no longer be generated because the operations to which it is related have been materially changed or discontinued, the District will disseminate a statement to such effect as part of its Annual Financial Information for the year in which such event first occurs.

If any amendment or waiver is made to this Agreement, the Annual Financial Information for the year in which such amendment or waiver is made (or in any notice or supplement provided to EMMA) shall contain a narrative description of the reasons for such amendment or waiver and its impact on the type of information being provided.

5. REPORTABLE EVENTS DISCLOSURE. Subject to Section 8 of this Agreement, the District hereby covenants that it will disseminate in a timely manner (not in excess of ten business days after the occurrence of the Reportable Event) Reportable Events Disclosure to EMMA in such manner and format and accompanied by identifying information as is prescribed by the MSRB or the Commission at the time of delivery of such information. References to "material" in *Exhibit II* refer to materiality as it is interpreted under the Exchange Act. MSRB Rule G-32 requires all EMMA filings to be in word-searchable PDF format. This requirement extends to all documents to be filed with EMMA, including financial statements and other externally prepared reports. Notwithstanding the foregoing, notice of optional or unscheduled redemption of any Bonds or 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.

SPRINGFIELD SCHOOL DISTRICT NO. 186,  
SANGAMON 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<sup>1</sup>
13. The consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of the assets of the District, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material
14. Appointment of a successor or additional trustee or the change of name of a trustee, if material
15. Incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material
16. Default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties

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<sup>1</sup> 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**

<b><u>Year of</u></b>	<b><u>CUSIP</u></b>
<b><u>Maturity</u></b>	<b><u>(800766)</u></b>

**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.

BAM may appoint a fiscal agent (the “Insurer’s Fiscal Agent”) for purposes of this Policy by giving written notice to the Trustee, the Paying Agent, the Member and the Issuer specifying the name and notice address of the Insurer’s Fiscal Agent. From and after the date of receipt of such notice by the Trustee, the Paying Agent, the Member or the Issuer (a) copies of all notices required to be delivered to BAM pursuant to this Policy shall be simultaneously delivered to the Insurer’s Fiscal Agent and to BAM and shall not be deemed received until received by both and (b) all payments required to be made by BAM under this Policy may be made directly by BAM or by the Insurer’s Fiscal Agent on behalf of BAM. The Insurer’s Fiscal Agent is the agent of BAM only, and the Insurer’s Fiscal Agent shall in no event be liable to the Trustee, Paying Agent or any Owner for any act of the Insurer’s Fiscal Agent or any failure of BAM to deposit or cause to be deposited sufficient funds to make payments due under this Policy.

To the fullest extent permitted by applicable law, BAM agrees not to assert, and hereby waives, only for the benefit of each Owner, all rights (whether by counterclaim, setoff or otherwise) and defenses (including, without limitation, the defense of fraud), whether acquired by subrogation, assignment or otherwise, to the extent that such rights and defenses may be available to BAM to avoid payment of its obligations under this Policy in accordance with the express provisions of this Policy. This Policy may not be canceled or revoked.

This Policy sets forth in full the undertaking of BAM and shall not be modified, altered or affected by any other agreement or instrument, including any modification or amendment thereto. Except to the extent expressly modified by an endorsement hereto, any premium paid in respect of this Policy is nonrefundable for any reason whatsoever, including payment, or provision being made for payment, of the Bonds prior to maturity. THIS POLICY IS NOT COVERED BY THE PROPERTY/CASUALTY INSURANCE SECURITY FUND SPECIFIED IN ARTICLE 76 OF THE NEW YORK INSURANCE LAW. THIS POLICY IS ISSUED WITHOUT CONTINGENT MUTUAL LIABILITY FOR ASSESSMENT.

In witness whereof, BUILD AMERICA MUTUAL ASSURANCE COMPANY has caused this Policy to be executed on its behalf by its Authorized Officer.

BUILD AMERICA MUTUAL ASSURANCE COMPANY

By: \_\_\_\_\_  
Authorized Officer

SPECIMEN

**Notices (Unless Otherwise Specified by BAM)**

Email:

[claims@buildamerica.com](mailto:claims@buildamerica.com)

Address:

28 Liberty Street, 59<sup>th</sup> Floor  
New York, New York 10005

Telecopy:

212-962-1524 (attention: Claims)

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